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Building Lasting Customer Relationships: Determinants of Brand Loyalty in Contemporary Markets

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Abstract

In today's highly competitive marketplace, developing and maintaining brand loyalty has become one of the most important strategic objectives for businesses. Loyal customers not only contribute to repeat purchases but also generate positive word-of-mouth and enhance long-term profitability. This study investigates the determinants of brand loyalty by examining the influence of brand trust, customer satisfaction, perceived quality, brand image, and customer engagement on brand loyalty. A quantitative research design was adopted, and primary data were collected from 350 consumers using a structured questionnaire. Multiple regression analysis was employed to examine the influence of the independent variables on brand loyalty. The findings reveal that all five determinants significantly influence brand loyalty, with brand trust emerging as the strongest predictor, followed by customer satisfaction, customer engagement, perceived quality, and brand image. The study offers valuable implications for marketers seeking to strengthen customer relationships and enhance long-term competitive advantage.

Keywords: Brand Loyalty, Brand Trust, Customer Satisfaction, Brand Image, Customer Engagement, Perceived Quality, Multiple Regression.

1. Introduction

The contemporary business environment is characterized by intense competition, rapid technological advancements, and continuously changing consumer preferences. Organizations increasingly recognize that attracting new customers is significantly more expensive than retaining existing ones. Consequently, building lasting customer relationships has become a strategic priority across industries.

Brand loyalty reflects customers' commitment to repeatedly purchase and recommend a preferred brand despite competitive alternatives. Loyal customers contribute to increased profitability, reduced marketing costs, stronger resistance to competitors' promotional efforts, and enhanced customer lifetime value.

Previous research has identified several factors contributing to brand loyalty. Consumers tend to remain loyal when they trust the brand, perceive superior product quality, experience satisfaction, develop emotional attachment, and actively engage with the brand across multiple touchpoints.

Despite extensive research, the relative contribution of these determinants varies across industries and consumer segments. Therefore, the present study examines the influence of five major determinants of brand loyalty in contemporary markets using multiple regression analysis.

2. Review of Literature

Atulkar (2020) investigated the determinants of brand trust and brand loyalty among mall shoppers by examining the roles of perceived quality, customer satisfaction, perceived value, and perceived differentiation. Using structural equation modelling on data collected from 332 young consumers, the study found that brand trust had a significant direct effect on brand loyalty, while perceived quality and customer satisfaction indirectly strengthened loyalty through trust. The findings highlighted that organizations should focus on developing emotional attachment and consumer trust to build long-term brand loyalty.

Kataria and Kumar (2020) examined the mediating role of customer satisfaction in the relationship between consumer-based brand equity and brand loyalty in the oral care industry. Based on survey responses from 250 consumers and structural equation modelling, the study revealed that perceived quality, brand trust, perceived value, and lifestyle congruence significantly influenced customer satisfaction, which in turn enhanced brand loyalty. Customer satisfaction was found to partially or fully mediate several brand equity dimensions, confirming its critical role in strengthening customer loyalty.

Susanti, Sumarwan, Simanjuntak, and Yusuf (2020) investigated how perceived quality and perceived value influence customer satisfaction and brand loyalty in the chemical industry. The study demonstrated that perceived quality significantly improved customer satisfaction, which subsequently enhanced brand loyalty. The findings suggested that reliable service quality and responsiveness are essential for developing loyal customers and sustaining long-term business performance.

Rather, Iqbal, and Camilleri (2020) explored the relationship between customer engagement and brand loyalty within tourism social media platforms. The study found that customer engagement alone did not directly increase brand loyalty; instead, brand attachment and customer trust fully mediated this relationship. The results emphasized that organizations should strengthen emotional attachment and trust through interactive digital engagement to cultivate loyal customers.

Dam (2021) examined the effects of service quality, brand image, customer satisfaction, and brand trust on customer loyalty in the banking sector. The empirical findings indicated that service quality significantly enhanced customer satisfaction and brand trust, both of which positively influenced customer loyalty. The study concluded that consistent service delivery and trustworthy brand practices are essential for maintaining long-term customer relationships.

Ardyansyah, Anantadjaya, Nawangwulan, Rachmat, and Supriyanto (2023) investigated the influence of perceived quality on brand loyalty by considering the mediating roles of brand image and brand trust. Using structural equation modelling, the researchers found that perceived quality positively influenced both brand image and brand trust, which subsequently strengthened brand loyalty. The study concluded that organizations should continuously improve product quality while simultaneously building favourable brand perceptions and customer trust to sustain customer loyalty.

Atmaja and Lestari (2024) examined the effects of perceived quality, perceived value, brand trust, and brand image on brand loyalty, with customer satisfaction acting as a mediating variable. The study revealed that perceived quality, brand trust, and brand image significantly enhanced customer satisfaction and directly contributed to brand loyalty. The findings highlighted that maintaining product quality, strengthening trust, and creating a positive brand image are essential strategies for improving customer retention in competitive consumer markets.

Ameen, Tarhini, Reppel, and Anand (2023) investigated customer perceptions of brand quality and brand trust in omnichannel retailing. The study reported that consumers' perceptions of product quality and trustworthy brand communication significantly improved customer satisfaction and loyalty. The authors concluded that businesses should integrate consistent quality management and transparent communication across both online and offline channels to maintain customer loyalty.

Huang and Guo (2024) examined the influence of perceived quality, customer satisfaction, and brand image on customer loyalty in digital commerce. The findings revealed that customer satisfaction mediated the relationship between perceived quality and loyalty, while a strong brand image reinforced consumers' confidence and purchase intentions. The study highlighted that organizations operating in digital environments must simultaneously focus on product excellence and brand reputation to sustain customer loyalty.

Li, Wang, and Zhang (2024) investigated customer engagement through social media platforms and its effect on brand loyalty. The study found that consumers who actively interacted with brands through online communities, reviews, and personalized content developed stronger emotional attachment and exhibited higher levels of loyalty. The research emphasized the growing importance of digital customer engagement in fostering sustainable customer relationships in contemporary markets.

Although previous studies have independently examined the influence of brand trust, customer satisfaction, perceived quality, brand image, and customer engagement on brand loyalty, limited empirical studies have simultaneously investigated the relative impact of these determinants using multiple regression analysis in contemporary consumer markets. Furthermore, rapid digital transformation has altered consumer-brand interactions, necessitating updated evidence regarding the key drivers of brand loyalty.

Organizations invest heavily in branding activities to develop long-term customer relationships. However, increasing market competition and changing consumer expectations make sustaining customer loyalty increasingly difficult. Understanding the key determinants influencing brand loyalty is essential for designing effective relationship marketing strategies. Therefore, this study seeks to identify the factors significantly influencing brand loyalty among contemporary consumers.

3. Objectives of the Study

1. To examine the influence of brand trust, customer satisfaction, perceived quality, brand image, and customer engagement on consumers' brand loyalty.

2. To determine the relative contribution of brand trust, customer satisfaction, perceived quality, brand image, and customer engagement to the prediction of brand loyalty.

4. Hypotheses

H1: Brand trust has a significant positive influence on brand loyalty.

H2: Customer satisfaction has a significant positive influence on brand loyalty.

H3: Perceived quality has a significant positive influence on brand loyalty.

H4: Brand image has a significant positive influence on brand loyalty.

H5: Customer engagement has a significant positive influence on brand loyalty.

5. Conceptual Framework

The conceptual framework of the present study is developed to examine the determinants influencing brand loyalty among consumers in contemporary markets. Brand loyalty is considered the dependent variable, representing consumers' commitment to repeatedly purchase and recommend a preferred brand despite the availability of competing alternatives. The framework proposes that five key independent variables—brand trust, customer satisfaction, perceived quality, brand image, and customer engagement—collectively influence the development of brand loyalty. Brand trust reflects consumers' confidence in the reliability and integrity of a brand, while customer satisfaction represents the extent to which the brand meets or exceeds consumer expectations. Perceived quality refers to consumers' overall evaluation of a brand's excellence and superiority, whereas brand image represents the associations and perceptions consumers hold regarding the brand. Customer engagement captures the emotional, cognitive, and behavioural interactions that consumers establish with the brand through various touchpoints. Based on the proposed framework, it is hypothesised that each of these determinants has a positive and significant influence on brand loyalty.

6. Research Methodology

The present study adopted a descriptive and quantitative research design to investigate the determinants of brand loyalty among consumers purchasing branded products in contemporary markets. The study was conducted in Bengaluru, considering its diverse consumer base and extensive presence of national and international brands across various product categories. The target population comprised consumers who regularly purchase branded

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products. A total of 350 respondents participated in the study, and the respondents were selected using the convenience sampling technique based on their accessibility and willingness to participate. Primary data were collected through a structured questionnaire designed to measure brand trust, customer satisfaction, perceived quality, brand image, customer engagement, and brand loyalty. All measurement items were assessed using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The collected data were coded and analysed using appropriate statistical techniques, including descriptive statistics to summarise respondent characteristics, reliability analysis to assess the internal consistency of the measurement scales, correlation analysis to examine the relationships among the study variables, and multiple regression analysis to determine the influence and relative contribution of the independent variables on brand loyalty. These statistical techniques provide robust empirical evidence for testing the proposed research hypotheses and achieving the objectives of the study.

7. Result and analysis

Table 1: Sample Demographic Profile of the Respondents (N = 350)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	188	53.7
	Female	162	46.3
	Total	350	100.0
Age (Years)	18–25	92	26.3
	26–35	134	38.3
	36–45	78	22.3
	Above 45	46	13.1
	Total	350	100.0
Educational Qualification	Undergraduate	106	30.3
	Postgraduate	171	48.9
	Professional/Doctorate	73	20.8
	Total	350	100.0
Monthly Income	Below ₹25,000	74	21.1
	₹25,001–₹50,000	128	36.6
	₹50,001–₹75,000	86	24.6
	Above ₹75,000	62	17.7
	Total	350	100.0
Purchase Frequency	Monthly	144	41.1
	Quarterly	102	29.1
	Occasionally	104	29.7
	Total	350	100.0

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Table 1 presents the demographic profile of the 350 respondents included in the study. Among them, 53.7% were male and 46.3% were female, indicating a relatively balanced gender distribution. The majority of respondents (38.3%) belonged to the 26–35 years age group, followed by 26.3% aged 18–25 years, 22.3% aged 36–45 years, and 13.1% aged above 45 years. Regarding educational qualification, 48.9% were postgraduates, 30.3% were undergraduates, and 20.8% possessed professional or doctoral qualifications. In terms of monthly income, 36.6% earned ₹25,001–₹50,000, while 24.6% earned ₹50,001–₹75,000, 21.1% earned below ₹25,000, and 17.7% earned above ₹75,000. Regarding purchase frequency, 41.1% purchased branded products monthly, 29.7% occasionally, and 29.1% quarterly. Overall, the sample represents young, educated, and economically active consumers suitable for examining brand loyalty.

7.1. Regression Model

$$BL = \beta_0 + \beta_1(BT) + \beta_2(CS) + \beta_3(PQ) + \beta_4(BI) + \beta_5(CE) + \varepsilon$$

Where

BL = Brand Loyalty

BT = Brand Trust

CS = Customer Satisfaction

PQ = Perceived Quality

BI = Brand Image

CE = Customer Engagement

Regression Results

Table 2. Model Summary

Model	R	R^2	Adjusted R^2	Std. Error
1	0.861	0.742	0.738	0.382

The model summary indicates a strong relationship between the independent variables and brand loyalty (R = 0.861). The coefficient of determination ($R^2 = 0.742$) shows that 74.2% of the variation in brand loyalty is explained by brand trust, customer satisfaction, customer engagement, perceived quality, and brand image. The adjusted R^2 value of 0.738 confirms excellent explanatory power after adjusting for the number of predictors. The standard error of estimate (0.382) indicates good predictive accuracy.

Table 3 ANOVA

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	145.632	5	29.126	198.564	.000
Residual	50.453	344	0.147		
Total	196.085	349			

The ANOVA results indicate that the regression model is statistically significant ($F = 198.564$, $p < 0.001$). This confirms that the combined effect of the independent variables significantly predicts brand loyalty.

Table 4 Regression Coefficients

Variable	Standardized Beta	t-value	Sig.
Brand Trust	0.352	8.912	.000
Customer Satisfaction	0.301	7.436	.000
Customer Engagement	0.226	5.882	.000
Perceived Quality	0.189	4.674	.000
Brand Image	0.154	3.918	.001

The regression coefficients reveal that all five determinants have a positive and statistically significant influence on brand loyalty. Brand trust emerged as the strongest predictor ($\beta = 0.352$), followed by customer satisfaction ($\beta = 0.301$), customer engagement ($\beta = 0.226$), perceived quality ($\beta = 0.189$), and brand image ($\beta = 0.154$). Since all p-values are below 0.05, all five hypotheses are supported.

8. Discussion

The findings indicate that all five determinants significantly influence brand loyalty. Brand trust emerged as the strongest predictor, suggesting that consumers are more likely to remain loyal when they perceive brands as reliable, honest, and dependable. Customer satisfaction also demonstrated a substantial positive effect, confirming that consistently meeting or exceeding customer expectations strengthens loyalty. Customer engagement significantly contributed to brand loyalty by fostering emotional and interactive relationships through digital platforms and personalised experiences. Perceived quality positively influenced loyalty by reinforcing consumers' confidence in product performance and value. Brand image also exhibited a significant positive effect, indicating that favourable brand perceptions encourage long-term commitment. Overall, the results highlight that relationship-oriented strategies integrating trust, satisfaction, engagement, quality, and image are essential for sustaining customer loyalty in contemporary markets.

9. Findings

- Brand trust is the strongest determinant of brand loyalty.
- Customer satisfaction significantly enhances repeat purchase behaviour.
- Customer engagement positively influences long-term customer relationships.
- Perceived quality contributes significantly to customer retention.
- Brand image positively influences customer loyalty.
- The regression model explains 74.2% of the variance in brand loyalty.

10. Managerial Implications

1. Organizations should prioritize trust-building through transparent communication, ethical practices, and consistent product performance.
2. Improving customer satisfaction through superior service quality and timely complaint resolution can strengthen repeat purchase behaviour.
3. Companies should enhance customer engagement by leveraging social media, loyalty programs, and personalized digital interactions.
4. Maintaining high perceived quality through continuous product innovation and quality assurance can reinforce customer confidence.

5. Building a positive and distinctive brand image through effective branding and corporate social responsibility initiatives can foster stronger emotional connections with customers.

11. Conclusion

Building lasting customer relationships requires organizations to focus on multiple interconnected determinants of brand loyalty. The study demonstrates that brand trust, customer satisfaction, customer engagement, perceived quality, and brand image collectively have a significant positive influence on brand loyalty, with brand trust being the most influential factor. Businesses that successfully integrate these relationship-building elements into their marketing strategies are better positioned to achieve sustained customer retention, stronger competitive advantage, and long-term profitability. Future research may extend this framework by incorporating mediating variables such as customer experience, emotional attachment, or perceived value across different industries and cultural contexts.

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