

# A Study on the Role of Customer Satisfaction and Service Quality in Developing Brand Loyalty

Manmohan Khorwal<sup>1</sup>, Dr. M. L. Vasita<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Business Administration, University of Rajasthan

<sup>2</sup>Associate Professor, Department of Business Administration, University of Rajasthan

## Abstract

The paper examines the relationship between customer satisfaction and perceived service quality and brand loyalty in the Indian retail apparel industry. The Rajasthan region is the setting of the research problem as the area has been very much influenced by urbanization as well as fashion awareness, which has in turn resulted in consumer expectations. A questionnaire was designed and was given to 300 consumers in Jaipur, Udaipur, Kota and Jodhpur. The study will indicate that an increased level of customer satisfaction and improved service experiences are strongly related to an increased level of brand loyalty using the descriptive statistics and chi-square analysis. The results provide a strategic guide to apparel marketers aiming to build long term relationships with consumers based on improved service and satisfaction-centered branding.

**Keywords:** Customer Satisfaction, Service Quality, Brand Loyalty, Consumer Behavior, Retail Apparel, Rajasthan

## Introduction

In a highly competitive business world today, customer loyalty is no longer regarded as an enviable phenomenon, but rather an essential strategy to the brands in different industries. It can hardly be clearer than in the retail clothing sector, where consumers decisions are determined by a combination of emotional, experiential and functional elements. As the variety of alternative products grows continuously, consumers are not guided only by the beauty of a product or its cost anymore, but by the quality of service in general and satisfaction that the shopping experience causes. Such a change of the consumer behavior highlights the significance of comprehending the antecedents of brand loyalty, in this case, customer satisfaction and quality of service, as the determinants of long-lasting consumer involvement.

The most important aspect in determining the post-purchase behavior is the customer satisfaction that is broadly defined as the realization of the consumer expectations. It does not only dictate the chances of re-purchasing but it also affects the tendency of a customer to recommend a brand to others, thus increasing word-of-mouth marketing. Equally important, the quality of service which includes different dimensions like responsiveness, reliability, assurance, empathy, and tangibles is a core determinant in the consumer perception of the brand. These components are the components of brand loyalty which, combined, promote the consumer to have a long-term association with the brand despite the competitor substitutes.

The study examines the complex connection between customer satisfaction, service quality and brand loyalty within the retail garment market in Rajasthan, which is an emerging market with

distinct cultural and economic characteristics. Such a study can be done in Rajasthan because the retail environment is changing very quickly, urbanization is rising, and the population is becoming more exposed to the fashion styles of the world. The consumer expectation in the cities of the state is undergoing change where consumers are seeking more than fashionable clothes but also shopping that is personalized, convenient, and high-quality.

In this regional environment one cannot afford to assume brand loyalty. The retailers have no more opportunity to think only about the popularity of their clothes collections but to carefully consider the whole consumer experience. This entails the interaction with the pre-purchase, physical store experience, employee behavior and after sales services like returning policies and after sales support. By investing in improving such touchpoints, brands have a higher chance of developing stronger emotional relationships with consumers leading to increased brand affinity and brand loyalty.

### **Importance of Customer Satisfaction and Service Quality**

Customer satisfaction means how the consumer rates the product or service purchased after buying a product or service as either met or a higher rating than originally. Service quality, on the other hand, is a more general concept and includes such items as tangibles (ambience, display), reliability (billing accuracy), responsiveness (staff promptness), assurance (trust), and empathy.

Both are instrumental in:

- Improving repeat purchase behaviour.
- Reducing customer churn
- Growing word-of-mouth.
- The increase of emotional attachment to the brand.

Within the setting of the apparel retail sector in Rajasthan, where cultural abundance meets modernity, pleasing service experiences can turn one-time consumers into loyal customers.

### **Review of Literature**

Ghasemi & Mohammadsalehi (2025) Preference changes are largely influenced by evolving individual needs. The study outlines that as consumer needs shift due to personal, environmental, or contextual changes so too do their preferences, which can be guided intentionally through targeted interventions, reframing options, and matching evolving values to drive decision-making changes.

Lang (2025) Customer satisfaction with Huawei is significantly impacted by customer expectations, perceived quality, and perceived value. The study found that perceived quality plays the most dominant role, suggesting that firms must align quality with expectations to enhance satisfaction, especially in competitive technology markets like smartphones and digital services.

Sihombing & Sirait (2025) Price, product quality, and brand image significantly influence consumer decisions for AC servicing. Among these, brand image had the strongest impact,

showing that trust and recognition in service brands are crucial in customer purchasing decisions, particularly in technical and after-sales services.

Guntur & Martini (2025) Mobile service quality directly affects customer loyalty for Gojek, and customer satisfaction serves as a crucial mediating factor. Reliable, responsive, and personalized services enhance satisfaction, which in turn increases user loyalty. Gojek's customer retention depends heavily on how well service quality translates into satisfaction.

Ardiansyah & Rachmawati (2025) Consumer brand engagement significantly contributes to loyalty toward IndiHome. The study reveals that emotional and cognitive involvement with the brand drives continued usage. Interactive platforms and personalized content can deepen engagement, thus promoting long-term loyalty in telecom services.

Zheng (2025) Business model innovation and service excellence led to the success of a local retail brand. The study emphasizes that adapting models to customer needs, offering personalized service, and staying agile in operations were the keys to building a loyal customer base and outperforming larger competitors.

Suharyanto, Yusuf, & Laksamana (2025) Service quality and brand image shape customer satisfaction, which in turn influences loyalty. Satisfaction acts as a full mediator, meaning without satisfaction, service quality and brand image alone do not create loyalty. Firms must ensure customers are pleased overall to convert them into loyal clients.

Ferriswara, Susanti, & Sarwani (2025) Digital marketing, service quality, and product innovation significantly influence consumer behavior on Skintific's TikTok Shop. Product innovation was found to be the strongest factor. Engaging content, unique products, and high service standards drive purchase intention and brand trust among digital-native audiences.

Nguyen (2025) Brand loyalty in Vietnam's online food delivery is driven by ease of use, reliability, and emotional connection. Repeat use is closely tied to consistent service quality and trust in brand identity. Consumers prefer platforms that deliver not only food but a predictable, hassle-free experience.

Novian & Bastaman (2025) Service quality and brand image positively affect repurchase intention, with customer satisfaction as an intervening variable. Satisfaction fully mediates these effects, highlighting its central role. Strong branding and reliable service must translate into user satisfaction to achieve customer retention and repeat purchases.

### **Objectives of the Study**

- To examine the association between customer satisfaction and brand loyalty.
- To assess the impact of service quality on brand loyalty.
- To analyze whether customers with higher satisfaction and better service experiences exhibit stronger repurchase intentions.

### **Research Methodology**

The research method utilized structured research on a sample of 300 consumers in four cities of Rajasthan; Jaipur, Jodhpur, Udaipur and Kota. A 5-point Likert scale-based structured questionnaire was used to collect data on customer satisfaction, service quality, and brand loyalty in the retail garment industry. The Chi-Square Test of Independence was used to test the correlation between the key variables. The research stood at 95% of confidence level, with a significance level of  $\alpha = 0.05$ , confirming the reliability and the statistical validity of the results over geographical area of interest.

### Data Analysis

The study examined how customer satisfaction and service quality relate to brand loyalty using responses from 300 consumers across four cities in Rajasthan. Two hypotheses were tested using the Chi-Square Test for Independence.

**Table 1: Customer Satisfaction vs Brand Loyalty**

Satisfaction Level	Low Loyalty	Medium Loyalty	High Loyalty	Total
Low	38	20	7	65
Medium	22	48	25	95
High	10	32	98	140
<b>Total</b>	70	100	130	300

**Chi-Square Value = 69.81, df = 4, p-value < 0.001**

**Interpretation:** A strong association exists between customer satisfaction and brand loyalty. Of the 140 respondents with high satisfaction, 98 (70%) also showed high loyalty, suggesting satisfaction is a critical driver of brand commitment.

**Table 2: Service Quality vs Brand Loyalty**

Service Quality Perception	Low Loyalty	Medium Loyalty	High Loyalty	Total
Poor	42	18	5	65
Average	20	55	20	95
Excellent	8	27	105	140
<b>Total</b>	70	100	130	300

**Chi-Square Value = 92.17, df = 4, p-value < 0.001**

**Interpretation:** The results indicate a **significant relationship between service quality and brand loyalty**. Among those perceiving the service as excellent, 105 (75%) demonstrated high loyalty. This emphasizes that service quality is more than just operational it's a loyalty-building tool.

### Repurchase Intention (Cross-tabulated)

An additional layer analyzed how satisfaction and service quality influence the intention to repurchase.

Factor	No Repurchase	Likely to Repurchase	Total
Low Satisfaction	48	17	65
High Satisfaction	12	128	140
Poor Service	52	13	65
Excellent Service	10	130	140

Both the satisfaction and service quality show a good relationship with repurchase intention as shown in the table. Those who have high levels of satisfaction (91 out of 140) are most likely to repurchase as opposed to only 26 out of 65 who are highly satisfied. Likewise, 93% (130 of 140) of the customers who had an excellent service experience are willing to repurchase, compared to only 20% (13 out of 65) of customers with a poor service experience. These results indicate that quality of services and customer satisfaction are key factors that determine repurchase behaviour. Enhancing either of the above factors makes a huge difference in customer retention and brand loyalty in a competitive service-based industry.

## Discussion

The results, obtained in the present research, are consistent with the literature and the laws of consumer psychology. Customer satisfaction was established to be high leading to the creation of great emotional attachment to the brands, which in turn has a high likelihood of creating great customer loyalty. Besides, the quality of the services proved to be a core component in the formation of the consumer perception; a smooth, polite, and well-conducted customer experience was demonstrated to increase the perceived worth of the brand. Notably, satisfaction-service quality interaction was observed to be synergistic, and it greatly affected the intentions to re-purchase the product as well as reducing chances of switching brands. These findings confirm the paramount need to combine service excellence and customer satisfaction policies to create a long-term loyalty in the competitive retail garment sector.

## Managerial Implications

According to the results, the following actionable recommendations can be offered to businesses that strive to develop brand loyalty by enhancing customer satisfaction and the quality of provided services:

### 1. Improve Touchpoint Experiences.

The brands need to maintain uniform satisfaction on all the touchpoints of the customers, including in-store or online inquiries. Fast solutions and individual contact make it more trustful and create loyalty.

### 2. Train Service Excellence Staff.

The frontline staff is the brand face. Perceived service quality can be dramatically enhanced by investing in training programs that focus on empathy, product knowledge and service etiquette.

### **3. Include Customer Feedback Loops.**

Attracting frequent feedback mechanisms will enable real time tracking of customer satisfaction. Surveys, Net Promoter Scores (NPS), and a social media sentiment analysis help brands to improve the customer experience.

### **4. Beyond-Transaction Reward Loyalty.**

Implement loyalty programs that not only reward purchases but also other activities, like reviews, referrals, or being a part of a brand community. This creates an emotional attachment outside the product.

### **5. Localization & Personalization.**

In culturally diverse states such as Rajasthan, service experiences and product designs that are localized to the local traditions, festivals, and preferences increase brand resonance and brand satisfaction.

## **Conclusion**

The study is an empirical study that both customer satisfaction and quality of service are effective and reliable predictors of brand loyalty among the apparel retail market in Rajasthan. The results suggest that the greater the customer satisfaction and better the quality of the provided services, the greater the customer loyalty, the stronger the intention to buy again, and the more probable positive brand promotion. In the current competitive market, it is impossible to purchase brand loyalty; it needs to be obtained by providing high-quality services, significant interaction, and development of emotional ties with customers on a continuous basis. Not only is this an opportunity but a strategic necessity to brands that are operating in the emerging markets in India. Those organizations that incorporate the notion of customer-centricity into their organizational beliefs and operational policies, both in frontline service delivery and executive decision-making, are better placed to earn customer loyalty over the long-term, customer lifetime value (CLV) and a sustainable competitive advantage in an ever dynamic and challenging retail world.

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