

EXPLORING THE INTERPLAY BETWEEN BRAND IMAGE, CUSTOMER SATISFACTION, AND CUSTOMER LOYALTY: MEDIATING AND MODERATING EFFECTS OF CUSTOMER LOYALTY

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Abstract

This study examines the dynamic relationship between brand image, customer satisfaction, and customer loyalty by analyzing the mediating and moderating roles of customer loyalty. Using a quantitative approach and data from 200 Starbucks customers, the findings indicate that brand image significantly influenced customer satisfaction and loyalty. Customer loyalty mediated the relationship between brand image and satisfaction, bridging brand attributes with positive customer perceptions. However, the moderating role of customer loyalty exhibited limited statistical significance, suggesting its conditional effect depends on unexplored variables. The findings provide valuable insights for marketers leveraging brand image and loyalty to enhance customer satisfaction while highlighting areas for future research on the moderating role of customer loyalty.

Key words: brand image, customer satisfaction, customer loyalty, mediation, moderation.

Introduction

In today's competitive business landscape, a strong brand image is as essential as the quality of products and services. Brands with high customer loyalty achieve greater market share and command premium pricing, underscoring the significance of brand image as a

strategic asset. Research highlights the substantial influence of brand image on customer satisfaction and loyalty—key benchmarks of business performance (Tahir et al., 2024; Yum & Yoo, 2023). Satisfied customers exhibit loyalty through premium purchases, positive word-of-mouth, and sustained commitment. Therefore, brand image, customer satisfaction, and customer loyalty are

indispensable marketing tools. Despite their importance, businesses face ongoing challenges in cultivating and maintaining these elements in dynamic markets.

Research confirms a significant positive correlation between customer satisfaction and customer loyalty, highlighting satisfaction as a key driver of repeat purchases and sustainable business growth. Customer satisfaction reinforces brand trust by enhancing confidence and protecting customer interests (Ganesan, 1994; Oliver, 1999). Facilitated by customer satisfaction, positive brand perceptions foster attachment and attitudinal loyalty. Satisfied customers are more likely to pay a premium, promote the brand through word-of-mouth, and remain committed long-term (Bennett & Rundle-Thiele, 2004; Schultz, 2005).

Based on the above theoretical background, brand image, customer satisfaction, and customer loyalty are foundational elements that significantly impact company success. This study aims to verify how customer satisfaction connects and strengthens the relationship between brand image and customer loyalty, highlighting its role in enhancing these connections. The research questions are as follows. Does brand image positively affect customer satisfaction and customer loyalty? Does customer satisfaction have a relationship with customer loyalty? Does customer satisfaction play the role of mediator and moderator between brand image and customer loyalty?

Literature Review and Hypothesis Development

Literature Review

Brand Image.

Brand image is a critical factor in shaping consumer perceptions. It encompasses various dimensions, including product functionality, emotional appeal, and symbolic representation (Keller, 1998). A well-established brand image aligns consumer expectations with actual experiences, enhancing customer satisfaction and fostering brand loyalty. The perception of a brand is not solely dictated by its tangible attributes but by the emotional and psychological associations consumers develop over time (Aaker, 1997). Such associations can stem from direct experiences, advertising, word-of-mouth, and cultural influences.

As an integral component of brand image, brand mystery is shaped through past interactions and consumer imagination regarding a brand's history and potential future development. This concept aligns with Roberts' (2004; 2006) notion that storytelling and brand legends contribute to deeper consumer identification and engagement. Through narrative strategies, brands create a compelling story that immerses consumers, leading to enhanced emotional connections and long-term loyalty. Empirical research indicates that successful brand storytelling fosters favorable myths and iconic brand characteristics while stimulating positive consumer perceptions and deepening brand affinity (Escalas, 2004).

Another essential component of brand image is brand sensuality. This involves stimulating consumers' sensory experiences through visual, auditory, olfactory, tactile, and gustatory cues. Sensory marketing has been found to play a key role in influencing consumer attitudes and behaviors by fostering immersive and memorable brand interactions (Hultén, 2011; Roberts, 2004). A brand's appeal through sensory engagement—such as a product's design, scent, packaging, and in-store ambiance—can reinforce positive consumer perceptions and elevate the brand experience, thereby enhancing brand preference and loyalty.

Another key dimension of brand image is brand intimacy, which surrounds the emotional bonds consumers develop with a brand. Berger et al. (2021) found that a consumer's attachment to a brand extends beyond product attributes and is significantly influenced by the brand's ability to demonstrate understanding, care, and authenticity. Strong brand intimacy results in higher levels of commitment, positive brand associations, and an increased likelihood of repeat purchases (Fournier, 1998).

The relevant literature categorizes brand image into three dimensions: mystery, sensuality, and intimacy (Roberts, 2004; 2006; Cho, 2011). Mystery is associated with the use of metaphors, symbols, and myths to evoke intrigue and curiosity regarding a brand. Sensuality engages consumers' senses in creating a profound and memorable brand experience. Intimacy surrounds the emo-

tional connections between consumers and brands, fostering brand trust and long-term loyalty. These dimensions collectively contribute to the success of modern brands by influencing consumer decision-making and purchase intentions.

Customer Satisfaction.

Customer satisfaction is an emotional response resulting from the alignment between consumer expectations and actual experiences (Kotler, 2012). It is an essential determinant of business success, as it directly affects consumer behavior, influences repeat purchases and enhances overall brand reputation. High levels of customer satisfaction contribute to increased customer retention and loyalty, ultimately leading to sustainable business growth and a competitive advantage in the marketplace (Oliver, 1999).

Satisfied customers are more likely to engage in positive word-of-mouth, which further strengthens a brand's reputation and attracts new customers (Kumar et al., 2010). Moreover, customer satisfaction is a protective factor against competitive threats, as satisfied consumers are less likely to switch to alternative brands. Companies that consistently meet or exceed customer expectations generate a loyal customer base that reinforces brand trust and credibility.

Past research has identified several key factors influencing customer satisfaction, including product quality, service quality, price fairness, brand image, and perceived value (Zeithaml et al., 1996). Among these factors, service

quality and brand image have been found to have the most significant impact on consumer satisfaction (Parasuraman et al., 1988). A strong brand image enhances consumer confidence in that brand, leading to higher satisfaction levels and greater customer retention (Latif et al., 2020).

Furthermore, customer satisfaction is closely linked to the emotional and psychological states of consumers. Positive experiences with a brand create a sense of happiness and fulfillment, reinforcing the consumer's perception of the brand as reliable and trustworthy (Hanaysha, 2022). Therefore, businesses must prioritize customer-centric strategies to deliver superior value, consistent service quality, and meaningful brand interactions to maximize customer satisfaction.

Customer Loyalty.

Customer loyalty is essential to business success; it involves repeated patronage, brand advocacy, and long-term consumer commitment (Bowen & Shoemaker, 1998). Loyalty extends beyond repeat purchases while encompassing emotional attachment, trust, and brand advocacy behaviors, such as referrals and positive recommendations (Oliver, 1999).

Several factors contribute to customer loyalty, including perceived service quality, brand image, customer satisfaction, and emotional engagement (Chaudhuri & Holbrook, 2001). For instance, the physical environment, employee behavior, and service consistency

significantly impact customer loyalty in the service industry (Kim & Koo, 2020). Research suggests that high levels of customer satisfaction can lead to greater customer loyalty, as satisfied customers are more likely to continue patronizing a brand and recommending it to others (Fornell et al., 1996).

Higher customer retention rates increase profitability, as loyal customers generate higher lifetime value while reducing the cost of acquiring new customers (Woodside & Moore, 1987; Bowen & Chen, 2001). Retaining loyal customers also contributes to brand resilience, as loyal consumers are more forgiving of occasional service failures and more resistant to competitive offers (Reichheld & Sasser, 1990).

Recent research highlights the growing importance of digital engagement in fostering customer loyalty. Social media and digital platforms have transformed how brands interact with consumers, providing new avenues for building loyalty through personalized experiences, exclusive rewards, and engagement in real-time (Chen et al., 2021). Companies that effectively leverage digital tools to maintain customer relationships and enhance engagement can strengthen brand loyalty and create sustained competitive advantages.

Based on the above, customer loyalty is a multi-dimensional construct influenced by rational and emotional factors. Businesses must focus on facilitating positive and memorable brand experiences, fostering emotional connections,

and consistently delivering superior value to build and sustain long-term customer loyalty.

Hypotheses Development: Building the Interconnected Constructs

Main Effects

Relationships between Brand Image and Customer Loyalty.

Several studies have identified a positive correlation between brand image and customer loyalty (Keller, 2001; Buil et al., 2013). Brand image is often perceived as a key determinant of consumer purchasing behavior, influencing their perception of quality, trust, and emotional attachment to a brand (Aaker, 1997). Research indicates that a positive brand image enhances customer loyalty by strengthening brand identification, consumer trust, and emotional bonds (Keller, 2003). A strong brand image also reduces perceived risks in consumer decision-making while reinforcing customer retention and advocacy (Batra et al., 2012).

Comparatively, customer loyalty is an essential factor in maintaining a company's long-term success. A well-established brand image fosters affective commitment, wherein customers exhibit an emotional attachment to a brand that leads to sustained loyalty and increased lifetime value (Hess & Story, 2005). Furthermore, firms that maintain a strong brand image benefit from higher customer retention rates and greater resistance to competition (Chaudhuri & Holbrook, 2001).

Additionally, companies that successfully cultivate a strong brand image can produce enduring customer relationships, reinforcing loyalty through enhanced brand credibility and positive brand associations (Nguyen et al., 2013). Thus, businesses that invest in branding strategies significantly improve customer retention and advocacy, including word-of-mouth recommendations and repeated purchases (Buil et al., 2013). Based on the above, we propose the following hypothesis:

H1: There is a significant relationship between brand image and customer loyalty.

Relationships between Customer Loyalty and Customer Satisfaction. Customer satisfaction is widely recognized as a critical antecedent of customer loyalty (Homburg et al., 2017; Wang et al., 2022). Satisfaction is shaped by multiple factors, including product quality, service performance, perceived value, and overall brand experience (Oliver, 1999). When customers perceive that a brand consistently meets or exceeds their expectations, they are likelier to develop a sense of trust and commitment toward that brand (Cronin et al., 2000).

While customer satisfaction generally leads to increased customer loyalty, research suggests this relationship is not always straightforward. Highly satisfied customers may still switch brands due to factors such as availability, price promotions, or personal preference changes (Richard & Detrick, 2003). Moreover, long-term loyalty requires more than just

transactional satisfaction; it depends on emotional engagement, brand trust, and perceived switching costs (Choi et al., 2023).

Some scholars argue that customer satisfaction alone is insufficient to guarantee loyalty, emphasizing the role of emotional attachment and perceived brand value (Ali et al., 2021). Therefore, businesses must focus on creating compelling brand experiences, fostering customer engagement, and ensuring service consistency to maximize customer retention (Gustafsson, 2005). Based on the above, we propose the following hypothesis:

H2: There is a positive relationship between customer satisfaction and customer loyalty.

Relationships between Brand Image and Customer satisfaction.

Brand image is a multidimensional construct that includes brand prestige, trustworthiness, and perceived quality (Chattananon et al., 2020). A strong brand image significantly enhances customer satisfaction by shaping consumer expectations and reinforcing brand credibility (Latif et al., 2020). Customers are satisfied with brands that evoke positive emotions and provide consistent value (Hanaysha, 2022).

Empirical evidence suggests that brands with a favorable image often experience higher customer satisfaction as consumers develop positive emotional connections and higher levels of trust (Chen et al., 2021). When consumers

associate a brand with reliability, innovation, and superior quality, their satisfaction levels increase, leading to a positive brand evaluation and long-term loyalty (Wang et al., 2022).

Furthermore, brand image influences perceived service quality, affecting customer satisfaction. A strong brand image enhances service perceptions by instilling consumer confidence in a brand's ability to deliver high-quality products and services (Nguyen et al., 2020; Huang & Feng, 2020). As such, customers who hold favorable brand perceptions are more likely to be satisfied with their brand experiences, reinforcing brand commitment and advocacy behaviors. Based on the above, we propose the following hypothesis:

H3: Brand image positively affects customer satisfaction.

Mediation.

Customer Loyalty as a Mediator between Brand Image and Customer Satisfaction. Customer loyalty mediates the relationship between brand image and customer satisfaction (Nadeem & Al-Imamy, 2020; Saleem et al., 2021). Customers who develop strong loyalty toward a brand tend to exhibit higher satisfaction levels, as loyalty reinforces positive brand perceptions and emotional engagement (Broekhuizen et al., 2019).

Research indicates that brand image affects customer satisfaction indirectly through customer loyalty, as customers who trust and identify with a brand are more likely to report higher satisfaction

(Khan et al., 2022). The mediating role of customer loyalty is evident in industries where brand reputation and emotional engagement play significant roles in consumer decision-making (Ali et al., 2021).

Loyal customers not only demonstrate repeat purchase behavior but also serve as brand advocates, promoting positive word-of-mouth while reinforcing a brand's credibility (Saleem et al., 2021). Therefore, customer loyalty can be considered a crucial mediating variable that strengthens the relationship between brand image and customer satisfaction. Based on the above, we propose the following hypothesis:

H4: Customer loyalty plays a mediating role between brand image and customer satisfaction.

Moderation.

Customer Loyalty as a Moderating Variable in Brand Image and Customer Satisfaction. Customer loyalty also moderates the relationship between brand image and customer satisfaction (Veas-González et al., 2024; Saeed et al., 2013). The degree of customer loyalty can amplify or weaken the impact of brand image on satisfaction, which is dependent on the strength of the consumer-brand relationship.

For instance, when customer loyalty is high, the effect of brand image on satisfaction is more pronounced, as loyal customers are more likely to perceive brand attributes favorably (Saeed et al., 2013). In contrast, when loyalty is low, a

brand image may have a weaker influence on satisfaction, as consumers may not have a strong emotional connection to that brand (Veas-González et al., 2024).

Research suggests that customers with strong loyalty exhibit greater resistance to negative brand information, maintaining satisfaction even in the face of service failures (Wang et al., 2022). This suggests that loyalty is a buffer that protects brands from potential dissatisfaction while strengthening brand-consumer relationships. Based on the above, we propose the following hypothesis:

H5: Customer loyalty is a moderating variable in the relationship between brand image and customer satisfaction.

Research Methodology

This study employed a quantitative approach to assess the impact of causal variables on the outcomes. We implemented a structured research design to ensure reliability and validity in variable measurement. The study began with a comprehensive review of the relevant literature to establish the theoretical foundations, which guided the hypotheses formation. Data analysis was conducted using SPSS 22.0 software to facilitate statistical testing while interpreting relationships among key variables.

Sampling

This study focused on brand image, customer satisfaction, and customer loyalty. We used a simple random sampling method to ensure unbiased participant recruitment. Data was collected from 200 Starbucks customers, who were surveyed based on their experiences and perceptions of the brand. The survey questionnaire includes multiple-choice and Likert-scale questions to measure brand perception, customer satisfaction levels, and loyalty behaviors.

Table 1 presents the demographic statistics based on the questionnaire used to gather data on customer perceptions, preferences, and demographic information. Careful attention was given to maintaining data accuracy and integrity while minimizing potential biases in responses and ensuring that the sample was representative of the target population. The study provides actionable insights into how brand image influences customer satisfaction and loyalty within a competitive retail environment.

Table 1. Demographic Statistics

Variable	Items	Frequency	Percentage
Gender	Male	87	43.5%
	Female	113	56.5%
Age	<20	13	6.5%
	21–30	80	40.0%
	31–40	66	33.0%
	41–50	22	11.0%
	>50	19	9.5%
Education	Senior high school	38	19.0%
	College	71	35.5%
	Master's degree or other	91	45.5%
Monthly Income	Less than \$300	73	36.5%
	\$301–\$450	43	21.5%
	\$451–\$600	46	23.0%
	\$601–\$1,000	28	14.0%
	More than \$1,000	10	5.0%

Reliability Test

Table 2 shows that all variables and dimensions exhibited Cronbach's alpha values above 0.7, demonstrating

high reliability and good internal consistency. A Cronbach's alpha value above 0.7 is widely considered an acceptable reliability threshold, ensuring that the study measurements are consistent and suitable for statistical

Table 2. Cronbach's Alpha Results

Variables	Items	N of Items	Cronbach's Alpha
Brand Image	Mystery	6	.881
	Sensuality	7	.894
	Intimacy	10	.903
Customer Satisfaction		5	.791
Customer Loyalty	Attitude	4	.863
	Behavior	2	.784

analysis. High reliability indicates that the survey items are effective in capturing the intended constructs while minimizing measurement error and strengthening the validity of the findings.

Measuring Brand Image

We measured brand image based on 23 items adapted from Roberts (2004; 2006) and Cho (2011). Table 3 indicates that the factor analysis confirmed the validity of all items: factor loading exceeded .60, Eigenvalues exceeded 1, cumulative variance reached 61.042%, and the Kaiser–Meyer–Olkin (KMO) exceeded .883. These results indicate sampling adequacy for measurement. The findings demonstrate that brand image is a multidimensional construct comprising consumer perceptions, emotional associations, and brand attributes. High factor loadings confirm that the selected indicators represent the underlying brand image dimensions effectively while ensuring that we adequately measured and analyzed the study variables.

Measuring Customer Loyalty

We measured customer loyalty through two main factors: attitudinal and behavioral loyalty. Six items were initially adopted based on Zeithaml et al. (1996) and Choi et al. (2023). Table 5 shows that the factor analysis confirmed the validity of all items: factor loading exceeded .60, Eigenvalues exceeded 1, cumulative variance reached 76.033%, and the Kaiser–Meyer–Olkin (KMO) exceeded .751, demonstrating good sampling adequacy. The distinction between attitudinal and behavioral loyalty is essential in understanding customer commitment and retention. Furthermore, attitudinal loyalty reflects a consumer's emotional attachment to a brand, while behavioral loyalty captures actual repeat purchase behavior. By distinguishing these dimensions, this study provides a comprehensive understanding of the mechanisms driving customer loyalty and brand commitment, which are essential for designing effective customer relationship management strategies.

Measuring Customer Satisfaction

This study developed a five-item scale to measure customer satisfaction

Table 3. Factor Analysis of Brand Image

Mystery	X1.1	This brand adds to my life experience.	.771
	X1.2	This brand adds to the quality of my life.	.639
	X1.3	This brand always has what I am looking for.	.609
	X1.4	This brand awakens good memories for me.	.712
	X1.5	This brand comes to mind immediately when I want to purchase a coffee product.	.733
	X1.6	This brand is a part of my life.	.692
Sensuality	X1.7	The brand's packaging design really appeals to me.	.761
	X1.8	The brand's ad designs are really well done.	.766
	X1.9	The brand packaging is as pleasing as the product.	.601
	X1.10	The aroma of the store environment associated with this brand is pleasing.	.660
	X1.11	The store environment of this brand appeals to me.	.776
	X1.12	The brand's website design is really well done.	.707
Intimacy	X1.13	This brand has a beautiful color scheme.	.662
	X1.14	I am confident that my relationship with this brand will last a long time.	.785
	X1.15	I feel fortunate that I can buy products related to this brand.	.709
	X1.16	I feel happy when I use products of this brand.	.754
	X1.17	I feel satisfied with this brand.	.686
	X1.18	I like looking at the products of this brand.	.678
	X1.19	I really enjoy using this brand.	.766
	X1.20	I see this brand as cool.	.657
	X1.21	I will always trust this brand.	.695
	X1.22	I would be disappointed if this brand was no longer available.	.617
	X1.23	I will stay with this brand.	.679
KMO=0.883; Cumulative%=61.042%; Approx. Chi-Square=3210.235; Eigenvalue>1; Sig.=.000			

Table 4. Factor Analysis of Customer Satisfaction

Dimensions	Code	Items	Factor Loading
Customer Satisfaction	X2.1	I am satisfied with my decision to buy coffee from this coffeehouse brand.	.841
	X2.2	I have truly enjoyed this coffeehouse brand.	.792
	X2.3	I feel good about my decision to buy coffee from this coffeehouse brand.	.819
	X2.4	Using this coffeehouse brand has been a good experience.	.786
	X2.5	I am sure it was the right thing to be a customer of this coffeehouse brand.	.655
KMO=0.781; Cumulative%=58.618%; Approx. Chi-Square=380.736; Eigenvalue >1; Sig.=.000			

based on Homburg et al. (2017), Oliver (1999), and Tu et al. (2012). Table 4 illustrates that the factor analysis confirmed the validity of all items: factor loading exceeded .60, Eigenvalues exceeded 1, cumulative variance reached 58.618%, and the Kaiser–Meyer–Olkin (KMO) exceeded .781, thus confirming strong sampling adequacy. Furthermore, customer satisfaction is a key variable influencing brand perception and loyalty. It ensures the reliability and validity of its measurement is effective in obtaining meaningful insights. By including well-established measurement scales, this study enhances the robustness of the findings while providing a reliable assessment of customer satisfaction within the research scope.

Empirical Analysis Results

Correlation

The mean values of all variables exceeded 4. This indicates that most respondents provided positive responses for all variables. Standard deviations ranged from .40 to .60 on a 5-point Likert scale, suggesting a moderate degree of response variability. The highest correlation value of .70 was observed between customer satisfaction and brand intimacy. This indicates a strong positive relationship between these constructs. In contrast, the lowest correlation was 0.14 between consumer attitude and brand sensuality, suggesting a weak relationship between these dimensions. Table 6 presents the correlation matrix; all correlations were statistically significant, reinforcing the validity of the relationships

Table 5. Factor Analysis of Customer Loyalty

Dimensions	Code	Items	Factor Loading
Attitude	X3.1	Starbucks is my first choice.	.746
	X3.2	I intend to continue buying Starbucks coffee in the future.	.896
	X3.3	If I need coffee, Starbucks coffee is my preferred choice.	.856
	X3.4	Even if another brand has the same features, I prefer Starbucks.	.841
Behavior	X3.5	I would recommend Starbucks coffee to friends and relatives.	.889
	X3.6	I will speak positively about this coffee-house brand.	.913
KMO=0.751; Cumulative%=76.033%; Approx. Chi-Square=540.612; Eigenvalue >1; Sig.=.000			

Table 6. Overall Correlations between all Variables

	Mean	Std. Deviation	Brand Image			Customer Satisfaction	Customer Loyalty	
			1	2	3	4	5	6
1	4.1483	.54291	1					
2	4.3514	.48627	.645**	1				
3	4.2195	.45487	.638**	.587**	1			
4	4.2940	.47103	.451**	.385**	.700**	1		
5	4.1275	.60825	.313**	.141*	.599**	.632**	1	
6	4.2325	.61161	.400**	.472**	.659**	.454**	.268**	1

Note: **p < .001 (2-tailed).

Table 7. Regression Analysis of the Main Effects

Effects	H1	β	R2	VIF	Sig
-Brand Image	→ Customer Loyalty	.601	.361	1	0.000
-Customer Loyalty	→ Customer Satisfaction	.698	.487	1	0.000
-Brand Image	→ Customer Satisfaction	.602	.363	1	0.000

among the study variables. The findings suggest that customer satisfaction, loyalty, and brand image are closely linked, aligning with past research.

Testing for the Main Effects, H1, H2, and H3

The results provide strong support for all hypotheses tested in this study. Specifically, brand image (H2.1.3) and customer loyalty (H2.1.2) exhibited significant positive effects on customer satisfaction ($\beta = .602$; $R^2 = .363$; $F = 112.735$; $p < .001$; and $\beta = .698$; R^2 (Table 7).

$= .487$; $F = 187.687$; $p < .001$, respectively). These results confirm that a stronger brand image and increased customer loyalty enhance customer satisfaction. Moreover, brand image significantly positively affected customer loyalty (H2.1.1) ($\beta = .601$; $R^2 = .361$; $F = 111.800$; $p < .001$). These findings align with past research highlighting the impact of brand perception on consumer commitment and retention. The positive effect of customer satisfaction on loyalty further indicates that businesses improve service quality and brand engagement to maintain strong customer relationships

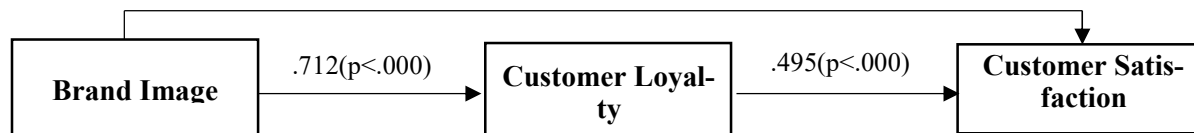


Figure 1. Sobel Test

Sobel Test for Mediation, H4

The Sobel test assessed the mediating role of customer loyalty in the relationship between brand image and customer satisfaction. The critical ratio of 6.72 was sufficiently large, with a p-value of 0, less than .05, indicating statistical significance. Furthermore, all confidence intervals excluded zero, confirming the mediation effect. These findings suggest that customer loyalty is a bridge between brand image and satisfaction, reinforcing that loyalty programs and relationship management strategies are crucial in enhancing cus-

tomers' perceptions and experiences (Figure 1).

Hierarchical Regression Analysis for Moderation, H5

This study performed hierarchical regression analysis to test the moderating effect of customer loyalty on the relationship between brand image and customer satisfaction. The interaction term (Brand image x Customer loyalty) exhibited a p-value of less than 0.05 (sig. = 0.001). However, the beta value was negative (-0.160), indicating an unexpected effect. The beta value was not statistically significant, suggesting that

customer loyalty was not a strong moderator in this relationship. One possible explanation is that customer loyalty may not be a direct determinant of the strength of the brand image–satisfaction link but rather an independent contributor to overall customer commitment. Moreover, a lack of significant modera-

tion may indicate that external factors, e.g., customer demographics or competitive market conditions, influence this relationship. Future research should explore alternative moderating variables, e.g., perceived value or brand trust, to gain deeper insights into the dynamics between these constructs (Figure 2).

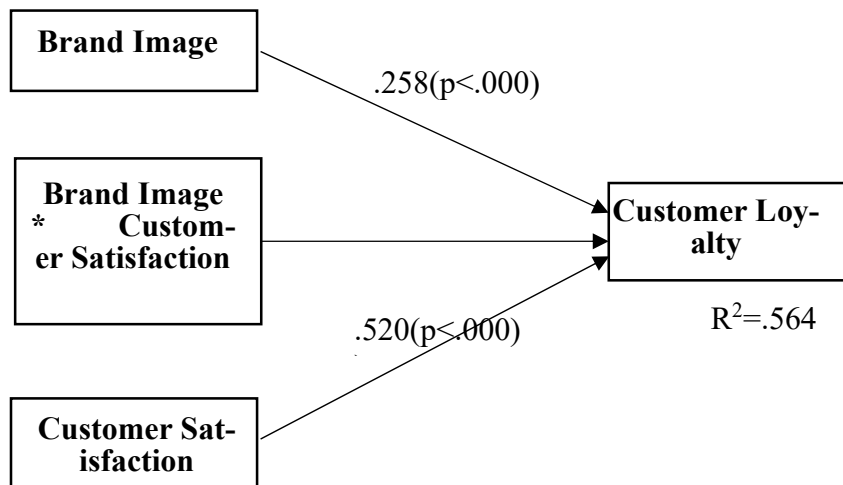


Figure 2. Hierarchical Regression Analysis for Moderation

Discussion and Contributions

Overall Hypotheses Results

Table 8 presents the results for all hypotheses, with a significance level of 0.000. The findings indicate that brand image significantly affected customer satisfaction while significantly influencing customer loyalty. Notably, brand image significantly affected customer satisfaction ($\beta = 0.601$), while customer satisfaction significantly affected customer loyalty ($\beta = 0.698$). Furthermore, brand image significantly affected customer loyalty ($\beta = 0.602$). The results were validated based on the Sobel test, yielding a

test statistic of 6.41 ($p < 0.001$). Thus, Hypotheses H1, H2, H3, and H4 are supported.

Discussion

This study has verified the interconnectedness between brand image, customer satisfaction, and customer loyalty. The findings highlight customer satisfaction's dual role as a mediator and moderator in strengthening these relationships. The positive impact of brand image on customer loyalty and customer satisfaction aligns with past research (Keller, 2001; Chattananon et al., 2020) while indicating that brands with emotional and functional value foster deeper

customer attachment. The regression analysis ($\beta = 0.601$; $p < 0.001$) further reveals this effect. The Sobel's test validated customer loyalty as a mediator,

bridging brand attributes with customer satisfaction (Nadeem & Al-Imamy, 2020; Broekhuizen et al., 2019).

Table 8. Overall Hypotheses Results

Hypothesis	Items	Result
H2.1.1	Brand image positively affects customer loyalty ($\beta=.601$; $R^2=.361$)	Supported
H2.1.2	There was a positive relationship between customer loyalty and customer satisfaction ($\beta=.698$; $R^2=.487$)	Supported
H2.1.3	There was a significant positive relationship between brand image and customer satisfaction ($\beta=.602$; $R^2=.363$)	Supported
H2.2.1	Customer loyalty mediated the relationship between brand image and customer satisfaction. (Sobel test statistic=6.41; $p=0$)	Supported
H2.3.1	Customer loyalty was a moderating variable between brand image and customer satisfaction ($\beta=-.160$; $R^2=.564$)	Not supported

The moderating role of customer loyalty was not statistically significant ($\beta = -0.160$; $p > 0.001$). This finding suggests its interactive effects might rely on unexplored variables such as market conditions or demographic variables. The findings indicate areas for future research to refine the theoretical models. Various consumer groups may respond differently to brand image and customer satisfaction due to cultural or economic influences. Future studies should consider longitudinal approaches to track changes in consumer behavior over time. This would enable a deeper understanding of how customer loyalty fluctuates across market segments. Furthermore, researchers may benefit from integrating qualitative insights to determine the un-

derlying motivations for consumer loyalty and brand perceptions.

This study's findings support the proposed hypotheses (H1, H2, H3, H4), providing insights into how companies can leverage brand image and customer loyalty to enhance customer satisfaction while identifying gaps in moderation effects for future research. Another key consideration is the role of digital engagement in shaping brand relationships. With increased reliance on digital platforms, brands must develop strategies to maintain consumer trust and satisfaction through personalized experiences, social media interactions, and omnichannel marketing approaches.

Contributions

This study contributes to marketing and consumer behavior by deepening the theoretical understanding of how brand image, customer satisfaction, and customer loyalty interact. The findings highlight the dual role of customer loyalty as a mediator and conditional factor. This research also reinforces the notion that while customer loyalty bridges brand image and satisfaction, its effectiveness as a moderator remains unclear. This presents avenues for future research to explore additional variables that may impact the strength of these relationships, including brand authenticity, service quality, and competitive market positioning.

Practically, the findings emphasize the significance of building emotional and functional brand connections through storytelling and sensory engagement while optimizing customer loyalty programs to enhance perceived value and customer satisfaction. Based on the findings, we recommend that managers consider demographics and contextual factors when evaluating the impact of brand image on customer satisfaction across customer segments. Firms should explore innovative loyalty initiatives, e.g., AI-driven customer engagement, gamification strategies, and personalized rewards systems, to cultivate long-term consumer commitment.

Furthermore, companies aiming to strengthen customer loyalty must continuously refine their branding efforts to align with evolving consumer expecta-

tions. Strategic investments in data analytics and customer insights can help businesses tailor their branding approaches, ensuring brand messaging remains relevant and engaging. By fostering meaningful relationships and continually delivering value, brands can enhance customer satisfaction and long-term loyalty, contributing to sustained business success.

Future research should explore the role of external factors, e.g., economic shifts and technological advancements, in shaping consumer perceptions of brand image and loyalty. A comparative analysis across industries and geographical regions could provide valuable insights into the universality or context-specific nature of these relationships. Expanding the scope of research methodologies, including mixed-method approaches that combine quantitative data with qualitative narratives, may provide deeper insights into the complexities of brand-consumer interactions.

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