
PRODUCT QUALITY AND LOYALTY OF CONSUMERS OF STAR LAGER BEER IN ENUGU METROPOLIS, NIGERIA**ANIUGA, Chukwuma**

Department of Marketing

College of Management Sciences

Michael Okpara University of Agriculture, Umudike, Abia State,

aniuga.chukwuma77@gmail.com

ADINDU, Chidimna Peace

Department of Marketing

College of Management Sciences

Michael Okpara University of Agriculture, Umudike, Abia State,

OBASIABARA, Beatrice Oriema

School of Postgraduate Studies

Ebonyi State University, Abakaliki, Nigeria

ABSTRACT

This study examined the influence of product quality on loyalty of consumers of Star Lager Beer in Enugu Metropolis, Nigeria. The underpinning theory for this paper is the Expectancy-Disconfirmation Theory. The study adopted a descriptive research design and used questionnaire to collect primary data from respondents. Consumers of Star Lager Beer in Enugu Metropolis, constituted the population of the study. Data gathered from a total of 280 consumers of Star Lager Beer in Enugu Metropolis were used for the analysis. The Pearson Product Moment Correlation was used to test the hypothesis formulated for the study, with reliance on the Statistical Package for the Social Sciences (SPSS) version 23.0. The results of the analyses revealed a Constant β value of 0.048 and standard error of 0.125. The analyses also showed that product quality has positive co-efficient β value of .014 with standard error .049, t- value of -0.40 and significant level of 0.012 (10%). This imply that product quality has positive and statistically significant influence on loyalty of consumers of Star Lager Beer in Enugu Metropolis. The study thus concludes that quality of a product can lead to customer loyalty; and recommends that Nigerian Breweries, the makers of Star Lager Beer continually improve the quality Star Lager Beer, if they desire to sustain the loyalty of consumers of their product.

Keywords: Product quality; customer loyalty; star lager beer; Nigerian breweries

INTRODUCTION

Consumers' needs and tastes change constantly (Chukwma & Ike-Elechi, 2021); they demonstrate interest in consuming new products that they consider better, and that offers more value than current products. This characteristic of consumers suggests that they are seldom loyal to a product or brand, unless they continually derive value from the product or brand, and are satisfied by that value. Ateke and Nadube (2017) argue that consumers are fickle and are prone to shift loyalty in a snap; as products that arrest their admiration at one time ceases to appeal to them at another time. These changes in consumption pattern calls for firms to offer value that meet consumers' requirements, firms must ensure that the products they offer provide integrated customer solution at a profit (Ballantyne et al., 2011, as cited in Ateke et al., 2016).

In mature markets, firms aggressively compete for consumers' attention and patronage (Nemati et al., 2010 as cited in Ajimati, 2012). Enzing (2009) notes that the constantly changing business environment create new challenges that present companies with important strategic and

operational questions. These challenges stimulate spur firms to become more innovative. Innovation has widely been accepted as a vital strategic tool that enable brands to establish and maintain competitive advantage (Moon et al., 2010 as cited in Jalal & Haim, 2015). Being the first mover while accessing new market with innovative products provide brands with better opportunities to build strong customer base, and also save them from intense competition (Beverland et al., 2010 as cited in Jalal & Haim, 2015).

Brands that frequently introduce high quality products protect themselves from price competition. Additionally, innovative products largely improve future purchases and enhances brand performance (Rosenbusch et al., 2011 as cited in Jalal & Haim, 2015). In highly competitive environments, customers' needs and requirements change continuously; and they make purchase decisions based on established perceptions of product quality in terms of design and attributes (Moon et al., 2010 as cited in Jalal & Haim, 2015).

The focus on product quality and quality improvement is due to its link to brand image and market performance (Henard and Dacin, 2010 cited in Jalal and Haim, 2015). The performance of a brand increases when it initiates product with innovative feature and make investment in marketing that new product (Kaiser, 2011 as cited in Jalal & Haim, 2015). Particularly, the ability of an organization to innovate is very essential to their continued existence and adaptation to rapidly changing environments (Kotler & Keller, 2006 as cited in Jalal & Haim, 2015). Companies embark on different types of innovation, including, process, organizational, technological, marketing, and product innovations.

The reason companies embark on product innovation is to ensure that consumers are satisfied with their products (Aniuga & Kelechi-Nwamuo, 2021). Product innovation is the development and introduction of a new product to the market or the modification of existing products in terms of function, quality consistency, or appearance. The issue of quality in a product has been of great importance in the business sphere as it goes to the very essence of survival of businesses. The basic assumption that manufacturers and consumers have is that value in a product is derived from the quality of the products (Achana & Shrivatava, 2013).

Product quality imply hidden and apparent characteristics of the product that customers looks for. Product quality may be conceived through the transcendent approach; consumer-based approach; manufacturer-based approach and value-based approach (Tsoltsou, 2005 as cited in Olga, 2015). The transcendent approach to product quality underscores all the other approaches and conceives some form of innate excellence in the standards and value of the product. This high value standard is what manufacturers endeavor to put in a product and what consumers expect to derive from a product. Therefore, product quality is highly imperative to customer satisfaction and repurchase intention (Ali, 2013). In this study, our focus is on examining the relationship between product quality and customer loyalty.

LITERATURE REVIEW

Concept of Product Quality

Product quality can be defined as an extent to which a product succeeds to meet the needs or expectations of users (Lemmink & Kasper, 1994 as cited in Hussain & Ranabhat, 2013). Product quality is one of the important tools firms utilize to achieve and maintain competitive advantage. Products quality informs consumer satisfaction and improves marketing performance. Every firm

seeks to achieve improved business performance; hence, they improve the quality of their products and processes. In addition, Hussain and Ranabhat (2013) states that product quality is significant factor for firm's development and for gaining sustainable competitive advantage. It involves measuring products based on development effort, customer satisfaction, robustness and reliability of the product to gain market share (Iwu 2010 as cited in Ajimati, 2012).

Customers always look for value for their money in the products they purchase; product quality is one of the sources of customer value. Poor quality products precipitate low satisfaction levels for customers while high product quality bring about high satisfaction levels (Warui & Ngugi, 2013 as cited in Olga, 2015). The user-based, after use evaluation occurs when the customer assesses the product based on products ability to meet or surpass the customer's expectations (Kotler, Keller, Ang, Leong and Tan, 2009 cited in Olga, 2015).

Jakpar and Na (2012, as cited in Olga, 2015) identified two aspects of product quality: quality of design and quality of conformance. Quality design implies devising the product to meet the needs and desires of customers. The extent to which they meet certain standard designation is what is conceived as the quality of conformance (Jakpar & Na, 2012). These two features are crucial in determining the extent to which customers will perceive the product as satisfying their expectations (Warui & Ngugi, 2013). Therefore, the customers' overall perception of the products satisfaction is pinned on the extent to which they perceives the salient and specific qualities of the product as satisfying. In other words, overall satisfaction draws from the salient component features of the product (Chakraborty et al., 2007 as cited in Olga, 2015).

Concept of Customer Loyalty

Customer loyalty describe ongoing positive relationship between a customer and a brand that is borne out of positive previous experiences. Customer loyalty is what drives repeat purchases and prompts existing customers to choose a brand and its products over competitors' offerings with similar benefits (Prachi, 2022). Customer loyalty is also a deep psychological predisposition of customers to continually buy a particular product or continually buy from a particular outlet (Ateke & Isaac, 2020) and manifests in repeat purchases from satisfied customers (Wokoma & Toruyouyei, 2019).

A satisfied and loyal customership is key to business continuity; and firms make concerted efforts to win and keep the loyalty of customers (Ateke & Isaac, 2020). Mei-Lien and Green (2010, as cited in Oghojafor et al., 2014) defined customer loyalty as a deep-held commitment to re-buy or re-patronize a preferred product in the future despite situational influence and marketing efforts having the potential to cause switching behaviour and recommending the product to friends and associates.

Wokoma and Toruyouyei (2019) states that customers' loyalty to a product, brand or outlet is a function of their satisfaction with previous experience; and argues that business sustenance is anchored on loyal customers that are willing to stick with the firm and its offerings. Customer loyalty means a commitment to doing business with specific organization and continuously purchase of certain goods and services. Customer loyalty is a strong commitment by customers to repurchase a product or deal with a firm in the future despite the potential impact of marketing efforts of competitors (Allama et al., 2010). Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and re-patronage (Kabu & Soniya, 2017).

Product Quality and Customer Loyalty

The essence of any business is to satisfy the consumers and when the consumers are satisfied there will be repeat purchase and when there is repeat purchase the company will in turn make profits and retain their market share position and consumers may become loyal to the company and their products. Modern consumers are so sophisticated in demanding; they know exactly what they want. Customers do not buy products; they seek to solve their problem. Thus, they derive satisfaction from products solves their problems. And this could lead to repurchase. In recent time, Nigerian Breweries Plc in her quest to maintain her market share in the brewery industry introduced new products. But these products failed, and this suggests that consumers did not get their desired satisfaction from the products (Chukwma & Ike-Elechi, 2021).

Product quality as one of the aspects of product innovation could probably be attributed to one of the reasons consumers were satisfied or not satisfied with some products that were produced by the Nigerian Breweries Plc that failed or not doing well in the market. Product quality is very important for consumers. They are ready to pay high prices, but in return, they expect best-quality products. But if they are not satisfied with the quality of product of company, they will purchase from the competitors which could lead to the failure of such products (Sultana, 2017). Hence the need to ascertain whether product quality has connections with loyalty of customers of Star lager in Enugu metropolis.

Firms in Nigeria's alcoholic beverage industry have in the past, engaged in product innovation to better position their brands and to retain their market share by offering products that satisfy or hold the promise to give maximum satisfaction to customers. These firms have over the years, developed new products, and undertaken significant improvements on current products. These efforts in developing new products are geared towards delivering satisfaction to customers and enlisting their loyalty.

Previous study have shown that product quality relates to different aspect of loyalty behaviours of consumers. Abugu et al. (2018) assessed determinants of beer brand loyalty in Nigeria. The study revealed that quality and price of beer, availability, awareness creation about existing brands of beer lead to building beer brand loyalty. The study showed that gaining the loyalty of consumers of beer requires firms to align the price their products to the product's quality. Jalal and Haim (2015) in their study, revealed that that product innovation has significant positive effect on relationship quality dimensions (brand trust, brand commitment, and brand satisfaction). In view of these reports of prior studies, the following hypothesis was formulated to guide this study:

H₀₁: There is no significant relationship between product quality and loyalty of consumers of Star Lager beer in Enugu Metropolis

Theoretical framework

The underpinning theory for this study is Expectancy-Disconfirmation Theory (EDT) (Oliver, 1980). EDT is the most promising theoretical framework for the appraisal of customer satisfaction that drives loyalty. EDT implies that customers purchase products with pre-purchase expectations about anticipated performance. The expectation level then becomes a standard against which the product is judged. That is, once the product has been used, outcomes are compared against expectations. If the outcome matches the expectation, confirmation occurs. Disconfirmation occurs where there is a difference between expectations and outcomes. A customer is either satisfied or dissatisfied as a result of positive or negative difference between expectations and perceptions.

Thus, when product performance is better than what the customer had initially expected, there is positive disconfirmation between expectations and performance which results in satisfaction, while when product performance is as expected, there is a confirmation between expectations and perceptions which results in satisfaction. In contrast, when product performance is not as good as what the consumer expected, there is a negative disconfirmation, and this causes dissatisfaction. EDT suggests that expectations, coupled with perceived performance, lead to post-purchase satisfaction. If a product outperforms expectations (positive disconfirmation) post-purchase satisfaction will result. If a product quality falls short of expectations (negative disconfirmation) the consumer is likely to be dissatisfied.

METHODOLOGY

This study adopted a descriptive research design to examine the link between product quality and customer loyalty. The study collected primary data from consumers of Star Lager beer in Enugu Metropolis, using structured questionnaire. The choice of Enugu Metropolis was because Nigerian Breweries Plc situated their brewery plant in the state and the company has been embarking on product innovation ever since then. Also, this city is dominated by civil servants who take out time for relaxation. The questionnaire administered to the customers contained measures of product quality and customer loyalty. In all, 600 customers were approached. The refusal rate was above 34.6%. 392 respondents agreed to participate but only 280 were valid for final analysis. The rest were not used for incomplete data, responses bias and inappropriate responses.

Finally, the percentage of responses were proportional to their population respectively. Durbin Weston was used to test for autocorrelation in this study. The Durbin Weston value according to our result is 1.494. The acceptable threshold is that the value must be close to two. In this study, the value is not close to two but the researcher did not border about it because, other basic parametric assumptions have been achieved in the study.

Table 1: Reliability, validity and internal consistency Analysis

Factor	Reflective item	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Standardized Cronbach's Alpha	Cronbach's Alpha of Item loading
Product Quality	I am satisfied with the product because of the taste.	13.5250	8.580	.832	.782
	I am satisfied with the product because of the flavor	13.5643	12.254		.618
	I am satisfied with the product because of the aroma the product	13.8250	9.643		.503
	I am satisfied with the product because of the level of alcohol content	14.0929	8.844		.681
	I am satisfied with the appearance (color) of the product	13.6500	8.422		.718
Customer Loyalty	Spreading the good news about their products by others	9.6357	4.999	.662	.516
	Buying more product	9.5179	3.763		.477
	Not considering other competing brands	10.3893	3.730		.736^a
	Joining the brand's social and media community activities	9.9500	3.359		.556

Source: SPSS statistics, 23

The purpose of reliability assessment in research is to ensure that a research instrument achieves internal consistency in repeated applications. In this study, the reliability assessment was done to achieve this purpose. Accordingly, the minimum benchmark that must be achieved to establish reliability of research instrument is 50% value of Cronbach's alpha ($\alpha \geq 50\%$). The results of our reliability test indicate an excellent reliability result. From our results for instance, the overall Cronbach alpha standardized values for the six variables range between 83% (the highest value) and the lowest value of 65% at both extremes. The individual reflective indicators or questionnaire items showed high level of reliability with adequate scale mean with the provision for deletion of items. The reliability of the individual questionnaire item was tested for the purpose of internal consistency. The result shows a reliability output that indicate high level consistency between the overall standardized Cronbach's Alpha results for the six major constructs or variables and the individual reflective construct or the questionnaire items. The values range from 79% to 50% except for one reflective item in customer loyalty construct (buying more product) 47% was recorded. Though there were provisions for deletion of item in the scale, no item was deleted as the researcher deliberately ignored it because of the good result already achieved in the majority of the variables and the reflective constructs.

DATA ANALYSES AND INTERPRETATION

This section tests the null hypothesis formulated for the study to draw conclusions and discuss the findings.

Table 1: Model Summary of Test of Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.879 ^a	.628	.572	.26252	.772	311.386	3	276	.000	.240

a. Predictors: (Constant Sum_ProductQuality

b. Dependent Variable: Sum_Customer Loyalty

Source: Computation using SPSS, Version 23

Table 1 indicates diagnosis test of the model. The value R, R² and adjusted R² and 0.879, 0.628 and 0.572 respectively. The R value is the coefficients of relationship that explain the association between the dependent and independent variable which is a strong positive association. Hence, there is no problem of multicollinearity since none of the correlation coefficient is greater than ± 0.09 . In addition, the R² value show that 62.8 percent of the variation in the dependent variable (customer loyalty) is explain by the independent variable (customer loyalty).

In Table 2 the result of the simple linear regression output between the study variables has a constant β value of 0.048 and standard error of 0.125. Product quality has positive co-efficient β value of .014 with standard error .049, t- value of -0.40 and significant level of 0.012 (10%). Hence, product quality has positive and significant effect on loyalty of consumers of Star Lager Beer in Enugu Metropolis.

Table 3: Analyses of Variance ANOVA**Table 2: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.(Prob)	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error				Beta	Lower Bound	Upper Bound	Tolerance
(Constant)	.048	.125		.343	.000	-.281	.377		
Sum of product quality	.014	.049	.012	.731	.106	-.040	.068	.619	1.616

a. Dependent Variable: Sum customer loyalty

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	64.381	1	21.460	311.386	.000 ^b
	Residual	19.022	276	.069		
	Total	83.403	279			

Source: Computation using SPSS, Version 23

Table 3 summarized the result of the hypothesized relationship. The result indicates a P-value of 0.106 with corresponding t-value of 0.731. Based on this results, the researchers rejected the null hypothesis. It therefore means that there is a positive significant relationship between product quality and loyalty of consumers Star Lager Beer in Enugu Metropolis. It implies that quality of product can lead to customer loyalty. This result support the report of Asghar et al. (2011) that product quality has influences customer satisfaction and loyalty.

CONCLUSION AND RECOMMENDATIONS

This study offers insight into the relationship between product quality and loyalty of consumers of Star Lager Beer, a product of Nigerian Breweries Plc. Today' markets are saturated with products that differ only in brand name. Consumers thus have choice, and they demonstrate this in their interest to consumer new products that aligns with their constantly changing needs and preferences. Changes in consumption pattern calls for firms to innovate and to offer high quality products that provide maximum satisfaction to consumers and to enlist their loyalty. Thus, the need to properly understand the relationship between product quality and customer loyalty has been an ongoing subject.

This study examined the influence of product quality on loyalty of consumers of Star Lager Beer in Enugu Metropolis. The results of the statistical analyses demonstrates that loyalty of consumers of Star Lager Beer in Enugu Metropolis is influenced by quality of product. The study thus concludes that product quality determines loyalty of consumers of Star Lager Beer in Enugu Metropolis and recommends that Nigerian Breweries, the makers of Star Lager Beer continually improve the quality Star Lager Beer, if they desire to sustain the loyalty of consumers of their product.

REFERENCES

- Abugu, J. O., Ozo, J. U., & Olugbenga, T. G. (2018). Assessment of determinants of beer brand loyalty building in Nigeria and challenge. *International Journal of Academic Research in Economics and Management Sciences*, 7(3), 47-59.
- Achana, S., & Srivatava, M. (2013). Factors affecting customer satisfaction: A study on Maruti Suzuki. *International Journal of Advanced Research in Computer Science and Software Engineering*, 3(5), 28-42.
- Ajimati, M. O. (2012). The significance of integrating product innovation in increasing business competition. *Journal of Marketing Management*, 25(1/2), 75-95.
- Aniuga, C., & Ike-Elechi, O. (2021). Product innovation and customer satisfaction in Nigeria Brewery Industry: A Study of customers of Star Larger Beer by Nigerian Breweries Plc. in South-East Nigeria. *African Scientific Journal*, 3, 48-65.
- Aniuga, C., & Kelechi-Nwamou, U. D. (2021). Product packaging innovation and customer loyalty: A case of customers of Star Larger Beer by Nigerian Breweries Plc in Anambra state, Nigeria. *International Journal of Hospitality, Leisure and Tourism*, 5(1), 21-41.
- Ateke, B. W., & Isaac, H. A. (2020). Online consumer protection initiatives and e-loyalty. *International Academic Journal of Management and Marketing*, 6(5), 59-73.
- Ateke, B. W., Asiegbu, I. F., & Akekue-Alex, N. (2016). Value customization and relationship commitment of business-2-business buyers. *African Social and Educational Journal*, 5(1), 178-197.
- Ateke, B. W., & Nadube, P. M. (2017). Agile marketing for organizational resilience in a dynamic business environment: A theoretical reflection. *Rhema University Journal of Management and Social Sciences*, 5(2), 133-143.
- Asghar, A. J., Mohammad A. H. G., Seyed A. M., Khaled, N., Sayed, M. (2011). Study of the effects of customer service and product quality on customer satisfaction and loyalty. *International Journal of Humanities and Social Science*, 1(7), 253-260.
- Chakraborty, G., Srivatava, P., & Marshall, F. (2007). Are drivers of customer satisfaction different from buyers/users from different functional areas? *Journal of Business and Industrial Marketing*, 22(1), 20-28.
- Enzing, C. (2009). Product innovation in the Dutch food and beverage industry: A study on the impact of innovation process, strategy and network on the product short- and long-term marketing performance.
- Flynn, B. B., Schroeder, R. G., & Sakakibara, S. (1994). A framework for quality: Management research and an associated measurement instrument. *Journal of Operations Management*, 54(8)339-366.
- Hussain, G., & Ranabhat, O. (2013). Influence of service and product quality on customer retention academy of education and economic studies department of business and economic studies; A Swedish grocery store.
- Kotler, P., & Keller, K. L. (2006). *Marketing management (12th edition)*. Prentice-Hall.
- Kotler, P., Keller, K. L., Ang, S. H., Leong, S. M., & Tan, C. T. (2009). *Marketing management: An Asian Perspective*. Prentice Hall.
- Jakpar, S., & Na, A. G. S. (2012). Examining product quality attributes that influences customer satisfaction most when price was discounted: A Case Study of Kuching Sarawak. *International Journal of Business and Social Science*, 3(23), 221-236.

- Jalal, H., & Haim H. (2015). The impact of product innovation on relationship quality in automotive industry: Strategic focus on brand satisfaction, brand trust, and brand commitment. *Asian Social Science*, 11(10). <http://dx.doi.org/10.5539/ass.v11n10p94x>
- Mei-Lien, L., & Green, R. D. (2010). A mediating influence on customer loyalty: The role of perceived value. *Journal of Management and Marketing Research*. Retrieved from <https://www.aabri.com/manuscripts/10627>
- Nemati, A. R., Khan, K., & Iftikhar, M. (2010). Impact of innovation on customer satisfaction and brand loyalty, a study of mobile phones users in Pakistan. *European Journal of Social Sciences*, 16(2), 299-306.
- Olga, M. (2015). Factors affecting beer customer satisfaction in the breweries industry: A case study of the East African Breweries Limited, Kenya. Unpublished Dissertation submitted to United States International University-Africa.
- Oliver, L. R. (1980). Effect of expectation and disconfirmation on post exposure product evaluations. (9): 13-20.
- Sultana R. C. (2017). Measuring the relationship between product quality dimensions and repurchase intention of smart phone: A case study on Chittagong city. *International Journal of Scientific & Engineering Research*, 8(2), 5-13.
- Warui, S. K., & Ngugi, K. (2013). Factors affecting customer loyalty in beer industry in Kenya: A case of East African Breweries Limited. *International Journal of Social Sciences and Entrepreneurship*, 1(2), 540-54.
- Wokoma, M. T., & Toruyouyei, E. G. (2019). Brand identity and customer loyalty of food and beverages firms in Port Harcourt. *Rivers State University Journal of Contemporary Marketing*, 4, 45-53.