

# Relationship between Customer Satisfaction and Brand Loyalty

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**Abstract:** Customer satisfaction is a significant factor for measuring the loyalty of the brand, but this relationship sometimes has mostly been studied separately.

Many variables like brand image, price fairness, repurchase, brand trust, product and service quality, innovation, and income affect the loyalty towards the brand. Brand experience affects the satisfaction, trust, and loyalty of the customers. It helps to build long term relationships of the company with its customers.

The primary data is used in this study and for this purpose survey has been conducted through a structured questionnaire. The sample size is too small. The view of 50 people is recorded. Samples can be taken through an online questionnaire. Samples can be taken of students, professionals, businessman who resides in Delhi. The study shows the relationship between customer satisfaction and brand loyalty.

It has been concluded that the loyalty of customers can be affected by various variables like quality, price fairness, satisfaction level, etc.

In this report, the sample test is used. There are 47 individuals from the 18-30 age group, 2 from 31-40 and 1 from 41-50. We have a sample of 52% of females and 48% males. Approximately, 86% are loyal to a specific brand and 14% are not loyal.

Loyalty has been considered the group factor which has been compared with many variables like price fairness, income, advertisements, quality, and satisfaction. In this research, Advertisements and income level of customers affect the loyalty of customers towards their brand.

**Keywords:** Advertisements, Income, Satisfaction, and Quality.

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## I. INTRODUCTION

Customer satisfaction is broadly viewed as "The most crucial route to significant and sustained marketing performance" (Piercy, 1995) and as "central into the marketing concept (Fournier and Glick, 1999). Consumer satisfaction is a marketing tool which helps to meet the company's need and consumer's expectation. Brand loyalty is the tendency to repurchase the product from the same brand instead of looking to another brand. In the present era, consumer satisfaction with brand loyalty is an emerging trend.

Brand image is the main asset of the company. Brands are considered an important asset of the company that makes customers loyal and have value for the end consumer. They link consumers with the company that builds customers' trust and loyalty towards the brand. This loyalty brings greater market share. Thus the brand helps customers to make a good decision while purchasing a product. Thus brand creates a relationship with the customers either a positive by continuing the brand or negative by moving to the competitive brand.

It helps to maintain the performance of the company and also helps the company to grow in the competitive market. The company needs to maintain a good level of customer satisfaction.

Customer satisfaction towards the particular brand helps the company in the following aspects;

1. It helps to maintain a good reputation for your product as well as the brand in the market.
2. It helps to increase customer loyalty towards your brand.
3. It leads to positive word of mouth and lowers the risk of customers switching to another brand.

Sometimes, it is observed that customer satisfaction cannot lead the loyalty towards the brand. The company should opt for different techniques to maintain loyalty such as price fairness, good service, and product quality, innovation and varieties.

When Customers are loyal towards a particular brand they can act as a signal of achieved expectation.

## **II. LITERATURE REVIEW**

*According to the European Scientific Journal October 2015, Marketing and International Trade Department* Customers' loyalty towards the brand varies according to the image of the brand and the price sets by the organization for the product or the service. Brand image and price fairness are positively related to Brand loyalty. Managers need to understand the importance of the customer satisfaction level, the image they are creating in a customer's mind of their brand and price while they are determining customer loyalty level. *According to the British Journal of Marketing Studies, Prof.Dr.Abdul Ghafoor*, Brand's performance is positively related to the satisfaction of customers towards the brand. Brand performance is one of the crucial factors in the mind of customers when they are making any perception about the product and service of a particular brand. To satisfy their customers in the best possible way a company should opt for strategies like providing them a good quality of products, expecting their needs and wants and handling their queries in a friendly manner. When customers perceived the good quality of products, it helps them to maintain their satisfaction level as well as to create a good brand image in their mind. Along with the performance and quality of the product, the attitude and behavior should not be neglected. *According to the Journal of Sociological Research, Zohaib Ahmed* Service quality, perceived quality and value have an important positive role while judging the customer loyalty level towards the brand. These variables play a crucial role either by making them loyal for a lifetime or simply by losing them to competitors. This research indicates some pieces of advice for the companies to follow for the foundation of brand loyalty. Companies should opt for various sales promotion means so that they can attract a mass population towards their product but they should show the actual picture of the product or services they offered, not that which they can't even justify.

## **III. RESEARCH METHODOLOGY**

The study is descriptive that explains the whole phenomenon. The first purpose of descriptive research is the verification of the hypotheses that reflect the current situation. This practical and descriptive study shows the reliability of the questionnaire. We conducted an online Survey. The questionnaire used is a structured questionnaire. We are using an independent t-test in this study.

### **SAMPLE/DATA**

We took samples of 50 individuals who are students, businessmen, homemakers, etc. of different age groups but specifically between 18-20 years. The data was collected from Delhi and consumers were asked to participate in this research to collect the information about brand loyalty.

## **IV. DATA ANALYSIS AND INTERPRETATION**

### **HYPOTHESIS TESTING**

We are taking "LOYALTY" as our group variable and comparing it with other variables like gender, satisfaction, price, and quality.

The hypothesis we use is sample t-test.

### **PRICE**

H0- Price does not affect the loyalty of consumers.  $\mu_1 = \mu_2$ .

H1-price affects the loyalty of customers.  $\mu_1 \neq \mu_2$ .

According to group statistics, the mean of loyal customers is 2.2093

And, for not loyal is 2.5714

Thus,  $\mu_1 \neq \mu_2$ .

According to Levene's test for equality of variance,

Our significant value is .860 which is greater than .50 thus null is accepted.

H0- square of the variance of 1 = square of the variance of 2

H1 square of the variance of 1  $\neq$  square of the variance of 2

Thus our null is accepted, which means loyalty of customer does not vary according to the price.

### ***INCOME***

H0- Income does not affect the loyalty of consumers.  $\mu_1 = \mu_2$ .

H1- Income affects the loyalty of customers.  $\mu_1 \neq \mu_2$ .

According to group statistics, the mean of loyal customers is 1.2791

And, for not loyal is 1.1429

Thus,  $\mu_1 \neq \mu_2$ .

According to Levene's test for equality of variance,

Our significant value is .204 which is less than .50 thus we can reject the null hypothesis.

H0- square of the variance of 1 = square of the variance of 2

H1 square of the variance of 1  $\neq$  square of the variance of 2

That means the loyalty of customers varies according to the change in the income level of customers.

### ***SATISFACTION***

The H0-Satisfaction level does not affect the loyalty of consumers.  $\mu_1 = \mu_2$ .

H1- Satisfaction level affects the loyalty of customers.  $\mu_1 \neq \mu_2$ .

According to group statistics, the mean of loyal customers is 2.7907

And, for not loyal is 2.4286

Thus  $\mu_1 \neq \mu_2$ .

According to Levene's test for equality of variance,

Our significant value is .623 which is greater than .50 thus null is accepted.

H0- square of the variance of 1 = square of the variance of 2

H1 square of the variance of 1  $\neq$  square of the variance of 2

Thus our null is accepted, which means loyalty of customers does not vary according to the satisfaction level of customers.

### ***QUALITY***

H0- quality does not affect the loyalty of consumers.  $\mu_1 = \mu_2$ .

H1- Quality affected the loyalty of customers.  $\mu_1 \neq \mu_2$ .

According to group statistics, the mean of loyal customers is 1.9302

And, for not loyal is 2.2857

Thus,  $\mu_1 \neq \mu_2$ .

According to Levene's test for equality of variance,

Our significant value is .733 which is greater than .50 thus null is accepted.

H0- square of the variance of 1 = square of the variance of 2

H1 square of the variance of 1  $\neq$  square of the variance of 2

Thus our null is accepted, which means loyalty of customer does not vary according to the quality of products and services.

### **ADVERTISEMENTS**

H0- Advertisements do not affect the loyalty of consumers.  $\mu_1 = \mu_2$ .

H1- advertisements affect the loyalty of customers.  $\mu_1 \neq \mu_2$ .

According to group statistics, the mean of loyal customers is 2.4884

And, for not loyal is 2.5714

Thus,  $\mu_1 \neq \mu_2$ .

According to Levene's test for equality of variance,

Our significant value is .192 which is less than .50. So, we can reject the null hypothesis.

H0- square of the variance of 1 = square of the variance of 2

H1 square of the variance of 1  $\neq$  square of the variance of 2

Thus our null is rejected, which means loyalty of customers varies according to the advertisements shown.

### **V. CONCLUSION**

The result concluded from this report is that advertisements and income levels of the customers can affect the loyalty of customers. The company must opt for different advertisements strategies so that they can gain customers' trust, attention only by ads shown. They should design an advertisement for their brand in such a manner that it can create a good image of their brand in the mind of customers. Brand image can also play an important role while building up loyalty towards the brand. Once they can gain the trust of customers towards their brand the loyalty of customers towards their brand will increase automatically.

In this report, satisfaction does not affect the loyalty of customers towards their brand, if they are loyal to the specific brand they can stick to that particular brand because they do not find any alternative brand which can best satisfy their needs and wants as compared with the current brand they are loyal with.

Another variable that can affect the loyalty of customers towards the brand is the income level of customers. Customers are loyal to those brands which can best fit in their income level. As their income level changes, their loyalty towards the brand also changes. Rise in price of the product but any change in income level may force the customer to move from their favourite to the brand which fits in their budget. Sometimes as the income level changes customers move to other brands that are highly satisfied with their expectations as compared with the current brand.

The company should make proper strategies so that they can satisfy the needs of their customers and make them loyal to their brand.

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