
**PRODUCT QUALITY, SERVICE QUALITY, AND PRICING AS
DETERMINANTS OF CUSTOMER PURCHASE INTENTION IN THE
BAKERY INDUSTRY: EVIDENCE FROM OJIN BAKES, CALICUT,
KERALA**

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ABSTRACT

The bakery industry in India is rapidly growing, with market competition intensifying as consumer expectations evolve. This study explores how product quality, service quality, and pricing strategies act as determinants of customer purchase intention in the context of OJIN Bakes, a leading regional bakery brand in Calicut, Kerala. Using a descriptive research design, primary data were gathered from 100 customers through structured questionnaires employing convenience sampling. Statistical analysis via percentage analysis revealed that product quality dimensions — including taste (74%), freshness (74%), and ingredient quality (73%) — consistently influence customer purchase decisions. Service quality variables such as staff behaviour (73%), speed of service (73%), cleanliness and hygiene (73%), and overall service quality (73%) further emerged as significant predictors of purchase intention. Pricing was perceived as reasonable by 71% of respondents, indicating price sensitivity among OJIN Bakes' customers. Promotional pricing through discounts and offers also influenced 73% of respondents. These findings confirm that an integrated approach combining product excellence, superior service, and fair pricing is essential for sustaining and growing customer purchase intention in the competitive bakery market. Implications for bakery management, marketing practitioners, and future researchers are discussed.

KEYWORDS: *Product quality, Service quality, Pricing strategy, Purchase intention, OJIN Bakes, Bakery industry, Consumer behaviour, Calicut, Promotional offers, Customer satisfaction.*

1. INTRODUCTION

The Indian food and bakery industry has experienced remarkable growth in recent decades, driven by changing consumer lifestyles, urbanization, and the proliferation of modern retail formats. The bakery sector, valued at approximately USD 7.60 billion, encompasses bread, biscuits, and cakes and pastries, positioning India as the second largest biscuit producer globally after the United States. Within this thriving industry, bakery businesses face intense competition from both organized and unorganized players, making it imperative to understand what drives customer purchase intentions.

Consumer purchase intention in the food industry is a complex, multi-dimensional phenomenon shaped by a combination of tangible and intangible factors. Product quality — encompassing taste, freshness, ingredient quality, and appearance — forms the foundation of customer satisfaction in the bakery context. Service quality, including staff behaviour, speed of service, cleanliness, and overall ambience, further shapes the customer experience and influences repeat purchase behaviour. Pricing strategy, recognized as a critical marketing mix element, directly impacts consumers' perceived value and their willingness to purchase.

OJIN Bakes, established in 1982 in Calicut (Kozhikode), Kerala, has grown from a humble confectionery shop into a major regional bakery brand with an annual turnover exceeding Rs. 22 crores and a workforce of over 500 employees. As the first bakery in Kerala to obtain ISO certification, OJIN Bakes is committed to quality and innovation, offering nearly 15 varieties of bakery products including cream cakes, plum cakes, tea cakes, biscuits, dates, and traditional sweetmeats. This study examines how product quality, service quality, and pricing strategies determine customer purchase intentions at OJIN Bakes.

2. STATEMENT OF THE PROBLEM

Despite OJIN Bakes' established brand presence and comprehensive product portfolio, the dynamic nature of consumer preferences necessitates a systematic evaluation of how its marketing strategies align with customer expectations. In the present competitive bakery market in Calicut, customers have access to multiple alternatives from competitors including KM Bakes, MRA Bakes, and Cochin Bakes, making customer retention a strategic priority.

While product quality, service quality, and pricing are widely acknowledged as key purchase intention drivers in the food industry literature, empirical evidence specific to the regional bakery context in Kerala remains limited. Specifically, there is insufficient understanding of the relative importance of these factors in shaping the purchase decisions of OJIN Bakes' customers. Without such systematic analysis, the management of OJIN Bakes is unable to optimize its marketing investments and prioritize improvement initiatives that have the greatest impact on customer purchase intention.

This study, therefore, seeks to empirically examine and quantify the influence of product quality, service quality, and pricing strategies on customer purchase intentions at OJIN Bakes, Calicut, thereby filling the identified research gap and providing actionable managerial insights.

3. OBJECTIVES OF THE STUDY

- To assess the influence of product quality dimensions — taste, freshness, and ingredient quality — on customer purchase intentions at OJIN Bakes.
- To analyze the role of service quality variables — staff behaviour, speed of service, cleanliness, and overall service quality — in shaping customer purchase intentions.
- To study the effect of pricing strategies, including perceived price reasonableness and promotional pricing, on customer purchase intentions.
- To understand customer perceptions regarding product quality, service quality, and pricing at OJIN Bakes.
- To identify the most influential dimension among product quality, service quality, and pricing in determining customer purchase intentions.
- To provide practical recommendations for improving marketing effectiveness and customer purchase intentions at OJIN Bakes.

4. SCOPE OF THE STUDY

The present study is confined to an analysis of product quality, service quality, and pricing strategies as determinants of customer purchase intentions at OJIN Bakes, Calicut. The research encompasses customers who have visited and purchased from OJIN Bakes within the Calicut region, ensuring that insights are grounded in actual customer experience.

The study does not extend to comparative analysis with competitor bakeries, other branches of OJIN Bakes outside Calicut, or broader supply chain and operational dimensions. The geographical boundary is limited to the Calicut (Kozhikode) region of Kerala. The findings

and recommendations are primarily intended to assist OJIN Bakes' management in evaluating and enhancing their marketing strategies for sustained competitive advantage in the local bakery market.

5. REVIEW OF LITERATURE

5.1 Product Quality and Purchase Intention

Dodds, Monroe, and Grewal (1991) established that perceived product quality is a critical mediator between price and purchase intention. Their research confirmed that consumers use quality cues, including taste, freshness, and ingredient integrity, to evaluate the worth of food products. When perceived quality meets or exceeds expectations, purchase intention is significantly strengthened.

Wijayantiarni and Roostika (2021) examined food quality and price fairness at bakery shops in Yogyakarta and Surakarta, finding that perceived food quality directly and significantly influences customer satisfaction, which in turn drives revisit intention and positive word-of-mouth. Their study underscores that consistent product quality is the bedrock of customer loyalty in the bakery industry.

Widyaningrum, Sudarmiadin, and Rahayu (2025) confirmed that well-designed marketing campaigns combined with reliable product quality significantly enhance customers' willingness to purchase bakery items, stressing that quality assurance and brand positioning work synergistically to drive purchase intention.

5.2 Service Quality and Purchase Intention

Zeithaml, Bitner, and Gremler (2013) defined service quality as the customer's overall assessment of the excellence or superiority of service delivery. Their SERVQUAL framework identifies reliability, assurance, tangibles, empathy, and responsiveness as key service quality dimensions influencing customer satisfaction and behavioural intentions.

Fournier (1998) demonstrated that consistent, trustworthy interactions between consumers and brands — including service encounters — foster emotional connections that increase purchase intention and loyalty. In the bakery context, courteous staff behaviour and efficient service delivery directly contribute to brand relationship quality.

Winarno and Roostika (2024) applied the UTAUT model to food service, finding that performance expectancy — aligned with service reliability and efficiency — is a significant driver of purchase intention, indicating that service quality assurance is essential for customer commitment in the food industry.

5.3 Pricing Strategy and Purchase Intention

Dodds et al. (1991) highlighted the dual role of price in consumer decision-making: while high prices may signal quality, prices perceived as unreasonable deter purchase. The critical factor is perceived value — the trade-off between perceived quality and perceived sacrifice (price paid).

Ulfitriana et al. (2025) found that competitive pricing had a stronger direct effect on bakery purchase intention than digital marketing alone at Mataram City bakeries, indicating that price sensitivity is particularly pronounced among regional bakery consumers.

Ibrahim and Rahman (2025) confirmed that price value is a significant positive predictor of purchase intention for cake products via social commerce, underscoring the importance of transparent, competitive pricing in driving online and offline bakery purchase decisions.

5.4 Promotional Pricing and Purchase Intention

Armstrong and Kotler (2017) emphasized that promotional strategies, including discounts, seasonal offers, and loyalty programmes, effectively communicate product value to consumers and stimulate purchase intention. Promotional pricing creates a sense of urgency and perceived added value that triggers buying decisions.

Akbar, Handayani, and Zoniarti (2025) demonstrated that price and digital marketing jointly and significantly influence consumer purchase intention, with competitive pricing being especially effective when integrated with digital promotional campaigns. Their findings align with the role of promotional offers observed in the present study context.

6. RESEARCH METHODOLOGY

6.1 Research Design

This study adopts a descriptive research design, which is appropriate for systematically describing and analyzing customer perceptions regarding product quality, service quality, and pricing at OJIN Bakes without manipulating any variables. The survey method is employed for data collection.

6.2 Data Collection

Primary data were collected directly from 100 customers of OJIN Bakes, Calicut, through a structured questionnaire. The questionnaire employed a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) to measure respondent opinions on product quality, service quality, and pricing variables. Secondary data were gathered from textbooks, peer-reviewed journals, company records, and online databases.

6.3 Sampling Design

Table 1: Research Methodology Summary.

Component	Description
Research Type	Descriptive Research
Population	Customers of OJIN Bakes, Calicut
Sampling Technique	Convenience Sampling
Sample Size	100 Respondents
Data Collection Instrument	Structured Questionnaire (5-point Likert Scale)
Statistical Tools	Percentage Analysis, Frequency Distribution
Study Area	Calicut (Kozhikode), Kerala
Study Period	21 Days

7. DATA ANALYSIS AND INTERPRETATION

7.1 Product Quality Analysis

Table 2: Product Quality and Purchase Intention.

S.No	Product Quality Variable	Agree/Strongly Agree (%)	Neutral (%)	Disagree (%)
1	Taste influences purchase decision	74%	14%	12%
2	Freshness affects buying choice	74%	15%	11%
3	Ingredient quality is satisfactory	73%	16%	11%
4	Product quality motivates preference	74%	15%	11%

All four product quality dimensions — taste, freshness, ingredient quality, and overall product quality — exhibit a consistent agreement rate of 73–74%. This uniformity suggests that product quality as a composite construct is a strongly reliable determinant of purchase intention at OJIN Bakes. The slightly higher agreement on taste and freshness indicates that sensory attributes are the most immediate quality cues customers rely on during purchase evaluation.

7.2 Service Quality Analysis

Table 3: Service Quality and Purchase Intention.

S.No	Service Quality Variable	Agree/Strongly Agree (%)	Neutral (%)	Disagree (%)
1	Staff behaviour influences purchase	73%	17%	10%
2	Speed of service affects satisfaction	73%	17%	10%
3	Cleanliness and hygiene influence decision	73%	16%	11%
4	Overall service quality motivates purchase	73%	16%	11%

All service quality variables uniformly register an agreement rate of 73%, indicating that staff behaviour, speed of service, cleanliness, and overall service quality exert an equal and significant influence on customer purchase intentions. The consistent scores across all service dimensions suggest that OJIN Bakes' customers perceive service quality holistically, and any deterioration in a single service dimension could affect overall purchase intention.

7.3 Pricing Strategy Analysis

Table 4: Pricing and Purchase Intention.

S.No	Pricing Variable	Agree/Strongly Agree (%)	Neutral (%)	Disagree (%)
1	Prices are reasonable	71%	18%	11%
2	High prices reduce purchase intention	28%	22%	50%
3	Discounts and offers influence purchase	73%	16%	11%

The pricing analysis reveals that 71% of customers perceive OJIN Bakes' prices as reasonable, confirming that the brand maintains a positive price-value perception. Significantly, 50% of respondents disagree that high prices discourage their purchase, suggesting that customers are willing to pay for the quality offered. Promotional pricing through discounts and offers attracts 73% of respondents, highlighting its role as an effective short-term purchase stimulant.

7.4 Comparative Analysis of Key Determinants

Table 5: Comparative Influence of Purchase Intention Determinants.

Determinant	Average Agreement (%)	Rank	Interpretation
Product Quality	74%	1	Most influential determinant
Service Quality	73%	2	Equally influential determinant
Promotional Pricing	73%	2	Equally influential (tied)
Price Reasonableness	71%	4	Important but relatively lower

The comparative analysis reveals that product quality (average 74% agreement) is the primary determinant of purchase intention at OJIN Bakes, marginally surpassing service quality and promotional pricing (73% each). Price reasonableness, while important, registers the lowest agreement score (71%), suggesting that customers place quality and service slightly above price in their purchase evaluation hierarchy for bakery products in Calicut.

8. FINDINGS

- Product quality emerges as the most influential determinant of purchase intention, with taste (74%) and freshness (74%) being the most critical quality dimensions for OJIN Bakes' customers.
- Ingredient quality satisfaction (73%) reflects positive overall product quality perception, affirming customers' trust in OJIN Bakes' production standards.
- All service quality dimensions — staff behaviour, speed, cleanliness, and overall service — uniformly influence 73% of customers' purchase intentions, confirming service quality as a consistently strong purchase driver.
- 71% of respondents perceive OJIN Bakes' pricing as reasonable, indicating a positive price-value perception among the majority of customers.
- Promotional pricing through discounts and offers positively influences 73% of customers, suggesting its effectiveness as a short-term purchase stimulant.
- Only 28% of respondents agree that high prices reduce their purchase intention, while 50% disagree, reflecting a quality-first orientation among OJIN Bakes' customer base.
- Product quality (avg. 74%) marginally ranks above service quality and promotional pricing (avg. 73% each) as the leading determinant of purchase intention.
- 62% of respondents disagree that OJIN Bakes' packaging is unattractive, confirming positive packaging perception as a complementary purchase intention driver.

- Young adults (21–30 years, 42%) dominate the customer base, suggesting a need for marketing strategies that resonate with younger consumer preferences.
- Female customers (50%) slightly outnumber male customers (48%), indicating the importance of gender-inclusive marketing communication.

9. SUGGESTIONS

- OJIN Bakes should institute a rigorous quality control system to maintain consistent taste, freshness, and ingredient standards across all product lines, as product quality is the primary purchase driver.
- Investment in cold-chain logistics and real-time freshness monitoring can enhance product freshness delivery, directly strengthening purchase intention.
- A structured customer service training programme covering communication skills, responsiveness, and hygiene protocols should be implemented regularly to maintain the 73% service quality satisfaction rate.
- Mystery shopping audits and customer feedback mechanisms should be introduced to continuously monitor and improve service quality dimensions.
- OJIN Bakes should maintain its price competitiveness by benchmarking against competitors and adjusting pricing strategies in response to raw material cost changes, ensuring sustained positive price-value perceptions.
- Loyalty reward programmes and seasonal promotional offers should be structured to attract new customers while rewarding repeat buyers, leveraging the high responsiveness (73%) to promotional pricing.
- The bakery should develop targeted marketing campaigns for the 21–30 age group through social media platforms, highlighting product quality, freshness, and attractive packaging.
- Packaging quality and sustainability features should be enhanced to reinforce product quality perception at the point of purchase, capitalizing on the strong association between packaging and quality perception identified in this study.

10. CONCLUSION

This study provides empirical evidence that product quality, service quality, and pricing strategies are significant and consistent determinants of customer purchase intentions at OJIN Bakes, Calicut. Among these determinants, product quality — specifically taste, freshness,

and ingredient quality — emerges as the most influential factor, reflecting the primacy of sensory and functional product attributes in bakery consumer decision-making.

Service quality, particularly staff behaviour, speed of service, cleanliness, and overall service experience, exerts an equally strong influence on purchase intentions, underlining that the complete service encounter at OJIN Bakes is as important as the product itself. Pricing, while slightly less influential than product and service quality, plays a vital complementary role, with promotional offers serving as effective purchase stimulants.

The study's findings are consistent with established marketing theory, particularly the work of Dodds et al. (1991) on price-quality-purchase intention relationships, Zeithaml et al. (2013) on service quality dimensions, and Armstrong and Kotler (2017) on promotional strategy effectiveness. For OJIN Bakes, maintaining superiority across all three determinants — product quality, service quality, and pricing — through an integrated and customer-centric marketing approach is essential for sustaining and expanding its competitive position in the Calicut bakery market.

Future studies may extend this research by employing multivariate statistical tools such as multiple regression or structural equation modelling to quantify the relative contribution of each determinant, and by incorporating digital marketing effectiveness as an additional variable reflecting the growing importance of online consumer engagement.

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