



## **Brand loyalty not always a benefit, study finds**

### **Loyal customers found to react more strongly to high-severity product recalls**

By Victoria Fryer

November 8, 2013

UNIVERSITY PARK, Pa. -- Brand commitment might not always be a good thing, and in the case of high-severity recalls, consumers with a high level of brand commitment may actually respond more negatively than those with less loyalty, according to researchers.

The findings come from a study by a team of researchers that included Raj Grewal, Irving & Irene Bard Professor of Marketing at the Penn State Smeal College of Business.

Brand commitment is found in consumers who are “attached to brands, form close relationships with them and have a general desire to maintain this close relationship,” said the researchers, who have published their findings in *Marketing Letters: A Journal of Research in Marketing*.

The prevailing wisdom is that brand commitment will help brands retain their standing among consumers in the case of negative attention like a product recall, but the researchers found the reality to be more nuanced.

In cases of high-severity recalls — recalls of products that could cause serious injury or death — Grewal and his colleagues found that brand commitment actually acted as a liability.

“Committed consumers may come to expect more from the brand they like and thus feel especially disappointed when the brand gets recalled,” the researchers wrote. “Indeed, committed consumers might view a product recall as a ‘breach of contract,’ and hence might exhibit more negative responses following a recall announcement than their less committed counterparts.”

On the other hand, in cases of low-severity or ambiguous product recalls, Grewal and his colleagues confirm that brand commitment can help mitigate fallout. Previous research shows that consumers tend to resist negative information regarding brands they love, so brand loyalty can be helpful in the case of recalls that have a lower possibility of negative effects.

“Product Recalls and the Moderating Role of Brand Commitment” is currently available online. Authors include Grewal, Frank Germann of the University of Notre Dame, William T. Ross Jr. of the University of Connecticut and Rajendra K. Srivastava of the Singapore Management University.