



Young Consumer Reaction to Product Harm Crisis with Respect to a Processed Dairy Product: A Case Study of the Faculty of Agriculture, University of Ruhuna

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Abstract

Product harm crises are discrete, well-publicized incidences, where the products are found to be defective or dangerous. They are extremely undesirable and unforeseen events regularly accompanied by different companies and this can be devastating for the brand, company and the product. Present study used a fictitious product harm crisis scenario related to the fictitious yogurt brand in order to investigate young consumer reactions towards such a crisis. Ninety (90) undergraduates of the Faculty of Agriculture, University of Ruhuna were selected by simple random sampling technique. A survey questionnaire was administered to collect primary data for the study. Results showed that consumers view the culpability of product harm crisis in different eyes. Among respondents, 62% identified product harm crisis as a company fault, while 48.3% of the respondents identified it as a brand fault. Moreover, 36.67% of them recognized it as a consumer fault. In addition, majority of the respondents were not willing to pay for the crisis brand by means of their repurchasing decision. This alarms the threat of incautious business processes with insufficient inspections. However, 35% of the respondents mentioned that the past brand performance is important when re-purchasing a particular brand, while 40.03% stated such crises will not negatively impact on the brand trust which have been already built by them. Moreover, respondents were demanding a compensation for the crisis. Hence based on the results, the present study suggests, conducting cautious business processes with sufficient inspections of its operations, because majority views product harm crises as a company fault. Moreover, companies should pay more attention towards creating brand performance and brand trust to recover the financial loss midst of product harm crises.

Key words: *Brand performance, brand trust, company culpability, product harm crisis, repurchasing behavior*

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