

The mediating effect of price on the relationship between brand image and customer satisfaction towards dairy products

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Abstract

The issue of guaranteeing consumer pleasure and satisfaction has been extensively researched in marketing research. The purpose of this study is to look at the role of price as a moderator in the link between brand image and consumer satisfaction with dairy goods. The research focuses on the relationship between the perception of a brand and consumer satisfaction towards dairy products, how the brand image of a dairy product affects customer satisfaction, and the importance of pricing, packaging, service, and availability in creating a positive brand image and enhancing customer satisfaction. The study takes a quantitative data gathering strategy that involves regression and mediation analysis, as well as a survey of dairy product users. Using a sample of 230 dairy product consumers, mediation analysis was employed to analyze the data. This study provides with important implications for dairy product companies in terms of developing effective pricing strategies that align with their brand image to enhance customer satisfaction. The study concludes by emphasizing the need for dairy product companies to pay attention to their brand image, price, and work towards building a positive perception among customers to gain their loyalty and satisfaction.

Keywords: brand image; customer satisfaction; dairy products; price

Introduction

Dairy products, such as milk, cheese, and yoghurt, are an important part of many people's daily diets. As a result, the dairy market is very competitive, with various brands competing for the attention and devotion of customers. Building a strong brand reputation and sustaining consumer satisfaction are critical for the success of dairy firms in this setting. Animal husbandry has been playing an important role in boosting the agrarian economy of India. Livestock and milch animal are the main support of agricultural operations and also a major source of supplementary income to the marginal and small farmer and landless agricultural labourers. About 42 per cent families keep livestock as a source of income in Gujarat, the state which is home to India's largest brand in Dairy sector (Sharma et al 2022).

There have been several studies conducted on customer satisfaction towards dairy products and the factors that influence their buying decisions. For example, Kulkarni & Raju (2021) has conducted a review on customer satisfaction towards branded dairy products in Bengaluru. Another study by Kumar & Sharma (2020) focused on customer satisfaction and price perception towards Amul dairy products in Mumbai. These studies provide valuable insights for dairy product manufacturers and marketers to improve customer satisfaction by focusing on product quality and brand image while keeping the price as a deciding factor.

A favorable brand image and high levels of consumer satisfaction are related to enhanced consumer loyalty and repeat purchase behavior. Yet, the link between brand image and customer happiness is not always obvious, and there may be influencing variables. Price is one such mediating component. We can acquire a better understanding of the elements that influence consumer experience and loyalty to dairy brands by investigating this mediating effect.

Consumer behavior and dairy product consumption patterns in India have identified the key factors such as taste, price, quality, packaging, brand reputation, and product availability significantly influence consumers purchasing decisions. Additional factors, like religious views and nutritional habits, influence customer behavior towards dairy products. Consumers in India tend to prefer vegetarian dairy products due to religious beliefs, and that they value the freshness and purity of the product (Singh et al., 2019). Various factors that influence consumers behavior and decision-making, including personal, social, and cultural factors, as well as situational and psychological factors. The authors reviewed studies that investigated consumer preferences and attitudes towards dairy products, focusing on factors such as taste, price, quality, and health benefits. The importance of dairy products in the Indian diet and their significant contribution to the Indian economy is high. They highlight the critical role of dairy products in providing essential nutrients and meeting the protein requirements of the Indian population. Moreover, they emphasize the growth potential of the Indian dairy industry, which is poised to become the world's largest milk producer (Jain et al., 2021a). In India, brand image has a considerable impact on customer satisfaction with dairy products. The survey also discovered that there are considerable variances in brand image and consumer satisfaction among various dairy product brands. To boost consumer happiness and loyalty, the authors propose that dairy firms should focus on developing a strong brand image (Gupta et al., 2019). In India, the most significant elements influencing customer satisfaction with dairy products are quality of product, price, and brand image. Packaging and product availability are important elements in determining consumer happiness. demonstrate that various aspects impact consumer happiness, including product quality, pricing, brand image, packaging, product availability, and after-sales service. The writers also talked about the importance of customer satisfaction in the dairy sector and how it affects customer loyalty and business success. It is critical to design successful marketing strategies in order to improve client happiness, customer loyalty, and business growth (Singh et al., 2020). brand image is a crucial factor and significantly influences consumer behavior towards dairy products, which in turn affects customer satisfaction. The study also found that product quality, price, and product packaging are significant factors that impact consumer behavior towards dairy products (Sharma et al., 2021). In India, the most significant elements influencing customer satisfaction with dairy products are quality of product, price, and brand image. Packaging and product availability are important elements in determining consumer happiness. It demonstrates that various aspects impact consumer happiness, including product quality, pricing, brand image, packaging, product availability, and after-sales service. The writers also talked about the importance of customer satisfaction in the dairy sector and how it affects customer loyalty and business success. It is critical to design successful marketing strategies in order to improve client happiness, customer loyalty, and business growth (Singh et al., 2019).customer satisfaction is a crucial factor in building brand loyalty in the dairy industry. The study highlights the importance of companies' efforts to improve customer satisfaction, which will lead to stronger brand loyalty and ultimately improve their competitiveness in the market (Kaur et al., 2020a). Product quality, pricing, brand image, packaging, and availability are all elements that influence consumer satisfaction in the business. Customer happiness is critical to the success of dairy businesses in India. Valuable insights for dairy firms looking to improve their goods and services while increasing consumer pleasure, which may lead to improved customer loyalty and revenues (Jain et al., 2021b). Price plays a crucial role in determining customer satisfaction, and it significantly affects customers' satisfaction levels. Businesses need to develop an appropriate pricing strategy to attract and retain customers while ensuring customer satisfaction. The pricing strategies should be carefully designed to enhance customer satisfaction, and that companies should consider the impact of price on customer satisfaction when making pricing decisions (Aggarwal et al., 2019). Companies need to carefully consider the pricing strategies they use for dairy products in India. By pricing products appropriately, companies can improve customer satisfaction and loyalty, which can ultimately lead to increased profits. Price is an important factor in building customer satisfaction and loyalty towards dairy products in India (Kaur et al., 2020c). In India, price sensitivity is a crucial

influence in customer satisfaction with dairy products. Consumers who are extremely price conscious are less happy with the quality of dairy products and are more inclined to switch to lower-cost alternatives. Customers ready to spend a premium price for high-quality dairy products, demonstrating that quality is an important aspect in influencing consumer happiness (Jain et al., 2021c). Price perception mediates the link between brand image and customer satisfaction, demonstrating that customers' perceptions of dairy product prices are an important element influencing their overall contentment with the brand. Dairy product makers and marketers in India should focus on developing a solid brand reputation to maximise consumer satisfaction and market share. They also underline the significance of successful pricing strategies that communicate to consumers the value of the brand and its products (Kaur et al., 2020b). Customer satisfaction, trust, and perceived value are significant predictors of brand switching in the Indian dairy industry. Specifically, the customers who are satisfied with their current dairy product brand are less likely to switch brands. Furthermore, customers who have a high level of trust in their current brand and perceive the brand to be of high value are also less likely to switch brands. Dairy product manufacturers and marketers in India should focus on improving customer satisfaction, trust, and perceived value to reduce brand switching behavior. The factors that influence consumer brand switching behavior and highlighting areas for improvement in product quality, pricing, and brand image (Gupta et al., 2021).

The present study aims to investigate the relation between brand image and consumer satisfaction with dairy products and to study the role of pricing as a moderator in the relation between brand image and consumer satisfaction with dairy products.

Research Methodology

Research Design: The quantitative research design applied in this study comprises analysing numerical data to test hypotheses and answer research questions.

Study size and sampling: The study's sample size and sampling technique were 230 respondents. The convenience sample approach was utilised, and participants of Krishna District, A.P were selected based upon their accessibility and desire to participate.

Data Collecting Method: The study's data was gathered via an online questionnaire for a survey. The poll was sent to respondents via email and social media sites. The questionnaire consists of closed-ended questions about the factors under investigation.

Variables: The study looked at five independent variables: price, service, availability, packaging, and brand image while purchasing dairy goods. The consumer satisfaction was the dependent variable.

Data Analysis: Regression analysis was utilised in the study to assess the association between the independent and dependent variables. Using mediation analysis, the mediating role of pricing on the connection between brand image and consumer satisfaction was also investigated.

Statistical software: SPSS software was used to analyse the data in the study. The regression and mediation evaluations were carried out in SPSS using the PROCESS macro.

Results and Discussion

H1: There is a significant connection between consumer satisfaction of consumers towards dairy products and the independent variables of price, service, availability, and packaging considered while purchasing the dairy products.

Regression:

a. Predictors: (Constant), Availability, Service, Package, Brand Image, Price

b. Dependent Variable: Customer Satisfaction

The regression equation we got is.

Customer satisfaction = 0.950 - 0.001(availability) + 0.142(package) + 0.400(price) + 0.261(brand image) + 0.015(service)

This equation depicts how various independent variables (availability, package, price, brand image, and service) affect the dependent variable (customer satisfaction), indicating the five independent variables (availability, package, price, brand image, and service) are statistically significant predictors of the dependent variable (customer satisfaction).

The coefficients for each independent variable represent the strength and direction of its impact on customer satisfaction. In this equation, the coefficient for availability is negative, which indicates that as availability decreases, customer satisfaction decreases. The coefficients for package, price, brand image, and service are positive, which suggests that increasing these factors would result in an increase in customer satisfaction.

According to table (3) when all independent variables are equal to zero, the standard term of 0.950 indicates the projected degree of customer satisfaction. Nevertheless, because the coefficients are not all zero, this is probably not a feasible scenario. Table (3) shows that the regression equation indicates that four independent factors (service, pricing, package, and brand image) have such a positive influence on customer satisfaction, whereas one independent variable (availability) has a negative impact. Price has the greatest influence, followed by brand image, package, service, and availability. This equation may be used to understand how various factors influence customer satisfaction and to forecast how changes in those elements will affect consumer satisfaction.

H2: Price(M) mediates the link between Brand Image (X) and Customer Satisfaction (Y)

Mediation

The SPSS mediation test model:4 evaluates whether the connection between the independent variable (X) Brand Image, and the dependent variable (Y) Customer Satisfaction, is mediated by a third variable (M) Price with SampleSize 230

Table 1. Model summary table

Model	R	R. Square	Adjusted R Square	Std. Error of the Estimate
1	.689 ^a	.475	.447	.51881

Table 2. ANOVA table

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	22.648	5	4.530	16.829	.000
Residual	25.032	93	.269		
Total	47.681	98			

Table 3. Coefficient table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.950	.406		2.340	.021
Availability	-.001	.092	-.001	-.011	.991
Package	.142	.120	.133	1.188	.238
Price	.400	.135	.370	2.963	.004
Brand Image	.261	.112	.262	2.330	.022
service	.015	.111	.015	.135	.893

Table 4. Residual Statistics table

	Minimum	maximum	Mean	Std.Deviation	N
Predicted Value	3.2448	5.0365	4.3172	.48074	230
Residual	-1.55003	1.37724	.00000	.50540	230
Std.Predicted Value	-2.231	1.496	.000	1.000	230
Std.Residual	-2.988	2.655	.000	.974	230

Table 5. Outcome variables for price

R	R-sq	MSE	F	df1	df2	p
.6383	.4075	.2491	66.7049	1.0000	97.0000	.0000
	coeff	se	t	p	LLCI	ULCI
Constant	1.5866	.3161	5.0196	.0000	.9592	2.2139
customer	.5904	.0723	8.1673	.0000	.4469	.7339

Table 6. Outcome variable for brand image is mediated by a third variable.

R	R-sq	MSE	F	df1	df2	p
.6887	.4744	.2634	43.3193	2.0000	96.0000	.0000
	coeff	se	t	p	LLCI	ULCI
Constant	.7129	.3648	1.9543	.0536	-.0112	1.4369
customer	.3150	.0966	3.2625	.0015	.1233	.5067
price	.4831	.1044	4.6279	.0000	.2759	.6904

Table 7. Total Effect Model (outcome variable: Brand image is mediated by a third variable.)

R	R-sq	MSE	F	df1	df2	p
.5976	.3571	.3188	53.8806	1.0000	97.0000	.0000
	coeff	se	t	p	LLCI	ULCI
Constant	1.4794	.3576	4.1375	.0001	.7697	2.1890
customer	.6002	.0818	7.3403	.0000	.4379	.7625

Table 8. Total effect of X on Y

Effect	se	t	p	LLCI	ULCI
.6002	.0818	7.3403	.0000	.4379	.7625

Table 9. Direct effect of X on Y

Effect	Se	t	p	LLCI	ULCI
.3150	.0966	3.2625	.0015	.1233	.5067

Table 10. Indirect effect(s) of X on Y

	effect	BootSE	BootLLCI	BootULCI
price	.2852	.0852	.1429	.4721

Brand Image of Dairy Products leads to Customer Satisfaction through mediating variable Price of Dairy Products, summary of mediation analysis:

Total effect = 0.6002, Direct effect= 0.3150, Indirect effect= 0.2852, lower bound= 0.1429, upper bound= 0.4721, t statistic= 3.2625

Table (8) shows that the overall impact of brand image on consumer satisfaction is 0.6002, indicating that brand image and customer satisfaction have a significant relation.

Even after adjusting for the mediating variable, the direct effect of brand image on consumer satisfaction is 0.3150 as per table (9) indicating that there is a significant relation between brand image and customer satisfaction (price).

According to the table (10) the indirect influence of brand image on consumer satisfaction via the mediating variable (price) is 0.2852, indicating that price mediates the partial link between brand image and customer contentment.

Table (10) indicates that the indirect impact has lower and upper bounds of 0.1429 and 0.4721, respectively. This demonstrates that the indirect influence of brand image on consumer satisfaction via pricing is statistically significant and is within the acceptable range of 95% confidence.

The indirect effect has a t statistic value of 3.2625, indicating that it is significant at the 0.05 level as per table (9). As a result, these findings imply that the price of dairy products mediates the connection between brand image and consumer satisfaction. Even after adjusting for price, the direct effect suggests that brand image has a considerable impact on consumer satisfaction. Yet, the indirect impact implies that the price of dairy products influences the influence of brand image on consumer satisfaction.

In summary, the mediation analysis indicates that brand image can increase the customer satisfaction by influencing the price of dairy products. This suggests that both brand image and price are important factors that influence customer satisfaction towards dairy products and companies can improve customer satisfaction by not only enhancing their brand image but also by setting an appropriate price for their dairy products.

Recommendation

To sustain consumer satisfaction, businesses must guarantee that their items are available, elegantly packaged, and complemented by outstanding service. Yet, pricing and brand image are the two most important aspects that must be properly handled to improve consumer satisfaction. Businesses should match their pricing strategies with their brand image and ensure that they are neither overpricing nor under-pricing their products, since this can have a detrimental impact on their bottom line.

Companies should spend in developing a strong brand image through effective branding and marketing techniques to boost consumer satisfaction. It emphasises the indirect link between brand image and consumer satisfaction via pricing, implying that pricing serves as a mediator in this interaction. To improve consumer satisfaction, businesses must ensure that their pricing approach corresponds with their brand image.

Conclusion

The study emphasizes the importance of brand image and pricing strategies in increasing consumer satisfaction with dairy products and strengthens the relation among the independent variables and the dependent variable, indicating that four independent variables have a positive impact on consumer satisfaction and one independent variable has a negative impact. Additional important aspects that influence client satisfaction include availability, packaging, and service.

The mediation study demonstrates a significant relation between brand image and consumer satisfaction, which is partially mediated by pricing. The direct effect of brand image on consumer satisfaction remains significant even after controlling for price, whereas the indirect effect implies that the influence of brand image on consumer satisfaction is also influenced by the price of dairy products, implying that both brand image and pricing play important roles in influencing customer satisfaction.

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Declaration of Interest

The authors declare no conflict of interest.

Ethics standards

The manuscript does not contain clinical studies or respondents' data.

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