

Brand Loyalty on Millennials' Purchase Decision of Selected Beverages in Lagos State

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Abstract

The study investigated the effect of brand loyalty on millennials' purchase decision of selected beverages in Lagos State. The study adopted survey research design and made use of primary data sourced with the use of a structured questionnaire, using 5-point Likert scale. The study employed regression analysis to determine the coefficient of each of the explanatory variables. Findings of the study revealed that brand customer satisfaction, brand image, predicted millennials' purchase decision of selected beverages in Lagos State. The null hypotheses were rejected because their P-values of F-statistics were less than 0.05. The study concluded that brand customer satisfaction and brand image can significantly determine the millennials purchase decision of selected beverages in Lagos. The study therefore recommended that, manufacturer and managers should make distinction in their brand offerings to generate momentum needed in the market place, develop and project brand according to image in customer's mind. Then position brands trustworthiness and transparency to enhance brand loyal and equity of the brand.

Keyword: Brand customer satisfaction, Brand image, Purchase decision, Millennials.

1.1 Introduction

People's attentions are drawn toward brands when their level of income increase and in Nigeria, when income level of people is increasing, their expectation of quality products rises and also their prefer brands. A brand could be defined as seller's promise that he will provide a distinctive set of features to its customer's consistently at every given point in time. When a brand provides expected quality to its customers they will become loyal to the brand and make a repurchase decision continuously and consistently (Joshi, 2013).

Consequently, integrating an overflow of diverse brands in the market has become lurid for the simple consumer (Suresh, Monahan &Naresh (2012). Organisations develop brands with the principal objective of bringing closer and retaining consumers in order to satisfy them profitably (Alvarez &Casielles, 2005). Researchers and practitioners alike have recognised the importance of loyal customers, because such customers without stress frequently spend more, purchase more regularly, are motivated to search for information, are more resistant to competitors' promotions and are more likely to spread positive 'word of mouth' to others (Bytyqi &Vegara, 2008; Chaudhuri& Holbrook, 2001; Dick &Basu 1994; Keller, 2008).

Therefore, the proliferation of assorted brand of food drinks in Nigeria has brought about an intense competition among manufacturers in the food drink industry (Ayanwale, Alimi&Ayanbimpe, 2005). On the other hand, consumers are living on the earth or sphere where the purchase of products and services is vast and uninterrupted (Rindell, 2008). For any company to survive

therefore, it is majorly depends on the level of information at its disposal to critically harness the purchasing habits of consumer.

According to Shafiq, Ali, Baloch, Faheem and Farooq (2010), to be able to survive and maintain business growth, firms are devising a means to allure and to employ customers in the future. It is an established fact now that all businesses must be acquainted with and maintains mutual coexistence with customers and meeting their enormous expectations to survive and thrive in the market (Rai&StrIvastava, 2012).

Hoyer (1984) specified that during purchase, the consumer is apathetically concerned with information about a product and spends minimal time and perceptive effort choosing brands. Therefore, the ability of a firm in producing and supplying quality goods and services, to build their competitive responses, and maintain business existence in the world depends heavily on ensuring that their brand is perceived differently and serve a better purpose compare to other brands and ensure it is preferred over them (Oktay, Gulcan&Cakir, 2015).

Thus, there is a need to prove the applicability of the past researcher's findings in the light of the current study of brand loyalty as it affects buying decision of beverage products among undergraduate and postgraduate students of the University of Lagos, Akoka.

Several firms have been engaged in production and marketing of food drink products. Hence, the customers have many options to choose from an array of assorted food drink available considering the competitiveness of the brands. In this context, a study on brand loyalty was deemed to be relevant to understand the buying decision and preferences of different consumers. Understanding the consumer purchasing decision pattern would assist the firm in articulating strategies to cater for various needs of the consumer and this would increase market share (Kotler& Armstrong, 2017).

A few studies have been done to establish the relationship between brand loyalty and consumer purchase decision. Overtime, researchers have been using different variables as to what factors have an effect on purchase decision of consumers in the face of varieties of alternative brands (MacDonald & Sharp, 2000); Naeem, 2015; Saleem& Umar, 2015; Aberdeen, Syamsun&MukhamadNajib, 2016; &Chinomonina, 2017).

However, Chukwuneme (2012) opined that in the face of fierce competition, marketers in Lagos have begun to recognize the need for effective brand loyalty. And it is expedient to develop effective coexistence and to build brand loyalty on purchase decision in Lagos, Nigeria (Nguyen, Barrett & Miller 2011). Therefore, attempt to link these studies in explaining the effect of brand loyalty on millennials' purchase decision of selected beverages in Lagos State is necessary to prove the relevance of the findings of these authors.

2.1 Conceptual Framework

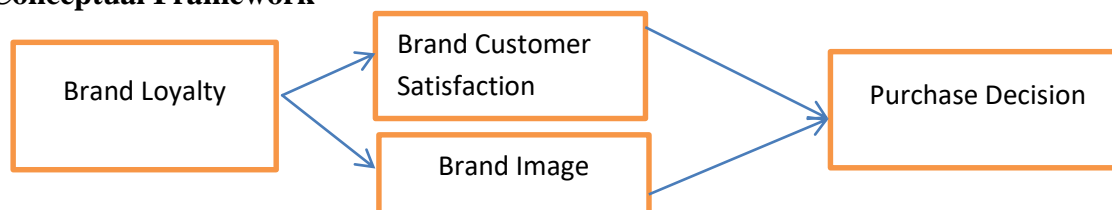


Fig.1.1 Conceptual Model of Brand Loyalty on Purchase Decision.

3.0 Methods

3.1 Research Design

In this research work, a quantitative research design was adopted using the survey questionnaire technique. The quantitative design is most suitable for depicting examples, patterns and connections in numerical form (Lochmiller & Lester, 2017). The principle explanation behind picking this method is that, variables to be analyzed will be much easier to measure quantitatively without manipulations.

The main objective of this research was to ensure that all useful data needed to conduct this research are obtained from the respondents (undergraduate and post-graduate students) in the University of Lagos on how the brand loyalty influences and affects purchase decisions of selected beverages in the Lagos.

3.2 Population, sample size and sampling techniques

The population of the study focused on students of the University of Lagos, comprising of undergraduate and postgraduate students. The undergraduate students are 48,324 while the postgraduate students are 10,933 making 59,257 total populations for the study, gotten from Nigerian University System Statistical Digest, 2019. The sample size was derived by using Yamane (1967). Formula was used in deriving the sample size. The total sample size was 397. For effective coverage, stratified sampling technique was used.

3.3 Method of data collection

This research work used a structured questionnaire in gathering primary data from the respondents of this study. The questionnaire is regarded as a survey instrument containing a number of structured questions designed specifically to gather responses from the participants.

The responses using Likert statements are based on a five point scale, they are: SA = Strongly Agree, A = Agree, N = Neutral, D = Disagree, SD = Strongly Disagree.

3.4 Method of Data Analysis

The data analysis technique entails the method that was used to categorize, manipulate, and summarize the data gotten from the various respondents to answer the research questions.

The statistical technique that was adopted in the course of this study is the Regression Analysis uses SPSS software. Regression Analysis was used for this research because it analyses the

variable in this work to establish the functional relationship and specifies the particular direction of the relationship. So with the knowledge of one variable we can determine and predict the value of the other variable in the course of study.

4.0 Result

Table 1.1: Demographic Distribution of Respondents

	Frequency	Percent
Gender Distribution		
Male	170	54.0
Female	145	46.0
Total	315	100.0
Age Distribution		
18-23Years	97	30.8
24-29 Years	71	22.5
30-34 Years	61	19.4
35-37 Years	86	27.3
Total	315	100.0
Students Level		
Undergraduate	254	80.6
Postgraduate	61	19.4
Total	315	100.0
Programme/Dept.		
Arts	39	12.4
Basic Medical Sciences	5	1.6
Business Administration	90	28.6
Clinical Sciences	5	1.6
Dental Sciences	7	2.2
Education	49	15.6
Engineering	10	3.2
Environmental Sciences	18	5.7
Law	11	3.5
Pharmacy	14	4.4
Sciences	27	8.6
Social Sciences	40	12.7
Total	315	100.0
Frequency		
Every Morning	93	29.5

Every Evening	96	30.5
Morning and Evening	89	28.3
Once in a day	37	11.7
Total	315	100.0
Food Drink		
Milo	109	34.6
Bournvita	112	35.6
Cowbell Chocolate	23	7.3
Ovatin	21	6.7
Lipton	14	4.4
Vitalo	6	1.9
Richoco	1	.3
Pronto	13	4.1
Tollyvita	7	2.2
Cocoa Butter	9	2.9
Total	315	100.0

Source: Field Survey, (2020)

4.1 Demographic Distribution of Response

In table 1.1 above, age distribution of respondents showed that ninety-seven (30.8%) of the respondents are between 18-23years of age, seventy-one (22.5%) of the respondents are between 24-29years, sixty-one (19.4%) of the respondents are between 30-34years while eighty-six (27.3%) of the respondents are between 35-37years which implies that the categories of the respondents are youth and which revealed they know the implication of research work.

The students' level in the institution revealed that two hundred and fifty-four (80.6%) of the respondents are undergraduates out of three hundred and fifteen respondents that were examined in this research while sixty-one (19.4%) of the respondents postgraduates students which implies that undergraduate students are more than postgraduate students in this research work.

The distribution of students programme/department indicated that thirty-nine (12.4%) of the respondents are from Arts, five (1.6%) of the respondents are from Basic medical sciences, ninety (28.6%) of the respondents are from Business Administration Department, five (1.6%) are clinical science students, seven (2.2%) of the respondents are dental sciences, forty-nine (15.6%) of the respondents are education students, ten (3.2%) of the respondents are engineering students, eighteen (5.7%) of the respondents are environmental sciences students, eleven (3.5%) of the respondents are law students, fourteen (4.4%) of the respondents are pharmacy students, twenty-seven (8.6%) of the respondents are sciences students while forty (12.7%) of the respondents are social sciences students.

The frequency distribution of the respondents taking food beverages revealed that ninety-three (29.5%) of the respondents takes beverage every morning, ninety-six (30.5%) of the respondents takes beverages every evening, eighty-nine (28.3%) of the respondents takes food beverages in the morning and evening while thirty-seven (11.7%) of the respondents takes food beverages once in a day.

The distribution of food drink taken by the respondents indicated that one hundred and nine (34.6%) respondents takes Milo Beverages, one hundred and twelve (35.6%) of the respondents takes Bournvita, twenty-three (7.3%) of the respondents takes Cowbell Chocolate, twenty-one (6.7%) of the respondents takes Ovatn, fourteen (4.4%) of the respondents takes Lipton, six (1.9%) takes Vitalo, one (0.3%) takes Richoco, thirteen (4.1%) takes pronto, seven (2.2%) of the respondents takes Tollyvita while nine (2.9%) of the respondents takes Cocoa Butter.

Table 1.2 Brand Customer Satisfaction

S/N		SD	D	N	A	SA
1	Customers feel safe when transacting with employees in the Customer service counters	39 (12.4%)	46 (14.6%)	31 (9.8%)	141 (44.8%)	58 (18.4%)
2	Employees of Beverage Company have the adequate knowledge to answer customers' questions	31 (9.8%)	21 (6.7%)	37 (11.7%)	187 (59.4%)	39 (12.4%)
3	The employees understand the specific need of their customer	23 (7.3%)	30 (9.5%)	39 (12.4%)	174 (55.2%)	49 (15.6%)
4	Their operating hours are convenient to all their customers	32 (10.2%)	17 (5.4%)	48 (15.2%)	189 (60.0%)	29 (9.2%)

Brand Customer Satisfaction

From the table 1.2 above, it is revealed that, Thirty nine (12.4%), Forty six (14.6%), Thirty one (9.8%), One forty one (49.8%) Fifty eight (18.4%) respondents felt safe while transacting with the employees of the customer service of the company that produces their choice of brand. Since majority shown that they are saved, it implies that there will be high patronage which invariably brings profit to the company.

Also, thirty one (9.8%), Twenty one (6.7%), Thirty seven (11.7%), One eighty seven (59.4%), Thirty nine (12.4%) respondents agreed that the employees of their beverage company have all prompt knowledge of any kind of questions related to their brand. What it means is that there is no ambiguity on information given by such employees.

Equally, Twenty three (7.3%), Thirty (9.5%), Thirty nine (12.4%), One seventy four (55.2%), and Forty nine (15.6%) respondents agreed that the employees understood specific needs of their

customers. Since majority of the respondents are of this opinion, it means the company is able to meet their need as at when needed.

Then, Thirty two (10.2%), Seventeen (5.4%), Forty eight (15.2%), One eighty nine (60.0%) and Twenty nine (9.2%) respondents revealed that the operating hours of the company are convenient to all their customers. Since majority believed this, it means customers enjoyed timing of their company service.

Table 1.3 Brand Image

S/N		SD	D	N	A	SA
1	The brand I use comes to my mind first, whenever I think about beverages	14 (4.4%)	27 (8.6%)	41 (13.0%)	185 (58.7%)	48 (15.2%)
2	The only brand of this product i need, I considered	14 (4.4%)	19 (6.6%)	49 (15.6%)	170 (54.0%)	63 (20.0%)
3	I buy this brand whenever I can	19 (6.0%)	18 (5.7%)	62 (19.7%)	169 (53.7%)	47 (14.9%)
4	It is sensible to buy this brand instead of any others, even if they are the same	18 (5.7%)	38 (12.1%)	96 (30.5%)	123 (39.0%)	40 (12.7%)
5	Though another brand has the same features as this brand, I would still prefer to buy this brand	20 (6.4%)	35 (11.1%)	94 (29.8%)	126 (40.0%)	40 (12.7%)

Brand Image

From the table 1.3 above, it is revealed that, Fourteen (4.4%), Twenty seven (8.6%), Forty one (130%), One eighty five (58.7%), Forty eight (15.2%), respondents revealed that, whenever they think about beverages, the brand they use come into their mind. Since majority shown this it means customers are acquainted with their brand.

Also, Fourteen (4.4%), Nineteen (6.6%), Forty nine (15.6%), One hundred seventy (54.0%) and Sixty three (26.0) of the respondents revealed that, customers does not select any other brands apart from their brand. Majority up to (80%) purchase exactly their brand. Over time it brings about brand loyalty.

Furthermore, Nineteen (6.0%), Eighteen (5.7%), Sixty two (19.7%), One hundred and sixty nine (53.7%) and Forty seven (14.9%) respondents shown that, they buy their choice of brand any time they can. This implies that majority are willing and able to buy their brand any time.

Equally, Eighteen (5.7%), Thirty eight (12.1%), Ninety six (30.5%), One twenty three (39.0%) and Forty (12.7%) respondents revealed that, it is very sensible to buy their brand even if there are other brands. It means, majority believed the taste and benefits derived from the brand worth going for all the time.

Then, Twenty (6.4%), Thirty five (11.1%), Ninety four (29.8%), One hundred and twenty six (40.0%) and Forty (12.7%) respondents shown that, even if other brands have the same features, they prefer their brand. Since majorities are of this opinion, it means the benefits enjoyed in consuming this brand cannot be compared with other brands.

Table 1.4 Consumer Purchase Decision

S/N		SD	D	N	A	SA
1	How others think about me with the type of brand I use influenced my purchase decision	23 (7.3%)	19 (6.0%)	35 (11.1%)	166 (52.7%)	72 (22.9%)
2	My purchase decision is guided by my awareness regarding a food beverage brand	25 (7.9%)	15 (4.8%)	55 (17.5%)	142 (45.1%)	78 (24.8%)
3	My purchase decision is affected by my overall assessment of the quality of the brand	11 (3.5%)	14 (4.4%)	39 (12.8%)	183 (58.1%)	68 (21.6%)
4	I will buy the same brand that I already have in the future	13 (4.1%)	74 (23.5%)	93 (29.5%)	80 (25.4%)	55 (17.5%)

Customer Purchase Decision

From the table 1.4 above, Twenty three (7.3%), Nineteen (6.0%), Thirty five (11.1%), One hundred and sixty six (52.7%), Seventy two (22.9%) respondents shown that, there choice of brand depends on what other people think about them. Since majority falls under this category, it means their purchase decision may be based on their class they belong.

Also, Twenty five (7.9%), Fifteen (4.8%), Fifty five (17.5%), One hundred and forty two (45.1%) and Seventy eight (24.8%) of the respondents revealed that, what guide their purchase decision is about information at their disposal regarding their brand. This implies that majority of the customers search for information about their brand before purchase is made.

Furthermore, Eleven (3.5%), Fourteen (4.4%), Thirty nine (12.8%), One hundred and eighty three (58.1%) and Sixty eight (21.6%) of the respondents shown that, majority of the respondents seek for the quality before making their purchase decision. It then means that, their choice of the brand meets the quality required of the brand.

Then, Thirteen (4.1%), Seventy four (23.5%), Ninety three (29.5%) , Eighty (25.4%), and Fifty five (17.5%) of the respondents revealed that, they will still go for the same brand in future. It implies that, in future the respondents will still buy the brand they are buying now.

Table 1.5: Brand Customer Satisfaction and Millennials' Purchase Decision

Variables	Coeff.	Standard Error	t-value	Sig.
Constant	2.106	.151	13.917	0.000
Customer Satisfaction	.477	.041	11.525	0.000
R	.546			
R Square	.298			
Adj. R Square	.296			
F Stat.	132.831(0.000)			

Dependent Variable: Consumer Purchase Decision

4.2 Brand Customer Satisfaction and Millennials' Purchase Decision

To test this hypothesis, the respondents' scores on two variables of customer satisfaction on millennials' purchase decision of selected beverages were computed and subjected to simple regression analysis. From Table 1.5, the correlation coefficient (R) provides a positive value of .546; this means that there is a very strong and positive relationship between customer satisfactions, and millennials' purchase decision of selected beverages in Lagos State, Nigeria. The R^2 is part of the total variation of dependent variable that is discussed by the variation in the independent variables. From the answer, R^2 is equal to .298, implying that customer satisfaction brought about 29.8% variance in millennials' purchase decision of selected beverages, this is also proved by the adjusted R^2 that reveals the goodness of fit of the model valued at .298, this implies that when all errors are corrected and adjusted, the model can only account for 29.8% by customer satisfaction; while the remaining 70.4% are discussed by the error term in the model in the surveyed millennials' purchase decision of selected beverages as shown in Table 1.5.

The unstandardized beta co-efficient of customer satisfaction is 0.477 with $t = 11.525$ and ($p = 0.000 < 0.05$). The results suggest that the beverage company understand and know the knowledge of their customers, transacting business with the company feel saver and also their operating hours are convenient to customers.

In hypothesis three, the null hypothesis, that brand customer satisfaction does not significantly related to millennials' purchase decision of selected beverages was rejected and the alternative accepted. It means, customer satisfaction would significantly affect millennials' purchase decision of selected beverages in Lagos State.

Table 1.6: Brand Image and Millennials' Purchase Decision

Variables	Coeff.	Standard Error	t-value	Sig.
Constant	1.466	.203	7.235	0.000
Brand Image	.622	.053	11.792	0.000
R	.555			
R Square	.308			
Adj. R Square	.305			
F Stat.	139.182(0.000)			

Dependent variable: Consumer Purchase Decision

4.3 Brand Image and Millennials' Purchase Decision

To test this hypothesis, the respondents' scores on two variables of brand image on millennials' purchase decision selected beverages in Lagos State were computed and subjected to simple regression analysis. From Table 1.6, the correlation coefficient (R) gives a positive value of .555; this shows that brand image is moderately strong and positively related to millennials' purchase decision of selected beverages in Lagos, Nigeria. The R^2 is a part of the absolute variation in the dependent variable that is discussed by the variation in the independent variables. From the answer, R^2 is equal to .308, implying that brand image brought about 30.8% variance in millennials' purchase decision of selected beverages, this is then proved by the adjusted R^2 that reveals the goodness of fit of the model valued at .305, this implies that when all errors are corrected and adjusted, the model would only account for 30.5% by brand image; while the remaining 69.5% are discussed by the error term in the model in the surveyed millennials' purchase decision of selected beverages as shown in Table 1.6.

The unstandardized beta co-efficient of brand image is 0.622 with $t = 11.792$ and ($p = 0.000 < 0.05$). The results suggest that if another brand of the beverage food has the same feature as their choice of brand they will still go for their brand. It is sensible therefore to buy their choice of brand rather than others.

The null hypothesis, that brand image does not affect millennials' purchase decision of selected beverages significantly was rejected and the alternative accepted i.e brand image would significantly affect millennials' purchase decision of selected beverages in Lagos State.

4.4 Discussion of Findings

Customer satisfaction on millennials' purchase decision of selected beverages

It was found significant; therefore, alternative hypothesis were accepted and null hypothesis rejected. The findings in accordance with Ndukwe (2011), posited that quality of product and service was more likely to lead to brand loyalty especially in Nigerian telecommunication environment. The above positions submitted that product and service quality positively influenced the brand loyalty.

Brand image on millennials' purchase decision of selected beverages.

It was found significant; therefore, alternative hypothesis were accepted and null hypothesis rejected. The implication is that, the results correlate with the findings of Lanza (2008), that brand loyalty and repurchase intention are significantly and positively related. Also, Said (2014) established a positive and significant correlation. And Mehdi and Masoud (2013) agreed that, loyalty to the brand and purchase decision is positively correlated. Therefore it is postulated that, brand loyalty has a significant effect on purchase decision.

5.0 Conclusion and Recommendations

The findings of this study deduced that, the beverage company understand and know the knowledge of their customers, transacting business with the company feel saver and also their operating hours are convenient to customers and if another brand of the beverage food has the same feature as their choice of brand they will go for it which means it is sensible to purchase their choice of brand rather than others. This study recommended, there is a need to pay critical attention on how to create discounts for the loyal customer and build value based on total fidelity to the brand. Marketers must ensure their brand is well position on quality, trust and transparency of information without ambiguity of promotional offers. Marketing agent of food beverage must ensure development and building on customer previous experience in selecting a brand. And should make sure they use the tools to motivate the consumer to become a brand loyalist and enhance the patronage of the brand.

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