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Factors Influencing Purchase Preferences of Store Brands: Examples from Hypermarkets in Malaysia

Norbani Chc-Ha, Sharifah Latifah Syed A. Kadir and Choo Wee Li

This study is to investigate factors that describe consumers' perceptions towards store brands, and important factors that influence consumers towards purchasing store brands. The factors, such as, price, product quality, product risk, familiarity, involvement, intrinsic and extrinsic cues, and familiarity are used to gauge the purchase preferences. The study is carried out in Klang Valley involving two most popular hypermarkets in Malaysia that are Tesco and Giant. Out of 444 consumers that were intercepted and asked to participate only 300 accepted to participate and completed the questionnaire, resulting to 68% response rate. Results of the study indicate that factors such as price, familiarity and involvement are popular in describing customers' perceptions towards store brands however, only price and familiarity are the determinant in their purchasing of store brands.

Keywords: purchase preferences, store brand, consumer behavior, hypermarket.

Introduction

The awareness about store brands is gaining momentum across many countries in developed and developing countries. Consumers in countries, such as Australia, New Zealand, Japan, Hong Kong and Thailand indicate more than 90% awareness about their store brands. Likewise, consumers in Taiwan, Korea, China, Singapore and Malaysia indicate an average of 77% awareness (AC Nielsen, 2006). The tremendous increase in the level of awareness among consumers contributes significantly by the proliferation of store brands in retail outlets.

Moreover, the high percentage of awareness of store brands is also translated to consumers buying the brands. For instance, store brands in Europe and North America control the global market share by 23% and 16% respectively in year 2005. These percentages, however, are far above Asia Pacific markets (e.g., Hong Kong, Australia, South Korea and Thailand) that were at 4% (ACNielsen Global Service, 2005). This is reflected in low percent of consumers purchasing store brands in these countries despite the widespread awareness about the brands. For instance, among countries such as Malaysia, Hong Kong, Taiwan, Singapore and Indonesia, only an average of 36% of the consumers purchase

store brands (ACNielsen, 2006).

This low percentage indicates an urgent need for retailers to strategically understand the association between their consumers and store brands. One way of looking at this association is by examining factors that are important to consumers in their decision making about store brands. This is similar to the purpose of this empirical study to investigate factors that influence consumers in choosing store brands products.

Store Brands

Store brands or private label brands are defined as "one sponsored or owned by a company whose primary business is distribution and/or selling the given product line" (Rothe and Lamont, 1973:19). Store brands, started with tea as a product category over 100 years ago (Raju et al., 1995), are expanding to variety different products, such as fresh, frozen and dry foods, snacks, pet foods, over the counter drugs, cosmetics, laundry products, DIY and auto aftercare (www.plma.com). All of these products generated over \$50 billion in sales in year 2000 (Harcar et al., 2006).

The growing attention received by store brands is due to significant benefits contributed by the brands. For instance, Morris (2002) states that strong store brands can generate double profits for retailers. It is also contribute to higher margin (Hoch and Banerji, 1993), that is considered by many as the ultimate reason for retailers to carry and promote the brands (Ailawadi, 2001).

Moreover, store brands assist to increase retailers' bargaining power (Mills, 1995; Narasimhan and Wilcox, 1998). This takes place when a credible store brands competition can allow retailers to gain better terms of trade from the manufacturers, such as higher margins on national brands (Ailawadi, 2001; Steiner, 2004). Furthermore, successful store

brands can potentially increase customer traffic (Richardson et al., 1996), generate store loyalty (Ailawadi, 2001) and even distinguish the store from others, in that their products are unique to the retailers but different from manufacturer brands or other store brands (Richardson et al., 1996; Corstjens and Lal, 2000).

Due to many advantages that can be reaped from store brands, attention given to the topic started to flourish not only from business magazines but also academic journals. In academic journals, the coverage of the issue ranges from point of view on economic to competition with national brands to consumer behavior (e.g. Myers, 1967; Burger and Schott, 1972; Bellizzi and Martin, 1981; Richardson et al., 1996; Harcar et al., 2006). However, from the perspective of consumer behavior, the scope is rather focused, among others are on demographic profile (e.g., Cunningham et al., 1982; Richardson et al., 1996), personality characteristics (e.g., Frank and Boyd, 1965; Frank 1967), shopping style (e.g., Bellizzi et al., 1981) consumer proneness to store brands (e.g., Baltas, 1997) and purchase intention or preferences (e.g., Cortjens et al., 2000; Harcar et al., 2006).

Many factors are linked to purchase preferences of store brands. But, for this study factors investigated are involvement, price perception, product quality perception, familiarity and perceived risk (Richardson et al., 1996; Harcar et al., 2006), intrinsic and extrinsic cues (Richardson et al., 1994; Cunningham et al., 1982). These factors are selected as they are regarded to play important roles in influencing store brand purchases in these past few years specifically from year 1994 to year 2006. Discussion on these factors will follow right after an overview on the growing importance of store brands in Malaysia. After that, research questions, methodology and research design, research results and

conclusion and implications of the study will be elaborated.

Store-Brands in Malaysia

In Malaysia, store brands products are available in department stores, supermarkets, warehouse clubs and hypermarkets that include food and non-food products. However, hypermarkets are most prevalent in terms of offering store brands. For example, Carrefour (one of the major hypermarkets in Malaysia, others are Giant and Tesco) offers approximately 550 store brand products in seven of their stores in Malaysia (Euro Monitor International, 2007).

Hypermarkets also are growing in their presence and importance in Malaysia. For instance, the number of hypermarkets in Malaysia has increased tremendously from just 6 outlets in year 2000 to 43 outlets in year 2005 with sales of only Ringgit Malaysia (RM) 0.7 billion in year 2000 to RM 4.9 billion in year 2005 (Euro monitor International, 2007). However, compared to the supermarket chains such as Sainsbury in the United Kingdom, which gain 59% of their sales from store brands (Morris, 2002), the two big hypermarket operators in Malaysia, Giant and Tesco, are no where near.

Clearly, there is still room for growth, and retailers will need to find out the influencing factors of store brands purchase in Malaysia. With this knowledge, retailers will be able to strategize their position and market their store brand products more effectively to their consumers and especially to non-consumers. This knowledge, moreover, can be extended to other countries particularly in the region that share rather a similar pace of economic development. In addition, the knowledge gained can enhance our understanding of consumer decision making on store brands literature that is lacking in the region. This is because

most studies on store brands, thus far, are conducted in the USA, the UK and Europe. Their findings might not adequately explain the preferences of Malaysian consumers on store brands.

Factors Influencing Purchase of Store Brands

Price

Myers (1967) states that price of the product is the powerful indicator compared to personality and socio-economic factors that attract price conscious consumers to purchase store brands. It is regarded as one of the key factors that influence the purchase preferences of consumer (Burger and Schott, 1972; Livesey and Lennon, 1978; Liehtenstein et al., 1988; Miranda and Joshi, 2003).

Retail price of store brands, most of the time, is lower relative to national brand (Raju et al., 1995). The more the gap between prices of the same product category of store brands in relation to national brands, the more positive effect resulted to that particular category of store brands (Dhar and Hoch, 1997). In fact, an increase in market share of store brands products is associated to their prices (Burton et al., 1998). In that, price increase in store brands leads to lower share of store brands (Ashley, 1988)

Related to price is value for money concept. Many, in fact argue that the tendency to purchase store brands, are due to value for money and not so much on the price alone (e.g., Richardson et al., 1996).

Value for money is a tradeoff between price and quality (Livesay and Lennon, 1978; Myers, 1967). In that, the quality of the product and its price is contrasted. Thus, a low priced product that has many desirable features is viewed as offering greater value for money than a similar

product with different brand name that is sold at high price (Richardson et al., 1996).

Product Quality

Even though the common assumption that store brands products are purchased based on price, some researchers argue that consumers' tendency to buy store brands due to other factors such quality of the products (Hoch and Banerji, 1993). Product quality indicates the extent to which a product meets or exceeds consumers' expectation (Garvin, 1987).

Product quality is known as an important factor influencing consumer purchase intentions (Hoch and Banerji, 1993; Richardson et al., 1996). Nevertheless, consumers are reported to be suspicious of store brands' quality (Dick et al., 1995) even though there is effort by major retailers to upgrade the quality of their store brands. It is asserted that consumers who do not purchase store brands are more inclined to believe that store brands offer lower product quality compared to national brands (Dick et al., 1995).

The suspicious is due to inconsistency of product quality across store brands that intensify consumers' uncertainty towards the brands (Erdem et al., 2004). Consistency in product quality is crucial, such that the more consistent the quality, the greater the ability of store brands to attract consumers including non-loyal customers (Steenkamp and Dekimpe, 1997). Consumers in the U.K., for instance, accept store brands better compared to their counterparts in the USA mainly because quality level of store brands is more consistent in the U.K than in the USA (Erdem et al., 2004).

Product Risk

Product risk, in this study, is defined in terms of consumer perceptions of uncertainty and undesirable consequences

of buying a product (Dowling and Staelin, 1994). It is regarded as the expected negative utility (Dunn et al., 1986) or the expected penalty (Narasimha and Wilcox, 1998) associated with a purchase of a product or brand. For instance, consumers are concerned that by purchasing a certain product or brand, they might not be able to possess preferred attributes and experience fully the product performance. The product also might invite social disapproval (Dick et al., 1995) or expose them to emotional or psychological risk (Narasimhan and Wilcox, 1998). In this vein, product risk is regarded by many as a decisive factor that determines consumers' evaluation and purchase of store brands (Dunn et al., 1986; Richardson et al., 1996).

Moreover, the success of store brands depends on how consumers associate the products with risk. For instance, Bettman (1973) asserts that the uncertainty and danger connected with store brands differentiate the products from national brands. The author adds that consumers link national brands with lower performance risk and high financial risk as compared to store brands. Thus, the lower the perceived risk associated with store brands, the higher the tendency of consumers to purchase store brands. In the UK, for instance, the success of store brands contributes to their products perceived as lower risk (Erdem et al., 2004).

Involvement

Involvement is defined as a "person's perceived relevance of the object based on inherent interests, needs and value" (Miquel et al., 2002: 8).

Several studies indicate that personal involvement with a product is the prevailing factor in explaining the reasons behind consumers' acceptance of a certain brand (e.g., Zaichlowsky, 1985; Richardson, 1997; Baltas and Doyle, 1998).

A higher level of involvement is related to greater knowledge about the product (or product category). This suggests that greater number of attributes being used to decide on the purchase, for instance, ingredient of the products or number of brands in the product category. It is reported that the greater the level of involvement on the product (product category), the greater the propensity for consumers to purchase store brands (Miquel et al., 2002). Thus, the greater the knowledge the consumers have on the product category, the greater the preferences for store brands.

Intrinsic Cue

An array of cues is usually used to serve as a substitute to represent quality of assessment of products to consumers. They are used mainly because they are easy to grasp, interpreted, evaluated and assessed (Dick et al., 1996). Cues can be intrinsic and extrinsic. Intrinsic cues are properties of product that are not easily manipulated, and they like ingredients, aroma, taste and texture (Olsen, 1972).

Cues are used particularly by groups of consumers such as bargain hunters and variety seekers who are less likely to believe that brand name or price are the predictor of quality product (Dick et al., 1996). Thus, they rely more on intrinsic cues to differentiate between purchases of national and store brands (Webster, 1965; Bellizzi et al., 1982; Cunningham et al., 1982). In fact, when there is no differences found, i.e. from a performance point of view, between the two brand categories, consumers may be less willing to pay the premium for national brands and opt for store brands (Richardson et al., 1994).

Extrinsic Cue

Extrinsic cues are brand name, packaging, price, labeling and promotion. They assist in

image building of the product. A number of studies show that extrinsic cues are heavily used to evaluate a brand of a product (e.g., Wheatley and Chu, 1977; Purwar, 1982; Rao and Mondoe, 1989).

Store brands are generally lower priced, poorly packaged, lack of brand recognition and rarely advertised, thus they are at disadvantage compared to national brands (Cunningham et al., 1982; Richardson et al., 1996; Wulf et al., 2005). This situation sends out negative signal about store brands that they are inferior, unreliable and risky products (Talhar et al., 2006) which may discourage the purchase of the brands.

Familiarity

Familiarity is a "brand comprehension, product knowledge or skill in judging the criteria needed to evaluate products" (Richardson et al., 1996: 166). Similarly, familiarity depends on how much consumers know or assume to know about the product (Park and Lessig, 1981).

Consumers with low familiarity are linked to those who have not search nor use the product before. They have no information about the brand differences particularly between store and national brands (Park and Lessig, 1981). They relies more on cues gathered from the products. This situation provides opportunity to manufacturers to offer a similar product with different packaging and brand name i.e. store and national brand names (Richardson et al., 1996).

The level of familiarity is also among the reason why there is high number of people not purchasing store brands. For instance, one third of respondents from a study in Greece stated that they never purchase store brands because of they are not familiar with the brands (Velloutsou et al., 2004).

Purchase Preferences

As established earlier, all the above factors are postulated to be important in determining purchase preferences of store brands. Purchase preferences, on the other hand, refer to approaches or manners consumers make in making decision about their purchase. Their decision are based on many attributes such as personal and product or brand factors, but it all depends on how much weight is given on those attributes, such as price or quality or familiarity or other attributes (Chan, 1996).

It is understood that if customers receive a favorable assessment on their choice of product or brand attributes, it is highly likely that they will purchase the product or the brand.

Research Objectives

With all the discussion above, this study is to:

1. Rank the dimensions that describe consumers' perceptions towards store brands
2. Determine factors that describe dimensions of store brand within the Malaysian context
3. Examine important factors that influence consumers' purchase of store brands

Methodology and Research Design

A set of questionnaire was designed as the measurement instrument for this study. A 5-point Likert type scale was used in the questionnaires with the centre point being neutral to either "Agree" or "Disagree". The questionnaire consist of forty three (43) items to measure the seven perceptual constructs; seven (7) items for store brand preferences; and five (5) demographic

profile questions.

Hypermarket-intercept survey, a personal or face-to-face interviewing method, was carried out in order to collect data for this study. This technique has three main advantages associated with personal interviewing as follows:

1. Establish good rapport with respondents and motivate them to participate;
2. Clarification or misunderstanding of questions are provided on the spot, if respondent require any; and
3. Questionnaires are collected immediately upon completion.

Respondents for the survey were selected randomly from the high traffic of hypermarket patrons in the two most popular hypermarket chain in Klang Valley, i.e. Tesco and Giant. The interview locations were Tesco Hypermarket in Puchong, Mutiara Damansara and Ampang, and Giant Hypermarket in Puchong, Shah Alam and Kelana Jaya. Respondent were screen after being selected to confirm eligibility of participation. The selected consumers was asked whether he/she frequents hypermarket more than 12 times a year and the last purchase was done within a month ago or less. The survey was carried out on four consecutive weekends within two months period.

A total of 444 customers were intercepted and asked to participate, only 300 accepted to participate in the survey. One hundred and forty four (144) customers were either turned down the offer with reasons such as "no time" or "not interested" or rejected since they disqualify the screening stage. The 300 completed responses were retained, thus a response rate of 68% was obtained.

Data coding was performed to facilitate the entry of response. The collected data were then analysed using SPSS software. Descriptive analysis, Exploratory analysis

using Factor analysis technique and regression were performed on the data.

Research Results

Table 1 shows the demographic profile of respondents. Majority of them (58%) are female. More than half of respondents (52%) are aged between 25 and 34 years old. Majority of them (49%) also are university degree holders.

Sixty percent (60%) of them are from sub-middle-class earners of RM 1,001 to RM 5,000 monthly, while 26% are of middle-class earners of RM 5,001 to RM 10,000 monthly. Amongst them, 41% has a family unit of three or four, 24% are of larger household of 5 or more.

Research Objective 1

– To rank the dimensions that describe consumers' perceptions towards store brands

The frequency of customers who agree/disagree or neutral in their perceptions towards the seven independent dimensions under study was calculated and the results are shown in Table 2. The results indicate that most of the customers feel that the *Intrinsic Cues* and *Quality of product* are not important in their decision on purchasing store brands. However, customers perceive that *Pricing*, *Familiarity* and *Involvement* of products are more important.

The reliability and the descriptive statistics of the seven dimensions used in the study was obtained and the result is

Table 1. The different ways of carrying out international operations – according to Bartlett and Ghoshal (1989)

Demographic	Details	No.	Percent
Gender	Male	127	42
	Female	173	58
Age (years)	15 – 24	16	5.5
	25 – 34	156	52
	35 – 54	109	36
	55 & above	19	6.5
Education	SPM/STPM	35	11.6
	Diploma	71	23.7
	Professional	20	6.7
	Degree	147	49
	Postgraduate	27	9
Monthly Household Income (RM)	Below 1000	15	5
	1,000 – 3,000	90	30
	3,001 – 5,000	89	30
	5,001 – 10,000	80	26
	10,001 - above	26	9
Family Size (person)	1	36	12
	2	69	23
	Less than 5	123	41
	5 & above	72	24

presented in Table 3. The Cronbach alphas for all dimensions exceeded 0.6 level as suggested by Hatcher (1994) with the exception of the *Product Risk* dimension which has a low Cronbach alpha scores of 0.461. This gives the indication of high consistency among items within each dimension. The skewness statistics provided in Table 3 shows that the dimensions of *Extrinsic*, *Intrinsic*, *Product Quality* are normally distributed with skewness range within (-0.282, 0.282). However for the rest of the dimensions their respective skewness statistics does not indicate any serious departure from normality.

The result shows that the mean score for most of the dimensions are above 3. This indicates that overall consumers perceived highly on *Product Price*, *Familiarity* and *Involvement* with means of 3.59 (s.d.=0.545),

3.54 (s.d.=0.692) and 3.42 (s.d.=0.530) respectively. *Quality of product* is perceived lowest with mean of 2.69 (s.d.=0.59) which indicates that consumers perceived quality variation among products is not obvious. *Intrinsic Cues* on product has a mean score of 2.84 (s.d.=0.645) indicating that whatever information cues provided in the product do not effect its taste or indicates inferiority of ingredients. *Risk* of product has a mean score of 2.85 (s.d.=0.464) which shows that consumers are not concern with financial risk or product quality on the product they purchased.

The rank of the seven dimensions was tested using Friedman rank test to see whether there is any significant difference between them and the following results (Table 4). The result indicates significantly that the highest rank among all the seven

Table 2. Percentage Distributions of the Customers' Perceptions towards the Eight Dimensions Studied

Dimensions	Disagree	Neutral	Agree
Extrinsic	36.7%	29%	34.3%
Intrinsic	44.7%	31.3%	24%
Product Quality	56%	26%	18%
Price	6.3%	18.3%	74.7%
Product Risk	41.7%	34.7%	23.7%
Involvement	13%	29.3%	57.7%
Familiarity	12.3%	23%	64.7%

Table 3. Descriptive Statistics of the Eight Dimensions Studied

Dimensions	No. of Items	Cronbach Alpha	Mean	Std. Deviation	Skewness
Extrinsic	8	0.609	3.01	0.513	-0.066
Intrinsic	7	0.771	2.84	0.645	0.181
Product Quality	6	0.703	2.69	0.590	0.205
Price	6	0.817	3.59	0.545	-0.450
Product Risk	6	0.461	2.85	0.465	0.305
Involvement	7	0.766	3.42	0.530	-0.415
Familiarity	3	0.750	3.54	0.692	-0.373
Buying Preference	7	0.860	3.22	0.558	-0.443

Table 4. The Friedman Test Result for Mean Rank

Dimensions	Mean Rank	Rank
Price	5.31	1
Familiarity	5.04	2
Involvement	4.69	3
Extrinsic	3.62	4
Product Risk	3.32	5
Intrinsic	3.18	6
Product Quality	2.84	7

dimensions is *Price* followed by *Familiarity* and *Involvement*. *Product Quality* is rank lowest followed by *Intrinsic Cues*. The result obtained in Table 4 matches those percentage distribution presented in Table 2 earlier.

Research Objective 2

- To determine factors that describe dimensions of store brand within the Malaysian context

Exploratory data analysis by means of factor analysis was performed on the data to determine whether each items load to its respective factors. The result obtained based on 0.3 cut-off point for the loadings is presented in Table 5. The grouping of item in each factors however differ significantly for the first two factors, namely the *Extrinsic* and *Intrinsic Cues*. The result indicates that *Extrinsic Cues* is measured solely on packaging attributes. This however resulted in very high Cronbach alpha of 0.881 which indicates very high internal consistency among respondents. The remaining items of *Extrinsic Cues* loads significantly with 6 items of *Intrinsic Cues*, yielding a reliability coefficient of 0.843.

The reliability coefficients of the data are compared based on the grouping of item before and after Factor analysis was performed and the summary is presented in Table 6. The grouping based on factor

analysis indicates that the four constructs have reliability coefficient that are remarkable improved from the grouping based on literature.

Based on the above data some of the items are deleted when the loadings are less than 0.30. However the descriptive statistics relating to the mean and standard deviation still indicates that *Price* is the most important factor considered in purchase preference. The two next most important factors considered are *Familiarity* and *Involvement*. These three factors however, are still maintained the same number of items in their grouping when Factor analysis was performed on the data.

To test the validity of the rank obtained in Table 4, the data were randomly split into 2 independent samples of 134 and 166 respondents and the following summaries were obtained.

T-test for independent sample mean was performed and the following results were obtained and presented in Table 8. The result indicates that the samples have equal variances and that there is no significant difference between the sample means. Thus, we can conclude that the validity of results in Table 4 is achieved.

Research Objective 3

- To examine important factors that influence consumers' store brands

Multiple regression was performed on the data to determine variables that influences the *Purchase Preference*. First, multiple regression using the enter method was conducted to determine the contributions of each variables. Later, multiple regression was rerun using the stepwise method, to eliminate the insignificant factors, thus producing the significant determinants of *Purchase Preference*, the results are presented in Table 9.

The result indicates that almost 18% of the variance in purchase preferences

Table 5. Factor Analysis Result Indicating the Loadings On Each of the Eight Factors

	Component								Mean	Std Dev	Reliability Coefficient
	1	2	3	4	5	6	7	8			
Extrinsic 1						.886			3.048	0.968	0.881
Extrinsic 2						.813					
Extrinsic 3	.587								2.8045	0.6296	0.843
Extrinsic 4	.454										
Extrinsic 5	.651										
Extrinsic 6	.608										
Intrinsic 1	.553										
Intrinsic 2	.704										
Intrinsic 3	.811								2.6935	0.65425	0.734
Intrinsic 4	.772										
Intrinsic 5	.784										
Intrinsic 6	.375										
Product Quality 1					.766						
Product Quality 2					.739				3.5933	0.5454	0.817
Product Quality 3					.606			x			
Product Quality 4					.660						
Product Quality 5					.575						
Price 1			.769								
Price 2			.528						2.8136	0.5662	0.567
Price 3			.668								
Price 4			.606								
Price 5			.695								
Price 6			.694								
Product Risk 1							.641				
Product Risk 2							.548		3.4195	0.5295	0.766
Product Risk 3							.629				
Product Risk 4							.368				
Involvement 1				.309							
Involvement 2				.811					3.54	0.69202	0.750
Involvement 3				.801							
Involvement 4				.650							
Involvement 5				.707							
Involvement 6				.387							
Involvement 7				.323							
Familiarity 1								.459			
Familiarity 2								.504	3.3303	.5919	.860
Familiarity 3								.359			
Buying Preference 1		.552									
Buying Preference 2		.753									
Buying Preference 3		.772									
Buying Preference 4		.649									
Buying Preference 5		.735									
Buying Preference 6		.805									
Buying Preference 7		.698									

Table 6. Comparing Reliability of Dimensions

Grouping based on Literature			Grouping based on Factor analysis		
Construct Label	No of items	Reliability Coefficient	Construct Label	No of items	Reliability Coefficient
<i>Extrinsic Cues</i>	8	0.609	<i>Packaging</i>	2	0.881
<i>Intrinsic Cues</i>	7	0.771	<i>Extrinsic and Intrinsic Cues</i>	10	0.843
<i>Product Quality</i>	6	0.703	<i>Product Quality</i>	5	0.734
Price	6	0.817	Price	6	0.817
<i>Product Risk</i>	6	0.461	<i>Product Risk</i>	4	0.567
Involvement	7	0.766	Involvement	7	0.766
Familiarity	3	0.750	Familiarity	3	0.750
Buying Preference	7	0.860	Buying Preference	7	.860

Table 7. Descriptive Statistics of the Sample using Split Half Random Method

		Mean	Std. Deviation	Overall Mean
Extrinsic Cues	Sample 1	3.0131	.49320	3.01
	Sample 2	3.0073	.52998	
Intrinsic Cues	Sample 1	2.8493	.63034	2.84
	Sample 2	2.8371	.65875	
Product Quality	Sample 1	2.6490	.59443	2.69
	Sample 2	2.7297	.58593	
Price	Sample 1	3.5970	.52796	3.59
	Sample 2	3.5904	.56066	
Product Risk	Sample 1	2.8408	.46823	2.85
	Sample 2	2.8624	.46092	
Involvement	Sample 1	3.4456	.51218	3.42
	Sample 2	3.3985	.54377	
Familiarity	Sample 1	3.5199	.71330	3.54
	Sample 2	3.5562	.67608	
Buying Preference	Sample 1	3.2182	.56567	3.22

was explained by Model 1 (adjusted $R^2 = 16\%$). *Price* and *Familiarity* are important in explaining purchase preferences. This is confirmed by Model 2 with *Price* and *Familiarity* at 0.003 and 0.000 significant levels. *Extrinsic* and *Involvement* are among the most insignificant contributors

to *Purchase Preference*.

The result indicates that consumers rely on *Price* and *Familiarity* in their decision making about purchases of store brands. Other factors are not that important in their decision making.

The positive values of the beta

Table 8.Independent Sample Test Between the Two Sub samples

Equal variances assumed	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	Sig. (2-tailed)	Mean Difference	Std. Error Difference
<i>Extrinsic Cues</i>	.468	.494	.923	.00574	.05968
<i>Intrinsic Cues</i>	.315	.575	.870	.01226	.07505
<i>Product Quality</i>	.164	.686	.240	-.08071	.06849
<i>Price</i>	.815	.367	.917	.00665	.06344
<i>Product Risk</i>	.967	.326	.688	-.02165	.05391
<i>Involvement</i>	1.435	.232	.444	.04718	.06154
<i>Familiarity</i>	.524	.470	.652	-.03632	.08047
<i>Purchase Preference</i>	.055	.815	.867	-.01087	.06487

Table 9. Factors Influencing Purchase Preferences

The Dimensions	Model 1: Enter Method	Model 2: Stepwise Method
Extrinsic	-0.003 (0.962)	
Intrinsic	-0.056 (0.360)	
Product Quality	0.064 (0.245)	
<i>Price</i>	0.162 (0.009)	0.178 (0.003)
Product Risk	-0.084 (0.151)	
Involvement	0.013 (0.819)	
<i>Familiarity</i>	0.268 (0.000)	0.288 (0.000)
R ²	0.178	0.163
Adjusted R ²	0.158	0.158
F Statistics	9.021 (0.000)	28.953 (0.000)

Earlier figures are standardized regression weights (β) and figures in brackets are significant values.

coefficients indicates that the more familiar the customers are with the store brands, the higher their preferences in buying the brand. Similarly, it implies that consumers who purchase store brands are those who are price sensitive.

Conclusion and Implications of the Study

The purpose of the study is to rank dimensions that describe consumers'

perception towards store brands; to determine dimensions of store brand in Malaysian context; and to examine important factors that influence store brands purchase preferences among patrons of hypermarkets in Malaysia. The study shows that price, familiarity and involvement are the top three popular factors among consumers of store brands. However, *Price* and *Familiarity* are the two decisive factors that assist them in their purchasing of store brands.

Price - The result suggests that consumers are more likely to purchase store

brands if they feel that the products are lower in price or give them value for their money. This result is in accordance with many studies (e.g., Burger and Schott, 1972; Richardson et al., 1996; Miranda and Joshi, 2003). In fact, many retailers have started to apply value for money concept to promote their store brand products (Veloutsou et al., 2004). This move is an effort to convince consumers that the products sold at their premises is valued for money. As a matter of fact, positive perceptions on store brands in the last few years are resulted from this campaign. Thus, retailers need to maintain or enhance their strategies on the concept of value for money for their store brands.

Familiarity – The result implies that the more familiar the customer with store brands, the more receptive they are to the brand. This might be resulted from their regular usage of the product brand that they have good knowledge about the product attributes.

Related to familiarity is *Involvement*,

even though the element is not a significant determinant of purchase preferences, it worth discussing as it is among the top popular factor. Involvement is related to knowledge about the product brand, saying that greater knowledge consumers have about the brand the more likely they will purchase the brands. Thus, retailers could educate consumers about their store brands by creating conducive shopping atmosphere. For instance, retailers could start a special counter where all store brand products are being featured, emphasizing their value for money price, communicate the high quality of store brands to consumers through poster displays, in-store taste trial activities and free samples. At the same time, retailers could create a child center where all children will enjoy, and parents could concentrate on shopping without distraction from their children. This would give more time and chances for parents to learn, be more involved and familiar with the products offered.

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