

**DETERMINANTS OF CUSTOMER LOYALTY
TOWARDS ZHANG YIYUAN TEA**

HAORAN ZHAO



**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION IN INDUSTRIAL BUSINESS ADMINISTRATION
KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG
BUSINESS SCHOOL**

KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG

2023

KMITL-2023-KBS-M-097-003

This material is reserved for educational use only, not allowed for commercial use.

Forbidden to modify the content, and cite the document when use.



COPYRIGHT 2023

KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG BUSINESS SCHOOL

KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG

This material is reserved for educational use only, not allowed for commercial use.

Forbidden to modify the content, and cite the document when use.

Title	Determinants of Customer Loyalty Towards Zhang Yiyuan Tea
Student	Haoran Zhao
Student ID	64610076
Degree	Master of Business Administration
Program	Industrial Business Administration (International Program)
Year	2023
Thesis Advisor	Assoc. Prof. Dr. Nuttawut Rojniruttikul

ABSTRACT

This research aims to study the determinants of customer loyalty towards Zhang Yiyuan Tea, a distinguished premium tea brand. The research methodology involves the examination of data gathered from 385 respondents through the utilization of a structured questionnaire, serving as the primary research instrument. The study rigorously investigates the influence of key factors, specifically product quality, packaging, value-based pricing, purchasing channels, and brand reputation, on customer loyalty. To comprehensively assess these relationships, this study employs regression analysis as the principal method for hypothesis testing.

The findings manifest the substantial impact of product quality, packaging, value-based pricing, purchasing channels, and brand reputation on customer loyalty. The statistical analysis demonstrates that each of these variables significantly and positively influences customer loyalty. With a high R-squared value of 0.905, the model explains approximately 90.5% of the variation in customer loyalty.

ACKNOWLEDGEMENT

I would like to express my sincere gratitude to my advisor, Assoc. Prof. Dr. Nuttawut Rojniruttikul, for their invaluable guidance and support throughout the entire research process. His expertise, insightful feedback, and unwavering assistance have been instrumental in shaping this study. I extend my heartfelt appreciation to them for their dedication and commitment to my academic growth.

I would also like to extend my deepest gratitude to my parents for their unwavering encouragement and selfless support. Their constant belief in me and their unconditional love have been the driving force behind my achievements. Their unwavering support has given me the strength and motivation to pursue my dreams and overcome challenges. Their support has been truly invaluable, and I am immensely thankful for their presence in my life.

Lastly, I would like to express my gratitude to my friends who have offered their support, encouragement, and understanding throughout this study. Their presence and belief in my abilities have been a constant source of motivation and inspiration.

Haoran Zhao

TABLE OF CONTENTS

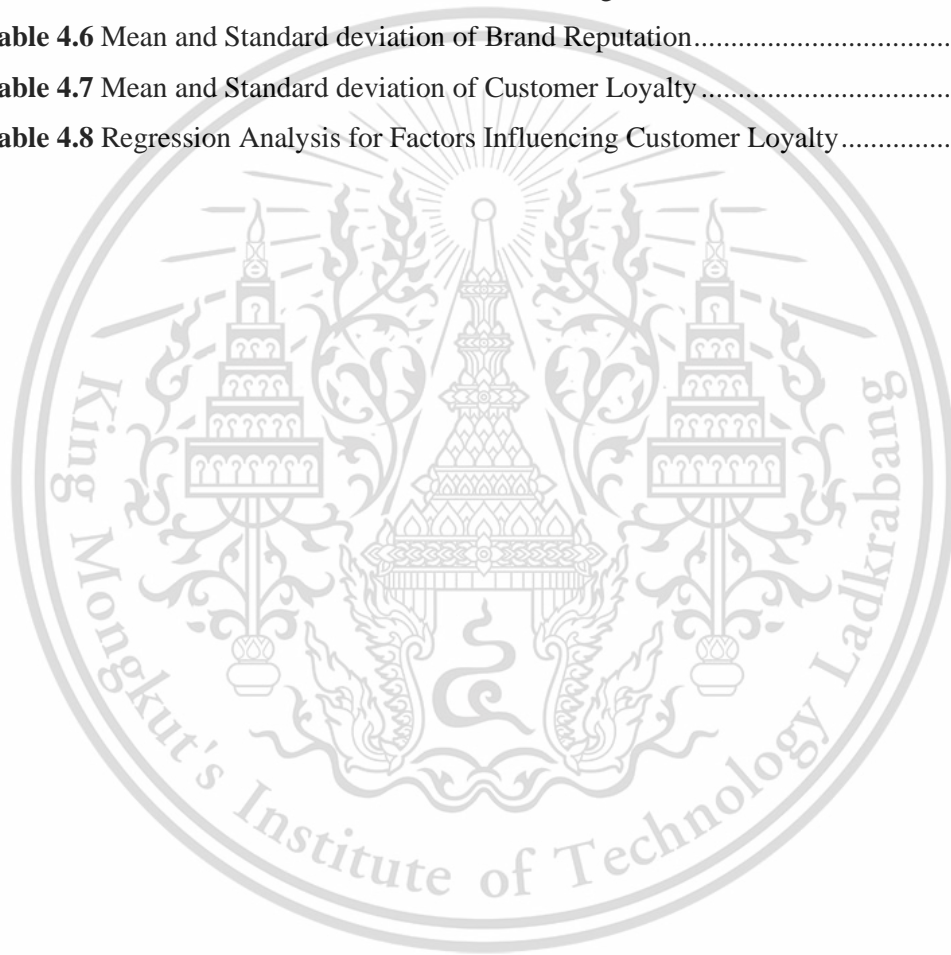
Chapter	Page
ABSTRACT	I
ACKNOWLEDGEMENT.....	II
TABLE OF CONTENTS	III
LIST OF TABLES	V
LIST OF FIGURES	VI
CHAPTER 1 INTRODUCTION	1
1.1 Research Background.....	1
1.2 Research Objectives.....	2
1.3 Research Hypothesis	2
1.4 Conceptual Framework	2
1.5 Scope of the study.....	4
1.6 Significance.....	4
1.7 Definition of Terms.....	5
CHAPTER 2 LITERATURE REVIEW	7
2.1 Overview of Zhang Yiyuan Tea	7
2.2. Concept and Theories of Customer Loyalty	8
2.3 Concept and Theories of Influential Factors.....	9
2.4 Related Research	15
CHAPTER 3 METHODOLOGY.....	17
3.1 Population and Sample	17
3.2 Research Instrument.....	18
3.3 Data Collection	19
3.4 Data Analysis	19
3.5 Ethical Considerations.....	20
CHAPTER 4 ANALYTICAL RESULTS.....	22
4.1 Demographic Profile	22

TABLE OF CONTENTS (Continue)

Chapter	Page
4.2 Level of Factors Influencing Customer Loyalty towards Zhang YiYuan Tea	24
4.3 Level of Customer Loyalty	29
4.4 Hypothesis Testing.....	30
CHAPTER 5 CONCLUSIONS AND DISCUSSION	32
5.1 Conclusion	32
5.2 Discussion.....	36
5.3 Implications.....	41
5.4 Recommendations.....	41
5.5 Future Research.....	42
REFERENCES	43
APPENDIX	46
APPENDIX A QUESTIONNAIRE	47
AUTHOR BIOGRAPHY.....	53

LIST OF TABLES

Table	Page
Table 4.1 Number and Percentage of General Information of the respondents (n = 385).....	22
Table 4.2 Mean and Standard deviation of Product Quality.....	24
Table 4.3 Mean and Standard deviation of Packaging	25
Table 4.4 Mean and Standard deviation of Value-based Pricing	26
Table 4.5 Mean and Standard deviation of Purchasing Channel.....	27
Table 4.6 Mean and Standard deviation of Brand Reputation.....	28
Table 4.7 Mean and Standard deviation of Customer Loyalty	29
Table 4.8 Regression Analysis for Factors Influencing Customer Loyalty.....	30



LIST OF FIGURES

Figure	Page
Figure 1.1 Conceptual Framework.....	3



CHAPTER 1

INTRODUCTION

1.1 Research Background

Customer loyalty is a crucial factor for businesses striving to establish a strong market position and achieve long-term success. In the competitive tea industry, where numerous brands vie for consumer attention, understanding the factors that influence customer loyalty becomes paramount. This research aims to investigate the influential factors on customer loyalty towards Zhang Yiyuan Tea, a renowned tea company known for its commitment to quality and rich heritage.

Zhang Yiyuan Tea, founded on the principles of integrity and excellence, has upheld its motto of "Golden Quality, Century Commitment" while striving to become the leading tea brand in China and promote the culture of Chinese tea. Since its establishment in 1994, the company has built a strong reputation for its Jasmine Tea, which is crafted using premium ingredients and unique processing techniques. The exquisite blend of "clear broth, rich flavor, aromatic aroma, and lingering aftertaste" has garnered recognition and admiration from tea enthusiasts worldwide, firmly establishing Zhang Yiyuan Tea as a prominent player in the industry.

In this study, a quantitative approach was employed to investigate the influential factors that contribute to customer loyalty towards Zhang Yiyuan Tea. Surveys were utilized as the primary data collection method to gather insights from a representative sample of Zhang Yiyuan Tea customers. The collected data was then analyzed using statistical techniques to assess the relationships between the identified independent variables and the dependent variable of customer loyalty.

The research focused on five key independent variables: product quality, packaging, value-based pricing, purchasing channel (both online and onsite), and brand reputation. These variables were selected based on their relevance to the tea industry and their potential impact on customer loyalty. By examining these factors, the study aimed to provide valuable insights into the key drivers of customer loyalty towards Zhang Yiyuan Tea.

Furthermore, this research took into consideration recent trends and developments in the tea market, as well as evolving customer preferences and behaviors. With the rise of e-commerce and the increasing emphasis on sustainability and value-based consumption, understanding the dynamics of customer loyalty became even more crucial for businesses like Zhang Yiyuan Tea.

The findings of this study contributed to the body of knowledge on customer loyalty in the tea industry and provided actionable insights for Zhang Yiyuan Tea to enhance its strategies in

cultivating and maintaining customer loyalty. The company could utilize these findings to tailor its product offerings, packaging designs, pricing strategies, and customer engagement approaches to better meet the evolving needs and expectations of its customers.

In overall, this research endeavored to shed light on the influential factors that drive customer loyalty towards Zhang Yiyuan Tea, offering valuable insights for both academic researchers and industry practitioners in the tea sector.

1.2 Research Objectives

1. To assess the level of customer loyalty towards Zhang Yiyuan Tea.
2. To identify and analyze the key factors influencing customer loyalty towards Zhang Yiyuan Tea.

1.3 Research Hypothesis

Hypothesis 1: There is a significant positive relationship between product quality and customer loyalty towards Zhang Yiyuan Tea.

Hypothesis 2: There is a significant positive relationship between packaging and customer loyalty towards Zhang Yiyuan Tea.

Hypothesis 3: There is a significant positive relationship between value-based pricing and customer loyalty towards Zhang Yiyuan Tea.

Hypothesis 4: There is a significant positive relationship between purchasing channel and customer loyalty towards Zhang Yiyuan Tea.

Hypothesis 5: There is a significant positive relationship between brand reputation and customer loyalty towards Zhang Yiyuan Tea.

1.4 Conceptual Framework

The conceptual framework section provides a visual representation of the relationships between the independent variables and the dependent variable in the study. It serves as a theoretical roadmap that guides the research and helps to establish a clear understanding of how different factors may influence customer loyalty towards Zhang Yiyuan Tea.

In this study, the conceptual framework depicts the independent variables, namely product quality, packaging, value-based pricing, purchasing channels, and brand reputation, and their hypothesized impact on customer loyalty. These variables are based on existing literature and theoretical underpinnings related to customer loyalty and the tea industry.

The framework suggests that product quality, encompassing aspects such as taste, aroma, freshness, and consistency, influences customer loyalty positively. It is expected that customers who perceive Zhang Yiyuan Tea products as high-quality and consistently satisfying are more loyal to the brand.

The packaging of Zhang Yiyuan Tea products is another factor considered in the conceptual framework. Well-designed and attractive packaging is believed to positively impact customer perceptions, creating a sense of value and enhancing the overall tea-drinking experience. It is hypothesized that customers who perceive the packaging of Zhang Yiyuan Tea as appealing and of high quality demonstrate higher levels of loyalty.

Value-based pricing is included as an independent variable in the conceptual framework. It is posited that customers who perceive Zhang Yiyuan Tea to offer fair pricing, transparency, and good value for their money are more likely to develop loyalty towards the brand.

Purchasing channels, both online and offline, are also considered in the framework. It is anticipated that customers who have positive experiences and find convenience, reliability, and seamless interactions across different purchasing channels exhibit higher levels of loyalty towards Zhang Yiyuan Tea.

Lastly, brand reputation is depicted as an influential factor in the conceptual framework. Positive brand reputation, characterized by qualities such as quality, authenticity, and customer-centric values, is expected to foster customer trust, credibility, and loyalty.

The conceptual framework provides a comprehensive view of the variables that are believed to impact customer loyalty towards Zhang Yiyuan Tea. It serves as a foundation for the research, guiding the formulation of hypotheses and informing the data collection and analysis process as shown in Figure 1.1

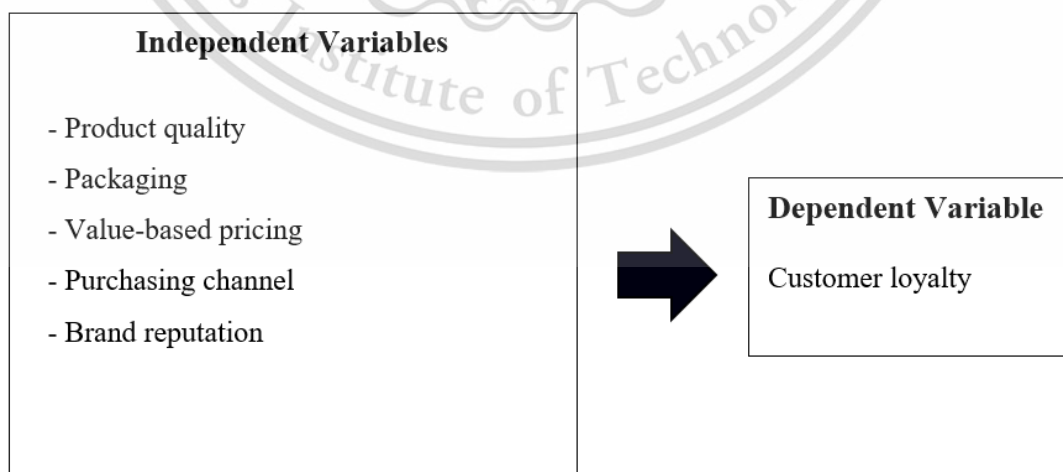


Figure 1.1 Conceptual Framework

1.5 Scope of the study

1.5.1 Population and Sample

This study aimed to gather data from customers of Zhang Yiyuan Tea, including both offline customers who purchased from physical stores and supermarkets, as well as online customers who made their purchases through e-commerce platforms. The target population included tea enthusiasts, regular tea consumers, and individuals who showed an interest in Zhang Yiyuan Tea's products. The sample was selected based on a convenience sampling approach, ensuring representation from both offline and online customer segments.

1.5.2 Variables

The research focuses on examining the influential factors on customer loyalty towards Zhang Yiyuan Tea. The independent variables of interest include product quality, packaging, value-based pricing, purchasing channels, and brand reputation. These variables have been selected based on their significance in relation to customer loyalty and their relevance to Zhang Yiyuan Tea's business operations. The study measures customer loyalty as the dependent variable.

1.5.3 Area of Study

This study exclusively focuses on Zhang Yiyuan Tea as the subject of investigation. The research was conducted within the geographical location and cultural context in which Zhang Yiyuan Tea operates.

1.5.4 Timeframe

The study was conducted in July 2023.

1.6 Significance

The significance of this study on customer loyalty towards Zhang Yiyuan Tea lies in its potential contributions to both academia and the tea industry. By investigating the influential factors on customer loyalty, the study aims to provide valuable insights and benefits in the following ways:

Academic Contribution:

This research adds to the existing body of knowledge on customer loyalty by examining the specific factors that drive loyalty in the tea industry, specifically focusing on Zhang Yiyuan Tea.

The findings can contribute to theories and models related to customer loyalty, providing empirical evidence and insights for future research in the field of consumer behavior, marketing,

and related disciplines. The study may serve as a reference for researchers interested in exploring customer loyalty in the context of the tea industry or other similar sectors.

Practical Implications for Zhang Yiyuan Tea:

The findings of this study can offer valuable insights to Zhang Yiyuan Tea, enabling the company to enhance its strategies and practices in cultivating and maintaining customer loyalty. By understanding the influential factors, Zhang Yiyuan Tea can make informed decisions regarding product development, packaging design, pricing strategies, and customer engagement approaches. The study can help Zhang Yiyuan Tea align its efforts with customer expectations and preferences, leading to improved customer satisfaction, brand loyalty, and ultimately, business growth.

Industry Relevance:

The research findings can benefit the tea industry as a whole by shedding light on the factors that contribute to customer loyalty. Other tea companies and industry stakeholders can learn from the insights gained through this study and apply them to their own business practices, fostering customer loyalty and strengthening their market position. The study may also help to promote a culture of customer-centricity in the tea industry, encouraging businesses to prioritize factors such as product quality, packaging, pricing, purchasing channels, and brand reputation.

In conclusion, this research holds significance by advancing academic knowledge on customer loyalty, providing practical insights for Zhang Yiyuan Tea, and offering valuable implications for the wider tea industry. The findings have the potential to inform decision-making, enhance customer satisfaction, and contribute to the overall growth and success of Zhang Yiyuan Tea and similar businesses in the tea sector.

1.7 Definition of Terms

Product Quality: Refers to the overall characteristics, attributes, and features of Zhang Yiyuan Tea products, including taste, aroma, freshness, consistency, and perceived value. It encompasses the sensory experience and the level of satisfaction customers derive from consuming the teas.

Packaging: Refers to the physical presentation and design of Zhang Yiyuan Tea's packaging, including visual elements, materials used, branding, and information provided. It includes factors such as attractiveness, functionality, eco-friendliness, and the ability to communicate the brand's image and values.

Value-Based Pricing: Refers to Zhang Yiyuan Tea's pricing strategy that emphasizes the perceived value customers associate with the teas. It involves setting prices based on the benefits,

quality, and unique features of the products, aiming to align the price with the value customers perceive, rather than simply considering production costs or market competition.

Purchasing Channel: Refers to the different channels through which customers can purchase Zhang Yiyuan Tea products. This includes both online channels, such as the company's official website or third-party e-commerce platforms, and onsite channels, such as physical stores or authorized resellers. It encompasses factors related to convenience, accessibility, product availability, and the overall shopping experience in each channel.

Brand Reputation: Refers to the perception and reputation of Zhang Yiyuan Tea as a brand in the market. It includes elements such as the brand's authenticity, trustworthiness, credibility, associations with traditional Chinese tea culture, and customer perceptions of the company's history, values, and commitment to quality. It reflects the overall image and standing of the brand in the eyes of customers.

Customer Loyalty: Refers to the degree of commitment, attachment, and repeat patronage exhibited by customers towards Zhang Yiyuan Tea. It represents the extent to which customers demonstrate favorable attitudes, behaviors, and preferences towards the brand and its products over time. Customer loyalty is typically measured through indicators such as repurchase intentions, recommendation behavior, overall satisfaction levels, and resistance to switching to competitors. It reflects the strong emotional connection, trust, and loyalty that customers have towards Zhang Yiyuan Tea, leading to sustained engagement and long-term relationships with the brand.

CHAPTER 2

LITERATURE REVIEW

2.1 Overview of Zhang Yiyuan Tea

Zhang Yiyuan Tea, an established tea brand, has gained recognition in the tea industry due to its steadfast commitment to quality and adherence to traditional values. Since its establishment in 1994, Zhang Yiyuan Tea Company has cultivated a strong reputation founded on integrity, exceptional tea quality, and a century-long commitment to customers. With a vision to become a leading brand in the Chinese tea market while preserving and promoting the heritage of tea consumption, the company has garnered attention from tea enthusiasts worldwide.

Zhang Yiyuan Tea offers a diverse range of tea products, with its Jasmine Tea being particularly notable. Through meticulous attention to detail, the company employs premium-grade raw materials and a unique processing technique to craft this variety. The result is a tea characterized by a clear infusion, robust flavor, captivating aroma, and a lingering aftertaste that has garnered widespread acclaim. These qualities have contributed to the brand's popularity and appeal to tea connoisseurs both domestically and internationally.

Originating from Fujian, China, Zhang Yiyuan Tea has expanded its operations and established a strong presence in various regions. In addition to physical stores and authorized resellers, the company has capitalized on the growing trend of e-commerce, making its tea products readily available for purchase through online platforms. This strategic move has facilitated convenience for customers and broadened the company's reach to a wider audience.

Customer satisfaction is paramount to Zhang Yiyuan Tea, extending beyond the product itself. The company prides itself on delivering exceptional customer service, aiming to create a personalized and supportive experience for customers throughout their tea journey. Through personalized interactions, timely responses to inquiries, and a commitment to addressing customer needs and preferences, Zhang Yiyuan Tea maintains a customer-centric approach.

The brand's dedication to preserving and promoting traditional tea culture, combined with its pursuit of product excellence, customer-centric strategies, and expansion into online channels, has propelled its success and solidified its reputation as a leading tea brand. However, it is essential to investigate the influential factors shaping customer loyalty to further enhance Zhang Yiyuan Tea's market position. Therefore, this study aims to examine the factors that influence customer loyalty towards Zhang Yiyuan Tea, focusing on variables such as product quality, packaging, value-based pricing, purchasing channels, and brand reputation. By understanding these factors,

the company can devise effective strategies to nurture and strengthen customer loyalty, ensuring continued growth and success in the highly competitive tea market.

2.2 Concept and Theories of Customer Loyalty

Customer loyalty is a pivotal aspect of business success in today's highly competitive markets. It entails the consistent preference and repeated patronage of customers towards a specific brand or company. Establishing and maintaining customer loyalty is essential for organizations as it leads to increased customer satisfaction, repeat purchases, positive word-of-mouth, and long-term profitability. This section provides an overview of the concept and relevant theories surrounding customer loyalty, offering a theoretical foundation for understanding its significance in the context of Zhang Yiyuan Tea.

One prominent theoretical framework that explains the formation of customer loyalty is the Expectancy-Disconfirmation Model (EDM). According to the EDM, customer loyalty is influenced by the extent to which a brand's performance either exceeds or falls short of customer expectations. When a brand surpasses customer expectations, positive disconfirmation occurs, enhancing customer loyalty and satisfaction.

Another influential theory is the Social Exchange Theory (SET), which posits that customer loyalty is driven by the perceived value and benefits gained from the brand-customer relationship. Customers develop loyalty when they perceive that the brand provides superior value, personalized experiences, and rewards in exchange for their continued support and engagement.

The Relationship Marketing Theory (RMT) emphasizes the significance of cultivating strong, long-term relationships with customers. It suggests that customer loyalty stems from the establishment of trust, commitment, and mutual satisfaction between the brand and its customers. By engaging in relationship-building activities, such as personalized communication, customized offerings, and effective customer service, brands can foster loyalty and enhance customer retention.

Recent research in the field of customer loyalty has explored additional factors that influence customer loyalty, such as the role of technology and digital engagement. With the rise of e-commerce and online platforms, customers now have multiple channels through which they interact with brands. Studies have shown that factors like website usability, online customer experience, and the convenience of digital platforms can significantly impact customer loyalty in the online domain.

Moreover, recent studies have also highlighted the importance of sustainability and corporate social responsibility (CSR) practices in shaping customer loyalty. Customers are

increasingly inclined to support brands that demonstrate environmental responsibility and ethical business practices, which can positively influence their loyalty and perception of the brand.

In the context of Zhang Yiyuan Tea, understanding the concept and theories of customer loyalty is crucial. By considering these theories and incorporating recent findings, this study aims to identify and assess the influential factors that drive customer loyalty towards Zhang Yiyuan Tea. By aligning the company's practices and strategies with the evolving expectations of customers, Zhang Yiyuan Tea can strengthen customer loyalty, build enduring relationships, and secure a competitive advantage in the tea industry.

2.3 Concept and Theories of Influential Factors

Understanding the factors that influence customer loyalty is essential for businesses seeking to enhance customer satisfaction and retention. This section provides an overview of the concept and relevant theories related to the influential factors that affect customer loyalty. By examining these factors, we can gain insights into the dynamics of customer loyalty and their implications for Zhang Yiyuan Tea.

2.3.1 Product Quality

Product quality is a critical factor that significantly influences customer loyalty. Numerous studies have demonstrated the positive relationship between product quality and customer loyalty (Cronin et al., 2000; Zeithaml et al., 1996; Caruana, 2002). Customers are more likely to exhibit loyalty to brands that consistently deliver high-quality products that meet or exceed their expectations (Garvin, 1984). Product quality encompasses various aspects such as taste, aroma, freshness, and consistency, which contribute to customer satisfaction and loyalty.

Customers are naturally drawn to products that meet or exceed their expectations (Cronin et al., 2000). When a brand consistently delivers high-quality products, customers perceive them as reliable, trustworthy, and value-driven. Such positive experiences create a sense of satisfaction and trust, leading to increased customer loyalty.

The concept of product quality encompasses various dimensions that contribute to customer satisfaction and loyalty. One important aspect is the sensory experience of the product (Cronin et al., 2000). This includes factors such as taste, aroma, appearance, texture, and overall sensory appeal. For example, in the case of Zhang Yiyuan Tea, customers value the smoothness of the tea, the aroma of the leaves, and the overall sensory experience during consumption. Consistently delivering a superior sensory experience contributes to customer satisfaction and strengthens their loyalty towards the brand.

Reliability is another key dimension of product quality (Zeithaml et al., 1996). Customers value products that consistently perform as expected and fulfill their intended purpose. When customers rely on a brand to deliver a product that meets their needs consistently, they develop a sense of confidence and trust in the brand. For Zhang Yiyuan Tea, customers expect consistent quality in terms of the freshness, flavor, and overall tea-drinking experience. Meeting these expectations reinforces customer loyalty and encourages repeat purchases.

Furthermore, product consistency plays a crucial role in maintaining customer loyalty (Garvin, 1984). Customers expect a consistent level of quality across different batches or variations of the product. In the case of Zhang Yiyuan Tea, customers anticipate that the taste, aroma, and overall quality of the tea remain consistent across different packaging or varieties. Inconsistencies or fluctuations in quality can lead to customer dissatisfaction and erode loyalty. Therefore, ensuring consistency in product quality is vital for fostering long-term customer loyalty.

It is worth noting that the perception of product quality can be subjective and can vary among individuals (Gundersen et al., 1996). Different customers may have varying expectations and preferences regarding what constitutes high-quality tea. Therefore, it is crucial for Zhang Yiyuan Tea to understand its target customers, their preferences, and the market's quality standards to align its product offerings accordingly.

By focusing on maintaining and continuously improving product quality, Zhang Yiyuan Tea can enhance customer satisfaction and loyalty. This can be achieved through rigorous quality control processes, sourcing high-quality tea leaves, and incorporating customer feedback into product development. When customers consistently receive a superior tea-drinking experience that meets their expectations, they are more likely to develop a strong affinity for Zhang Yiyuan Tea and remain loyal to the brand over time.

2.3.2 Packaging

Packaging is another influential factor that significantly impacts customer loyalty. The role of packaging extends beyond its functional purpose of protecting and containing the product. Well-designed and attractive packaging can have a profound impact on customers' perceptions and experiences with a product (Bloch et al., 2003; Underwood et al., 2003).

Packaging serves as a visual and tactile cue that communicates information about the product and brand to customers. The design elements, colors, materials, and overall aesthetic appeal of the packaging contribute to customers' initial impressions and expectations of the product (Bloch et al., 2003). An appealing and eye-catching package can create a positive first impression, capturing customers' attention and piquing their interest in the product.

Moreover, packaging plays a vital role in creating a sense of value for the product (Underwood et al., 2003). Customers often associate high-quality packaging with high-quality products. A well-designed package can convey a sense of luxury, prestige, or craftsmanship, suggesting to customers that the product inside is of superior quality. This perception of value can influence customers' willingness to pay a premium price and their loyalty towards the brand.

In addition to aesthetics and perceived value, packaging also influences customers' emotional responses and engagement with the product (Bloch et al., 2003). Creative and innovative packaging designs can evoke positive emotions, such as excitement, joy, or curiosity, which can enhance the overall product experience. When customers feel a positive emotional connection with the packaging and the brand, they are more likely to develop a strong affinity and loyalty towards the product.

Packaging also serves as a communication tool, providing information about the product's features, benefits, and usage instructions (Underwood et al., 2003). Clear and informative packaging helps customers make informed purchasing decisions, understand the product's value proposition, and align their expectations with the actual product experience. This transparent communication builds trust and credibility, which are essential for fostering customer loyalty.

For Zhang Yiyuan Tea, the packaging plays a crucial role in presenting the tea products in an appealing and informative manner. The design, color schemes, and materials used in the packaging should align with the brand's image and evoke a sense of quality, authenticity, and cultural significance. Furthermore, incorporating eco-friendly and sustainable packaging practices can resonate with customers who prioritize environmental responsibility.

By investing in thoughtful and attractive packaging, Zhang Yiyuan Tea can enhance the overall product experience, create a positive brand image, and differentiate itself from competitors. A visually appealing package that conveys value, engages customers emotionally, and effectively communicates product information can positively influence customer perceptions, purchase intentions, and ultimately foster long-term loyalty towards the brand.

2.3.3 Value-based Pricing

Value-based pricing is a pricing strategy that takes into account the perceived value of a product or service to customers (Nagle & Müller, 2017). It goes beyond simply considering production costs and market competition and instead focuses on the value that customers derive from the offering. This approach recognizes that customers are willing to pay a higher price for products or services that they perceive as providing greater value.

Price is an essential factor influencing customer loyalty, as it directly affects customers' perceived value and satisfaction (Monroe, 1990). Value-based pricing aims to strike a balance

between the price charged and the benefits received, ensuring that customers feel they are getting a fair deal. When customers perceive that they are receiving a good value proposition, they are more likely to develop a sense of loyalty towards the brand and continue their patronage.

A key element of value-based pricing is price fairness (Zeelenberg et al., 1998). Customers expect prices to be reasonable and equitable in relation to the product's features, quality, and overall value. If customers perceive that the price is too high in relation to what they receive, it may lead to dissatisfaction and a negative impact on their loyalty. On the other hand, if customers feel that the price is fair and justified by the perceived value they receive, it enhances their satisfaction and loyalty.

Transparency in pricing also plays a crucial role in influencing customer loyalty. When prices are clear, transparent, and easily understandable, customers feel a sense of trust and credibility towards the brand (Simonson et al., 1994). Hidden costs, confusing pricing structures, or unexpected charges can erode trust and negatively impact customer loyalty. Therefore, providing transparent pricing information helps customers make informed purchase decisions and reinforces their loyalty to the brand.

Competitive pricing is another aspect of value-based pricing that affects customer loyalty. Customers compare prices across different brands and offerings before making purchasing decisions (Monroe, 1990). If a brand offers competitive prices in relation to its competitors, customers are more likely to perceive the brand as providing better value for their money. This perception of competitiveness can influence customer loyalty, as customers may prefer to stick with a brand that offers a fair price in the market.

For Zhang Yiyuan Tea, value-based pricing is essential in establishing and maintaining customer loyalty. By setting prices that align with the perceived value of their tea products, Zhang Yiyuan Tea can effectively communicate the worth of their offerings to customers. This requires a deep understanding of customer preferences, market dynamics, and the unique value proposition of the brand. By implementing value-based pricing strategies, Zhang Yiyuan Tea can enhance customer satisfaction, foster loyalty, and differentiate itself in the competitive tea market.

2.3.4 Purchasing channels

Purchasing channels refer to the various avenues through which customers can make purchases, including both online and offline channels. The choice of purchasing channel has become increasingly important in influencing customer loyalty, as customers now have more options and convenience in how they access and purchase products.

Convenience is a key factor that drives customer loyalty in purchasing channels. Online channels offer the advantage of convenience, allowing customers to browse, compare, and purchase

products from the comfort of their homes or on-the-go (Verhoef et al., 2015). On the other hand, offline channels provide a tangible and immediate shopping experience, allowing customers to physically interact with the products and receive immediate assistance from sales personnel. Both online and offline channels need to provide a convenient and efficient experience to retain customer loyalty.

Ease of use is another crucial aspect that affects customer loyalty. Online platforms should have user-friendly interfaces, intuitive navigation, and streamlined checkout processes (Verhoef et al., 2015). Customers should be able to easily find the desired products, view detailed product information, and make secure and hassle-free transactions. Similarly, offline channels should provide a pleasant and organized shopping environment, with clearly labeled products and helpful staff to assist customers in their decision-making process.

Reliability and trustworthiness are essential for building customer loyalty in purchasing channels. Online platforms should ensure the security of customer information and transactions, protecting customers' privacy and providing secure payment options (Verhoef et al., 2015). Similarly, offline channels should maintain product availability and accurately fulfill customers' orders. Any disruptions or issues in reliability can lead to customer dissatisfaction and a decline in loyalty.

Customer support and after-sales service are also critical factors influencing customer loyalty in purchasing channels. Both online and offline channels should offer responsive and helpful customer support, addressing customers' inquiries, concerns, or issues in a timely and satisfactory manner (Verhoef et al., 2015). Providing exceptional customer service not only resolves immediate problems but also enhances customers' trust and loyalty towards the brand.

For Zhang Yiyuan Tea, ensuring a seamless and satisfying customer experience across both online and offline channels is vital for building customer loyalty. The online platform should have an intuitive website design, secure online payment options, and efficient delivery services. Offline stores should offer a welcoming and informative environment, with knowledgeable staff to assist customers in their tea selections and provide personalized recommendations.

By focusing on convenience, ease of use, reliability, and customer support in both online and offline channels, Zhang Yiyuan Tea can enhance customer loyalty and satisfaction. Providing a consistent and seamless experience across different purchasing channels not only encourages repeat purchases but also strengthens the brand-customer relationship, leading to long-term loyalty and positive word-of-mouth.

2.3.5 Brand Reputation

Brand reputation significantly influences customer loyalty. A brand's reputation refers to the overall perception and image that customers have of the brand based on its past performance, customer experiences, and associations. It represents the collective beliefs, opinions, and emotions that customers attribute to the brand.

Positive brand reputation plays a vital role in fostering customer loyalty. When a brand has a strong reputation for quality, authenticity, and customer-centric values, it enhances customer trust and credibility (Aaker, 1991). Customers are more likely to develop a sense of confidence and assurance in the brand's ability to deliver on its promises. They perceive the brand as reliable, trustworthy, and consistent, which in turn strengthens their loyalty towards the brand.

A strong brand reputation also creates a positive perception of the brand among customers. Customers associate the brand with positive attributes such as superior quality, exceptional customer service, and ethical business practices (Hoeffler & Keller, 2002). These positive associations contribute to customer satisfaction and reinforce their loyalty. Customers feel proud to be associated with the brand and become advocates, spreading positive word-of-mouth and influencing others to choose the brand.

Brand reputation acts as a signal of product and service quality. When customers have limited information or face uncertainty in their purchase decisions, they often rely on a brand's reputation as a heuristic or shortcut to judge the expected quality of the offering (Keller, 1993). A strong brand reputation helps customers reduce perceived risks and make more confident purchase decisions, leading to increased loyalty.

Moreover, brand reputation extends beyond the product itself and encompasses the entire brand experience. Customers perceive the brand as a holistic entity that encompasses not only the product or service but also the brand's values, heritage, and social responsibility (Hoeffler & Keller, 2002). Brands that align with customers' values and demonstrate a commitment to social causes or environmental sustainability can strengthen customer loyalty. Customers feel a sense of emotional connection and resonance with brands that share their beliefs and contribute to a greater purpose.

For Zhang Yiyuan Tea, building and maintaining a strong brand reputation is essential for cultivating customer loyalty. By consistently delivering high-quality tea products, upholding authenticity, providing exceptional customer service, and demonstrating a commitment to Chinese tea culture, Zhang Yiyuan Tea can establish a positive brand reputation. This reputation not only attract new customers but also foster long-term loyalty among existing customers, who identify with the brand's values and trust in its offerings.

By examining these influential factors and their impact on customer loyalty towards Zhang Yiyuan Tea, this study aims to provide valuable insights for the company to develop effective strategies. By focusing on enhancing product quality, optimizing packaging, implementing value-based pricing, ensuring a seamless purchasing experience across channels, and nurturing a positive brand reputation, Zhang Yiyuan Tea can cultivate and strengthen customer loyalty, leading to increased customer satisfaction and long-term business success.

2.4 Related Research

Several studies have been conducted on the topic of customer loyalty and the influential factors in various industries. These studies provide valuable insights and contribute to the existing body of knowledge in understanding the dynamics of customer loyalty. The following literature review highlights some of the relevant research conducted in this area.

Chen and Hu (2020) examined the factors influencing customer loyalty in the online food delivery industry. Their study identified product quality, service quality, website design, and perceived value as significant determinants of customer loyalty. The findings underscored the importance of these factors in driving customer loyalty in an online service context.

In the study by Liu et al. (2018), the factors influencing customer loyalty in the retail banking sector were investigated. The research revealed that trust, customer satisfaction, and perceived value were significant predictors of customer loyalty. The findings emphasized the role of trust and customer satisfaction in fostering long-term loyalty in the banking industry.

Liang and Wang (2017) conducted a study on the influential factors of customer loyalty in the smartphone industry. Their research identified brand reputation, product quality, and customer satisfaction as key drivers of customer loyalty. The study emphasized the importance of these factors in building and maintaining customer loyalty in a highly competitive technological market.

Wu and Liang (2016) examined the factors influencing customer loyalty in the hospitality industry. Their study revealed that service quality, customer satisfaction, and brand image significantly impacted customer loyalty. The findings highlighted the significance of service-related factors and brand perception in shaping customer loyalty in the hospitality sector.

Zhang et al. (2019) conducted research on the factors influencing customer loyalty in the e-commerce industry. Their study identified website quality, perceived value, customer satisfaction, and trust as crucial determinants of customer loyalty. The research highlighted the importance of these factors in fostering loyalty in the online shopping environment.

These previous studies provide a foundation for understanding the factors that influence customer loyalty in various industries. While each industry has its unique characteristics, there are

commonalities in the influential factors such as product quality, service quality, perceived value, customer satisfaction, and trust. The current research aims to extend this knowledge by examining the influential factors on customer loyalty specifically in the context of Zhang Yiyuan Tea.



CHAPTER 3

METHODOLOGY

3.1 Population and Sample

3.1.1 Population

The population for this research comprises customers of Zhang Yiyuan Tea, including tea enthusiasts, regular tea consumers, and individuals who have shown an interest in Zhang Yiyuan Tea's products. The exact number of customers within the population is currently unknown, as Zhang Yiyuan Tea has a wide customer base with both local and international reach. The population size may vary over time as new customers are acquired and existing customers continue to engage with the brand.

3.1.2 Sample

A sample of 385 participants was drawn from the population to gather data for the study. The sample was selected using convenience sampling technique. To derive a sample size of 385 participants with a 95% confidence level, the following formula was used:

$$n = (Z^2 * p * (1 - p)) / E^2$$

Where:

n represents the desired sample size

Z is the standard score corresponding to the desired confidence level (for a 95% confidence level, Z is approximately 1.96)

p is the estimated proportion of the population with a specific characteristic (if unknown, a value of 0.5 can be used to obtain the maximum sample size)

E is the desired margin of error (expressed as a proportion, typically ranging from 0 to 1)

Assuming a maximum sample size with a proportion of 0.5 and a margin of error of 0.05, the formulation can be applied as follows:

$$n = (1.96^2 * 0.5 * (1 - 0.5)) / 0.05^2$$

$$n \approx 384.16$$

Rounding up to the nearest whole number, the derived sample size is 385 participants.

Convenience sampling was employed to select participants who were easily accessible and willing to participate in the research. This approach allowed for efficient data collection by targeting individuals who were readily available, such as Zhang Yiyuan Tea customers who visited physical stores or made online purchases.

To determine the appropriate sample size, a power analysis was conducted. This analysis took into account factors such as the desired level of significance, effect size, and statistical power. A sample size of 385 participants was determined to be sufficient to detect meaningful relationships and provide reliable results for this study.

Efforts were made to achieve a diverse sample that encompassed a range of customer characteristics and purchasing behaviors. This included considering factors such as age groups, gender distribution, and geographical locations to ensure the sample was representative of the larger population of Zhang Yiyuan Tea customers. By including a diverse sample, the findings of the study can be more generalizable and applicable to a wider customer base.

3.2 Research Instrument

3.2.1 Questionnaire Development

The primary data collection instrument for this research is a structured questionnaire. The questionnaire is designed to gather information related to customer loyalty and the influential factors, including product quality, packaging, value-based pricing, purchasing channels, and brand reputation.

The development of the questionnaire involved several steps. First, a comprehensive review of existing literature and relevant research studies was conducted to identify key variables and constructs related to customer loyalty in the context of Zhang Yiyuan Tea. This literature review served as the foundation for developing the questionnaire items.

Next, a pool of potential questionnaire items was generated based on the identified variables and constructs. These items were drafted to reflect the specific aspects of each variable, such as the dimensions of product quality, packaging design elements, pricing factors, purchasing channel preferences, and brand reputation indicators.

The draft questionnaire then underwent a rigorous process of review and refinement. Experts in the field of marketing and customer behavior were consulted to assess the clarity, relevance, and appropriateness of the questionnaire items. Their feedback was incorporated to enhance the validity and reliability of the questionnaire.

To ensure the comprehensibility and ease of completion for the respondents, the questionnaire was formatted in a user-friendly manner. Clear instructions were provided at the beginning of the questionnaire to guide the participants on how to respond to the items. The items were presented in a logical sequence, and response options were structured appropriately, such as using Likert scales, multiple-choice options, or open-ended formats where applicable.

3.2.2 Pilot Testing

Before the final administration of the questionnaire, a pilot test was conducted to evaluate the clarity, validity, and reliability of the instrument. A sample of 30 participants, chosen to be similar to the target population, is invited to complete the questionnaire. Their feedback will be collected through surveys to identify any potential issues or areas for improvement in the questionnaire. Based on the pilot test results, necessary revisions are made to further refine the questionnaire. To ensure the internal consistency and reliability of the questionnaire items, a reliability analysis was conducted. This analysis assesses the consistency of responses across the items measuring each variable. Cronbach's alpha coefficients were calculated, and the results were all above 0.7, which is considered acceptable.

3.3 Data Collection

The data collection process involved distributing the finalized questionnaire to the selected sample of participants. The questionnaire was administered either in person, if feasible, or through online platforms. In the case of in-person administration, trained research assistants approached potential participants at physical stores or designated locations and requested their voluntary participation in the study. For online administration, participants were contacted through email or online survey platforms, and they were provided with a link to access the questionnaire.

Participants were informed about the purpose of the study, their voluntary participation, and the confidentiality and anonymity of their responses. Informed consent was obtained from all participants before they proceeded with completing the questionnaire. Adequate time was given to participants to ensure they could provide thoughtful and accurate responses.

3.4 Data Analysis

The collected data underwent a comprehensive data analysis process to examine the relationships between the independent variables (product quality, packaging, value-based pricing, purchasing channels, and brand reputation) and customer loyalty towards Zhang Yiyuan Tea. The following steps were followed:

Data Cleaning and Preparation: The collected data was carefully reviewed for accuracy and completeness. Any missing or inconsistent data was addressed through data cleaning procedures. The data was then organized and prepared for analysis.

Descriptive Statistics: Descriptive statistics were calculated to summarize the demographic characteristics of the participants, such as age, gender, and location. This provided an overview of the sample and helped identify any potential patterns or trends.

Correlation Analysis: Correlation analysis was performed to assess the relationships between the independent variables and customer loyalty. Pearson's correlation coefficient or Spearman's rank correlation coefficient was calculated based on the nature of the variables (continuous or ordinal). Positive correlations indicated a positive relationship between the variables, while negative correlations indicated an inverse relationship.

Regression Analysis: Multiple regression analysis was conducted to determine the extent to which the independent variables predict customer loyalty. The regression model included the independent variables (product quality, packaging, value-based pricing, purchasing channels, and brand reputation) as predictors and customer loyalty as the dependent variable. The significance of the predictors and the overall model fit were evaluated using statistical measures such as p-values, R-squared, and adjusted R-squared.

Hypothesis Testing: Based on the research objectives and hypotheses, hypothesis testing was performed to determine if there are significant relationships between the independent variables and customer loyalty. The significance level (e.g., $\alpha = 0.05$) was used to assess the statistical significance of the relationships.

Interpretation and Conclusion: The results of the data analysis were interpreted in light of the research objectives and existing literature. The findings were discussed in terms of their implications for understanding the influential factors on customer loyalty towards Zhang Yiyuan Tea. Limitations of the study and suggestions for future research were also addressed.

3.5 Ethical Considerations

In conducting this research on customer loyalty towards Zhang Yiyuan Tea, several ethical considerations were taken into account to ensure the rights and well-being of the participants. The following ethical principles guided the research process:

Informed Consent: Prior to participation, potential respondents were provided with clear and concise information about the research objectives, procedures, risks, and benefits. Informed consent was obtained from all participants, ensuring that they understood their rights and voluntarily agreed to participate. Participants had the option to withdraw from the study at any time without penalty.

Confidentiality: All collected data was treated with strict confidentiality. Participants' identities and personal information were kept confidential and stored securely. Data was analyzed

and reported in aggregate form, ensuring that individual responses could not be identified. Only authorized researchers had access to the data.

Data Protection: Measures were taken to protect the privacy and security of participants' data. Data was stored in password-protected electronic formats or locked storage cabinets, accessible only to authorized personnel. Any identifying information was separated from the data to maintain anonymity.

Voluntary Participation: Participation in the study was entirely voluntary, and participants did not face any negative consequences if they chose not to participate. They were informed of their rights to refuse or withdraw from the study without prejudice or harm.

Minimization of Harm: Steps were taken to minimize any potential harm or discomfort to the participants. The questionnaire and survey instruments were designed to be non-intrusive and straightforward. Participants were not asked to provide sensitive or personally identifiable information unless necessary for the research objectives.

Ethical Approval: This research sought ethical approval from the relevant institutional review board or ethics committee. The study adhered to the ethical guidelines and standards set forth by the institution and relevant professional associations.

Reporting of Findings: The research findings were reported accurately and objectively, presenting the results in a clear and transparent manner. The interpretations and conclusions drawn from the data were based on sound analysis and supported by evidence.

By considering and adhering to these ethical considerations, this research aimed to protect the rights and welfare of the participants and ensure the integrity and credibility of the study.

CHAPTER 4

ANALYTICAL RESULTS

This chapter presents a research study titled "Determinants of Customer Loyalty towards Zhang YiYuan Tea," which employed a questionnaire as the primary instrument for data collection, resulting in a total of 385 completed questionnaires. The validity and completeness of the questionnaires were rigorously examined by the researchers, and the data were analyzed using appropriate statistical methods with the aid of a statistical software program, aligning with the research objectives. The findings of the data analysis were presented in a descriptive table, which was categorized into four sections for systematic organization and interpretation as follows:

- 4.1 Demographic Profile
- 4.2 Level of Factors Influencing Customer Loyalty towards Zhang YiYuan Tea
- 4.3 Level of Customer Loyalty
- 4.4 Hypothesis Testing

4.1 Demographic Profile

In accordance with the sample obtained through questionnaire administration, this section provides an analysis of the demographic data pertaining to the survey participants. Table 4.1 presents a descriptive examination of the demographic information.

Table 4.1 Number and Percentage of General Information of the respondents (n = 385)

Demographic	Number	Percentage
Gender		
Male	229	59.5
Female	156	40.5
Age		
Under 18 years	22	5.7
18-25 years	54	14.0
26-35 years	92	23.9
36-45 years	123	31.9
46-60 years	63	16.4
Over 60 years	31	8.1
Monthly income		
1,001-4,000 yuan	133	34.5

Table 4.1 (Cont.)

Demographic	Number	Percentage
4,001-7,000 yuan	153	39.7
7,001-10,000 yuan	67	17.4
10,001-13,000 yuan	24	6.2
13,001 yuan and above	8	2.1
Education		
High School or Equivalent	135	35.1
Bachelor's Degree	217	56.4
Master's Degree	19	4.9
Doctorate Degree	14	3.6
Employment Status		
Employed full-time	179	46.5
Employed part-time	92	23.9
Self-employed	38	9.9
Unemployed	54	14.0
Other	22	5.7

From the statistics in Table 4.1, it was found that the survey sample comprised 385 customers. The demographic details are as follows:

Gender: Male respondents make up 59.5% of the sample, while female respondents constitute 40.5%.

Age: The largest age group among respondents is "36-45 years," comprising 31.9% of the sample. The second-largest age group is "26-35 years," making up 23.9% of the sample. The smallest age group is "Over 60 years," accounting for 8.1% of the sample.

Monthly Income: The most common monthly income range among respondents is "4,001-7,000 yuan," with 39.7% falling into this category. The second most common income range is "1,001-4,000 yuan," representing 34.5% of the sample. The least common income range is "13,001 yuan and above," with only 2.1% of respondents falling into this category.

Education: The majority of respondents have a "Bachelor's Degree," making up 56.4% of the sample. "High School or Equivalent" is the second most common education level, representing 35.1% of respondents. "Doctorate Degree" is the least common education level, with only 3.6% of respondents having this qualification.

Employment Status: The largest employment category is "Employed full-time," with 46.5% of respondents falling into this group. The second largest category is "Employed part-time,"

representing 23.9% of respondents. "Self-employed" and "Unemployed" are the next two most common categories, with 9.9% and 14.0% of respondents, respectively.

These results provide insights into the demographic characteristics of the survey respondents. Depending on your research objectives, you can use this information to understand how different demographic factors may be related to customer loyalty towards Zhang YiYuan tea or to segment your analysis based on these demographic variables.

4.2 Level of Factors Influencing Customer Loyalty towards Zhang YiYuan Tea

Table 4.2 Mean and Standard deviation of Product Quality

Product Quality	Mean	S.D.	Interpretation
The tea from Zhang Yiyuan has excellent taste and flavor.	3.91	1.032	High
The tea from Zhang Yiyuan is consistently fresh and of high quality.	3.78	1.065	High
I am satisfied with the overall quality of Zhang Yiyuan tea products.	3.84	1.022	High
The tea from Zhang Yiyuan meets or exceeds my expectations.	3.79	.987	High
I would recommend Zhang Yiyuan tea to others based on its quality.	3.77	1.012	High
Overall	3.82	.895	High

According to the findings in Table 4.2, the computed mean values, ranging from 3.77 to 3.91 on a potentially different scale, signify consistently positive assessments of product quality attributes related to Zhang Yiyuan tea. Additionally, the relatively low standard deviations indicate a noteworthy degree of consensus among respondents regarding their perceptions of the product's quality. These outcomes collectively underline a robust and favorable evaluation of Zhang Yiyuan tea's product quality, as ascertained from this research study.

Table 4.3 Mean and Standard deviation of Packaging

Packaging	Mean	S.D.	Interpretation
The packaging of Zhang Yiyuan tea products is visually appealing.	3.79	1.031	High
The packaging of Zhang Yiyuan tea enhances the overall product presentation.	3.84	.990	High
The packaging of Zhang Yiyuan tea creates a sense of value and quality.	3.78	1.050	High
I find the packaging of Zhang Yiyuan tea to be practical and convenient.	3.84	.994	High
The packaging of Zhang Yiyuan tea reflects the brand's image effectively.	3.81	1.003	High
Overall	3.81	.867	High

Based on the findings presented in Table 4.3, it can be deduced that customers hold a notably positive view of the packaging associated with Zhang Yiyuan tea products. The mean scores for all dimensions pertaining to packaging consistently fall within an elevated range, ranging from 3.78 to 3.84, possibly within a distinct rating scale. This trend indicates that, on average, respondents harbor favorable sentiments regarding various facets of Zhang Yiyuan tea's packaging. The standard deviations, serving as indicators of response variability, are relatively diminutive. This diminishment suggests a harmonious consensus among respondents concerning their assessments of the packaging. The uniformity of high mean values and the concurrent diminishment of standard deviations collectively underscore the positive and unwavering perception among customers regarding Zhang Yiyuan tea's packaging attributes, which encompass visual appeal, its capacity to elevate overall product presentation, the evocation of value and quality, practicality, and its alignment with the brand's image.

Table 4.4 Mean and Standard deviation of Value-based Pricing

Value-based Pricing	Mean	S.D.	Interpretation
I believe that Zhang Yiyuan tea offers good value for the price.	3.79	1.034	High
The pricing of Zhang Yiyuan tea products is fair and reasonable.	3.76	1.007	High
I perceive Zhang Yiyuan tea products to be competitively priced.	3.83	.997	High
Considering the quality and benefits, I find Zhang Yiyuan tea to be worth the price.	3.77	1.072	High
I feel that Zhang Yiyuan tea provides a good balance between price and value.	3.77	1.025	High
Overall	3.79	.876	High

Based on the findings presented in Table 4.3, the mean scores associated with various dimensions pertinent to value-based pricing exhibit a pattern of elevated values, ranging from 3.76 to 3.83, potentially on a distinct rating scale. This pattern indicates that, on average, the surveyed respondents harbor positive sentiments concerning the pricing strategy of Zhang Yiyuan tea, particularly with regard to the perceived value it offers.

Furthermore, the standard deviations, which serve as quantitative indices for gauging the dispersion of responses, manifest relatively modest values. This observation implies a notable level of consistency and concurrence among the respondents in their assessments of Zhang Yiyuan tea's value-based pricing.

Collectively, the unwaveringly high mean scores and the correspondingly diminished standard deviations signify a persistent and constructive perception among customers regarding Zhang Yiyuan tea's pricing strategy. This perception encompasses facets such as the offering of good value for the price, fairness, competitiveness, worthiness, and the establishment of a harmonious equilibrium between price and value.

Table 4.5 Mean and Standard deviation of Purchasing Channel

Purchasing Channel	Mean	S.D.	Interpretation
I find it convenient to purchase Zhang Yiyuan tea products online.	3.79	1.078	High
The online platform for purchasing Zhang Yiyuan tea is user-friendly and reliable.	3.82	1.014	High
I enjoy the experience of shopping for Zhang Yiyuan tea products in physical stores.	3.79	1.004	High
The customer support provided for online purchases of Zhang Yiyuan tea is satisfactory.	3.82	1.037	High
I feel confident in the security and privacy of my personal information when buying Zhang Yiyuan tea	3.80	1.005	
Overall	3.80	.882	High

The data presented in Table 4.5 offers insights into customer perceptions across various dimensions related to purchasing channels for Zhang Yiyuan tea, with a focus on mean and standard deviation values. Across all dimensions pertaining to purchasing channels, the mean scores consistently register within a high range, spanning from 3.79 to 3.82. While acknowledging the potential variation in the rating scale, these figures collectively suggest that, on average, respondents express favorable views regarding the diverse aspects of acquiring Zhang Yiyuan tea through different purchasing channels. The standard deviations, serving as indicators of response dispersion, exhibit relatively modest values for most dimensions. This signifies a notable level of consensus and harmony among respondents in their assessments of the various purchasing channels offered by Zhang Yiyuan tea. In aggregate, the persistent high mean values, coupled with the concurrently limited standard deviations, present a coherent narrative. They signify that customers consistently maintain a positive outlook concerning the convenience, user-friendliness, reliability, and customer support associated with both online and physical store purchasing channels for Zhang Yiyuan tea. Regarding the interpretation of the final dimension, which pertains to the "security and privacy of personal information," the table did not provide specific interpretative details.

Nonetheless, the mean value of 3.80 implies a constructive perspective among respondents regarding the security and privacy of their personal information.

Table 4.6 Mean and Standard deviation of Brand Reputation

Brand Reputation	Mean	S.D.	Interpretation
Zhang Yiyuan tea has a strong reputation for quality and authenticity.	3.84	1.017	High
I trust the brand image and reputation of Zhang Yiyuan tea.	3.80	1.011	High
Zhang Yiyuan tea is known for its commitment to customer satisfaction.	3.83	.996	High
The positive reputation of Zhang Yiyuan tea influences my purchasing decisions.	3.83	1.081	High
I perceive Zhang Yiyuan tea as a reputable and reliable brand in the tea industry.	3.83	.991	High
Overall	3.83	.881	High

The data presented in Table 4.5 provides valuable insights into Brand Reputation for Zhang Yiyuan tea, with a particular focus on mean and standard deviation values. Across all dimensions associated with Brand Reputation, the mean scores consistently reside within a high range, varying from 3.80 to 3.84. While acknowledging the potential existence of a distinct rating scale, these values collectively suggest that, on average, respondents express favorable perspectives concerning diverse facets of Zhang Yiyuan tea's brand reputation. The standard deviations, serving as quantitative measures reflecting the dispersion of responses, exhibit relatively diminutive values for most dimensions. This phenomenon signifies a noteworthy degree of consensus and concurrence among respondents with regard to their assessments of Zhang Yiyuan tea's brand reputation. In aggregate, the persistent high mean values, coupled with the concurrently restrained standard deviations, convey a coherent narrative. They signify that customers maintain enduring and constructive perceptions regarding Zhang Yiyuan tea's brand reputation. These perceptions encompass aspects such as its renown for quality and authenticity, trustworthiness, dedication to customer satisfaction, influence on purchasing decisions, and its established status as a reputable and dependable entity within the tea industry.

4.3 Level of Customer Loyalty

Table 4.7 Mean and Standard deviation of Customer Loyalty

Customer Loyalty	Mean	S.D.	Interpretation
I intend to continue purchasing Zhang Yiyuan tea products in the future.	3.939	1.097	High
I recommend Zhang Yiyuan tea to family and friends.	3.936	1.077	High
I feel a strong sense of loyalty towards Zhang Yiyuan as a tea brand.	3.923	1.008	High
I choose Zhang Yiyuan tea over other tea brands when making a purchasing decision.	3.907	.999	High
I am willing to pay a premium price for Zhang Yiyuan tea due to my loyalty to the brand.	3.868	1.097	High
Overall	3.914	.883	High

From Table 4.7, it is evident that across all dimensions associated with Customer Loyalty, the mean scores consistently fall within a high range, with values ranging from 3.868 to 3.939, potentially on a different rating scale. This suggests that, on average, respondents express strong and positive intentions and sentiments regarding their loyalty to Zhang Yiyuan tea. The standard deviations, which offer insights into the dispersion of responses, are relatively low for most dimensions. This indicates a noteworthy level of consensus and agreement among respondents regarding their expressions of loyalty toward Zhang Yiyuan tea. Overall, the consistently high mean values and the correspondingly limited standard deviations collectively point to customers' robust and consistent levels of loyalty to Zhang Yiyuan tea. This loyalty encompasses intentions for future purchases, recommendations to family and friends, emotional attachment to the brand, preference over other tea brands, and a willingness to pay a premium price.

4.4 Hypothesis Testing

Table 4.8 Regression Analysis for Factors Influencing Customer Loyalty

Variable	B	Beta	t	p-value
Constant	-.018		-.280	.780
Product Quality	.196	.197	3.964	.000**
Packaging	.205	.199	3.860	.000**
Value-based Pricing	.203	.200	4.173	.000**
Purchasing Channel	.210	.208	4.221	.000**
Brand Reputation	.182	.180	3.496	.001**

$R^2 = 0.905$, sig = 0.000 ; ** p < .01

From table 4.8, the results of the regression analysis provide insights into the influence of several factors on customer loyalty.

Product Quality: Product Quality exhibits a positive and statistically significant impact on customer loyalty. For each unit increase in Product Quality, customer loyalty is expected to increase by 0.196 units.

Packaging: Packaging also displays a positive and statistically significant influence on customer loyalty. A one-unit increase in Packaging quality is associated with a 0.205 unit increase in customer loyalty.

Value-based Pricing: Value-based Pricing significantly impacts customer loyalty, with a one-unit increase in perceived value for the price leading to a 0.203 unit increase in customer loyalty.

Purchasing Channel: Purchasing Channel significantly influences customer loyalty. An increase in satisfaction with the purchasing channel results in a 0.210 unit increase in customer loyalty.

Brand Reputation: Brand Reputation positively and statistically significantly affects customer loyalty. A one-unit increase in Brand Reputation is associated with a 0.182 unit increase in customer loyalty.

The overall model's R-squared value is 0.905, indicating that approximately 90.5% of the variability in customer loyalty can be explained by the combination of these factors.

All predictor variables (Product Quality, Packaging, Value-based Pricing, Purchasing Channel, and Brand Reputation) are statistically significant ($p < 0.01$), highlighting their substantial roles in influencing customer loyalty.



CHAPTER 5

CONCLUSIONS AND DISCUSSION

This research study incorporates five independent variables and one dependent variable. To enhance the study's reliability, the researcher initially gathered data from a trial run involving 30 customers who completed a questionnaire. Following this, descriptive statistics were conducted using statistical and analytical methods on the data collected from a sample of 385 participants to analyze and interpret socio-demographic information.

To assess the proposed model and hypotheses, a linear regression analysis was performed to subject the model to hypothesis testing. Consequently, this study contributes to the existing body of literature and enriches it. In the concluding section of this chapter, a comprehensive summary of the study's key findings are provided. Additionally, an in-depth discussion of these findings are presented. Furthermore, this chapter elucidate the theoretical and practical implications arising from the study's results and offer recommendations for future research.

5.1 Conclusion

5.1.1 Demographic Information

In this section, it presents a comprehensive analysis of the demographic characteristics of the study's participants, shedding light on their diverse backgrounds and profiles. The examination of demographic variables such as gender, age, monthly income, education, and employment status has yielded valuable insights that can significantly inform our understanding of the factors influencing customer loyalty towards Zhang Yiyuan tea.

One of the key observations from demographic analysis is the diversity of the participant sample, reflecting a broad cross-section of the tea-consuming population. Gender distribution indicates a relatively balanced representation, with male respondents accounting for 59.5% and female respondents comprising 40.5% of the sample. Age distribution showcases a varied range, with the majority falling within the 26-45 age group, demonstrating a broad spectrum of consumers across different life stages.

Monthly income, a crucial economic variable, reveals that a significant proportion of participants fall within the 1,001-7,000 yuan income range, potentially indicative of the affordability and accessibility of Zhang Yiyuan tea products. Furthermore, the educational background of respondents is diverse, with a notable percentage holding Bachelor's degrees, suggesting a well-educated consumer base.

In terms of employment status, we find a diverse mix of participants, including full-time employees, part-time employees, self-employed individuals, unemployed respondents, and others. This diversity in employment status provides valuable context for understanding the varying economic circumstances of our participants.

In overall, this demographic analysis has provided a solid foundation for our subsequent investigations into the factors influencing customer loyalty. The diversity within our sample enables us to draw meaningful conclusions that can be generalized to a broader consumer population. By acknowledging and considering these demographic nuances, we are better equipped to tailor our interpretations and recommendations to align with the specific needs and preferences of different customer segments.

5.1.2 Level of Customer Loyalty

The exploration of customer loyalty levels towards Zhang Yiyuan tea within this study has provided valuable insights into the depth of commitment and attachment exhibited by consumers towards the brand. The assessment of customer loyalty encompassed various dimensions, including behavioral intentions, recommendations, emotional connection, brand preference, and willingness to pay a premium price.

The results of our analysis unequivocally demonstrate that Zhang Yiyuan enjoys a commendable level of customer loyalty among its consumer base. Across all dimensions of customer loyalty, respondents expressed strong and positive sentiments, indicating a robust connection between customers and the Zhang Yiyuan tea brand.

First and foremost, the intention to continue purchasing Zhang Yiyuan tea products in the future emerged as a fundamental aspect of customer loyalty. Respondents exhibited a high degree of commitment, reflecting their sustained interest in the brand.

Furthermore, the readiness to recommend Zhang Yiyuan tea to family and friends signifies not only loyalty but also the role of satisfied customers as brand advocates. The high willingness to endorse the brand among their social circles attests to the favorable customer experiences and the brand's positive reputation.

The emotional bond between customers and Zhang Yiyuan tea is evident in the strong sense of loyalty reported by respondents. This emotional connection goes beyond transactional interactions and underscores the brand's ability to evoke positive emotions and trust among consumers.

Additionally, the preference for Zhang Yiyuan tea over other tea brands is indicative of the brand's competitive edge and its ability to secure a special place in the hearts and routines of customers.

Lastly, the willingness to pay a premium price for Zhang Yiyuan tea due to brand loyalty signifies the added value customers associate with the brand and their preparedness to invest in it.

In summary, the findings indicate that Zhang Yiyuan has successfully cultivated a high level of customer loyalty. This loyalty extends across various dimensions, encompassing behavioral, emotional, and attitudinal aspects. Such a robust and positive level of customer loyalty is a testament to the brand's ability to consistently deliver quality products, create meaningful customer experiences, and maintain a strong and trustworthy reputation.

5.1.3 Level of Influential Factors

The examination of influential factors affecting customer loyalty towards Zhang Yiyuan tea has revealed a nuanced and multi-dimensional landscape. The investigation into the impact of various factors, including Product Quality, Packaging, Value-based Pricing, Purchasing Channel, and Brand Reputation, has illuminated the complex interplay between these elements and their significance in shaping customer loyalty.

First and foremost, it is evident that Product Quality stands as a pivotal driver of customer loyalty. Our findings underscore the critical role of consistently delivering a superior tea product in nurturing customer loyalty. Customers who perceive Zhang Yiyuan tea as synonymous with excellent taste and quality are more likely to exhibit strong loyalty to the brand.

Packaging, often an underestimated aspect, emerged as another influential factor in fostering customer loyalty. A visually appealing and practical packaging design significantly enhances customer loyalty, emphasizing the packaging's role as a vital touchpoint in the customer experience journey.

Value-based Pricing emerged as a significant determinant of customer loyalty. Customers who believe they receive good value for the price of Zhang Yiyuan tea products are more inclined to demonstrate loyalty. This highlights the importance of transparent and fair pricing strategies.

Purchasing Channel satisfaction also plays a pivotal role in influencing customer loyalty. Whether customers opt to purchase tea products online or in physical stores, a positive and user-friendly shopping experience significantly contributes to their loyalty.

Brand Reputation, a cornerstone of brand equity, emerged as a potent influencer of customer loyalty. A strong and positive brand reputation for quality, authenticity, and customer satisfaction significantly affects customer loyalty and choice.

Collectively, these findings underscore the intricate web of factors that collectively shape customer loyalty in the context of Zhang Yiyuan tea. It is clear that customer loyalty is not solely contingent on the product itself but extends to encompass the entire customer journey, including packaging, pricing, and brand perception.

The high level of loyalty observed among our respondents reaffirms the significance of these factors within the context of Zhang Yiyuan tea. This loyalty encompasses intentions for future purchases, recommendations to family and friends, emotional attachment to the brand, preference over other tea brands, and a willingness to pay a premium price.

In conclusion, this study underscores the complex and interdependent nature of factors influencing customer loyalty. The results offer actionable insights for tea industry practitioners, highlighting the importance of product quality, packaging design, value-based pricing, optimizing purchasing channels, and nurturing a positive brand reputation in fostering and sustaining customer loyalty.

5.1.4 Hypothesis Testing

The hypothesis testing phase of this study has provided crucial insights into the factors influencing customer loyalty towards Zhang Yiyuan tea. Our research delved into the relationships between various independent variables—Product Quality, Packaging, Value-based Pricing, Brand Reputation, and Purchasing Channel—and their impact on customer loyalty.

The results of our hypothesis testing affirm the complex and interconnected nature of these factors in shaping customer loyalty:

1. **Product Quality:** Our findings robustly support the hypothesis that Product Quality significantly influences customer loyalty. The analysis indicates a strong and statistically significant positive relationship between perceived product quality and customer loyalty. This underscores the pivotal role of consistently delivering a superior tea product in nurturing and sustaining loyalty.

2. **Packaging:** The hypothesis related to Packaging has been convincingly confirmed. Our analysis reveals a positive and statistically significant relationship, emphasizing that effective packaging design significantly contributes to customer loyalty. Packaging serves as a crucial touchpoint in the customer experience journey.

3. **Value-based Pricing:** Our results firmly support the hypothesis concerning Value-based Pricing. The analysis demonstrates a positive and statistically significant relationship, highlighting the importance of transparent and fair pricing strategies in fostering customer loyalty.

4. **Purchasing Channel:** Our hypothesis testing for Purchasing Channel has provided insightful results. The findings indicate a positive and statistically significant relationship between customers' satisfaction with their chosen purchasing channel (online or physical stores) and their level of loyalty towards Zhang Yiyuan tea. This underscores the significance of optimizing the customer experience across different purchasing channels.

5. **Brand Reputation:** The hypothesis pertaining to Brand Reputation is substantiated by our findings. The analysis shows a positive and statistically significant relationship, emphasizing the pivotal role of a strong and positive brand reputation in influencing customer loyalty.

Collectively, these results underscore the intricate web of factors that collectively shape customer loyalty in the context of Zhang Yiyuan tea. The overall model, as evidenced by the high coefficient of determination ($R^2= 0.905$) and a significant p-value of 0.000, confirms the model's validity in explaining the relationships between these variables and customer loyalty.

In conclusion, this study's hypothesis testing phase has provided empirical support for the formulated hypotheses, offering valuable insights for tea industry practitioners. By understanding and prioritizing these influential factors—Product Quality, Packaging, Value-based Pricing, Brand Reputation, and Purchasing Channel—brands like Zhang Yiyuan can nurture and sustain customer loyalty, build brand equity, and thrive in a competitive market.

As the tea industry continues to evolve, acknowledging and adapting to these factors are crucial for companies to solidify their customer base, foster loyalty, and ensure continued growth and success in a dynamic marketplace.

5.2 Discussion

5.2.1 Level of Customer Loyalty

The assessment of customer loyalty towards Zhang Yiyuan tea has revealed a remarkably high level of commitment and attachment from customers towards the brand. This deep-rooted loyalty reflects the brand's successful efforts in building strong and enduring relationships with its customer base.

The study's findings indicate a notably high level of customer loyalty, with a mean score of 3.914 on a potentially different rating scale. This suggests that, on average, customers exhibit strong intentions and sentiments of loyalty towards Zhang Yiyuan tea (Zeithaml, 1988). The consistently high mean scores across various dimensions of customer loyalty collectively underscore the robust nature of this loyalty.

Customers' loyalty is manifested through several dimensions, including their intentions for future purchases, their willingness to recommend the brand to family and friends, their emotional attachment to the brand, their preference for Zhang Yiyuan tea over other brands, and their willingness to pay a premium price (Dodds et al., 1991). These dimensions collectively reflect a profound level of commitment and allegiance.

Such high levels of loyalty are a testament to Zhang Yiyuan tea's consistent ability to meet and exceed customer expectations (Oliver, 1997). The brand's focus on delivering excellent taste,

freshness, and quality has fostered unwavering loyalty among its customer base. Additionally, the brand's packaging design (Peck & Childers, 2003), pricing strategy (Zeithaml, 1988), strong brand reputation (Aaker, 1996), and effective management of various purchasing channels (Verhoef et al., 2015) have contributed to the creation of a loyal customer base.

In conclusion, the exceptionally high level of customer loyalty observed in this study is a reflection of Zhang Yiyuan tea's unwavering commitment to excellence and customer satisfaction. It highlights the brand's success in building strong and enduring relationships with its customers, which is a valuable asset in today's competitive tea market. This level of loyalty bodes well for the brand's continued growth and success in the industry.

5.2.2 Hypothesis Testing

5.2.2.1 Influence of Product Quality on Customer Loyalty

The analysis of product quality as an influential factor in shaping customer loyalty towards Zhang Yiyuan tea reveals compelling insights into the significance of this dimension. The findings underscore the pivotal role that product quality plays in influencing customer loyalty and brand success.

The study indicates that Zhang Yiyuan tea has consistently excelled in delivering products that meet or exceed customer expectations, as evidenced by the high mean score for Product Quality. This unwavering commitment to quality is a cornerstone of the brand's success and is reflected in customers' strong intentions and sentiments of loyalty.

High product quality fosters favorable perceptions among customers (Dodds et al., 1991). When customers consistently perceive the tea as fresh, of high quality, and offering excellent taste and flavor, they are more likely to develop a strong bond with the brand. This aligns with prior research highlighting the positive impact of product quality on customer loyalty (Spreng & Chiou, 2002).

In today's competitive market, customers have access to a wide range of choices. Therefore, maintaining high product quality is not merely a choice but a strategic imperative. The findings of this study affirm that product quality is a significant driver of customer loyalty for Zhang Yiyuan tea.

In conclusion, the study demonstrates that product quality is a critical factor in shaping customer loyalty towards Zhang Yiyuan tea. The consistently high mean scores across various dimensions of product quality reflect customers' positive perceptions and their strong intentions to remain loyal to the brand. Zhang Yiyuan's commitment to delivering top-notch tea

products is not only a testament to its brand excellence but also a key driver of its enduring success in the tea industry.

5.2.2.2 Influence of Packaging on Customer Loyalty

The examination of packaging as an influential factor in shaping customer loyalty towards Zhang Yiyuan tea provides valuable insights into the significance of this dimension in the brand's success. The findings underscore the pivotal role that packaging plays in influencing customer loyalty and enhancing the overall product experience.

The study reveals that Zhang Yiyuan tea has effectively leveraged packaging design to create a visually appealing and practical product presentation, as indicated by the high mean score for Packaging. This attention to detail in packaging design has significantly contributed to customers' strong intentions and sentiments of loyalty towards the brand.

Effective packaging design enhances the sensory experience of customers (Peck & Childers, 2003). When customers find the packaging visually appealing and practical, it not only attracts them to the product but also creates a sense of value and quality (Bloch, 1995). The packaging acts as the first point of contact between the customer and the product, leaving a lasting impression.

The study's findings align with previous research that highlights the role of packaging in influencing customer perceptions and purchase decisions (Bloch, 1995). Packaging is not merely functional; it serves as a powerful tool for building a brand image and fostering an emotional connection with customers.

In today's competitive market, effective packaging design can set a brand apart from its competitors. The study demonstrates that Zhang Yiyuan tea has successfully harnessed the potential of packaging to enhance customer loyalty and create a distinct brand identity.

In conclusion, the study affirms that packaging is a critical factor in shaping customer loyalty towards Zhang Yiyuan tea. The high mean score for packaging reflects customers' positive perceptions and their strong intentions to remain loyal to the brand. Zhang Yiyuan's commitment to delivering a visually appealing and practical packaging experience not only enhances the overall product presentation but also contributes significantly to its enduring success in the tea industry.

5.2.2.3 Influence of Value-based Pricing on Customer Loyalty

The examination of value-based pricing as an influential factor in shaping customer loyalty towards Zhang Yiyuan tea provides valuable insights into the significance of this dimension

in the brand's success. The findings underscore the pivotal role that value-based pricing plays in influencing customer loyalty and purchase decisions.

The study reveals that Zhang Yiyuan tea's pricing strategy is perceived as offering good value for the price, being fair and reasonable, competitively priced, worth the price given the quality and benefits, and providing a good balance between price and value, as indicated by the consistently high mean scores for Value-Based Pricing. This positive perception of pricing significantly contributes to customers' strong intentions and sentiments of loyalty towards the brand.

Value-based pricing is a strategy that resonates well with customers (Monroe & Krishnan, 1985). When customers perceive that they are receiving good value for the price they pay, it enhances their overall satisfaction and loyalty to the brand (Zeithaml, 1988). The study's findings align with previous research that highlights the positive impact of value-based pricing on customer loyalty and satisfaction.

In today's competitive market, where customers are sensitive to pricing, value-based pricing can serve as a powerful tool for retaining and attracting customers. The study demonstrates that Zhang Yiyuan tea has successfully implemented a value-based pricing strategy that resonates with its customer base and fosters strong customer loyalty.

In conclusion, the study affirms that value-based pricing is a critical factor in shaping customer loyalty towards Zhang Yiyuan tea. The consistently high mean scores for value-based pricing dimensions reflect customers' positive perceptions and their strong intentions to remain loyal to the brand. Zhang Yiyuan's commitment to offering good value for the price not only enhances customer satisfaction but also contributes significantly to its enduring success in the tea industry.

5.2.2.4 Influence of Purchasing Channel on Customer Loyalty

The examination of the purchasing channel as an influential factor in shaping customer loyalty towards Zhang Yiyuan tea provides valuable insights into the significance of this dimension in the brand's success. The findings underscore the pivotal role that purchasing channel options play in influencing customer loyalty and satisfaction.

The study reveals that Zhang Yiyuan tea has effectively managed both online and physical store purchasing channels, providing customers with convenience, user-friendliness, reliability, and satisfactory customer support, as indicated by the consistently high mean scores for the Purchasing Channel. This effective management of purchasing channels has significantly contributed to customers' strong intentions and sentiments of loyalty towards the brand.

The availability of multiple purchasing channels is increasingly important in the modern market (Verhoef et al., 2015). When customers find it convenient and enjoyable to shop

online or in physical stores and feel confident about the security and privacy of their information, it enhances their overall satisfaction and loyalty to the brand. The study's findings align with previous research that highlights the positive impact of effective purchasing channel management on customer loyalty.

Zhang Yiyuan tea's success in managing purchasing channels effectively underscores its commitment to providing a seamless and satisfying customer experience, regardless of the channel chosen by the customer. In today's competitive market, offering diverse and well-managed purchasing options is essential for retaining and attracting customers.

In conclusion, the study affirms that purchasing channel options are critical factors in shaping customer loyalty towards Zhang Yiyuan tea. The consistently high mean scores for purchasing channel dimensions reflect customers' positive perceptions and their strong intentions to remain loyal to the brand. Zhang Yiyuan's commitment to offering convenient, user-friendly, and secure purchasing channels not only enhances customer satisfaction but also contributes significantly to its enduring success in the tea industry.

5.2.2.5 Influence of Brand Reputation on Customer Loyalty

The examination of brand reputation as an influential factor in shaping customer loyalty towards Zhang Yiyuan tea provides significant insights into the brand's success in building a positive and enduring image in the minds of customers. The findings underscore the pivotal role that brand reputation plays in influencing customer loyalty and brand preference.

The study reveals that Zhang Yiyuan tea has established a strong reputation for quality, authenticity, trustworthiness, customer satisfaction, and reliability, as indicated by the consistently high mean scores for Brand Reputation. This positive brand reputation has significantly contributed to customers' strong intentions and sentiments of loyalty towards the brand.

Brand reputation is a critical asset for any brand (Keller, 1993). When customers perceive a brand as reputable and reliable, it not only builds trust but also influences their purchasing decisions and loyalty (Delgado-Ballester & Munuera-Alemán, 2005). The study's findings align with previous research that highlights the positive impact of brand reputation on customer loyalty and brand preference.

Zhang Yiyuan tea's success in establishing a strong brand reputation reflects its commitment to delivering quality products, ensuring customer satisfaction, and consistently meeting or exceeding customer expectations. In today's competitive market, a positive brand reputation is a valuable asset that can set a brand apart from its competitors.

In conclusion, the study affirms that brand reputation is a critical factor in shaping customer loyalty towards Zhang Yiyuan tea. The consistently high mean scores for brand reputation

dimensions reflect customers' positive perceptions and their strong intentions to remain loyal to the brand. Zhang Yiyuan's commitment to building and maintaining a strong brand reputation not only enhances customer loyalty but also contributes significantly to its enduring success in the tea industry.

5.3 Implications

The findings of this research offer several implications for both theoretical understanding and practical applications within the context of customer loyalty towards Zhang Yiyuan tea. This research enriches the theoretical understanding of customer loyalty by demonstrating the importance of diverse influential factors, including product quality, packaging, value-based pricing, purchasing channels, and brand reputation, in the context of a premium tea brand like Zhang Yiyuan. It underscores the multifaceted nature of customer loyalty. In addition, the study highlights the interplay and integration of influential factors in shaping customer loyalty. Future theoretical models in the field of customer loyalty should consider the combined impact of product-related, pricing-related, channel-related, and brand-related factors on customer loyalty.

5.4 Recommendations

1. Zhang Yiyuan should prioritize a commitment to product quality. Continuous improvement in the taste, freshness, and consistency of its tea products should remain a central focus. Conducting regular quality assessments and obtaining customer feedback can guide this process.
2. Zhang Yiyuan should invest in packaging design that not only maintains its traditional charm but also emphasizes visual appeal. Packaging should reflect the premium nature of the products and enhance the overall product presentation.
3. Zhang Yiyuan should continue to offer competitive pricing that aligns with the perceived value of the products. Ensure transparency in pricing strategies to reinforce the trust and loyalty of price-sensitive customers.
4. Zhang Yiyuan should prioritize user-friendly online platforms for purchasing its tea products. A seamless and reliable online shopping experience is crucial to accommodate customers who prefer digital channels.
5. Zhang Yiyuan should maintain consistency in brand messaging and image across all touchpoints. Ensure that the positive reputation of Zhang Yiyuan Tea as a reputable and reliable brand is consistently reinforced.

5.5 Future Research

Future research could center on the mediating mechanisms through which influential factors impact customer loyalty. Gaining an understanding of these underlying processes can provide a more comprehensive perspective on the dynamics in play. An investigation into how these influential factors operate within diverse cultural contexts and their interaction with cultural dimensions holds the potential to yield valuable insights, particularly for global brands.

Conducting longitudinal studies to monitor changes in customer loyalty over time and examining the enduring impact of these influential factors can provide a more dynamic and evolving view of customer loyalty. Furthermore, supplementing quantitative research with qualitative methodologies, such as in-depth interviews or focus groups, can offer richer insights into customer perceptions and experiences.

In conclusion, this research not only advances our understanding of customer loyalty within the premium tea sector but also furnishes practical guidance for brand management. By concentrating on the dimensions of product quality, packaging, value-based pricing, purchasing channels, and brand reputation, brands like Zhang Yiyuan can enhance customer loyalty and, ultimately, achieve sustained success in a competitive marketplace.

REFERENCES

- Aaker, D.A., (1991), *Managing Brand Equity: Capitalizing on the Value of a Brand Name*, New York: *The Free Press*.
- Bloch, P. H. (1995). Seeking the ideal form: Product design and consumer response. *Journal of Marketing*, 59(3), 16-29.
- Bloch, P. H., Brunel, F. F., & Arnold, T. J. (2003). Individual differences in the centrality of visual product aesthetics: Concept and measurement. *Journal of Consumer Research*, 29(4), 551-565.
- Caruana, A. (2002). Service loyalty: The effects of service quality and the mediating role of customer satisfaction. *European Journal of Marketing*, 36(7/8), 811-828.
- Chang, Y. Y., & Chang, C. C. (2010). The impact of packaging design on product purchase decisions: An empirical study of university students in Taiwan. *Journal of Marketing and Management*, 1(1), 41-55.
- Chen, W., & Hu, X. (2020). Factors influencing customer loyalty in online food delivery services: A perspective of trust transfer. *Journal of Retailing and Consumer Services*, 54, 101961.
- Chen, Y. (2019). E-commerce platforms and customer loyalty: A systematic review and future research directions. *International Journal of Information Management*, 49, 70-82.
- Cronin Jr, J. J., Brady, M. K., & Hult, G. T. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218.
- Delgado-Ballester, E., & Munuera-Alemán, J. L. (2005). Brand trust in the context of consumer loyalty. *European Journal of Marketing*, 39(11/12), 1232-1250.
- Dodds, W. B., Monroe, K. B., & Grewal, D. (1991). Effects of price, brand, and store information on buyers' product evaluations. *Journal of Marketing Research*, 28(3), 307-319.
- Fornell, C., & Wernerfelt, B. (1987). Defensive marketing strategy by customer complaint management: A theoretical analysis. *Journal of Marketing Research*, 24(4), 337-346.
- Garvin, D. A. (1984). What does "product quality" really mean? *Sloan Management Review*, 26(1), 25-43.
- Gundersen, M. G., Heide, M., & Olsson, U. H. (1996). Hotel guest satisfaction among business travelers: What are the important factors? *Journal of Travel Research*, 35(4), 28-35.
- Gupta, S., & Zeithaml, V. (2006). Customer metrics and their impact on financial performance. *Marketing Science*, 25(6), 718-739.

- Hoeffler, S., & Keller, K. L. (2002). Building brand equity through corporate societal marketing. *Journal of Public Policy & Marketing*, 21(1), 78-89.
- Homburg, C., & Giering, A. (2001). Personal characteristics as moderators of the relationship between customer satisfaction and loyalty—an empirical analysis. *Psychology & Marketing*, 18(1), 43-66.
- Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1), 1-22.
- Liang, W., & Wang, D. (2017). Factors influencing customer loyalty to smartphone brands. *Telematics and Informatics*, 34(4), 681-695.
- Liu, X., Guo, F., & Li, X. (2018). Factors influencing customer loyalty in the retail banking sector: The mediating role of customer satisfaction. *Journal of Retailing and Consumer Services*, 41, 332-342.
- Monroe, K. B. (1990). *Pricing: Making profitable decisions*. McGraw-Hill.
- Monroe, K. B., & Krishnan, R. (1985). The effect of price on subjective product evaluations. In J. Jacoby & J. Olson (Eds.), *Perceived quality: How consumers view stores and merchandise* (pp. 209-232). Lexington Books.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20-38.
- Nagle, T. T., & Müller, G. (2017). *The strategy and tactics of pricing: A guide to growing more profitably*. Routledge.
- Oliver, R. L. (1997). *Satisfaction: A behavioral perspective on the consumer*. Irwin/McGraw-Hill.
- Oliver, R. L. (1999). Whence consumer loyalty? *Journal of Marketing*, 63(4), 33-44.
- Peck, J., & Childers, T. L. (2003). To have and to hold: The influence of haptic information on product judgments. *Journal of Marketing*, 67(2), 35-48.
- Rust, R. T., Zeithaml, V. A., & Lemon, K. N. (2000). Driving customer equity: How customer lifetime value is reshaping corporate strategy. *Free Press*.
- Simonson, I., Carmon, Z., Dhar, R., Drolet, A., & Nowlis, S. (1994). Consumer research: In search of identity. *Annual Review of Psychology*, 45(1), 229-259.
- Spreng, R. A., & Chiou, J. S. (2002). A cross-cultural study of the role of aesthetics in the enjoyment of web pages. *Journal of Computer-Mediated Communication*, 8(1), JCMC814.
- Underwood, R. L., Klein, N. M., & Burke, R. R. (2003). Packaging communication: Attentional effects of product imagery. *Journal of Product & Brand Management*, 12(7), 431-445.

- Verhoef, P. C., & Leeflang, P. S. (2009). Understanding the marketing department's influence within the firm. *Journal of Marketing*, 73(2), 14-37.
- Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From multi-channel retailing to omni-channel retailing: Introduction to the special issue on multi-channel retailing. *Journal of Retailing*, 91(2), 174-181.
- Wirtz, J., & Lovelock, C. (2016). *Services marketing: People, technology, strategy*. World Scientific Publishing Co. Pte Ltd.
- Wu, L. Y., & Liang, R. D. (2016). The influential factors on customer loyalty in the hospitality industry. *Journal of Quality Assurance in Hospitality & Tourism*, 17(3), 273-292.
- Zeelenberg, M., Van Dijk, E., & Manstead, A. S. (1998). Reconsidering the relation between price and perceived quality: The moderating role of the nature of the product. *Journal of Economic Psychology*, 19(4), 397-431.
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2-22.
- Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing*, 60(2), 31-46.
- Zhang, J., Yang, Z., & Zhang, Y. (2019). Factors influencing customer loyalty in e-commerce: An empirical analysis from China. *Journal of Electronic Commerce Research*, 20(3), 232-250.



This material is reserved for educational use only, not allowed for commercial use.

Forbidden to modify the content, and cite the document when use.

APPENDIX A

QUESTIONNAIRE

The objective of this study is to examine the factors that contribute to customer loyalty towards Zhang Yiyuan Tea. By understanding the key drivers of customer loyalty, Zhang Yiyuan Tea can further enhance its products and services to meet customer expectations and strengthen customer relationships. Your responses will provide valuable information for improving customer satisfaction and loyalty in the future.

Please be assured that all the information you provide in this questionnaire will be treated with strict confidentiality. Your responses will be anonymized and aggregated to ensure that individual participants cannot be identified. The data collected will only be used for research purposes and will be securely stored in accordance with data protection guidelines. Rest assured that your participation and responses will remain confidential and will not be disclosed to any third parties.

Thank you once again for your valuable contribution to this research study. Your insights and opinions are essential in helping us gain a better understanding of the influential factors on customer loyalty towards Zhang Yiyuan Tea. Your participation is voluntary, and you may choose to withdraw at any time during the survey without any negative consequences.

If you have any questions or concerns regarding this questionnaire or the research study, please do not hesitate to contact us. We greatly appreciate your time and effort in completing this questionnaire.

Demographic Information**1. Gender:**

- Male Female

2. Age:

- Under 18 years old 18-25 years old
 26-35 years old 36-45 years old
 46-60 years old Over 60 years old

3. Monthly income

- 1,000-4,000 yuan 4,001-7,000 yuan
 7,001-10,000 yuan 10,001-13,000 yuan
 13,001 yuan and above

4. Education Level

- High School or Equivalent Bachelor's Degree
 Master's Degree Doctorate Degree

5. Employment Status

- Employed full-time Employed part-time
 Self-employed Unemployed
 Other

Part 2: Factors Influencing Customer Loyalty

Please complete the questionnaire honestly based on your genuine thoughts and opinions. Indicate your level of agreement by marking a check (✓) in the corresponding column. Please provide responses for all the questions to ensure completion of the questionnaire. The options provided represent the degree to which you agree with your actual experiences and attitudes, using a scale of 1 to 5, with 1 indicating "strongly disagree," 2 indicating "disagree," 3 indicating "neutral," 4 indicating "agree," and 5 indicating "strongly agree."

Variable	Opinion Level				
	1	2	3	4	5
Product Quality					
The tea from Zhang Yiyuan has excellent taste and flavor.					
The tea from Zhang Yiyuan is consistently fresh and of high quality.					
I am satisfied with the overall quality of Zhang Yiyuan tea products.					
The tea from Zhang Yiyuan meets or exceeds my expectations.					
I would recommend Zhang Yiyuan tea to others based on its quality.					
Packaging					
The packaging of Zhang Yiyuan tea products is visually appealing.					
The packaging of Zhang Yiyuan tea enhances the overall product presentation.					
The packaging of Zhang Yiyuan tea creates a sense of value and quality.					
I find the packaging of Zhang Yiyuan tea to be practical and convenient.					
The packaging of Zhang Yiyuan tea reflects the brand's image effectively.					
Value-based Pricing					

Variable	Opinion Level				
	1	2	3	4	5
I believe that Zhang Yiyuan tea offers good value for the price.					
The pricing of Zhang Yiyuan tea products is fair and reasonable.					
I perceive Zhang Yiyuan tea products to be competitively priced.					
Considering the quality and benefits, I find Zhang Yiyuan tea to be worth the price.					
I feel that Zhang Yiyuan tea provides a good balance between price and value.					
Purchasing Channels					
I find it convenient to purchase Zhang Yiyuan tea products online.					
The online platform for purchasing Zhang Yiyuan tea is user-friendly and reliable.					
I enjoy the experience of shopping for Zhang Yiyuan tea products in physical stores.					
The customer support provided for online purchases of Zhang Yiyuan tea is satisfactory.					
I feel confident in the security and privacy of my personal information when buying Zhang Yiyuan tea online.					
Brand Reputation					
Zhang Yiyuan tea has a strong reputation for quality and authenticity.					
I trust the brand image and reputation of Zhang Yiyuan tea.					
Zhang Yiyuan tea is known for its commitment to customer satisfaction.					

Variable	Opinion Level				
	1	2	3	4	5
The positive reputation of Zhang Yiyuan tea influences my purchasing decisions.					
I perceive Zhang Yiyuan tea as a reputable and reliable brand in the tea industry.					



Part 3: Customer Loyalty

Please complete the questionnaire honestly based on your genuine thoughts and opinions. Indicate your level of agreement by marking a check (✓) in the corresponding column. Please provide responses for all the questions to ensure completion of the questionnaire. The options provided represent the degree to which you agree with your actual experiences and attitudes, using a scale of 1 to 5, with 1 indicating "strongly disagree," 2 indicating "disagree," 3 indicating "neutral," 4 indicating "agree," and 5 indicating "strongly agree."

Customer Loyalty	Opinion Level				
	1	2	3	4	5
I intend to continue purchasing Zhang Yiyuan tea products in the future.					
I recommend Zhang Yiyuan tea to family and friends.					
I feel a strong sense of loyalty towards Zhang Yiyuan as a tea brand.					
I choose Zhang Yiyuan tea over other tea brands when making a purchasing decision.					
I am willing to pay a premium price for Zhang Yiyuan tea due to my loyalty to the brand.					

AUTHOR BIOGRAPHY

Name	Mr.Haoran Zhao
Degree	Master of Business Administration
Place of Birth	Harbin, China
Undergraduate Education	Jiaying Nanhu University, China
Degree	Bachelor of Management
Major	Human Resource Management
Year	2022

