



# A Study on the Impact of Brand Image on Customer Satisfaction and Customer Loyalty

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## Abstract

Brand image has become a crucial element affecting consumer behaviour in today's highly competitive marketplace. Customers are influenced not only by the quality and price of products but also by their perceptions and emotional connections with a brand. This research investigates the relationship between brand image, customer satisfaction, and customer loyalty among consumers in Pune, India. The study seeks to determine whether a positive brand image has a significant impact on customer satisfaction and loyalty, while also examining the influence of trust, emotional attachment, and digital platforms on consumer behaviour.

The research is based on primary data collected from 100 respondents through a structured questionnaire. A descriptive research design along with a convenience sampling technique was employed for the study. The collected data were analysed using percentage analysis, graphical representation, and chi-square hypothesis testing. The findings indicate that brand image plays a significant role in influencing both customer satisfaction and customer loyalty. Customers who view a brand positively are generally more inclined to trust the brand, make repeat purchases, and develop a sense of loyalty and emotional attachment toward it.

The study also reveals that factors such as product quality, brand reputation, reliability, social media engagement, and online customer reviews strongly contribute to the development of brand perception. Furthermore, customer satisfaction was identified as a mediating factor between brand image and customer loyalty. Although consumers prefer well-established brands, purchasing decisions are still affected by pricing and the availability of alternative options.

The research concludes that organizations should concentrate on developing a consistent and strong brand image while delivering quality products and positive customer experiences. An effective digital presence and active consumer engagement can further enhance customer satisfaction, strengthen loyalty, and support long-term competitive success.

**Keywords:** Brand Image, Customer Satisfaction, Customer Loyalty, Consumer Behaviour, Digital Branding, Brand Trust



## 1. Introduction

In the modern business world, companies operate in an environment characterized by intense competition and rapidly changing consumer expectations. To achieve sustainable growth and retain customers, organizations focus not only on offering quality products and competitive prices but also on developing a strong and favourable brand image. As consumers are exposed to a wide variety of products and digital information, brand perception has become an important factor influencing purchasing decisions.

Brand image refers to the overall perceptions, ideas, and impressions that customers form about a particular brand based on their experiences and interactions. Brand image is influenced by several factors, including customer experiences, promotional campaigns, social media interactions, product quality, and the effectiveness of brand communication. A strong and favourable brand image enables organizations to gain customer trust, establish emotional bonds, and enhance consumer confidence, which can lead to increased customer satisfaction and long-term loyalty.

Customer satisfaction can be defined as the degree to which a product or service fulfils or surpasses the expectations of customers. When customers are satisfied, they are more likely to continue purchasing from the same brand and recommend it to others. Customer loyalty represents a customer's long-term preference and commitment toward a specific brand, resulting in repeated purchasing behaviour over time. The increasing use of digital platforms and online communication channels has further enhanced the importance of brand image in the marketplace. Consumers often depend on online reviews, social media opinions, influencer recommendations, and ratings before making purchase decisions. As a result, businesses are required to maintain a consistent, reliable, and positive image across all digital and physical customer interactions.

This study focuses on examining the impact of brand image on customer satisfaction and customer loyalty among consumers in Pune. In addition, the research explores the role of digital influence and emotional attachment in strengthening brand loyalty and shaping consumer behaviour.

### Objectives of the Study

1. To examine the impact of brand image on customer satisfaction.
2. To analyse the relationship between brand image and customer loyalty.
3. To identify key elements of brand image such as trust, perceived quality, and reputation that influence customer perceptions.
4. To measure the level of customer satisfaction toward the brand.
5. To provide practical suggestions for improving brand image in order to enhance customer loyalty and long-term relationships.

## 2. Literature Review

Numerous researchers have examined the association between brand image, customer satisfaction, and customer loyalty across various industries and market segments.

According to Kumar and Sharma (2021), a positive brand image enhances consumer perceptions regarding product quality and reliability, which ultimately leads to greater customer satisfaction. Similarly, Singh et al. (2022) observed that customer satisfaction serves as an important mediating variable between brand image and customer loyalty.

Patel and Desai (2020) explained that well-known and reputable brands help reduce consumer uncertainty and make purchasing decisions easier for customers. Gupta and Verma (2023) emphasized the increasing significance of digital branding and social media engagement in improving brand visibility, strengthening customer relationships, and building trust among consumers.



Mehta (2021) focused on the concept of emotional branding and stated that brands capable of developing emotional connections with customers are more successful in creating long-term loyalty. Rao and Kulkarni (2022) associated brand image with trustworthiness and credibility, particularly in service sectors such as banking where perceived risk is relatively high.

Recent studies further indicate that online reviews, influencer marketing, and digital communication platforms have a major influence on brand perception and consumer buying behaviour. Consumers now rely heavily on digital interactions and online experiences to evaluate brands before making purchasing decisions.

### Research Gap

Despite the availability of extensive studies on branding and customer loyalty, limited research has specifically examined the relationship among brand image, customer satisfaction, and loyalty within the context of consumers in Pune and the broader Indian urban market. Furthermore, the integrated influence of digital branding, emotional connection, and customer satisfaction on customer loyalty has not been examined extensively, highlighting the need for additional research in this area.

## 3. Research Methodology

### Research Design

The present study adopts a descriptive research design to examine and understand the relationship between brand image, customer satisfaction, and customer loyalty among consumers. This design helps in describing consumer perceptions and analysing the influence of brand-related factors on customer behaviour.

### Data Collection

The research is based on both primary and secondary data sources. Primary data were collected through a structured questionnaire distributed among consumers in Pune. Secondary data were obtained from academic journals, books, research articles, websites, and other online sources relevant to branding and consumer behaviour.

### Sample Size

The study was conducted using responses collected from 100 participants representing different consumer groups.

### Sampling Technique

A convenience sampling technique was employed for selecting respondents due to limitations related to time, accessibility, and availability of participants.

### Tools Used for Analysis

The collected data were analysed using the following statistical and analytical tools:

- Percentage Analysis
- Bar Charts and Pie Charts
- Chi-Square Test
- MS Excel for Data Analysis

### Hypotheses of the Study

1. **H0<sub>1</sub>:** There is no significant relationship between brand image and customer satisfaction.  
**H1<sub>1</sub>:** There is a significant relationship between brand image and customer satisfaction.
2. **H0<sub>2</sub>:** There is no significant relationship between customer satisfaction and customer loyalty.  
**H1<sub>2</sub>:** There is a significant relationship between customer satisfaction and customer loyalty.
3. **H0<sub>3</sub>:** Brand image does not significantly influence customer loyalty.  
**H1<sub>3</sub>:** Brand image significantly influences customer loyalty.



## 4. Results and Discussion

### Demographic Analysis

The demographic findings indicate that the highest proportion of respondents belonged to the 21–30 age group, accounting for 40% of the total sample, followed by respondents in the 31–40 age category at 30%. In terms of gender distribution, female respondents represented 59% of the participants, while male respondents accounted for 41%.

Regarding occupation, students formed the largest respondent group with 40% participation, reflecting strong involvement from younger consumers in the study.

### Brand Preference Analysis

The analysis revealed that the most preferred and frequently used brands among respondents were Classmate (17%), Raymond (16%), and Apple (12%). These findings suggest that consumers generally prefer well-established and widely recognized brands with strong market reputations.

### Importance of Brand Image

The study found that 48% of respondents considered brand image to be important or extremely important when making purchasing decisions. Among the various influencing factors, brand reputation and trustworthiness were identified as the most significant determinants affecting consumer buying behavior.

### Influence of Digital Platforms

Most respondents stated that online reviews, ratings, and social media opinions have a strong influence on their perception of brands. This highlights the growing importance of digital branding and online engagement in influencing consumer decision-making processes.

### Customer Satisfaction Analysis

The findings show that nearly 67% of respondents were satisfied with brands that possessed a strong and positive image. Factors such as product quality, consistency in performance, and brand reputation were recognized as the primary contributors to customer satisfaction.

### Customer Loyalty Analysis

The study further revealed that consumers with favourable perceptions of brands are more likely to remain loyal and engage in repeat purchasing behaviour. Approximately 59% of respondents reported that they frequently or consistently continue purchasing products from brands because of their positive image.

### Hypothesis Testing

#### Hypothesis 1

The calculated chi-square value for the relationship between brand image and customer satisfaction was 11.13, which was higher than the table value of 3.84. Therefore, the null hypothesis was rejected, indicating a significant relationship between brand image and customer satisfaction.

#### Hypothesis 2

The chi-square value calculated for the relationship between customer satisfaction and customer loyalty was 5.60, which exceeded the critical value of 3.84. Hence, the study confirms that customer satisfaction has a significant influence on customer loyalty.



### Hypothesis 3

The calculated chi-square value for the relationship between brand image and customer loyalty was 7.38, which was greater than the critical value. As a result, the null hypothesis was rejected, confirming that brand image significantly influences customer loyalty.

### Discussion

The findings of the study demonstrate that brand image plays a vital role in influencing customer attitudes, perceptions, and purchasing behaviour. Consumers generally associate strong brands with quality, reliability, and trust, which contributes to higher levels of satisfaction and long-term loyalty.

The study also highlights the growing impact of digital platforms, social media engagement, and online reviews in shaping brand perception within modern markets. In addition, emotional attachment and consumer trust were found to strengthen customer loyalty toward brands. However, despite the importance of strong branding, factors such as competitive pricing and the availability of alternative products continue to influence consumer purchasing decisions.

### 5. Conclusion

The study concludes that brand image has a significant impact on both customer satisfaction and customer loyalty. Consumers are more likely to trust, recommend, and repeatedly purchase products from brands that possess a strong reputation and maintain positive perceptions in the market.

The research further indicates that customer satisfaction serves as an important connecting factor between brand image and customer loyalty. Customers who are satisfied with a brand are more likely to remain loyal and continue long-term relationships with that brand. Additionally, digital presence, social media interaction, and online reviews have emerged as major factors influencing brand perception in the modern business environment.

The findings emphasize that organizations should focus on maintaining high product quality, consistency, reliability, and effective customer engagement in order to strengthen their brand image. Strategies related to emotional branding and digital communication can further help businesses develop stronger relationships with consumers and achieve long-term growth and competitive advantage.

Although brand image plays a major role in influencing customer loyalty, other factors such as pricing, availability of alternatives, and market competition also affect consumer purchasing decisions. Therefore, companies should integrate strong branding strategies with competitive pricing and superior customer experience to maintain customer loyalty and sustain success in competitive markets.

### 6. Suggestions

- Organizations should ensure consistency in their branding strategies and communication across all platforms and customer touchpoints.
- Businesses must prioritize delivering high-quality products and services to enhance customer satisfaction and strengthen brand perception.
- Companies should improve their digital presence by actively engaging with consumers through social media platforms and online communication channels.
- Customer reviews and feedback should be regularly monitored, analyzed, and addressed to maintain positive consumer relationships.
- Organizations should adopt emotional branding techniques to build stronger emotional connections and long-term relationships with customers.
- Competitive pricing strategies should be maintained along with effective branding efforts to attract and retain consumers.



- Businesses should focus on trust-building activities and maintain transparency in communication to improve credibility and customer confidence.

## 7. Limitations of the Study

1. The study was limited to consumers in Pune city.
2. The sample size was restricted to 100 respondents.
3. Convenience sampling may introduce sampling bias.
4. Consumer opinions may change over time due to market trends.
5. Time and resource limitations restricted broader data collection.

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