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Analyzing the Effect of the Quality FMCG Products on Customer Loyalty and Repurchase Intention - A Review Paper

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Abstract: ***This review paper critically examines the study by Ahmad et al. (2022) published in Res Militaris, which analyzed the impact of product quality on customer loyalty and repurchases intention in the Fast-Moving Consumer Goods (FMCG) sector. The original study employed quantitative methods, including regression and Structural Equation Modeling (SEM), to establish significant positive relationships between product qualities, customer loyalty and repurchase intention. This review appreciates the paper's theoretical grounding, methodological rigor and managerial relevance, while it also identifying research gap related to sampling, scope and model fit. The findings reinforce the strategic importance of maintaining consistent product quality in building long-term customer relationships. Future research directions and managerial recommendations are provided to strengthen the applicability and generalizability of the results.***

Keywords: FMCG, Product Quality, Customer Loyalty, Repurchase Intention, Consumer Behavior, Brand Trust.

1. Introduction

The study of consumer's behaviour in the Fast-Moving Consumer Goods (FMCG) sector has developed significantly over the period of time and it also reflecting the changes in economic, societal and technological contexts. Within the fast-moving consumer goods (FMCG) industry, quality control in food safety is an essential component for ensuring consumer confidence and protecting public health, especially in the context of the FMCG sector (Afolabi et al., 2021). There is no evidence to the focus on consumer satisfaction and behavior in FMCG, with businesses prioritizing production and distribution efficiency. However, it has become essential to analyze the consumer behavior in order to assist in business strategy with the arrival of mass marketing, globalization and technological advancements with the goal of development.

Now a day, the Fast-Moving Consumer Goods (FMCG) sector constitutes one of the most competitive and rapidly evolving industries globally. Consumers are presented with abundant brand options and increasing access to information, making customer loyalty and repeat purchases essential for sustaining market performance. In this context, product quality has emerged as a key determinant of customer satisfaction and loyalty, shaping long-term purchasing behavior and brand advocacy (Kotler& Keller, 2020).

Ahmad et al. (2022) aimed to explore how the perceived quality of FMCG products affects both customer loyalty and repurchase intention. The study is grounded in established theoretical frameworks, such as the **Expectation-Confirmation Model** (Oliver, 1980) and the **Theory of Planned Behavior** (Ajzen, 1991), which emphasize how consumer satisfaction and their attitudes influence behavioral intentions. Using statistical tools such as correlation, regression, and structural equation modeling (SEM), the study tested different hypotheses suggesting a positive link between product quality and consumer behavioral outcomes. The authors argue that consistent product quality creates a cycle of satisfaction, trust, and emotional attachment with the consumers that strengthens loyalty. This aligns with previous findings that high-quality products enhance both functional and emotional value, leading to repeat purchases (Chaudhuri& Holbrook, 2001; Zeithaml, 1988).

1.1 Importance of the Study in the Present Context

As the fast-changing and fiercely competitive environment of to-day's FMCG sector, it is now not merely quite desirable (but in fact an absolute necessity for any company to survive) than in general.

This study stands for several motives:

Dynamic product quality
Dynamic product quality refers to the continuously evolving nature of product attributes, performance standards, and consumer expectations in a rapidly changing environment in the market. Unlike static quality, which focuses on consistency at a single point in time, dynamic product quality emphasizes ongoing improvement, innovation, and adaptability. As technology advances, competition intensifies, and consumer preferences shift, firms should be regularly update product features, designs, packaging, and service offerings to remain relevant. This dynamic approach ensures that products do not only meet current expectations but also anticipate future needs, but also enhancing customer level satisfaction, strengthening brand loyalty, and sustaining long-term competitive advantages.

Dynamic Consumer Preferences
Consumers are more sophisticated, discerning, and aware than ever before. They have instant access to information on all the products they could want through digital media. No longer must modern consumers passively accept what is placed in front of them. Through digital platforms, they actively research products and get information's, compare brands, and evaluate quality before making purchasing decisions. Studying consumer behavior helps businesses anticipate changing preferences, adapt product offerings, and remain relevant in trending market.

Brand Loyalty and Retention

Analysis of effect of product loyalty is essential to create and maintain brand loyalty and retaining customers in the FMCG industry, where competition is very high and product switching cost are low. Understanding the factors that drive consumer satisfaction (such as quality, affordability, and convenience) enables companies to strengthen their relationship with customers and create brand loyalty and reduce customer churn.

Consumer loyalty: Consumer loyalty can also be categorized on the basis of strength of the consumer's attachment to a brand and their likelihood of switching to competitors. These loyalties divided into the following types:

1) Hardcore Loyalty

Hardcore loyalty consumers are who consistently buy the same brand without considering alternatives. These types of consumers deeply committed to the brand and recommend it to others. It's driven by strong emotional attachment or high satisfaction with the brand.

Example: A consumer who exclusively buys a particular brand of smartphone despite numerous competing options.

2) Soft Loyalty

Consumers are who loyal to a few brands and alternate between them. They may prefer one brand but occasionally purchase others based on availability, promotions, or minor preferences. It reflects a moderate level of attachment of the brand.

Example: A consumer who regularly switches between two or three favorite toothpaste brands.

3) Switch Loyalty

Consumers are who frequently switch brands and lack consistent loyalty to any single brand. It's driven by factors like price, promotions, novelty, and convenience. These consumers have little or no emotional attachment to any brand.

Example: A consumer who chooses different snack brands based on discounts or new product launches.

4) In-Loyal (No Loyalty)

No loyalty consumers who do not show loyalty to any brand and purchase products indiscriminately. These customers have no brand preference or commitment. There decisions are often impulsive, situational based, or driven by immediate needs rather than brand identity.

Example: A consumer who buys a random beverage every time without paying attention to the brand.

1.3 Importance of Product Quality in the FMCG Sector

Behind the success of FMCG sectors there are various essential factors in which product quality is a critical determinant in respect of success in the Fast-Moving Consumer Goods (FMCG) sector. As a consumer-driven industry, the FMCG sector operates in a highly competitive environment where to meet the preference and expectation of their customers is essential.

By **social perspective**, product quality fosters trust, loyalty, and emotional engagement with brands. Satisfied consumers become brand loyal, driving positive word of mouth and influencing purchasing decisions within their social circles. This creates a ripple effect, strengthening the brand's societal presence and enhancing its credibility in the market.

By an **economic standpoint**, product quality enhances consumer satisfaction which directly impacts revenue generation and profitability. Retaining satisfied customers is significantly more cost-effective rather than acquiring or attracting new ones, thus reducing customer acquisition costs. Furthermore, high satisfaction levels contribute to increased purchase frequency and average spending, thereby bolstering the company's financial performance.

By an **operational perspective**, product quality is invaluable for optimizing consumer feedback, loyalty and purchase intention. Understanding effect of product quality is enables companies to streamline their consumer satisfaction level and consumer preferences in line with market demands. Operational excellence driven by consumer insights enhances competitiveness and ensures business sustainability.

Overall, product quality is not study in order to help just consumer satisfaction and marketing but a strategic necessity to reach out social, economic, and operational benefits. The study, effect of product quality on customer loyalty and repurchases intention consider valuable insights for FMCG companies to fosters trust, loyalty, and emotional engagement with brands to create value, achieve market goals, and contribute to the economic development.

2. Review and Analysis

2.1 Theoretical Framework

The authors effectively integrate multiple consumer behavior theories to explain the relationship between product quality and loyalty. The Expectation-Confirmation Model (Oliver, 1980) assumes that consumers compare perceived performance with prior expectations, and satisfaction influences repurchase behavior. Similarly, the Theory of Planned Behavior (Ajzen, 1991) explains how attitudes toward quality and subjective norms guide consumers' intentions to repurchase FMCG products. The study also builds on earlier empirical findings suggesting that perceived quality serves as both a *cognitive* and *emotional* driver of loyalty (Dick &Basu, 1994). This theoretical integration strengthens the paper's conceptual foundation and aligns it with established marketing research traditions.

2.2 Theoretical Background

1) Expectation–Confirmation Theory (Oliver, 1980)

This theory validates that customer satisfaction results from the confirmation or disconfirmation of expectations following product usage. If a consumer perceives that the quality of an FMCG product meets or exceeds their expectations, then satisfaction occurs, which strengthens repurchase intentions. Thus, satisfaction mediates the relationship between perceived quality and loyalty.

2) Theory of Planned Behavior (Ajzen, 1991)
According to this theory, behavioral intention is influenced by three major factors: **attitude**, **subjective norms**, and **perceived behavioral control**. In the context of FMCG, a positive attitude toward product quality and favorable brand perceptions lead to stronger intentions to repurchase and recommend the product.

3) Customer Satisfaction–Loyalty Framework (Oliver, 1999)
Oliver (1999) suggests that satisfaction leads to loyalty through a cognitive-affective-conative process. Initially, satisfaction reinforces trust and emotional connection (affective loyalty), which ultimately leads to behavioral loyalty, manifested through repeat purchases and brand advocacy.

4) Perceived Quality–Value–Loyalty Model (Zeithaml, 1988)
Zeithaml's model emphasizes that perceived quality contributes directly to perceived value, which in turn influences customer satisfaction and loyalty. In FMCG markets, perceived quality is often based on tangible cues such as taste, packaging, freshness, and durability, as well as intangible cues such as brand reputation.

Together, these theories provide a strong foundation for understanding how perceived product quality functions as a psychological, emotional, and behavioral driver of loyalty and repurchase behavior.

2.3 Conceptual Framework

Based on these theoretical insights and the study by Ahmad et al. (2022), the following conceptual framework can be presented for inclusion in the research paper:

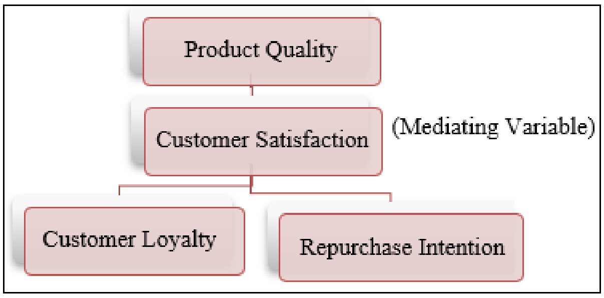

Figure 1: This Framework Representing the Relationship between Product Quality, Customer Satisfaction, Customer Loyalty, and Repurchase Intention

Source: (Self-generated), Developed by the author based on Oliver (1980, 1999), Ajzen (1991), Zeithaml (1988), and Ahmad et al. (2022).

2.4 Explanation of the model:

- Product Quality is an independent variable that affects both Customer Loyalty and Repurchase Intention directly.
- Customer Satisfaction presents as a mediating variable, strengthening the relationship between quality and loyalty outcomes.
- The model suggests that higher perceived quality enhances satisfaction, which in turn leads to stronger loyalty and a higher likelihood of repeat purchases.

2.5 Significance of the Study

The significance of analyzing product quality in the FMCG sector lies in its direct linkage to brand equity**,** customer retention and competitive advantage in the market. In FMCG markets, consumers often face limited differentiation between brands; therefore, consistent quality becomes the defining factor in retaining market share (Hanaysha, 2018). Furthermore, loyalty and repurchase intention represent more cost-effective for ensuring profitability than acquiring new customers (Reichheld, 2003).
By understanding how product quality influences these behavioral outcomes, companies can allocate their resources more effectively and efficiently toward quality improvement, consumer trust-building and marketing communication**.** From an academic perspective, these lines of research bridge the gap between **perceived quality theory** and **consumer behavioral models**, providing an integrated understanding of how psychological factors translate into tangible buying actions.

2.6 Objectives of the Study

The following objectives are highlighted:
- To examine the relationship between the perceived quality of FMCG products and customer loyalty.
- To determine the relationship between FMCG product quality and repurchase intention.
- To assess the mediating role of customer satisfaction between product quality, loyalty, and repurchase intentions.
- To provide theoretical implications for enhancing brand loyalty through quality-driven strategies.

2.7 Research Methodology

The research adopts a descriptive quantitative design for collecting primary data via a structured questionnaire which is based on a 5-point Likert scale. Data were analyzed using SPSS and PLS-SEM, with reliability coefficients (Cronbach's alpha > 0.7) confirming internal consistency. The study used convenience sampling and surveyed 218 respondents, although the reference to "adventure tourists" appears to be an editorial error inconsistent with the focus on FMCG sector.

Statistical results indicate strong relationships:
Product quality →Customer loyalty ($r=0.435$, $p < 0.01$)
Product quality→Repurchase intention ($r=0.272$, $p < 0.01$)

These findings empirically support both hypotheses (H1 and H2), confirming that consumers perceiving high product quality exhibit stronger loyalty and repurchase intentions.

2.8 Empirical Findings

The study examined that the product quality has a positive and direct influence on both consumer loyalty and repurchases intention. Furthermore, customer satisfaction mediates this relationship, reinforcing that delighted consumers are more likely to remain loyal and continue buying the same product from the same brand. The results also reveal that quality of product and services has a more substantial effect on loyalty than on repurchase intention, suggesting that while quality attracts customers, satisfaction and trust sustain long-term commitment.

2.9 Practical Relevance

These findings highlight the importance of quality assurance, brand communication and customer satisfaction tracking. The study suggests that consistent quality delivery satisfied the customer which enhances brand reputation and consumer trust, translating into repeat purchases. Marketers are encouraged to emphasize product reliability, transparency, and innovation to maintain customer loyalty.

3. Strength of the Study

- **Well-Defined Objectives:** The research clearly discussed its aim- to assess the impact of product quality on brand loyalty and repurchase intention. These are measurable and directly in relationship to managerial applications.
- **Strong Theoretical Foundation:** Integration of established behavioral and marketing theories like the Theory of Planned Behavior **(Ajzen, 1991)** and Expectation-Confirmation Model **(Oliver, 1980)** to enhance academic rigor and contextual relevance.
- **Contribution to literature:** The review effectively covers studies which are related to customer loyalty, brand trust, corporate image and repurchase behavior as well, citing credible sources in the paper as Kotler & Keller (2020) and Zeuthaml (1988).
- **Managerial Implications:** The paper successfully bridges academic insights with practical recommendations such as quality enhancement, customer satisfaction tracking and communication strategies for FMCG companies.
- **Reliable Quantitative Analysis:** The use of SEM and reliability testing adds statistical credibility. Reliability scores exceed 0.7, indicating data reliability.
- **Empirical Support:** Findings are consistent with established literature emphasizing the significance of product quality in customer retention (Hanaysha, 2018; Homburg et al., 2009).

4. Research Gaps Identified

4.1 Conceptual Gaps

- **Narrow Focus on Product Quality Alone:** The paper considers only product quality as the predictor variable but excludes other potentially significant factors such as **brand trust**, **price perception**, **service quality**, **corporate image**, and **emotional attachment**; all of which the literature identifies as strong predictors of loyalty and repurchase intention (Chaudhuri & Holbrook, 2001; Keller, 2013).The model oversimplifies consumer behavior by ignoring multidimensional determinants of customer loyalty.
- **Limited Examination of Mediators and Moderators:** This study mentions that customer satisfaction mediates the relationship between product quality and brand loyalty but does not empirically test other mediating or moderating variables such as brand experience, perceived value, or advertising influence. Lack of exploration of indirect or moderating effects that explain how and why product quality affects loyalty and repurchase.
- **Absence of Cross-Cultural or Segment Analysis:** The study treats the consumer group as homogeneous. However, loyalty behavior in FMCG can differ based on age, gender, income, culture, and regional diversity (Huang & Huddleston, 2021). No comparative or demographic segmentation analysis was conducted to reveal variations in quality perception.
- **Short-Term Behavioral Perspective:** Repurchase intention is a *future-oriented* behavioral indicator, which does not indicate actual repurchase behavior. The study captures only *intention*, not *real behavior* or *long-term loyalty*. Hence, the temporal (longitudinal) dimension of loyalty development is missing.

4.2 Methodological Gaps

- **Sampling Limitation:** The study uses Convenience sampling which reduces external validity. The paper mentions a sample of “218 adventure tourists,” which seems like a typographical or contextual error and may not represent the broader FMCG consumer base. Sampling bias and questionable representativeness limit generalizability.
- **Geographical Restriction:** The research is conducted from a limited area (Jammu & Kashmir), in India without ensuring sample diversity which reveals lacks of clarity on its demographic and regional coverage, limiting its generalizability. Findings may not apply to broader FMCG markets in India or globally.
- **Limited Qualitative Insights:** While it mentioning a “mixed-methods” approaches, the qualitative aspect is underdeveloped. The study depends heavily on quantitative analysis without descriptive consumer insights (interviews, focus groups, etc.) are not actually presented. Missing qualitative depth on consumer motivations and emotional aspects of loyalty.
- **Editing and Presentation Errors:** In the paper lots of grammatical errors has seen and formatting inconsistencies which effect readability and the professionalism of the work. Some sections (like “researceher” and repeated tables) show editing oversight.
- **Model Fit Issues:** The model’s NFI (0.709) falls below the accepted threshold of (0.9), indicating the model could be improved or that relationship may not fully explain the variance in loyalty and repurchase intention. The conceptual model requires further refinement and validation.
- **Neglect of Digital and Social Media Influence:** In modern FMCG markets, digital touch points, online reviews, and influencer marketing shape perceived

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product quality and brand loyalty (Kotler & Keller, 2020). The study does not consider these emerging influences. The study's framework lacks integration of digital consumer behavior perspectives.
- **Limited Discussion of Limitations:** While paper briefly mentions future research but does not deeply discuss methodological limitations or control variables (e.g., pricing, brand reputation, advertising exposure) which shows limited discussion about the objectives of the paper.

4.3 The Core Research Gap

Previous research, including Ahmad et al. (2022), establishes that product quality significantly influences customer loyalty and repurchase intention in the FMCG sector, there remains a gap in understanding how and why this relationship operates across different consumer contexts and over time. Specifically, the existing model overlooks the role of mediating and moderating variables such as brand trust, perceived value, digital engagement, and demographic diversity. Moreover, methodological constraints such as convenience sampling, limited geographic scope and cross-sectional data reduce the generalizability and explanatory power of the findings.

5. Summary of the Existing Study

This paper investigates how product quality in the FMCG sector influences customer loyalty and repurchase intention. It uses a quantitative descriptive approach, supported by regression analysis and structural equation modeling (SEM), and also confirms that:
- Product quality positively affects customer loyalty.
- Product quality positively influences repurchase intention.
- Customer satisfaction mediates these relationships.

Thus, the paper validates the long-established assumption that high-quality FMCG products satisfied customers completely which foster repeat purchase behavior and loyalty.

6. Suggestions for Future Research

Future studies should expand the conceptual framework by incorporating brand trust, perceived value and digital engagement as mediating or moderating variables between product quality and loyalty outcomes. Employing probability sampling across diverse geographic regions and using longitudinal data would enhance the reliability and applicability of results. Additionally, integrating qualitative insights can help uncover the psychological and emotional mechanisms linking quality perception with loyalty behavior.

Employ probability-based sampling method for better representativeness.
- Expand the sample size and geographic coverage to include rural and urban FMCG consumers.
- Incorporate qualitative interviews or focus groups to explore consumer motivations in depth.
- Introduce moderating variables such as price perception, brand trust, or promotional strategies.
- Conduct comparative studies across different FMCG categories (e.g., food vs. personal care).
- Explore the digital dimension of consumer behavior, including online reviews and social media influence.
- Implement cross-cultural research to understand quality perception differences among diverse markets.
- Utilize advanced statistical models like multi-group SEM for subgroup comparisons.
- For managers, establish continuous quality monitoring systems and emphasize transparent communication of product value.

7. Conclusion

The reviewed paper makes a valuable contribution to marketing research by reaffirming that product quality is a fundamental determinant of customer loyalty and repurchase intention in the FMCG sector. Its empirical findings align with well-established theories, confirming that perceived quality fosters satisfaction, trust, and emotional connection-the foundations of loyalty. Despite its methodological shortcomings, the study offers strong practical insights for marketers seeking to strengthen brand equity through consistent quality delivery.

Future studies should address the limitations of sampling and expand the analysis across product categories and cultures to enhance generalizability. For practitioners, the findings emphasize that sustained product quality is not merely a marketing tool but a strategic necessity for achieving long-term competitiveness in the FMCG industry.

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