
DETERMINANTS OF CUSTOMER LOYALTY IN THE BOTTLED WATER INDUSTRY

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ABSTRACT

This research paper examines the key determinants influencing customer loyalty in the bottled water industry, with a focus on product quality, pricing, brand trust, availability, packaging, and sustainability practices. Based on primary data collected from 60 respondents and supported by recent literature (2024–2026), the study applies a consumer behavior framework to analyze how functional and emotional factors influence repeat purchase behavior. The findings reveal that product quality and safety act as foundational drivers, while brand reputation and sustainability practices play a crucial role in sustaining long-term loyalty. Availability emerges as a critical operational factor, with a high tendency among consumers to switch brands when products are not accessible. The study concludes that customer loyalty in the bottled water industry is multidimensional and conditional, requiring an integrated strategy that combines quality assurance, strong branding, efficient distribution, and environmental responsibility.

KEYWORDS: Customer Loyalty, Bottled Water Industry, Product Quality, Brand Trust, Sustainability, Consumer Behavior.

1. INTRODUCTION

In today's highly competitive market environment, customer loyalty has become a critical determinant of organizational success, particularly in the fast-moving consumer goods (FMCG) sector. The bottled water industry has experienced rapid growth due to increasing health awareness, urbanization, and concerns about water safety. However, the availability of numerous brands with similar offerings has intensified competition and made customer

retention more challenging.

Customer loyalty extends beyond repeat purchasing behavior and includes emotional attachment, trust, and long-term commitment toward a brand. In the bottled water industry, loyalty is influenced by multiple factors such as product quality, price, brand image, availability, and sustainability practices. Consumers increasingly expect not only safe and high-quality products but also ethical and environmentally responsible business practices.

This study aims to analyze whether these factors effectively drive customer loyalty and repeat purchase behavior. It also examines how changing consumer preferences, particularly toward sustainability, influence brand commitment in the bottled water market.

2. LITERATURE REVIEW

Customer loyalty in the bottled water industry has been widely studied as a multidimensional construct influenced by both functional and emotional factors. Research highlights that product quality and safety are primary determinants of consumer trust and repeat purchase behavior. Studies indicate that consistent quality and certified standards significantly enhance customer satisfaction and retention.

Pricing has also been identified as an important factor, where perceived value plays a more critical role than absolute price levels. Consumers are willing to pay premium prices if the product meets quality expectations. Brand trust and reputation further strengthen loyalty by reducing perceived risk, particularly in health-related products such as drinking water.

Recent literature emphasizes the growing importance of sustainability. Eco-friendly packaging and environmental responsibility are becoming key drivers of customer loyalty, especially among younger consumers. Additionally, product availability and convenience are crucial, as consumers tend to switch brands when their preferred product is not easily accessible.

Overall, the literature suggests that customer loyalty is influenced by an interaction of multiple determinants, requiring organizations to adopt integrated strategies that address both functional needs and emotional expectations.

3. RESEARCH METHODOLOGY

This study adopts a descriptive and analytical research design to examine the determinants of customer loyalty in the bottled water industry. Primary data were collected through structured

questionnaires from 60 respondents who regularly consume bottled water. Secondary data were obtained from recent academic literature and industry reports.

A five-point Likert scale was used to measure consumer perceptions regarding product quality, price, brand image, availability, and sustainability. Data analysis was conducted using percentage analysis and descriptive statistics to identify trends and relationships among variables.

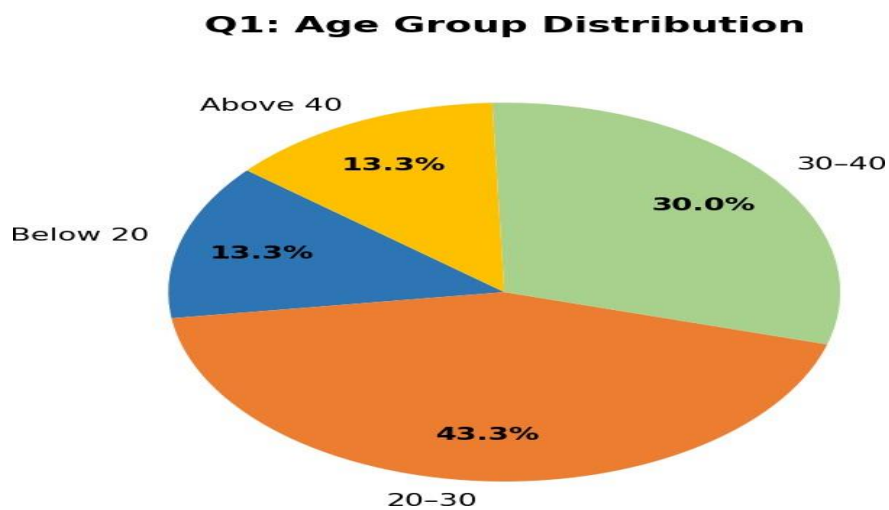
OBJECTIVES OF THE STUDY

- To examine the concept and importance of customer loyalty in the bottled water industry
- To identify and analyze key factors influencing customer loyalty
- To evaluate the impact of product quality, pricing, brand trust, and availability on repeat purchase behavior
- To assess the role of sustainability and consumer preferences in shaping loyalty

5. DATA ANALYSIS AND INTERPRETATION

Q1: Age Group Distribution

Pie chart showing the distribution of respondents across age groups.



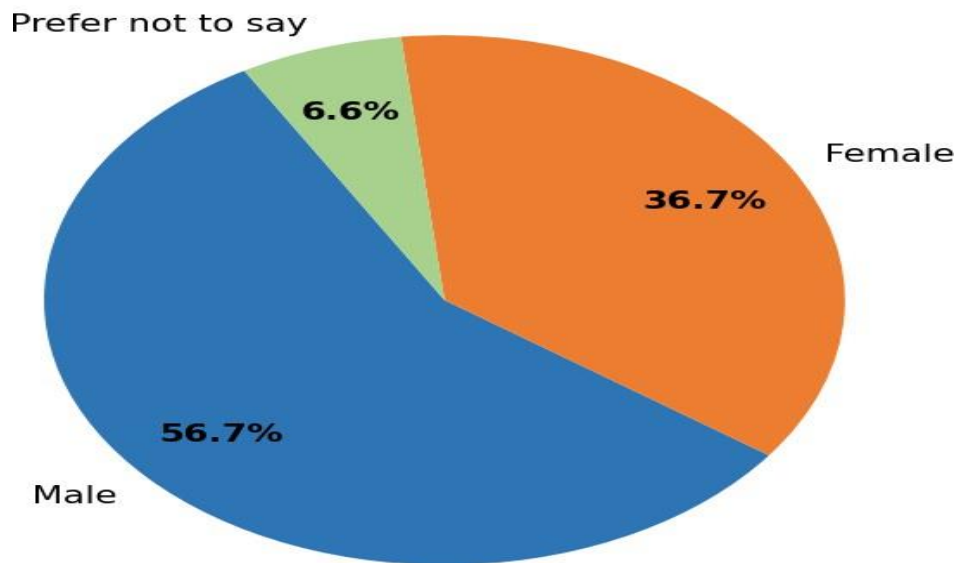
Age Group	Frequency	Percentage
Below 20	8	13.3%
20-30	26	43.3%
30-40	18	30.0%
Above 40	8	13.3%
Total	60	100%

Most respondents (43.3%) belong to the 20–30 age group, indicating that young consumers are the primary buyers of bottled water. The 30–40 group follows with 30%, while the extremes (Below 20 and Above 40) each represent 13.3%, suggesting moderate consumption among younger teens and older adults.

Q2: Gender Distribution

Pie chart showing the gender breakdown of the surveyed respondents.

Q2: Gender Distribution

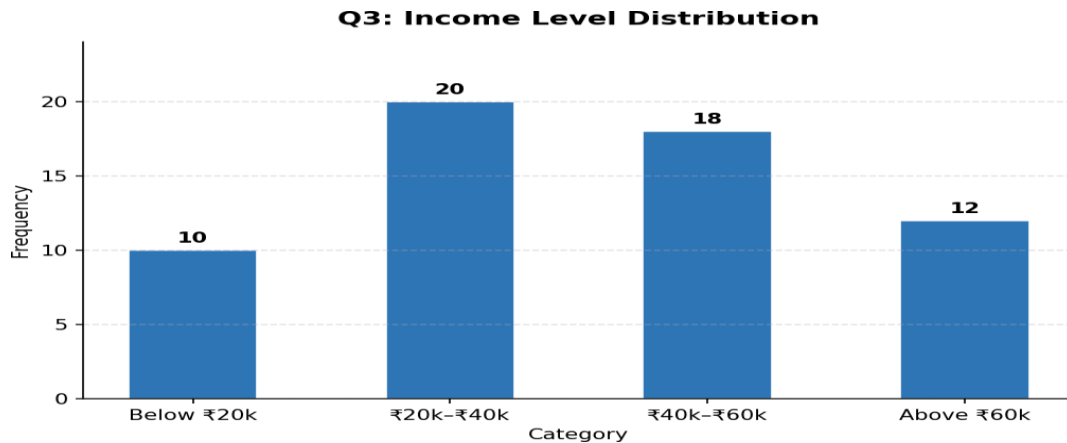


Gender	Frequency	Percentage
Male	34	56.7%
Female	22	36.7%
Prefer not to say	4	6.6%
Total	60	100%

The sample shows a slight male majority at 56.7%, with females comprising 36.7%. A small proportion (6.6%) preferred not to disclose their gender. The distribution is fairly balanced, ensuring diverse perspectives in the survey results.

Q3: Income Level

Bar graph showing the income-level distribution among respondents.

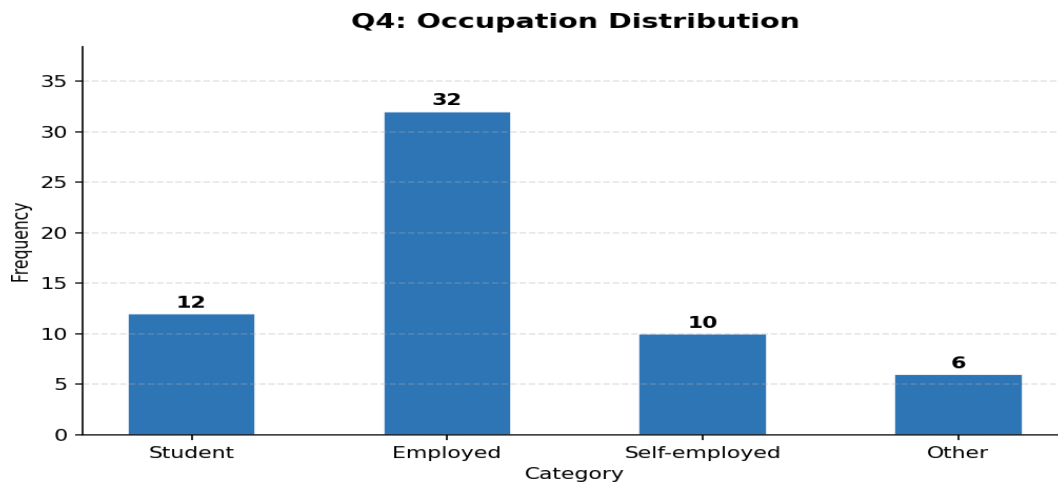


Income Level	Frequency	Percentage
Below ₹20,000	10	16.7%
Income Level	Frequency	Percentage
₹20k-₹40k	20	33.3%
₹40k-₹60k	18	30.0%
Above ₹60k	12	20.0%
Total	60	100%

The majority of respondents (33.3%) fall in the ₹20k-₹40k income bracket, followed by the ₹40k-₹60k group at 30%. This middle-income dominance suggests that price sensitivity plays a significant role in bottled water purchase decisions. Higher-income earners (above ₹60k) represent 20%, potentially more brand-conscious.

Q4: Occupation

Bar graph showing the occupational distribution of respondents.



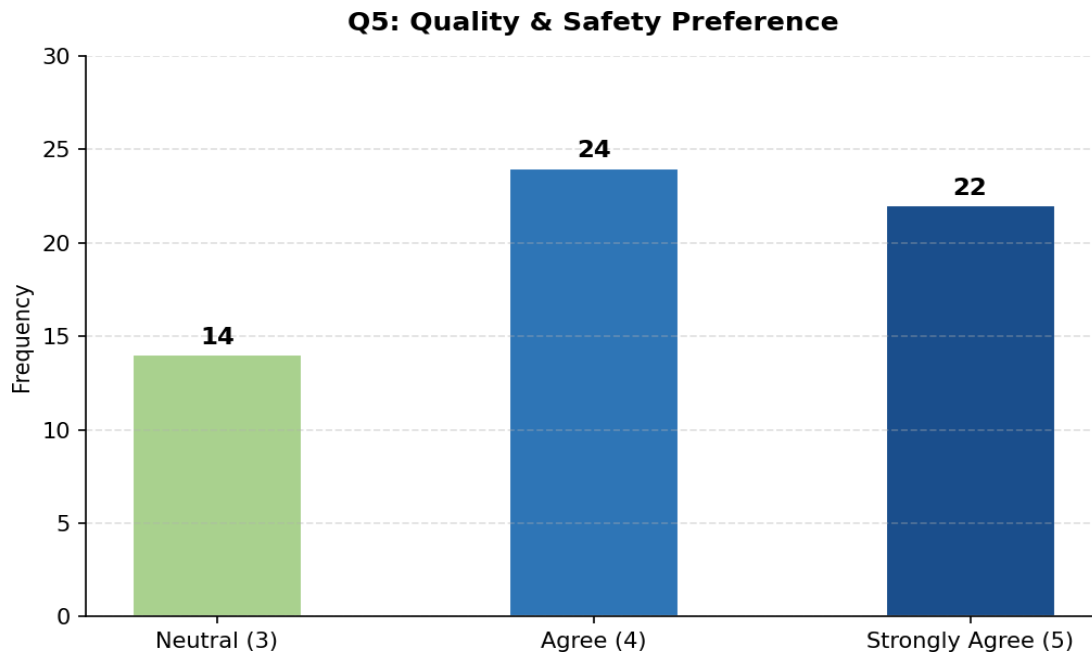
Occupation	Frequency	Percentage
Student	12	20.0%
Employed	32	53.3%
Self-employed	10	16.7%
Other	6	10.0%
Total	60	100%

The majority of respondents (53.3%) are employed professionals, reflecting regular consumption patterns and practical purchase behavior. Students make up 20%, self-employed 16.7%, and others 10%. The dominance of working professionals indicates that convenience and brand reliability are important factors for this segment.

SECTION B: PRODUCT QUALITY & PRICE

Q5: Quality & Safety Preference

Bar graph showing the rating distribution (3 = Neutral, 4 = Agree, 5 = Strongly Agree).

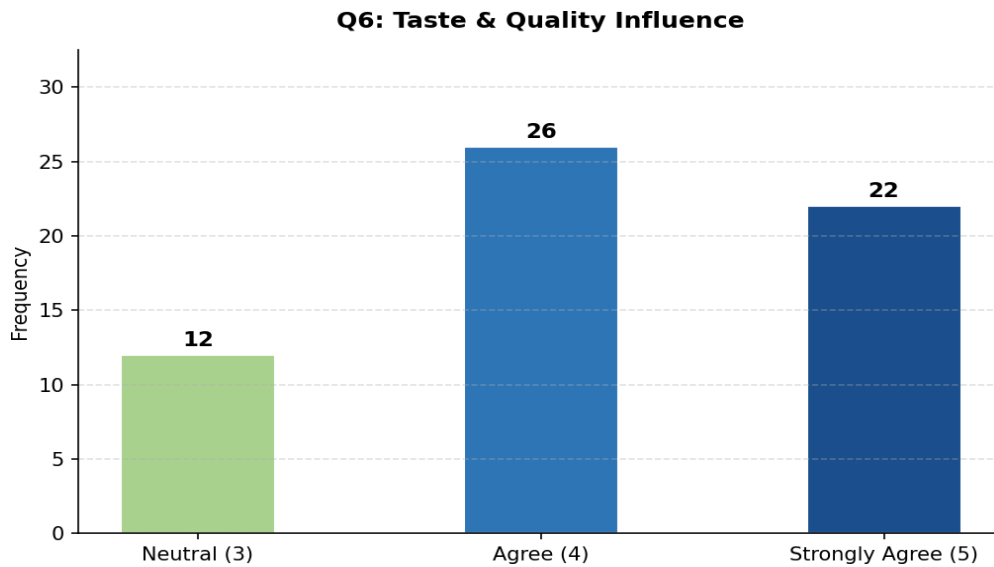


Response (Scale)	Frequency	Percentage
3 – Neutral	14	23.3%
4 – Agree	24	40.0%
5 – Strongly Agree	22	36.7%
Total	60	100%

76.7% of respondents rate quality and safety as important (score 4 or 5), making it a key purchase driver. Only 23.3% remained neutral, indicating near-universal concern for product safety. This underscores the critical role of quality assurance in brand differentiation.

Q6: Taste & Quality Influence

Bar graph showing the rating distribution (3 = Neutral, 4 = Agree, 5 = Strongly Agree).

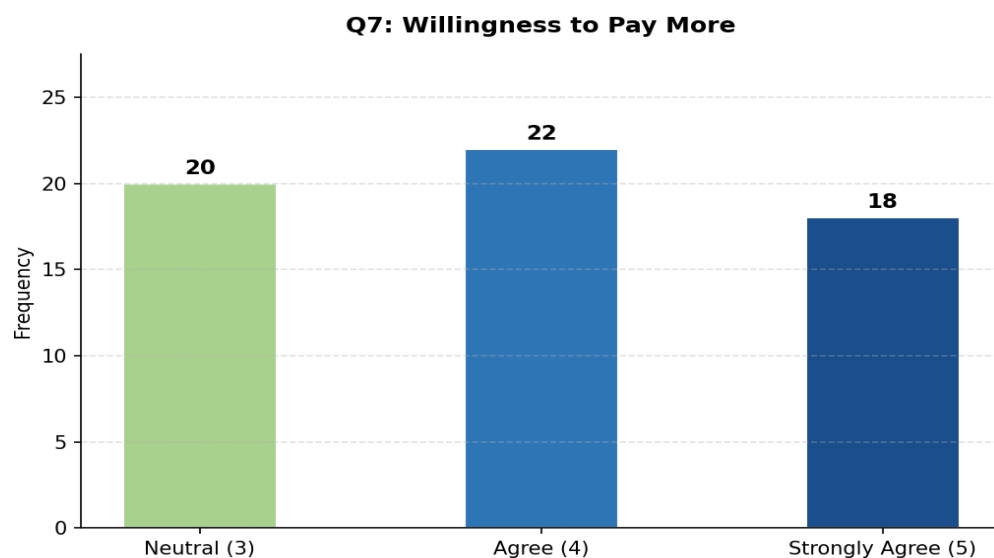


Response (Scale)	Frequency	Percentage
3 – Neutral	12	20.0%
4 – Agree	26	43.3%
5 – Strongly Agree	22	36.7%
Total	60	100%

80% of respondents agree or strongly agree that taste and quality influence their buying decisions. The high response rate at score 4 (43.3%) indicates that quality is a dominant factor. Brands that invest in superior taste and consistent quality will likely attract and retain more customers.

Q7: Willingness to Pay More

Bar graph showing the rating distribution (3 = Neutral, 4 = Agree, 5 = Strongly Agree).

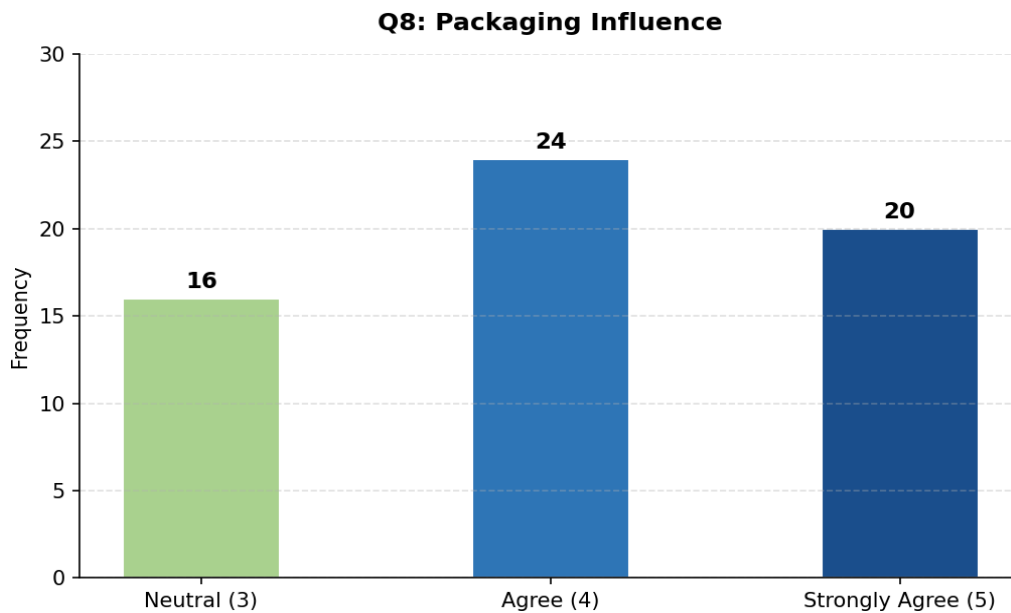


Response (Scale)	Frequency	Percentage
3 – Neutral	20	33.3%
4 – Agree	22	36.7%
5 – Strongly Agree	18	30.0%
Total	60	100%

66.7% of respondents are willing to pay a premium for better quality bottled water, though 33.3% remain neutral. This suggests moderate price elasticity — consumers value quality but are also budget-conscious. Brands can justify premium pricing only if the perceived value is clearly communicated.

Q8: Packaging Influence

Bar graph showing the rating distribution (3 = Neutral, 4 = Agree, 5 = Strongly Agree).



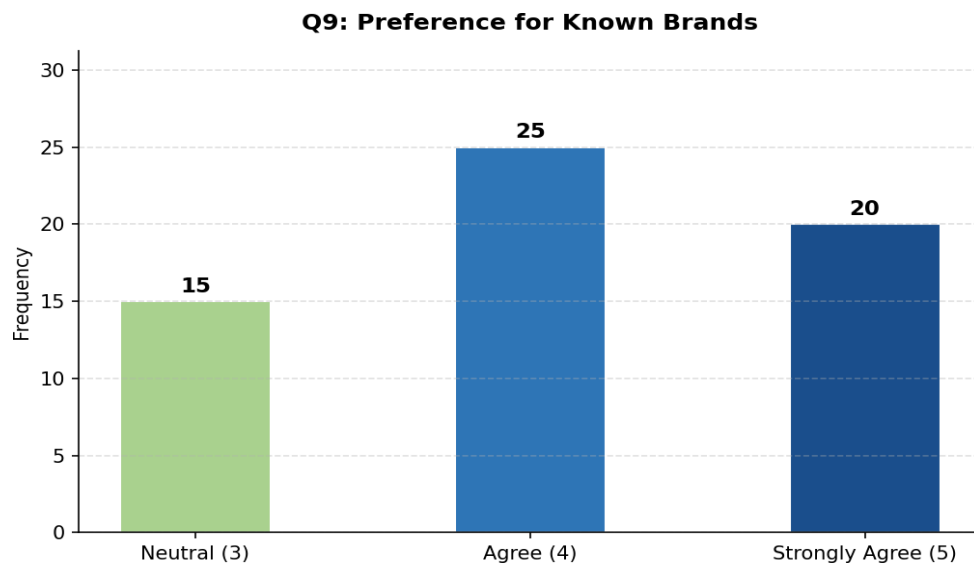
Response (Scale)	Frequency	Percentage
3 – Neutral	16	26.7%
4 – Agree	24	40.0%
5 – Strongly Agree	20	33.3%
Total	60	100%

73.3% of respondents agree that packaging plays a significant role in brand choice. Attractive, hygienic, and eco-friendly packaging can serve as a critical differentiator. Packaging acts as a silent salesperson, influencing impulse and repeat purchases alike.

SECTION C: BRAND IMAGE & TRUST

Q9: Preference for Known Brands

Bar graph showing the rating distribution (3 = Neutral, 4 = Agree, 5 = Strongly Agree).

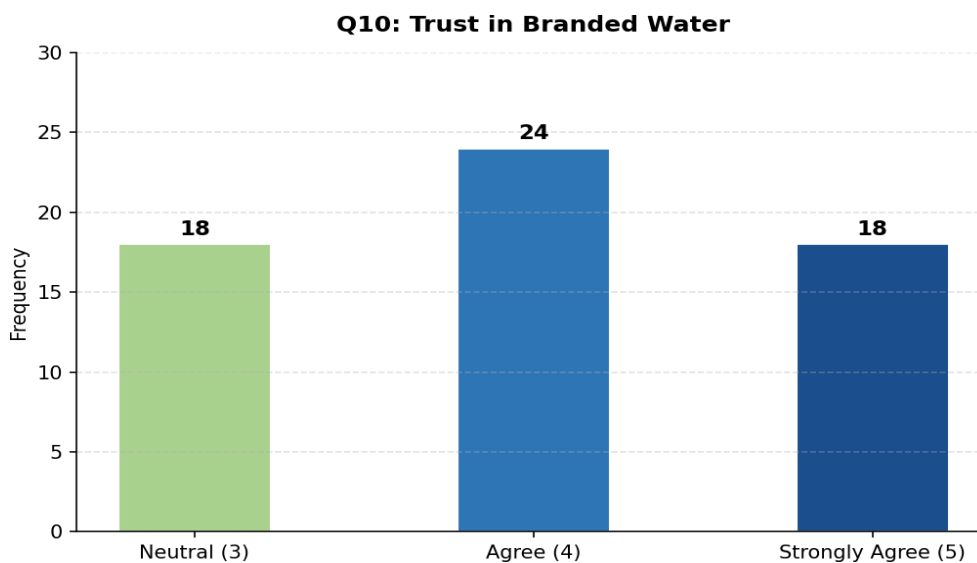


Response (Scale)	Frequency	Percentage
3 – Neutral	15	25.0%
4 – Agree	25	41.7%
5 – Strongly Agree	20	33.3%
Total	60	100%

75% of respondents prefer well-known brands, reflecting the power of brand equity in the bottled water market. Trust and familiarity reduce perceived risk. New entrants must invest heavily in awareness campaigns and quality demonstrations to compete effectively.

Q10: Trust in Branded Water

Bar graph showing the rating distribution (3 = Neutral, 4 = Agree, 5 = Strongly Agree).



Response (Scale)	Frequency	Percentage
3 – Neutral	18	30.0%
4 – Agree	24	40.0%
5 – Strongly Agree	18	30.0%
Total	60	100%

70% of respondents trust branded water products, while 30% remain neutral — a cautious segment open to persuasion. Building trust through certifications (BIS, ISI), transparent labeling, and consistent quality is crucial to converting neutral consumers into loyal buyers.

6. FINDINGS AND DISCUSSION

The study reveals that customer loyalty in the bottled water industry is influenced by multiple interrelated factors. Product quality and safety serve as foundational elements that build initial trust. Brand reputation and image sustain long-term loyalty by creating emotional connections with consumers.

Availability plays a crucial operational role, as consumers prioritize convenience and are willing to switch brands if their preferred option is not accessible. Pricing is important but secondary to perceived value, indicating that consumers are willing to pay more for quality products.

Sustainability emerges as a significant modern determinant, with consumers increasingly favoring brands that demonstrate environmental responsibility. Overall, loyalty is conditional and requires continuous effort from organizations to meet evolving consumer expectations.

7. CONCLUSION

Customer loyalty in the bottled water industry is a multidimensional and dynamic construct influenced by quality, price, brand trust, availability, and sustainability. While product quality establishes the foundation for trust, brand image and environmental responsibility sustain long-term loyalty.

Organizations must adopt an integrated strategy that combines consistent quality, competitive pricing, strong brand positioning, efficient distribution, and sustainable practices. Companies that align these factors with consumer expectations will achieve higher customer retention and competitive advantage.

8. RECOMMENDATIONS

- Maintain consistent product quality and safety standards
- Adopt value-based pricing strategies
- Strengthen brand trust through transparency and communication
- Ensure wide product availability and efficient distribution
- Invest in eco-friendly packaging and sustainability initiatives
- Develop customer engagement and loyalty programs

8.1 FUTURE RESEARCH

Future studies can explore long-term loyalty trends through longitudinal research. Comparative studies across different income groups and regions can provide deeper insights into consumer behavior. Additionally, research on the impact of digital marketing and subscription-based models on customer loyalty can further enhance understanding in this domain.

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