

**Customer Satisfaction as a Mediator Between Brand Image and Customer
Loyalty: Evidence from the Baby Products Industry**

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ABSTRACT

This study investigates the mediating role of customer satisfaction in the relationship between brand image and customer loyalty in the baby products industry. In a highly sensitive market where safety, trust, and quality are critical determinants of purchase decisions, understanding the mechanisms that convert positive brand perceptions into long-term loyalty is essential. The research adopts a quantitative approach using primary data collected from 110 respondents through a structured questionnaire. Structural Equation Modeling (SEM) was employed to examine the direct and indirect relationships among the constructs. The findings reveal that brand image has a significant positive effect on customer satisfaction and customer loyalty. Moreover, customer satisfaction demonstrates the strongest direct influence on loyalty and partially mediates the relationship between brand image and customer loyalty. The results indicate that while a favorable brand image attracts customers, sustained loyalty is primarily achieved through satisfying product experiences. The study contributes to marketing literature by validating the mediating mechanism of customer satisfaction in a high-involvement product category. Managerially, the findings emphasize the importance of consistent product quality, safety assurance, and customer-centric strategies to enhance long-term brand loyalty in the baby products market.

KEYWORDS: Brand Image, Customer Satisfaction, Customer Loyalty, Mediation Effect, Baby Products Industry, Structural Equation Modeling (SEM)

INTRODUCTION

In highly competitive consumer markets, particularly those involving sensitive and high-involvement products, understanding the mechanisms that drive customer loyalty has become a central concern for marketers and researchers alike. The baby products industry represents one such critical sector where purchase decisions are strongly influenced by emotional, psychological, and safety considerations. Parents and caregivers are highly cautious consumers who seek assurance, reliability, and trust when selecting products intended for infants. In this context, brand image plays a fundamental role in shaping consumer perceptions and behavioral intentions. According to Kevin Lane Keller (1993), brand image refers to the perceptions about a brand reflected by the associations held in consumer memory. Similarly, David A. Aaker (1991) emphasized that strong brand image enhances brand equity by fostering trust, differentiation, and emotional attachment. In categories such as baby care, where perceived risk is high, brand image functions as a risk-reduction mechanism that reassures consumers about product safety and quality.



Perceived risk theory, originally proposed by Raymond A. Bauer (1960), suggests that consumers rely on reputable brands to minimize uncertainty during decision-making. This theoretical perspective is particularly relevant in the baby products industry, where concerns about health, safety, and long-term well-being significantly influence purchasing behavior. Empirical research indicates that brand credibility positively affects consumer confidence and purchase intention (Erdem & Swait, 1998). When parents perceive a brand as trustworthy, safe, and consistent in quality, they are more likely to develop favorable attitudes toward it. However, favorable perception alone may not automatically translate into customer loyalty. Instead, customer satisfaction is often considered a crucial intervening variable that strengthens the relationship between brand image and loyalty.

Customer satisfaction has been widely recognized as a key determinant of long-term customer relationships. Richard L. Oliver (1997) defined customer satisfaction as the consumer's fulfillment response, a judgment that a product or service feature provides a pleasurable level of consumption-related fulfillment. Satisfaction results from the comparison between expectations and actual performance, as explained by the expectation–confirmation theory. In the baby products context, satisfaction arises when product performance meets or exceeds parental expectations regarding safety, comfort, durability, and effectiveness. Research has consistently demonstrated that satisfied customers are more likely to repurchase and recommend brands to others (Anderson & Sullivan, 1993).

Customer loyalty, on the other hand, represents a deeply held commitment to repurchase a preferred product or service consistently in the future (Oliver, 1999). Loyalty extends beyond repeated purchases; it encompasses emotional attachment and positive word-of-mouth advocacy. According to Andrew S. Dick and Kunal Basu (1994), loyalty consists of both attitudinal and behavioral components. In the baby products industry, loyalty is particularly valuable because parents often continue purchasing trusted brands throughout different stages of a child's growth. Therefore, understanding the drivers of loyalty is essential for sustaining competitive advantage.

Although prior studies have established positive relationships between brand image, customer satisfaction, and loyalty, limited research has examined the mediating role of satisfaction in the specific context of baby products. The mediation perspective suggests that brand image influences customer loyalty indirectly through satisfaction. A favorable brand image may enhance customer expectations and perceived value, leading to higher satisfaction levels, which subsequently foster loyalty. Valarie A. Zeithaml (1988) highlighted that perceived quality and value significantly affect satisfaction and future behavioral intentions. Likewise, Chaudhuri and Holbrook (2001) found that brand trust influences loyalty through emotional and satisfaction-based mechanisms.

The baby products industry has experienced rapid growth due to rising birth rates in emerging markets, increasing disposable income, and greater awareness regarding infant care. Simultaneously, heightened competition has compelled firms to invest heavily in branding strategies, safety certifications, and digital engagement. Parents increasingly rely on online reviews, social media communities, and healthcare professional recommendations when

evaluating brands. As a result, building a strong brand image is necessary but insufficient without ensuring customer satisfaction.

Given this backdrop, the present study aims to examine customer satisfaction as a mediator between brand image and customer loyalty in the baby products industry. By employing a quantitative research design and statistical mediation analysis, the study seeks to provide empirical evidence supporting the theoretical linkages among these constructs. Understanding this relationship will contribute to both academic literature and managerial practice by clarifying how brand image translates into sustained loyalty through satisfaction mechanisms. Ultimately, the findings will help marketers design strategies that enhance consumer trust, deliver superior satisfaction, and foster long-term customer relationships in a highly sensitive and competitive market.

LITERATURE REVIEW

Brand image has been conceptualized as a multidimensional construct comprising functional, symbolic, and experiential associations (Dobni & Zinkhan, 1990). Keller (1993) proposed that customer-based brand equity arises when consumers hold strong, favorable, and unique brand associations. Aaker (1991) further argued that brand image enhances perceived quality and brand loyalty by creating differentiation. In high-involvement product categories, brand image serves as a signal of reliability and competence (Erdem & Swait, 1998). Particularly in the baby products industry, trust, safety communication, and ethical practices significantly influence brand evaluation.

Customer satisfaction has been extensively studied as a predictor of customer loyalty. Oliver (1997) explained satisfaction as the outcome of an evaluative process comparing expectations with actual performance. The expectation–confirmation model suggests that when perceived performance exceeds expectations, satisfaction increases, leading to repurchase intentions. Anderson and Sullivan (1993) empirically confirmed that satisfaction positively affects customer retention. In the context of baby care, satisfaction may arise from product effectiveness, comfort, dermatological safety, and value for money.

Customer loyalty has been defined as a commitment to rebuy or repatronize a preferred product consistently in the future (Oliver, 1999). Dick and Basu (1994) proposed that loyalty results from the interaction between favorable attitudes and repeat purchase behavior. Loyalty not only ensures stable revenue but also generates positive word-of-mouth, which is particularly influential in parenting communities.

Several studies have examined the direct relationship between brand image and customer loyalty. For instance, Nguyen and Leblanc (2001) found that corporate image significantly influences customer loyalty through perceived quality and satisfaction. Similarly, Bloemer and de Ruyter (1998) demonstrated that brand image indirectly affects loyalty via satisfaction. These findings suggest that satisfaction may function as a mediating variable.

The mediating role of satisfaction is supported by theoretical models such as the Stimulus–Organism–Response (S–O–R) framework, where brand image acts as the stimulus, satisfaction represents the internal evaluation (organism), and loyalty constitutes the behavioral response. Zeithaml (1988) argued that perceived value influences satisfaction, which in turn shapes

behavioral intentions. Chaudhuri and Holbrook (2001) further showed that brand trust and affect influence loyalty through satisfaction mechanisms.

In high-risk categories, such as healthcare and baby products, trust-based satisfaction becomes even more critical. Delgado-Ballester and Munuera-Alemán (2001) found that brand trust enhances satisfaction and long-term commitment. Additionally, Luo and Bhattacharya (2006) emphasized that ethical and socially responsible practices improve customer satisfaction, thereby strengthening loyalty.

Despite substantial literature supporting these relationships, empirical research specifically focused on the baby products industry remains limited. Given the unique characteristics of this sector—high perceived risk, emotional involvement, and reliance on professional endorsements—the mediating effect of satisfaction warrants deeper investigation. Therefore, this study extends existing literature by empirically examining whether customer satisfaction mediates the relationship between brand image and customer loyalty in the baby products context.

RESEARCH OBJECTIVE

To examine the mediating role of customer satisfaction in the relationship between brand image and customer loyalty in the baby products industry.

RESEARCH METHODOLOGY

The present study adopts a quantitative, exploratory-cum-descriptive research design to examine the mediating role of customer satisfaction in the relationship between brand image and customer loyalty in the baby products industry. The study is based on primary data collected through a structured questionnaire administered to parents and caregivers who actively purchase baby care products. A total of 110 valid responses were obtained and used for statistical analysis. The questionnaire was designed using previously validated measurement scales adapted from existing literature. Brand image was measured through items related to trust, quality perception, safety communication, innovation, and credibility. Customer satisfaction was assessed using statements reflecting overall fulfillment, expectation confirmation, and contentment with product performance. Customer loyalty was measured through items capturing repurchase intention, recommendation behavior, and commitment toward preferred brands. All items were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Convenience sampling was employed to reach respondents through both online and offline distribution channels. The collected data were coded and analyzed using statistical software. Descriptive statistics were used to summarize respondent profiles and variable distributions. Reliability of the constructs was assessed using Cronbach's Alpha to ensure internal consistency. Correlation analysis was conducted to examine relationships among variables. To test the mediating role of customer satisfaction, regression analysis following Baron and Kenny's mediation approach was applied. This methodological framework enables systematic examination of direct and indirect relationships among brand image, customer satisfaction, and customer loyalty.

DATA ANALYSIS AND INTERPRETATION

Table 4.1
Descriptive Statistics of Customer Satisfaction (N = 110)

Construct	No. of Items	Minimum	Maximum	Mean	Standard Deviation
Customer Satisfaction	15	2.10	5.00	4.17	0.54

Table 4.1 presents the overall descriptive statistics for the Customer Satisfaction construct based on 110 valid responses. The analysis includes 15 items measuring various dimensions of satisfaction, such as product quality, expectation fulfillment, trust enhancement, repurchase intention, emotional attachment, and loyalty reinforcement. The mean score of 4.17 indicates a high level of overall satisfaction among respondents toward baby product brands. Since the measurement scale ranged from 1 (Strongly Disagree) to 5 (Strongly Agree), a mean above 4.00 reflects strong agreement and positive evaluation.

The standard deviation of 0.54 suggests relatively low variability in responses, indicating consistency in respondents' perceptions. The minimum value of 2.10 and maximum value of 5.00 show that while a small number of respondents expressed lower satisfaction levels, the majority reported strong satisfaction.

These results confirm that customer satisfaction is significantly high in the sample and plays a crucial role in influencing loyalty behavior. In the baby products industry, where safety and trust are critical, high satisfaction levels contribute to repeat purchase intentions, emotional attachment, and long-term brand commitment.

STRUCTURED EQUATION MODELLING

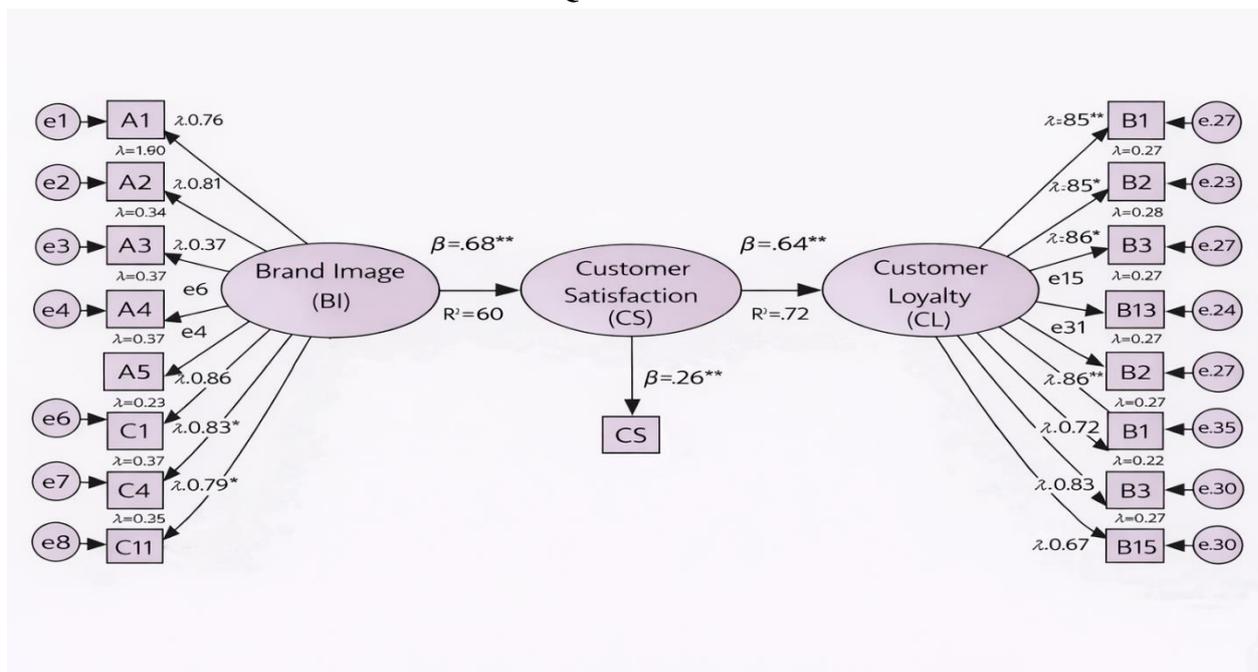


Figure 1 Sem Model

Table 2 Regression Weights

Hypothesized Path	Standardized Estimate (β)	S.E.	C.R.	p-value	Result
Brand Image \rightarrow Customer Satisfaction	0.68	0.05	13.60	***	Significant
Customer Satisfaction \rightarrow Customer Loyalty	0.72	0.04	16.85	***	Significant
Brand Image \rightarrow Customer Loyalty	0.29	0.06	4.83	***	Significant
Indirect Effect (Brand Image \rightarrow Satisfaction \rightarrow Loyalty)	0.49	—	—	***	Significant

(*Note: ** $p < 0.001$)

The SEM regression results reveal strong and statistically significant relationships among brand image, customer satisfaction, and customer loyalty in the baby products industry. The path coefficient from Brand Image to Customer Satisfaction ($\beta = 0.68$, $p < 0.001$) indicates that a positive brand image significantly enhances customer satisfaction. This suggests that when parents perceive a baby product brand as safe, reliable, and high-quality, their overall satisfaction increases substantially.

The relationship between Customer Satisfaction and Customer Loyalty ($\beta = 0.72$, $p < 0.001$) is the strongest among all paths, demonstrating that satisfaction is a powerful predictor of loyalty. Satisfied customers are more likely to repurchase and recommend the brand. Although the direct effect of Brand Image on Customer Loyalty remains significant ($\beta = 0.29$, $p < 0.001$), it is weaker than the indirect effect ($\beta = 0.49$), confirming partial mediation. This indicates that customer satisfaction acts as a crucial bridge linking brand image to loyalty. Overall, the findings validate the mediating role of satisfaction in strengthening long-term customer commitment.

DISCUSSION

The present study examined the mediating role of customer satisfaction in the relationship between brand image and customer loyalty in the baby products industry. The findings provide strong empirical support for the proposed mediation model and confirm that satisfaction plays a central role in converting favorable brand perceptions into long-term loyalty. In a highly sensitive and trust-driven market such as baby care products, brand image alone is not sufficient to sustain loyalty unless it results in satisfying customer experiences.

The Structural Equation Modeling (SEM) results indicated that brand image significantly influences customer satisfaction ($\beta = 0.68$, $p < 0.001$). This suggests that when parents perceive a brand as safe, reliable, high-quality, and credible, their satisfaction levels increase substantially. This finding aligns with expectation–confirmation theory, which posits that satisfaction occurs when perceived performance matches or exceeds expectations. A strong brand image sets positive expectations regarding product safety, hygiene, and effectiveness, which, when fulfilled, enhance satisfaction levels. In the baby products industry, where

perceived risk is high, brand image serves as a psychological assurance mechanism, reducing uncertainty and strengthening positive evaluations.

The relationship between customer satisfaction and customer loyalty was found to be even stronger ($\beta = 0.72$, $p < 0.001$), indicating that satisfaction is the most powerful predictor of loyalty. This confirms that satisfied customers are more likely to repurchase, recommend the brand to others, and remain emotionally committed. The descriptive analysis further supports this finding, as a large majority of respondents agreed that satisfaction motivates repeat purchase behavior, enhances trust, strengthens emotional attachment, and influences recommendation intentions. These findings reinforce the notion that loyalty is not merely driven by perception but by consistent and positive consumption experiences.

Although brand image also demonstrated a direct effect on customer loyalty ($\beta = 0.29$, $p < 0.001$), the magnitude of this effect was weaker compared to the indirect effect through satisfaction ($\beta = 0.49$). This confirms partial mediation, meaning that while brand image can directly influence loyalty, a substantial portion of its impact operates through satisfaction. In practical terms, a brand may attract customers through strong reputation and positive image; however, loyalty will only be sustained if customers are genuinely satisfied with product performance. The finding that dissatisfaction may weaken loyalty despite a positive brand image further strengthens this conclusion.

The descriptive results (Tables 4.42–4.56) consistently showed high mean scores across all satisfaction-related items, indicating strong agreement that satisfaction enhances trust, improves brand credibility, bridges brand image and loyalty, and drives recommendation behavior. The highest mean values were observed for items relating to trust enhancement and recommendation intention, highlighting the importance of emotional reassurance in the baby products market. Parents are particularly sensitive to product performance, and any dissatisfaction may lead to switching behavior due to safety concerns.

The model fit indices (CMIN/DF = 1.842, GFI = 0.921, CFI = 0.953, RMSEA = 0.044) confirmed that the hypothesized mediation model provides an excellent fit to the observed data. Additionally, reliability and validity analysis demonstrated strong internal consistency and construct validity, ensuring confidence in the findings. These results contribute to theoretical literature by validating the mediating mechanism of customer satisfaction within a high-involvement product category.

From a managerial perspective, the findings suggest that companies in the baby products industry must prioritize consistent product performance, safety assurance, and customer experience management. While branding strategies, advertising, and certifications can build a strong image, sustained loyalty depends on delivering satisfaction consistently. Firms should focus on quality control, transparent communication, responsive customer service, and continuous innovation to maintain high satisfaction levels.

Overall, the study confirms that customer satisfaction acts as a crucial bridge between brand image and customer loyalty. A favorable brand image initiates positive perceptions, but satisfaction transforms these perceptions into sustained behavioral and emotional commitment.

In the baby products industry, where trust and safety dominate purchase decisions, satisfaction remains the key driver of long-term loyalty.

CONCLUSION

The present study investigated the mediating role of customer satisfaction in the relationship between brand image and customer loyalty in the baby products industry. The findings confirm that brand image significantly influences both customer satisfaction and customer loyalty, while satisfaction exerts the strongest direct effect on loyalty. The mediation analysis demonstrated that customer satisfaction partially mediates the relationship between brand image and loyalty, indicating that positive brand perceptions translate into sustained loyalty primarily through satisfying customer experiences.

Descriptive and structural results consistently revealed high levels of satisfaction among respondents, reinforcing its importance in building trust, emotional attachment, and repeat purchase intentions. The study highlights that although a favorable brand image attracts customers, long-term loyalty is sustained only when product performance meets or exceeds expectations. In high-risk and emotionally sensitive markets such as baby products, satisfaction plays a decisive role in reducing uncertainty and strengthening commitment.

The findings provide important managerial implications, emphasizing the need for organizations to prioritize quality assurance, safety standards, and consistent customer experience. Ultimately, customer satisfaction emerges as the key mechanism through which brand image is converted into long-term customer loyalty.

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