A Study on Impact of customer Satisfaction on Brand Loyalty

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Abstract

Introduction: Customer satisfaction and brand loyalty is an emerging phenomenon and it is considering a vital issue for which the business firms are very sensitive. In today's dynamic and competitive business environment, building a strong and loyal customer base is a top priority for companies in all industries. The purpose of this study is to explore the effects of customer satisfaction and Brand loyalty. A convenient random sampling survey of 100 respondents was used for the research. The results illustrate that customer satisfaction significantly affects brand loyalty. Also, the factors of product quality and service quality affect Brand loyalty. Customer perception of product quality and service quality are almost equally to build up the satisfaction. We suggest that managers should consider product quality and service quality as foundations to build up customer satisfaction, Brand loyalty and, also to improve brand image as an added-on value for customers.

Keywords: Customer satisfaction, brand loyalty, brand image, Product quality, Service quality

Introduction: Customer satisfaction and brand loyalty is an emerging phenomenon and it is considering a vital issue for which the business firms are very sensitive. In today's dynamic and competitive business environment, building a strong and loyal customer base is a top priority for companies in all industries. Understanding the impact of customer satisfaction on brand loyalty is crucial for organizations to drive customer retention, strengthen brand positioning, and achieve sustainable growth. The company can build stronger customer loyalty, improve key business measures, and solidify its position as a reputable brand in the industry. Regularly evaluating and refining the program based on customer insights will ensure continuous improvement and a sustainable impact on customer loyalty and business growth.

Brand loyalty is a multifaceted concept and is based on the strong relationship between customers and brands. Loyal customers not only continue to purchase a particular brand's products, but they also act as brand ambassadors by promoting the brand in their social circles. As a result, loyal customers tend to be less price sensitive, resulting in higher sales and lower customer acquisition costs, thus contributing to brand profitability.

While the importance of customer satisfaction and brand loyalty is well recognized, significant knowledge gaps remain in the exact nature and extent of their interdependence. Existing research explores aspects of customer satisfaction and brand loyalty separately, but there is a lack of comprehensive, data-supported research on their combined impact.

Statement of the Problem

In the highly competitive market, building and maintaining brand loyalty is critical to long-term success and sustainable profitability. Understanding the link between customer satisfaction and brand loyalty is critical for manufacturers and marketers to develop effective strategies to increase brand equity and promote customer loyalty.

Review of Literature:

CONSUMER SATISFACTION PROCESS - Oksana Mont, Andrius Plepy –Feb 2003

The paramount goal of marketing is to understand the consumer and to influence buying behaviour. One of the main perspectives of the consume r behaviour research analyses buying behaviour from the so-called "information processing perspective" (Holbrook and Hirschman 1982). According to the model, customer decision-making process comprises a need satisfying behaviour and a wide range of motivating and influencing factors. The process can be depicted in the following steps (Engel, Blackwell et al. 1995): · Need recognition – realisation of the difference between desired situation and the current situation that serves as a trigger for the entire consumption process. · Search for information - search for data relevant for the purchasing decision, both from internal sources (one's memory) and/or external sources. · Pre-purchase alternative evaluation - assessment of available choices that can fulfil the realised need by evaluating benefits they may deliver and reduction of the number of options to the one (or several) preferred. · Purchase - acquirement of the chosen option of product or service. · Consumption - utilisation of the procured option. ·

ANALYSIS OF THE EFFECT OF DIGITAL CUSTOMER EXPERIENCE ON CUSTOMER LOYALTY THROUGH EMOTIONAL MARKETING AND CUSTOMER SATISFACTION FOR INDIHOME CUSTOMERS- Yessi Claudia Sianipar, Syafrizal Helmi – july 2022

This type of research is quantitative research that is associative. According to Sugiyono (2021), the quantitative research method can be interpreted as a research method based on the philosophy of positivism, used to research on certain populations or samples, collecting data using research instruments, data analysis is quantitative/ statistics, with the aim of testing the hypotheses that have been set. Meanwhile, according to Sugiyono (2021), associative research is research that asks about the relationship between two or more variables. The population is the entire element that will be used as a generalization area. The population element is the entire subject to be measured, which is the unit under study (Sugiyono, 2021). The population used in this study were all Indihome customers in the city of Medan, totaling 195,813 customers.

THE INFLUENCE OF CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER EXPERIENCE ON CUSTOMER SATISFACTION- Suharto Suhartoa* , Yuliansyah Yuliansyahb- Feb 2023

This research follows a descriptive and quantitative flow and uses a survey method. The study was conducted on respondents in a shopping center in Lampung Province and used a sample of 135 respondents. Obtaining data using non-random sampling method, and the technique used is purposive sampling. Using a closed design and instrument, the response rate is calculated and sent directly to the responder. This design is intended to boost the response rate. The instrument is evaluated using validity, reliability, construct reliability, and variance retrieved using Lisrel 8.8 on a Likert scale ranging from 1 to

5. The analysis requirements test in the structural model applies homogeneity, linearity, and normality (Tommasetti, Singer, Troisi, & Maione, 2018).

Objectives of the study
1. To analyse the relationship between customer satisfaction and brand loyalty.
2. To examine the various factors influencing brand loyalty.
3. To identify key determinants of customer satisfaction and their impact on brand loyalty.

Research methodology adopted:
Research is conducted by using survey method. 100 customers was chosen as a sample size through convenient random sampling. With the help of questionnaire, I have done personal interaction with the respondents, and the survey is restricted only to the employees of IFB Home Appliances.

Analysis

Particulars	Numbers	Percentage
Gender		
Male	43	43
Female	57	57
Family Size		
Joint family	33	33
Nuclear family	67	67
Education		
PG	15	15
Degree	54	54
PUC	21	21
SSLC	10	10
Marital status		
Married	44	44
Unmarried	56	56

How satisfied are you with the Product & Customer service provided by the company

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Satisfied	04	04.0	04.0	04.0
Dissatisfied	06	06.0	06.0	06.0
Neutral	20	20.0	20.0	20.0
Satisfied	38	38.0	38.0	38.0
Highly Satisfied	32	32.0	32.0	32.0
	100	100.0	100.0	100.0

Majority of the customers (38%) are satisfied with the product and customer service provided by the company & followed by (32%) customers are highly satisfied.

Factors Affecting Brand Loyalty

Factors	Frequency	Percent	Valid Percent	Cumulative Percent
Price	20	20.0	20.0	20.0
Product Quality	37	37.0	37.0	57.0
Service Quality	23	23.0	23.0	80.0
Innovation	10	10.0	10.0	90.0
Image	10	10.0	10.0	100.0
Total	100	100.0	100.0	100.0

The data indicates that Product quality (37.0%) and Service quality (23.0%) are major factors affecting Brand Loyalty.

How important is brand reputation in influencing your purchase decisions

	Frequency	Percent	Valid Percent	Cumulative Percent
Important	59	59.0	59.0	59.0
Neutral	23	23.0	23.0	82.0
Not important	5	5.0	5.0	87.0
Very important	13	13.0	13.0	100.0
Total	100	100.0	100.0	

The data indicates that a majority of respondents (59%) attach importance to brand reputation when making purchase decisions. This suggests that the brand's reputation plays a significant role in influencing the purchase choices of a considerable portion of customers.

Findings, Suggestions and Conclusion: The various findings of the study are given in the following:

Majority of the respondents (57.00%) are Female and (47%) are Male.

Majority of the respondents (54.00%) are Graduate.

Majority of the respondents (56.00%) are unmarried.

Majority of the consumers (67.00%) are in Nuclear family.

Majority of respondents (59.00%) felt that Brand Reputation in influence purchase decisions.

Majority of the customers are satisfied with the product quality and customer service provided by the company.

Major factors like Product quality and Service quality are affecting brand loyalty.

Conclusion

The findings suggest that brand loyalty can be generated through improving customer satisfaction and offering high brand value. Brand performance has significant positive relation with customer satisfaction. The research results shows that product quality and customer service are major factors which influence brand loyalty, Brand reputation will influence the purchase decisions. For customer satisfaction companies should understand customer-specific needs, provide good quality products, and have the capacity to address customer complaints or problems in a friendly manner. Perceived good product performance is a key driver of brand loyalty and also significantly influences customer satisfaction.

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