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# IMPACT OF NEGATIVE QUALITY INCONSISTENCY ON BRAND LOYALTY – CASE OF CROATIAN FOOD MARKET

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**ABSTRACT:** *Attracting and keeping consumers' loyalty in Fast Moving Consumer Goods segment became the main concern for all producing companies and retailers, too. Many marketing researchers argue that product or service quality perception is one of the key elements in brand loyalty building process. When talking about food market, one has to be aware that food consumption has direct impact on human health and, in that context, process of building brand loyalty for food brands is not possible, or it can be hard, if the product quality of food brands is not on the expected level and according to defined food quality standards. The goal of this paper was to understand aspects of connection between food product quality and brand loyalty process better and to explore how problems with negative quality inconsistency in different food categories can influence brand loyalty. An empirical research (on-line survey) was conducted to prove and explain the connection between food product quality and food brand loyalty. The research results shows that the main reasons for being loyal to a certain food brand or product are related mostly to positive brand experience, high and stabile product quality, and recognizable taste. In the context of these research results, it can be concluded that long term consumer satisfaction as a factor in food brand loyalty process depends on stabile product quality, so food manufacturers or food brand owners should be focused on preventing or minimizing the aspect of negative quality issues. Regarding research limitations, the study was conducted only on users from Croatian market; so broadening the survey to other markets should give a clearer view on the connection between food product quality and brand loyalty process.*

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**Keywords:** *food business, food product quality, food brand loyalty process, brand loyalty*

**JEL Classification:** JEL Classification: M31, L66

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## INTRODUCTION

Even though food products are a part of Fast Moving Consumer Goods (FMCG) market and brand building process can be applied on the same conditions as all the other FMCG goods, there are some specifics. Specifics are mainly connected to the fact that food consumption is directly connected to human health and consuming bad food can cause health problems. That is the reason why minimum quality standards are also regulated

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by law and numerous regulations (for example Croatian Food Law or EU Food Safety Regulations) and food producers are often communicating different quality standards and certificates which they have implemented in their businesses to show they care about their consumers. Since product quality is one of the bases of consumer satisfaction and brand loyalty, according to numerous marketing researchers (for example: Aaker, 1996; Kotler, 2001, Vranešević, 2007. or Pavlek, 2008), this paper is focused on understanding the aspects of connection between food product quality and food brand loyalty. In that context, it is even more important to examine the impact of negative quality inconsistency on food brand loyalty with the hypothesis that the impact is negative and long term.

When it happens that a fault in some product has been detected and producer decides to withdraw that product from the market, producer needs to inform the public about that situation. When faced with information about quality issue in food product consumers start to be afraid how this “bad” product will affect their health and rather avoid it (stop buying) in total. Understanding the motivations of consumers to behave this way can be described through theory of reasoned action. The theory of reasoned action focuses on cognitive factors (beliefs and values) that determine motivation (behavioural intention). The theory has been useful in explaining behaviours, particularly behaviours under volitional control (Montano and Kasprzyk, 2008).

In order to answer how negative quality inconsistency influences food brand loyalty, this paper is structured so that it firstly gives general answers, based on previous research in the field, that explain brand loyalty models and their connection with product quality (chapter 1). Those previous researches are the basis for the construction of the survey with two goals (chapter 2): 1) to answer *how* negative quality inconsistency affects food brand loyalty and 2) to examine if negative impact is proven, is it also *long term*?

The conclusion of the research results (chapter 5) should give an insight into the specific problem of food brand management process by application of brand loyalty theory, thus making a contribution to the development of brand management and strengthening of the connection of product quality and brand loyalty in the special field of food marketing. In opposite to previous research regarding product quality inconsistency and cases of product withdrawal which are mainly focused on understanding how brands can overcome product-harm crises (see eg. Dawar and Pillutla, 1997; Dutta and Pulling, 2011 and Cleeren, Heerde and Dekimpe, 2013) this paper provides a slightly different perspective. The most important contribution of the paper is providing the managerial tool for understanding the impact of negative quality inconsistency to food brand loyalty.

## 1. LITERATURE REVIEW - WHAT DOES BRAND LOYALTY STAND FOR?

In the process of investigating how negative quality inconsistency of a certain branded product can affect brand loyalty the first step is to define through the literature review:

- What does brand loyalty stand for?
- Can we measure brand loyalty?
- How is product quality connected to brand loyalty?

## 1.1. Defining brand loyalty

Building and maintaining brand loyalty has always been one of central themes for researches in marketing theory, as well as in practice. Simply described, loyalty to a certain brand can be seen through repetition of purchases that a consumer is willing to do for one or more product/services under the same brand. But brand loyalty has much more layers than that. It is directly linked to consumer psychology so it has to be described in more details. One of the definitions says: brand loyalty is a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour (Oliver, 1999, 34). Also, brand loyalty can be divided in two dimensions: attitudinal and behavioural. Where the attitudinal brand loyalty includes cognitive and affective dimension and behavioural intent dimension is an intermediary between attitude and behaviour, representing the intention to act in the buying decision process. Behavioural intent appears in various forms such as a predisposition to buy a brand for the first time or a commitment to repurchase a current brand (Gomman, Krishnan and Scheffold, 2001).

On the other hand Aaker (1996) defines brand loyalty as the core dimension of brand equity and argues that a loyal customer base represents an entry barrier, a basis for a price premium, time to respond to competitor innovations, and a bulwark against deleterious price competition.

A vast number of researches contributes to defining brand loyalty from numerous aspects and points of view, for example Chaudhuri and Holbrook (2001) explore the relationship among brand trust, brand effect and brand performance outcomes in relation to brand loyalty; or Keller (2003) who argues that for understanding brand knowledge, one must take into account its multiple dimensions (awareness, attributes, benefits, images, thought, feelings, attitudes and experiences); etc.

Some newer researches also extend to e-marketing, for example Gomman, Krishnan and Scheffold (2001) explained that conventional brand loyalty development efforts have relied substantially on brand image building through mass media communications, however in e-marketing process, database technology makes it possible to put more emphasis on the cognitive dimension by offering customized information.

Generally speaking, loyalty implies satisfaction, but satisfaction does not necessarily lead to loyalty. Consequently, there is an asymmetric relationship between loyalty and satisfaction (Oliver, 1999). To show difference between satisfaction and loyalty we can also refer to Kotler who explains that on the one side we have brands on the market that are unknown to consumers and on the other side we have:

- brands with high level of brand awareness (measured with consumer remembering or recognition),
- brands with high level of acceptance (which most consumers will not refuse to buy),
- brands with high level of advantages (those which consumers will choose before others in one store, but if they are not available they will just choose second best)
- and finally, brands with high level of loyalty (Kotler, 2001).

Brands with high level of advantages are satisfactory for consumers, but consumers are really loyal to a brand when they are ready to take extra cost, time and effort (for example drive to another store if necessary) to buy that specific brand.

From a consumer's point of view, in the buying process one is faced with a multiple choice of products that can satisfy his specific need and there is a possibility of making bad purchasing choice. In other words, a consumer wants to reduce the risk of making a mistake when choosing a product. One of the ways to reduce this risk is to buy the specific branded product which was satisfactory in the past and the consumer had a good experience with it and to become loyal to it. We can say that the greater the perceived risk is, the more loyal the consumer is. Most loyal consumers strongly believe that "their" brand of a product has significantly better characteristics than other products (Kesić, 1999, p. 129).

The following have been identified as the most common benefits that brand owners can get from brand loyalty (Moolla, 2010.):

- Higher sales volume
- Premium pricing ability
- Retain rather than seek - brand loyalist are willing to search for their favourite brand and are less sensitive to competitive promotion (Moolla, 2010, p. 89)
- Creating perception – premium pricing creates the perception of premium quality
- Increased usage and spending
- Contributions to Return on Investment (ROI)
- Financial benefits
- Customer acquisition
- Enhanced return
- Strategy for reducing ongoing expense
- Lower price elasticity
- Referrals

## 1.2. Brand loyalty measuring scope

Brand loyalty has a lot of layers and when we talk about measuring brand loyalty we have to see through all of its layers and investigate one by one.

Research agencies offer different tools which can help in brand management, like measuring brand awareness, buying willingness, price sensitivity, market shares, retail distribution, etc. Information gathered in market and consumer researches when combined with internal company data (like sales growth, gross margin growth) can give brand managers a significant insight into their company's brand.

Different researchers in past decades were trying to give a unified model for measuring brand loyalty from several points of view but none of these theoretical models really came to life in practice. In preparations to propose his own model for brand loyalty measurement in FMCG, Moolla listed and gave a short description of more than fifteen theoretical

models for measuring brand loyalty proposed from different authors in past fifty years. He concludes: Most brand loyalty models presented have been researched well and possess merits, although the differences between models are vast. One can never select one model as the most significant. (Moolla, 2010, p. 137) Nevertheless, Moolla has identified twenty six influences on brand loyalty from previous concepts and concluded that they can be filtered to twelve influences relevant for FMCG as shown in figure 1.

Figure 1: *Influences on Brand loyalty in FMCG*



Source: adopted from Moolla (2010, p. 145)

Moolla and Bisscoff put Moolla's model for measuring brand loyalty in FMCG on the test to prove if the model can be operationalized as managerial tool. They concluded it can, but it should be subjected to further evaluation to ensure that the model measures loyalty in a wide range of FMCG products similarly (Moolla and Bisscoff, 2012).

### 1.3. Connecting product quality and brand loyalty concept

The last question stated at the beginning of this chapter regards the connection between product quality and brand loyalty.

In its basic, simplified meaning, a brand is mostly perceived like a quality warranty recognizable on the market (Vranešević, 2007) or more precisely, as a means of identification

of individual product or service for which a producer or brand owner gave warranty for promised performances or level of, so-called, functional quality (Pavlek, 2008, p. 89). When talking about quality, the market perceived quality needs to be taken in consideration regarding product's ability to (Vranešević, Vignali and Vrontis, 2004, p. 239):

- be functional in its basic purpose,
- liability to perform its basic purpose,
- be long-lasting and easy to maintain,
- be simple and safe to use
- be well designed and styled
- have good company reputation and brand image
- lead to total satisfaction during continuous use of the product.

If all of the seven above mentioned points are on satisfactory level for customers/consumers, we can say that the perceived quality of the product is high.

In general, satisfaction can be defined as a feeling of comfort or disappointment that comes from comparing expected and received values or performances of the product. If performance is not on the expected level, the consumer is not satisfied; if it is, the consumer is satisfied. And if the product performance is over the expected level, the consumer is very satisfied or even overwhelmed (Kotler, 2001, p. 40).

Customer satisfaction is directly linked with brand loyalty building process and product quality is a base for customer satisfaction. It is clearly obvious that in long term, creating brand loyalty is not possible if the product quality is not on the expected level.

## 2. RESEARCH GOALS

During 2013, consumers in Croatia were frequently (or at least more than usual) faced with different kinds of food products withdrawal from the market caused by different kinds of quality mistakes. For example, during first few months of 2013 Konzum's private label Rial tuna cans had to be removed from the market because of high level of histamine and the biggest food affair in Croatia in past few years occurred when in short period of time even three milk producers (Dukat, Vindija and Meggle) had to withdraw several production series of their milk due to containing high level of aflatoxin. All of these quality inconsistencies of the mentioned food products affected their consumers. Consumers could be afraid that those products may seriously affect their health. Food is directly connected to human health, so those fears are understandable and normal.

Food industry is one of the most important pillars of Croatian economy (largest industry in terms of sales values according to Statistical Yearbook of the Republic of Croatia for 2014 (Ostroški ed, 2014)) and managing product quality in this sector, the image of its brands and building loyalty is a very important issue for Croatian economy in total, especially now when Croatia joined the European Union. Croatian market represents just a small part of total EU market where big multinational companies like Unilever or Nestle are leaders among branded products (FoodDrinkEurope, 2014) and big international retail chains like Tesco, Carrefour or Auchan dominate the private label segment (Kantar retail, 2013).

The previous chapter describes brand loyalty and what affects brand loyalty. Based on previous researches we can conclude that customer satisfaction directly affects brand loyalty. We can also conclude that customer satisfaction is based on perceived product quality.

As it was already explained in the introduction, research goal of this paper is to find out how problems with negative quality inconsistency in food products can affect customer satisfaction and if ultimately they have a negative impact on food brands loyalty in the long run.

### 3. RESEARCH METHODOLOGY

Empirical research *Impacts of quality inconsistency on customer satisfaction of food brands in Croatia* was conducted in 2013 on the sample of Coolinarika.com users. Coolinarika.com is in top ten Croatian web portals with the reach of 22.34 %, or more than 0.5 million visitors on a monthly base (geminusAudince.com.hr, 2013) and with more than 97.000 registered users (Coolinarika.com, 2013). Coolinarika.com is considered leading cooking web site, not only in Croatia, but also in the region of South Eastern Europe, for all food and cooking related topics as well as for exchanging and sharing recipes. The most important thing when constructing a research sample of users of Coolinarika.com is that these users are considered opinion makers in segment of food related topics so we can say that they can be also considered the relevant sample for the research.

Questionnaire for the research was constructed, besides from opening demographic questions, from series of closed-ended (some with multiple choice) and open-ended questions. Questions were positioned in a specific order to lead the participants gradually from more general questions about their food shopping process to more specific ones about how they experience the problems with quality of the food products of their choice. The process of constructing questions in the questionnaire was based on previous experiences from applied researches on food brands and food consumers. Experiences are collected through interviews with brand and research managers from some of the largest Croatian food manufactures.

Data collecting process was organized by sending invitations to 5.123 randomly selected Coolinarika.com users from Croatia to take part in the survey and answer the listed questions with a goal to collect a minimum of 500 filled questionnaires.

The collected data was processed with the Statistical Package for the Social Sciences or SPSS software.

### 4. INTERPRETATION OF THE RESULTS

#### 4.1. Sample characteristics

Data collecting process described in the previous chapter finally resulted with 681 participants who entered and fully answered the questionnaire, with respond rate of 13.3%. Demographic characteristics of the sample are described in detail in table 1.



Table 1: *Demographic data*

		N	%
<b>Total sample</b>		<b>681</b>	<b>100</b>
Sex	Male	66	9,7
	Female	611	89,7
	Unanswered	4	0,6
Age	Less than 15	0	0,0
	15-24	62	9,1
	25-34	301	44,2
	35-44	200	29,4
	45-54	82	12,0
	55-64	31	4,6
	65 and more	5	0,7
Education	Unfinished elementary school	0	0,0
	Elementary school	3	0,4
	Secondary school	299	43,9
	Advanced school	112	16,4
	University	237	34,8
	M.A. degree /doctorate	30	4,4
Working status	Full time job	413	60,6
	Part-time job	68	10,0
	Unemployed	161	23,6
	Retiree	34	5,0
	Unanswered	5	0,7
Members of household	1	39	5,7
	2	148	21,7
	3	167	24,5
	4	217	31,9
	5+	108	15,9
	Unanswered	2	0,3
Marital status	Single	161	23,6
	Married	483	70,9
	Divorced	24	3,5
	Widowed person	9	1,3
	Unanswered	4	0,6
Personal income	Without any income	67	9,8
	up to 2000 kn	54	7,9
	2001 to 3500 kn	94	13,8
	3501 to 6000 kn	235	34,5
	6001 to 8500 kn	73	10,7
	up to 8500 kn	54	7,9
	I do not want to answer	104	15,3
Settlement size	up to 2000 citizens	73	10,7
	2000 to 10000 citizens	152	22,3
	10000 do 100000 citizens	202	29,7
	more than 100000 citizens	254	37,3

Source: Survey

## 4.2. Major findings

The majority of the research participants (65%) says that they equally buy food products branded with producers owned brands and from retailers owned brands (private labels). Others buy solely producers' brands (30%), or solely private labels (5%).

Research also shows that there are some differences between different food categories in preferring producers' brands or private labels, for example categories in which producers' brands are preferred are milk and dairy products, meet products, coffee and tea, products for cake baking, spices; and categories in which private labels are preferred are snack, pasta and rice, chocolate and cookies, tomato products, flour.

An interesting finding in those data is the fact that two categories with the least chance to be preferred as a private label are baby food and honey; only 23 respondents said that they prefer private label when choosing baby food and only 26 when choosing honey. Table 2 shows preferences in choosing brands or private labels by category.

Table 2: *Top five categories for producers' brands vs. top five categories for private labels (multiple choice answers N=681)*

Top five categories where consumers prefer producers' brand over PL		Top five categories where consumers prefer PL over producers' brand	
Food category	Respond frequency (sample 681)	Food category	Respond frequency (sample 681)
Milk and dairy	475	Snack (chips, flips etc.)	361
Meet and meet products	458	Pasta, rice	307
Coffee and tea	405	Chocolate, cookies	266
Cake baking products	370	Tomato products	248
Spices	343	Flour	239

Source: Survey

To the question "Is there a particular brand among the food products to which you are totally loyal?" 80% of participants said YES. Research participants named 154 different brands from the top of their mind. Table 3 shows sixteen of them with highest response frequency.

Table 3: *Food brands that have totally loyal consumers (N=681)*

Brand	Frequency	%	Brand	Frequency	%
Podravka	304	20,3	Barilla	36	2,4
Vindija	107	7,1	Zvijezda	35	2,3
Ledo	98	6,5	Pik	33	2,2
Kraš	85	5,7	Nescafe	21	1,4
Vegeta	81	5,4	Jamnica	18	1,2
Franck	63	4,2	Nutella	18	1,2
Dukat	56	3,7	Z bregov	15	1,0
Gavrilović	48	3,2	Dr.Oetker	15	1,0

Source: Survey

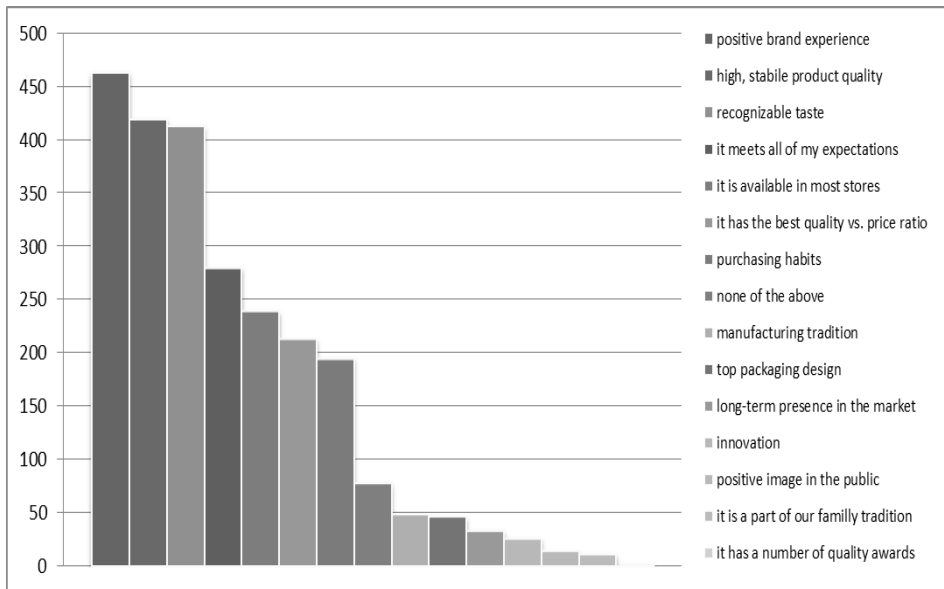
An interesting observation that can be drawn from the results in table 3 is that among the listed brands to whom consumers are totally loyal are only three that do not have Croatian origin and that the first of them, Barilla is barely on the ninth position with only one vote more than Zvijezda.

When asked why they are loyal to the particular brand, as the main group of reasons (frequency in answers above 400) participants single out: 1) positive brand experience, 2) high, stable product quality and 3) recognizable taste.

The second group of reasons with still significantly high frequency in answers (between 150 and 400 answers) are: it meets all of my expectations, it is available in most stores, it has the best quality vs. price ratio, purchasing habits; as shown in figure 2.

Figure 2 also shows that characteristics like manufacturing tradition, top packaging design, long-term presence in the market, innovation or positive image in the public, which in Marketing theory are believed to be basics for marketing strategy and brand building processes, are not significant reasons for the research participants for being loyal to their brand of choice (frequency in answers less than 150).

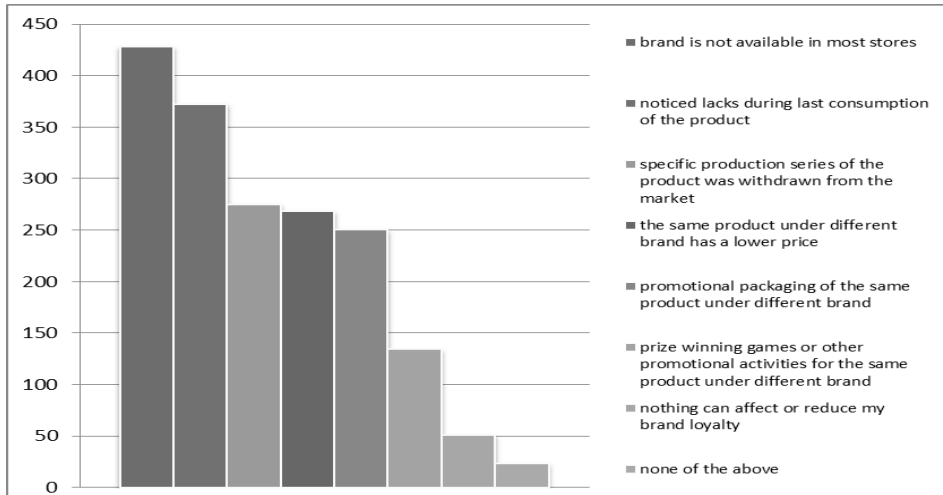
Figure 2: *Reasons for being loyal to food brands*  
(multiple choice answers, N=681)



Source: Survey

The factors (and their relevance) that can affect the reduction of brand loyalty are shown in figure 3.

Figure 3: Reasons for reduction of brand loyalty  
(multiple choice answers, N=681)

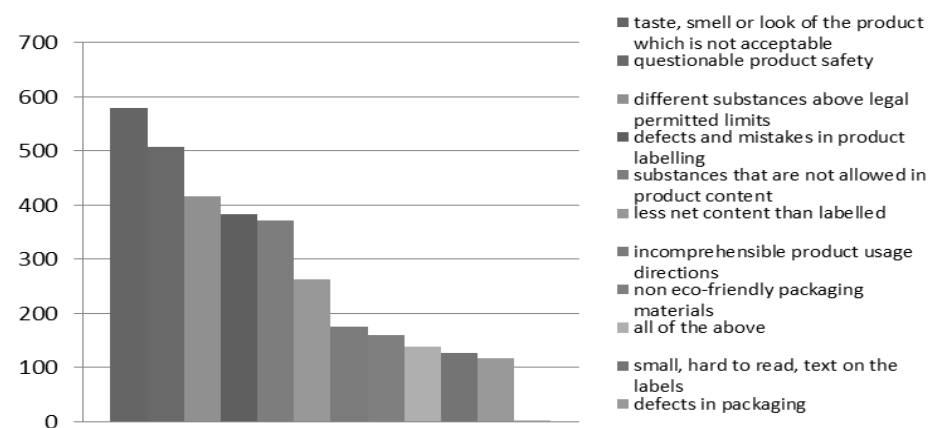


Source: Survey

The main factor in brand loyalty reduction is connected with product distribution coverage in the market. The second and third reasons are connected with the product quality problems (noticed lacks during last consumption of the product, specific production series of the product was withdrawn from the market), both with significantly high frequency in responses. The following reasons are the ones connected to price and promotional activities, which are not in focus of this research.

Research participants were also asked to define what (from their point of view) a product with low or poor quality is; answers are shown in figure 4.

Figure 4: What is a product with low or poor quality?  
(multiple choice answers, N=681)



Source: Survey

Other than organoleptic characteristics (taste, smell, visual appearance) which are for obvious reasons the most important characteristics in terms of food, research participants are mainly concerned about product safety (can some product affect their health if it contains some substances that are not allowed in food products or they are over permitted limits). At the end, they also pay attention to product packaging and labelling but those factors are not of top concern.

Research participants (66%) can name products that have been recently withdrawn from the market. Milk stands out from the list with high frequency in answers (47%).

Table 4: *Products withdrawn from the market*  
(N=672)

<b>Product</b>	<b>Frequency</b>	<b>%</b>
Milk	318	47
Tuna, canned fish	133	20
Baby food	81	12
Crust, dough, strudel pastry	45	7
Meet, meet products	25	4
All other answers	70	10

Source: Survey

Following to naming products that have been withdrawn from the market, research participants can also name the specific brands involved in withdrawal. Three milk brands, Dukat, Vindija (Z bregov) and Meggle, have the highest percentages in answers. K plus, Rial and Konzum are also high on the list in table 5, which can be connected to secondly named products from table 4 (tuna/canned fish).

Table 5: *Brands withdrawn from the market*  
(N=715)

<b>Brand</b>	<b>Frequency</b>	<b>%</b>
Dukat	232	32
Vindija (Z bregov)	180	25
K plus	62	9
Meggle	56	8
Clarum	32	5
Rial	23	3
Hipp	19	2
Konzum	14	2
Alnatura	12	2
Nestle	8	1
Dm	8	1
All other answers	69	10

Source: Survey

53% of research participants stated that they remembered exactly what the reason for market withdrawal had been.

If we take a look at table 6 we can also notice that research participants can (63%), with relatively high accuracy, name the quality inconsistency or the quality defect of the product they name as a product that was withdrawn from the market.

Table 6: *Quality defect that was the reason for market withdrawal of food products*  
(N=427)

<b>Quality defect that was reason for market withdrawal</b>	<b>Frequency</b>	<b>%</b>
Too high level of aflatoxin	157	37
Product contains unauthorized substances	40	9
To high level of some substances	37	9
Histamine	32	8
Harmful substances	24	6
Pieces of glass in baby food jars	22	5
Unauthorized preservative / additives	17	4
Too much of something	14	3
Some poison	11	3
Bacteria	10	2
Presence of metal / mercury / lead	10	2
Carcinogenic ingredients	8	2
Products are not safe for health	8	2
GMO ingredients	7	2
All other answers	30	7

Source: Survey

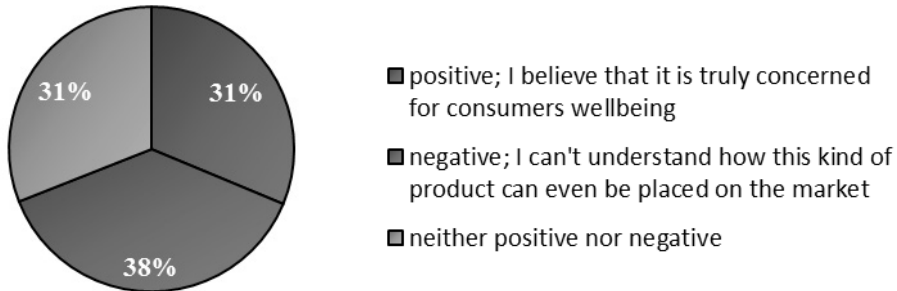
From the results in answers to questions about product type, brand and quality defect we can identify the following cases of product withdrawal that had happened in less than a year before the research was conducted according to Croatian Ministry of Agriculture through Croatian Rapid Alert System for Food and Feed (HR RASFF):

1. In February 2013 there were several notices about *milk product withdrawal* from different producers or brands: Dukat and Vindija – on 8th February, Dukat, Meggle, Mercator and Lidl – on 19th February.  
The reason for withdrawal in all of the listed cases was increased level of aflatoxin. (Ministry of Agriculture, 2013)
2. Also in February there was a notice about tuna can withdrawal under brand name Rial that is a private label of Konzum retail chain.  
The reason for withdrawal was an increased level of histamine. (Ministry of Agriculture, 2013)
3. In March the Ministry issued a notice for baby food in jar from Alnatura distributed by retail chain DM.  
The reason for withdrawal was possible presence of glass pieces in the content of the product. (Ministry of Agriculture, 2013)
4. Last year, in October 2012 a notice for withdrawal of fresh strudel dough from the producer Clarum was issued.  
The reason for withdrawal was usage of unauthorized additive in product content. (Ministry of Agriculture, 2013)

Those four cases can be easily recognized within the answers gathered through the research since most of the participants described them very accurately.

The participants were also asked what they thought about the food producer that had made the decision for market withdrawal. Respondents' answers are illustrated in figure 5.

Figure 5: *Opinions about the producer that made the decision for product withdrawal (N=681)*



Source: Survey

More than one third or 38% have a negative opinion about producers that have undertaken the measures of withdrawing a product from food market, because they cannot understand why a product with some quality problems is even available on the market.

Table 7 shows how market withdrawal will influence the decision making process in the following purchase of this kind of product.

Table 7: *Future decision making process for the products that were withdrawn from the food market (N=681)*

	Frequency	%
I would proceed to buy the same product from my favourite brand – no influence	40	6
I would temporarily stop buying the product from my favourite brand but as soon as I were certain that the inconsistency or defect were removed, I would return to my normal shopping behaviour – temporary influence	420	62
I would permanently stop buying the product from my favourite brand – significant influence	63	9
I would start buying the same product from different brand	135	20
I would stop buying this sort of product entirely	23	3

Source: Survey

Producers or brand owners might find comfort in the fact that 62% of their loyal consumers would gradually come back to buying their product after a short brake or after the

market withdrawal was finished. But they should also be aware of the fact that more than 20% of consumers, according to these research findings, can be lost.

If we take a closer look at the collected data and we further look into the difference in answers between the participants that stated they were loyal to a certain brand (80%), with their attitude (positive, negative or neutral) towards brand owners decision about product withdrawal (shown in the figure 5) and its influence to further decision making process of purchasing products that have been withdrawn from the market (shown in table 7), we can see that there is no noticeable difference in stating the negative opinion between the research participants who said they were loyal to some brand and those who said they were not.

Table 8: *Difference in opinions and purchasing decision making process between loyal and disloyal consumers (N=681)*

		Future decision making process for the products that were withdrawn from the food market					
Opinions about the producer that made the decision for product withdrawal		No influence	Temporary influence	Significant influence	Would buy another brand	Would stop buying the product in total	Total freq.
<b>Loyal</b>	Positive	20	115	11	21	3	<b>170</b>
	Negative	6	113	28	55	6	<b>208</b>
	Neutral	5	117	12	29	4	<b>167</b>
	<b>Total freq.</b>	<b>31</b>	<b>345</b>	<b>51</b>	<b>105</b>	<b>13</b>	<b>545</b>
<b>Not loyal</b>	Positive	3	27	4	9	0	<b>43</b>
	Negative	2	25	6	9	7	<b>49</b>
	Neutral	4	23	2	12	3	<b>44</b>
	<b>Total freq.</b>	<b>9</b>	<b>75</b>	<b>12</b>	<b>30</b>	<b>10</b>	<b>136</b>
<b>Total freq.</b>	Positive	23	142	15	30	3	<b>213</b>
	Negative	8	138	34	64	13	<b>257</b>
	Neutral	9	140	14	41	7	<b>211</b>
	<b>Total freq.</b>	<b>40</b>	<b>420</b>	<b>63</b>	<b>135</b>	<b>23</b>	<b>681</b>

Source: Survey

From table 8 we can also see that, although product market withdrawal has temporarily influence with most of the research participants, the research participants who said they were loyal to some brand and had a negative opinion of market withdrawal of their brand will be the most likely candidates for changing their purchasing habits and switching to another brand.



If we extract the data for the example of milk withdrawal (research participants that named Dukat, Vindija and Meggle as the example of a product withdrawal), we can see consistency in the previously shown data, see table 9.

Table 9: *Difference in opinions and purchasing decision making process between loyal and disloyal consumers of milk (N=266)*

Opinions about the milk producer that made the decision for product withdrawal		Future decision making process for the milk products that were withdrawn from the market					Total freq.
		No influence	Temporary influence	Significant influence	Would buy another brand	Would stop buying the product in total	
<b>Loyal</b>	Positive	5	44	3	8	2	<b>62</b>
	Negative	2	44	13	21	2	<b>82</b>
	Neutral	0	53	6	13	2	<b>74</b>
	<b>Total freq.</b>	<b>7</b>	<b>141</b>	<b>22</b>	<b>42</b>	<b>6</b>	<b>218</b>
<b>Not loyal</b>	Positive	0	12	1	4	0	<b>17</b>
	Negative	1	6	1	4	2	<b>14</b>
	Neutral	1	11	1	3	1	<b>17</b>
	<b>Total freq.</b>	<b>2</b>	<b>29</b>	<b>3</b>	<b>11</b>	<b>3</b>	<b>48</b>
<b>Total freq.</b>	Positive	5	56	4	12	2	<b>79</b>
	Negative	3	50	14	25	4	<b>96</b>
	Neutral	1	64	7	16	3	<b>91</b>
	<b>Total freq.</b>	<b>9</b>	<b>170</b>	<b>25</b>	<b>53</b>	<b>9</b>	<b>266</b>

Source: Survey

## 5. CONCLUSION

Today's consumers are very sophisticated and aware of the importance of product quality as one of the main factors in building brand loyalty. For years, branded products in FMCG became a synonym for higher level of quality and consumers have higher expectations, than for example, from private labels or unknown products.

Previous researches show that perceived quality is closely related to product's ability to satisfy certain consumer needs or expectations like to be functional in its basic purpose, to be liable to perform its basic purpose, to be long-lasting and easy to maintain, to be simple and safe to use, to be well designed and styled, to have good company reputation and brand image and to lead to total satisfaction during continuous using of the product, even above the expected level. Also, premium level of price positioning has an influence on the perception of product quality as a higher one.

The main goal of this paper was to confirm product quality as one of the most important factors in food brand loyalty process and to investigate if and how negative quality in-

consistency of a product influences brand loyalty. The research which was conducted to prove and explain the connection between product quality and brand loyalty shows that the main reasons for being loyal to certain brand or product are related mostly to positive brand experience, high, stabile product quality and recognizable taste.

When it comes to product quality issue, consumers emphasised disadvantages like unusual taste, smell and visual appearance. Also, they mentioned doubtful product safety and unreliable product packaging and labelling.

One of the most interesting findings was that more than a half of the research participants could name products, categories and brands that have been recently withdrawn from Croatian market because of a quality problem. It is important to notice that 63% of research participants could, with relatively high accuracy, clearly indicate the negative quality inconsistency or the quality defect of the product they specified as a product that was withdrawn from the market.

This research showed that withdrawal from the market has a huge negative impact on buying willingness in execution phase and a certain period after it and in that way is consistent with the hypothesis that negative quality inconsistency affects food brand loyalty in a negative way and that the effect is long term. Despite that fact, producers or brand owners might be calm because 62% of their loyal consumers would gradually come back to their favourite brand or product after they were sure that negative inconsistency or defect had been totally removed. But also they must be aware that there is a huge risk of losing a certain percentage of loyal consumers who could not find an excuse for such failure.

According to above mentioned, customer/consumer satisfaction as a factor in food brand loyalty process, in the long term depends on product quality issue. Food brand owners should manage every negative product quality inconsistency with great care and through total quality management prevent or minimize possibilities for future quality issues.

Regarding research limitations, study was conducted only on Croatian market, so one should be aware of that fact when applying conclusions from this research in general food brand management.

In respect of possible future research there are a few possibilities that should be considered: broadening the research to other markets (outside Croatia), and investigating how different food brand owners manage the situations when they are faced with product withdrawals.

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