

THE IMPACT OF PERCEIVED QUALITY AND BRAND LOYALTY ON PRICE SENSITIVITY AND PURCHASE INTENTION

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ABSTRACT

The fast-moving consumer goods (FMCG) sector is one of the most dynamic and highly competitive industries in the global economy. Within the FMCG industry, the dairy sector holds a particularly important position because milk and dairy products are considered essential food items that are consumed frequently by households. Since the COVID-19 pandemic, significant economic challenges including rising in the food prices, along with growing concerns about health and food safety, particularly in the context of recent worries related to hantavirus, have made consumers more attentive to quality and price when making food purchasing decisions. Therefore, it is paramount for both academics and practitioners to understand the mechanisms through which perceived quality influences purchase intention. Perceived quality plays a crucial role in consumers' evaluations of milk products. Products that are perceived by consumers as being of high quality tend to be more strongly preferred, contributing to higher sales volumes and an increased market share for the producing company whereas if brand loyalty increases, consumers become less likely to switch to competing products or alternative brands. Examining this mediating role of brand loyalty is important because it explains whether consumers purchase milk products directly because of quality perceptions or because those perceptions first create loyalty toward a specific brand. Price sensitivity also plays a significant role in consumers' final purchasing decisions and refers to the degree to which consumers respond to changes in the price of a product. Analyzing the mediating role of price sensitivity helps to explain how perceived quality may reduce consumers' sensitivity to price increases and ultimately influence purchase intention. The study examines the effect of perceived quality on consumers' purchase intention in the Turkish milk market, with particular emphasis on the mediating roles of brand loyalty and price sensitivity. A questionnaire consisting of 21 items was distributed to 353 respondents. The collected data were first subjected to factor analysis and reliability test and regression analysis. The study proposes that perceived quality has a statistically significant impact on purchase intention. Perceived quality has a statistically significant impact on brand loyalty and brand loyalty partially

mediates the relationship between perceived quality and purchase intention. The results also reveal that the relationship among perceived quality, price sensitivity, and purchase intention is not statistically significant.

Keywords: Brand loyalty, perceived quality, price sensitivity, purchase intention.