Consumer’s Attitude towards Store Image and Private Label Brand Image

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ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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Jason Ji
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ETHICS APPROVAL

This research was approved by the Auckland University of Technology Ethics Committee (AUTEC) on October 4th, 2011, Ethics application number 11/231.
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ABSTRACT

Nowadays two major private label development models are often applied to the retail industry. They are same private label brand name (SPLB) model and different private label brand name (DPLB) model. On the one hand, in the SPLB model, the brand names between retail stores and the private label products are same. On the other hand, retailers from some countries are likely to adopt the DPLB model where they name their private label brands differently. However, the above private label brand strategies raise two issues.

Firstly, how do consumers change their attitudes toward a store and its private label brands, especially when a high image store carries high image private label brands only versus a high image store carries both high and low image private label brands? Similarly, how do consumers change their attitudes toward a store and its private label brands, especially when a low image store carries low image private label brands only versus a low image store carries both low and high image private label brands?

Secondly, how do consumers change their attitudes toward a store and its private label brands, especially under the SPLB model versus the DPLB model?

Therefore, the aim of this paper is to investigate the impact of consistent (vs. inconsistent) images between a store and its private label brands on consumers’ attitudes toward the store with its private label brands under the SPLB and the DPLB models.

Our empirical findings revealed that consumers generated more (or less) favourable attitudes toward a low (or high) image store that not only carried its low (or high) image private label brands but also high (or low) image private label brands. This finding was generally consistent with the implications of the averaging process view.
The study provided an additional result which indicated that perceived private label brand variety seem to have a significant positive impact on consumers’ attitudes toward the low image store. Results did not provide any significant moderating effects of private label brand models on consumers’ attitudes toward a store with its private label brands.
1 INTRODUCTION

Private label bands are owned, managed and sold by retailers and wholesalers (Tsung-Chi & Chung-Yu, 2008), and this brand strategy has often been applied in most of Western countries. The initial ideal of private label brands was established and examined in the North America around early 19th century, and it became an innovative brand strategy which was developed rapidly in the American retail industry during the last 100 years. According to Hyman, Kopf and Dongdae (2009), 20 percent of products sold in American supermarkets were private label brands in 1990; however this number raised dramatically to 50 percent with a resulting $50 billion of net profit in the year 2000. Over past one decade, the concept of private label bands has been adopted by European retailers, where the average of market share in private label brands reached 23 percent. However, there was quite a bit of variance in market share; for example, in 2005 the market share varied from 4 percent in Greece to 45 percent in Switzerland.

During the initial stage, the private label brands were only applied to a small number of merchandise categories in consumer-packaged-goods industry (Raju, Sethuraman, & Dhar, 1995a). Nowadays, the private label brands are widely applied to the majority of product categories, ranging from basic consumer goods (e.g. milk or bread) to various chemical product lines (such as shampoo or cosmetics) (Fraser, 2009). Martenson (2007) reveals that national brands have less effect on determining store image and store differentiation. Contrarily, private label brands can play a facilitating role in improving store image and store differentiation.

From the perspective of retailers, private labels can help to differentiate store images, allow flexibility to retailers or wholesalers to adjust pricing strategies in order to gain higher revenue, enable retailers to offer massive product options to customers
as well as improving customer patronages and allegiance (Chen, 2005; Coriolis Research, 2002; Fraser, 2009; Hyman et al., 2009; Nandan & Dickinson, 1994; Robert, 2004). Moreover, adopting the private label brand strategy could help retailers to react quicker to any rapid changes in markets, and ultimately to better satisfy various needs from the market (Au-Yeung & Lu, 2009).

In general, private label brand strategy can be categorized into either the same private label brand (SPLB) model or the different private label brand (DPLB) model. In the SPLB model, the brand names between retailers and the private label products are consistent. For instance, Tesco applies the consistent brand and logo to name its private label products as “Tesco Organic” and “Tesco Kids” in the UK. By contrast, some retailers are more likely to adopt the DPLB model. So they tend to name their private label products inconsistently. For example, “Pams”, “Fresh express” and “Budget” are the three typical private label brands which belong to “Foodstuffs New Zealand” (Coriolis Research, 2002).

Mazursky and Jacoby (1986) convey that brand image can be seen as a substantial variable which has stronger effect on customer perception than store image. The perception of a store image could either be enhanced by carrying high image brand products, or be destroyed by associating with low image brand merchandises. Moreover, stores with a high image could help to enhance the perception of a brand with a low image. Correspondingly, a store with a low image could decrease the perception of a brand with a high image.

From the perspective of brand retailers, Pettijohn, Mellott and Pettijohn (1992) note that brand images seem to be more crucial than store images. For example, a high image brand maintains a positive perception to the customers no matter if it associates
with a low image store. However, the perception of a low image stores will be enhanced by associating it with high image brands.

From the perspective of store retailers, there is little research that examines the unique effects between brand image and store image. When a high image store carries high image brands, the perceptions amongst the store and brands are not affecting each other. However, when a low image store carries low image brands, the perception of a low image store could be dramatically enhanced (Pettijohn, Mellott, & Pettijohn, 1992).

To some extent, the perception of a store image is influenced by the price and quality of the brand products that are offered in the store, and consumers always believe that high price equates high brand equities and excellent store services (Baker, Parasuraman, Grewal, & Voss, 2002).

1.1 Private label brands image and store image

Recent literature provides extensive discussion on the relationship between private label brands image and store image. Some scholars point out that when the phenomenon of inconsistent images between retailer and the private label brand occurred consumers are always confused to perceive the images among them (Collins-Dodd & Lindley, 2003; Daniel & Janet, 2003; Lee & Hyman, 2008). Some scholars further claim that store image can be seen as the minor factor which has less affect on the consumer’s perception in terms of private label brand image (Lee & Hyman, 2008). Collins-Dodd and Lindley (2003) reveal that the diversified perceptions of private label brands could be the result of different positioning strategies adopted by the retailers. Moreover, a number of scholars suggest that the perception of private labels image could have a direct influence on the perception of its related store image from the customers. In detail, Daniel and Janet (2003) clearly
state that selling a bundle of private label brand products under a discount price in a high image store might result in decreasing the store’s perceived image by the customers and shrinking the net profits of the retailer. Daniel and Janet believe the phenomenon occurred mainly because that low price relates to low risk category. Once the low image products are carried by a retail store, customers are always perceive the low store image regardless the inherent store image (high or low).

Apart from private label brands, the empirical findings of Corstjens and Lal (2000), imply that store differentiation can be improved by building up the retailers’ own labelling. They further advocate that retailers should develop strategic plans to enlarge their products assortment in order to effectively enhance the store differentiation.

1.2 The Same Private Label Brand model and Different Private Label Brand model

Fraser (2009) reveals that once the retailer’s name and logo are printed on the packaging of private label products, the products are perceived to be partially representing the store. Sayman and Raju (2004) found that numerous products with private labels help to enhance customer satisfaction successfully, because private label products can enlarge the brand assortment of a store and consequently to fulfil the different needs of the customers. Anselmsson and Johansson (2007) indicate that one of the major purposes for retailers to launch private label products is to help with improving store image. Moreover, Burt (2000) found that in UK grocery stores, the UK retailers were more likely to sell products which had printed their names and logos on them; subsequently, the perceptions of the private label products sold in the store always reflect the perception of its store image to UK customers. They further state that the image of a retail store has a positive influence on the images of private
label brands. Therefore, from the vantage point of consumers, the perception of the private label brand image will be equivalent to the perception of retail store image.

The majority of key retailers in the United States of America apply co-branding strategy to name their private label brands (Alex, 1997; Au-Yeung & Lu, 2009). Co-branding can be defined as a brand strategy, which combines together two or more branded merchandise, in order to form a new product. Within the new product, the brand names of sub products are different (Park, Jun, & Shocker, 1996). The advantages of adopting the co-branding strategy are to gain more market shares as well as to minimize the impact caused by any sub-brand failure. Nevertheless, the disadvantage of deploying this strategy is the large amount of advertising costs that the strategy necessitates (Washburn, Till, & Priluck, 2000).

2 RESEARCH QUESTION

The above private label brand strategies raised up two issues. Firstly, how do consumers change their attitudes toward a store and its private label brands, especially when a high image store carries high image private label brands only (HH) versus a high image store carries both high and low image private label brands (HH+HL)? Likewise, how do consumers change their attitudes toward a store and its private label brands, especially when a low image store carries low image private label brands only (LL) versus a low image store which carries both low and high image private label brands (LL+LH)? Secondly, how do consumers change their attitudes toward a store and its private label brands, especially under the SPLB model versus the DPLB model?
The purpose of this paper is to turn a spotlight on inconsistent images between retail stores and private label brands under the SPLB model, and then to compare with the DPLB model, eventually to contrast the various consumer attitudes toward stores and their private label brands. The research question is showed as following:

➢ *What is the impact of consistent (vs. inconsistent) images between a store and its private label brands on consumers’ attitudes toward the store and its private label brands under the SPLB and the DPLB models?*

### 3 THEORETICAL BACKGROUND

#### 3.1 Averaging Process View

According to the averaging model (Anderson, 1971), the impact of individual informational stimulus on considerable attitude change is substantially reliant upon the entire informational attributes. To be more specific, each informational item is measured by two parameters, namely “scale value” and “weight”. Measurement results are used to draw an overall evaluation of the target object. Anderson (1971) further indicates that the “weight” implies the psychological importance of each informational attribute. From the perspective of “averaging process view”, the weight of each informational attribute varies based on the weight of the rest of the attributes being assessed. In other words, appending novel informational stimulus tends to reduce the effects of the existing informational stimulus on overall target evaluation. Averaging connotes a cognitive equilibrium analogous to mixing two fluids with uneven temperatures into one container where the commingling of the two fluids enables the moderation of temperature. Thus, adding novel information to target merchandise will lead to the creation of a less favourable evaluation (Troutman &
Shanteau, 1976). Since image-attributes are defined as one of the key product attribute types (Lefkoff-Hagius & Mason, 1993), offering low private label brands with low image-attributes to a high image store that carries high image private label brands, is likely to diminish the impact of high image-attributes on the overall store evaluation. Correspondingly, providing high private label brands with high image-attributes to a low image store, that deals in low image private label brands, tends to decrease the impact of low image-attributes on the overall evaluation.

Results of past research also support the averaging process view. Pettijohn, Mellott and Pettijohn (1992) point out that from the perspective of low image brands, low image brands will remain low image despite associating with a high image store. Nevertheless, from the perspective of a high image store, an image of the store will be decreased by low image brands, especially when a high image store becomes associated with low image brands. Accordingly, the above notion leads to the following hypotheses:

**Hypothesis 1a**: Based on the averaging process, consumers’ evaluations of a high image store will be higher when the store carries high image private label brands only than when the store carries both high and low image private label brands. \((HH > HH+HL)\)

**Hypothesis 1b**: Based on the averaging process, consumers’ evaluations of a low image store will be lower when the store carries low image private label brands only than when the store carries both low and high image private label brands. \((LL < LL+LH)\)
3.2 Category-based Process view I

Past consumer studies indicate that category-based processing can be defined as an alternative method of forming product evaluations (Meyers-Levy & Alice, 1989; Rao & Kent, 1988; Sujan, 1985; Sujan & Christine, 1987). Furthermore, some scholars convey that store image perceptions of consumer rely on a category-based information processing system, in which, novel information is merged with existing information through schemas held in the memory (Keaveney & Hunt, 1992). Specifically, consumers attempt firstly to classify an item by analysing the existing clues that could connote a specific social category to which it belongs. Subsequently, the initial perceptions with the specific category are used, as a basis for analysing the item without moving into a specified evaluation of additional characters. Finally, consumers may be involved in specified evaluation processing on additional characters (Kim, Park, & Ryu, 2006). Moreover, Mandler (1982) theorizes that merchandise always emerge either an attributes congruence or incongruence to their product category schema. Incongruence between merchandise and their category schema can be classified into moderate incongruence and complete incongruence. Moderate incongruence relating to attributes partial matches between merchandise and the relevant category schema. Correspondingly, complete incongruence is where an attribute perfectly matches between merchandise and their associated category schema. Furthermore, the empirical findings of Meyers-Levy and Alice (1989) suggest that novel attributes of the target item amplify arousal, and better cognitive elaboration could be elicited by resolving the incongruence. The findings further indicate that moderate incongruence could successfully resolve the incongruence. Therefore, moderate incongruence induces a more favourable judgement towards the target object comparing with either congruence or complete incongruence. According
to this paper, the incongruent relationship between store image and private label image can be resolved without activating an essential change in the perceivers’ inherent cognitive configuration. The resolution could be achieved through sub-typing. For example, it is a high (or low) image store, but one that not only carries high (or low) but also low (or high) image private label brands. Consequently, the above notion forms our following hypothesis.

**Hypothesis 2a** Based on the category-based process view I, consumers’ evaluations of a high image store will be lower when the store carries high image private label brands only (a congruent relationship) than when the store carries both high and low image private label brands (a moderate incongruent relationship). \((HH<HH+HL)\)

**Hypothesis 2b** Based on the category-based process view I, consumers’ evaluations of a low image store will be lower when the store carries low image private label brands only (a congruent relationship) than when the store carries both low and high image private label brands (a moderate incongruent relationship). \((LL<LL+LH)\)

### 3.3 Category based process view II

Schema studies posit that consumers analysing novel information mainly based on its congruence with a relevant schema (Goldstein & June, 1980; Schank & Robert, 1977). Associating an item to a schema requires integrating attributes of the item to the characteristics of the schema (Schank & Robert, 1977; Walton & Bower, 1993). The magnitude of schema congruity determines the probability to which beliefs shift from a schema to an item (Goldstein & June, 1980; Walton & Bower, 1993). The higher level of schema congruity, the more fluid beliefs shift from schema to an item. A low
level of schema congruity indicates a comprehensive failure of the target item. Therefore, the schema beliefs cannot be transferred to the item.

According to the schema theory, matching a product category to its store schema can be considered as the antecedent of evaluating a new private label brand. Consumers will perceive a high level of consistency between a store and its private label brand if the schema congruence is good (e.g. HH or LL). Correspondingly, consumers will perceive a great level of inconsistency between a store and the private label brands schema, if the congruence is poor (e.g. HH+HL or LL+LH).

From the perspective of category theory, it is postulated that category holders with more ordinary features are defined by more characteristics (Mervis & Rosch, 1981). A characteristic holder of a category associates with numerous outstanding attributes which correlate to the goal could be more extremely satisfying of consumer needs (Barsalou, 1985; Loken & James, 1990).

In this paper, consumers will concentrate on the high (or low) image characteristics of products that are sold by a high (or low) image store, because a higher level of congruence is generated, and more high (or low) image characteristics will be perceived. However, in the case of high (or low) image characteristics of products that are sold by a low (or high) image store, a poor level of congruence can occur.

From the perspective of cognitive consistency theory, consumers tend to sustain consistent attitudes, beliefs and behaviours (Festinger, 1957; Heider, 1946). Thus, consumers are more likely to accept novel information which corresponds to their inherent stereotype (Newman, Stem, & Sprott, 2004; Simon & Holyoak, 2002). By sustaining consistent beliefs toward items, consumers are able to protect their fundamental core value system (Heider, 1946). A high (or low) image store carrying a high (or low) image private label brands generates no cognitive dissonance. Since
dissonance leads to activate psychological discomfort, consumers will hold favourable attitudes toward a store and its private label bands with a high level of schema congruity rather than incongruity. Therefore, the following hypotheses regarding category based process view II are suggested:

**Hypothesis 3a:** Based on the category-based process view II, consumers’ evaluations of a high image store will be higher when the store carries high image private label brands only (a congruent relationship) than when the store carries both high and low image private label brands (a incongruent relationship). \((HH>HH+HL)\)

**Hypothesis 3b:** Based on the category-based process view II, consumers’ evaluations of a low image store will be higher when the store carries low image private label brands only (a congruent relationship) than when the store carries both low and high image private label brands (a incongruent relationship). \((LL>LL+LH)\)

### 3.4 Variety-seeking Process

Kahn (1995) states that variety-seeking could be defined as the propensity of consumers to look for diversity when they are choosing goods or services. McAlister and Pessemier (1982) categorize variety-seeking behaviour into being direct and derived. Direct variety-seeking includes psychological drives: “desire for change”, “novelty” and “satiation with product/service attributes”. Under direct variety-seeking circumstance, each brand has its inherent attribute stimulus. Variety-seeking process will not be elicited until the optimum level of an attribute stimulus has been met after a certain period of time. Consequently, consumers might feel satiated and be willing to consume different attributes on the following shopping occasion (Coombs & Avrunin, 1977). In another circumstance, consumers are seeking variety only because
of desire for novel and new stimuli. They tend to choose and try different brands just for fun or thrill of it regardless the feeling of satiation (Berlyne, 1963, 1970). Thus, offering different private label brands provide more shopping options to consumers especially when they feel satiated with current brands or they desire for novelty. Moreover, Gle´met and Mira (1993) convey that by offering diversified private label brands, consumers are able to sample all of the options offered which to better satisfy their needs. Simonson (1990) articulates that by providing larger assortment of products/services, the time and effort required to accomplish a decision making process is decreased and hence consumers are more willing to buy. Thus, the following hypotheses are derived:

**Hypothesis 4a:** Based on the variety-seeking process, consumers’ evaluations of a high image store will be lower when the store carries high image private label brands only than when the store carries both high and low image private label brands, by way of enlarging the variety of goods. 

\( HH < HH+HL \)

**Hypothesis 4b:** Based on the variety-seeking process, consumers’ evaluations of a low image store will be lower when the store carries low image private label brands only than when the store carries both low and high image private label brands, by way of enlarging the variety of goods. 

\( LL < LL+LH \)

It is expected that private label brand models should have a significant moderating effect on consumers’ attitudes toward a store with its private label brands. In order to investigate the effect, our hypotheses were tested separately on both the DPLB model and the SPLB model. In the DPLB experimental condition, different private label
brand names (i.e. Healthy-Life, Good-Life and Lifestyle) were used. However, in the SPLB experimental condition, store names were added in front of each private label brand (e.g. T-mart’s Healthy-Life, T-mart’s Good-Life and T-mart’s Lifestyle), therefore the labels gave consumers the cue that all brands were private label brands of the target store.

4 LABORATORY EXPERIMENT

A laboratory experiment with regular grocery shoppers was carried out to investigate mediating effects about averaging processing, category based process view I, category based process view II and variety seeking. Meanwhile, the moderating effects regarding the SPLB model and the DPLB model were also tested. In order to do so, a hypothetical grocery store T-Mart with its private label brand biscuit category was used in the experiment. Initially, two types of questionnaires were designed (the SPLB type and the DPLB type). In the SPLB type questionnaire, names of store and its private label brands were manipulated into T-mart’s Healthy-Life, T-Mart’s Good-Life and T-mart’s Lifestyle. Correspondingly, in the DPLB questionnaire type, names of store and its private label brands were manipulated independently into Healthy-life, Good-life and Lifestyle. Subsequently, high and low levels of store images were manipulated by two different versions of cover stories. Meanwhile, numerous studies on the price and quality relationship support the postulation that shoppers use price as an informational signal to form up beliefs about high or low merchandise's images (for a review, see Daniel & Janet, 2003; Rao & Monroe, 1989; Volkner & Hofmann, 2007). Therefore, private label brand images were mainly manipulated by different price ranges as well as the store quality
indexes. For example, “$5.59” or “5-stars” revealed the highest positive perception image. In contrast, “$1.49” or “1-star” indicated the lowest perception image.

Eventually, a high or low (T-Mart’s) Lifestyle biscuit image were used to manipulate schema (in)congruity and the consumer perception of all T-Mart’s biscuits variety in this empirical study.

4.1 Methodology

4.1.1 Respondents and Design

The sample consisted of one hundred and sixty Auckland grocery shoppers who ranged in age from 18 to 76 with the average age being 31.36 and had grocery shopping experiences at least once in last four weeks. In terms of respondent gender, 33.8 percent were male and 66.3 percent were female. Because the proportion of female grocery shoppers is much larger in New Zealand, than male grocery shoppers, this gender ratio amongst the respondent cohort is logical and representative of the ‘real life’ situation. Furthermore, a random ordering of experimental packets assigned respondents to one of eight experimental conditions in a 2 (private label brand models: SPLB model vs. DPLB model) x 2 (images of stores: high image store vs. low image store) x 2 (consistency of private label brand images: consistency vs. inconsistency) between-subjects factorial design.

4.1.2 Stimulus Material

Different image stores were manipulated by initially telling respondents that T-mart as a grocery retailer provides higher (or lower) price and superior (or inferior) quality groceries, a tidy (or messy) and comfortable (or uncomfortable) shopping atmosphere, outstanding (or poor) customer services, and convenient (or inconvenient) locations. Meanwhile, T-mart with its private label brands were used
as stimulus materials and details were presented and summarized in Table 1. Under consistency of private label brand images conditions (e.g. HH and LL), image cues were manipulated consistently by similar price ranges and quality indexes of T-Mart’s all private label brands, resulting in either high or low private label brand image. Nevertheless, under inconsistency of private label brand images conditions (e.g. HH+HL and LL+ LH), prices and quality of (T-Mart’s) Healthy-Life biscuit and (T-Mart’s) Good-Life biscuit remained unchanged in comparing their prices and quality in corresponding consistent image conditions (i.e. HH or LL). However, prices and quality of (T-Mart’s) Lifestyle biscuit were either increased or decreased. As a result, image attributes between T-Mart and its private label brands were manipulated inconsistently.

<table>
<thead>
<tr>
<th>Table 1: Image Attributes of Stimulus Materials</th>
</tr>
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<tbody>
<tr>
<td><strong>Condition</strong>: HH</td>
</tr>
<tr>
<td><strong>Biscuit Brands</strong></td>
</tr>
<tr>
<td>(T-Mart’s) Healthy-Life</td>
</tr>
<tr>
<td>(T-Mart’s) Good-Life</td>
</tr>
<tr>
<td>(T-Mart’s) Lifestyle</td>
</tr>
</tbody>
</table>

4.1.3 Procedure

The survey is administered in a printed form. Pre-mixed survey questionnaires were allocated in such a way that respondents were assigned randomly to one of eight experimental conditions. It was explained to the respondents that researchers were interested in how consumers evaluate different retail stores and their private label brands in the grocery market. The information, regarding the high (or low) image grocery market (T-mart) carries its own private label brands at different price levels, was stated on the survey questionnaire.
Respondents were asked to imagine that they were buying biscuits in the T-mart. Primarily, they were asked to rate their overall attitudes toward the store and their private label brands on a seven point likert scale anchored as $1 (= \text{very bad} / \text{very unfavourable})$ and $7 (= \text{very good} / \text{very favourable})$. Subsequently, the evaluation on individual biscuit brands which contained a 7-point likert scale anchored as $1 (= \text{very bad} / \text{very unfavourable})$ and $7 (= \text{very good} / \text{very favourable})$ was used to measure a store and its private label brands attitudes. Meanwhile, by answering “how likely is it that all three T-mart’s biscuit brands are high quality brands?” Respondents evaluated the schema congruity along a scale from $1 (= \text{extremely unlikely})$ to $7 (= \text{extremely likely})$. The perceived private label brand variety was specified by respondents along a scale anchored as $1 (= \text{low variety})$ and $7 (= \text{high variety})$. Finally, four questions, which were concerned with whether respondents agreed that the store and its private label brand being high image were used to check the manipulation of this study. The relevant scale was anchored as $1 (= \text{strongly disagree})$ and $7 (= \text{strongly agree})$.

4.2 Reliability

The reliability of evaluating overall store image and its overall biscuit category image scales was measured by using Cronbach’s alpha coefficient (Nunnally, 1978). Results suggested that the reliability of the above two scales had a strong internal consistency ($\alpha = 0.99$). Also, Cronbach’s alpha for the (T-Mart’s) Healthy-Life attitude scale, (T-Mart’s) Good-Life attitude scale and (T-Mart’s) Lifestyle attitude scale were all around 0.99. This correlates with a high degree of reliability.
4.3 Manipulation Checks

4.3.1 Beliefs about overall store image, private label brand 1 and private label brand 2

In order to check the manipulation on overall store image (T-Mart), we compared respondent’s beliefs of overall store image between high and low image store conditions. The result indicated that respondents’ beliefs were higher when the store image is high (mean\_high = 5.78) rather than when it is low (mean\_low = 2.36; F (1, 158) = 442.19, p < 0.001). The manipulations on private label brand 1 (Healthy-Life) and private label brand 2 (Good-Life) were also checked. Results showed that respondents were more likely to believe that private label brand 1 and private label brand 2 were high image brands under a high image store condition (mean\_brand1 high = 6.18; F (1, 158) = 604.18) (mean\_brand2 high = 5.96; F (1, 158) = 573.81) than a low image store condition (mean\_brand1 low = 2.42)(mean\_brand2 low = 2.17).

4.3.2 Belief about the image of private label brand 3, images of stores and (in)consistency of private label brands images

A 2 (images of stores: high image vs. low image) x 2 (consistency of private label brand image: consistency vs. inconsistency) factorial analysis of variance, examined the impacts of images of stores and (in)consistency of all private label brand images on beliefs about the image of private label brand 3 (Lifestyle). Results indicated a significant main effect for the images of stores (F (1, 156) = 16.38, p < 0.001). Specifically, respondents generated more favourable beliefs toward image of private label brand 3 under a high image store condition (mean\_high = 4.20) rather than a low image store condition (mean\_high = 3.56). Meanwhile, results revealed that there were no main effects between (in)consistency of private label brands images and beliefs about the image of private label brand 3 (p = 0.384). As predicted and more importantly, Figure 1
indicates a significant interaction between images of stores and (in)consistency of private label brands images on beliefs about the image of private label brand 3 ($F(1, 156) = 442.24, p < 0.001$). Under a high image store condition, respondents were more likely to treat a high image private label brand 3 biscuit as a high image brand ($\text{mean}_{\text{HH}} = 5.93$) instead of the low image private label brand 3 ($\text{mean}_{\text{HH+HL}} = 2.48$, contrast $F(1, 156) = 239.86, p < 0.001$). Nevertheless, respondents were less likely to believe that low image private label brand 3 biscuit was a high quality brand ($\text{mean}_{\text{LL}} = 1.97$) than high image private label brand 3 biscuit ($\text{mean}_{\text{LL+LH}} = 5.15$, contrast $F(1, 156) = 203.14, p < 0.001$) under a low image store condition.

Figure 1: The Interaction between Levels of Store Image and (In)consistency of All Private Label Brands Images on Private Label Brand 3 Image Beliefs
4.3.3 Attitude ratings for all private label brands

In order to check manipulation on attitude ratings for all private label brands, factorial ANOVA treating private label brand 1 (Healthy-Life), private label brand 2 (Good-Life) and private label brand 3 (Lifestyle) as the dependent variable individually. Results revealed that images of stores had a significant main effect on attitudes toward private label brand 1 biscuit \((F(1, 152) = 309.44, p < 0.001)\) and private label 2 biscuit \((F(1, 152) = 340.71, p < 0.001)\). Specifically, under a high image store condition, mean ratings regarding attitudes toward private label brand 1 \((mean_{high} = 6.03)\) and brand 2 \((mean_{high} = 5.90)\) were much higher than mean ratings under a low image store condition \((mean_{low} = 2.92; \ mean_{low} = 2.64)\). However, images of stores had no effect on attitudes toward private label brand 3 biscuit \((p = 0.065)\). As the key manipulation variable, the attitude towards private label brand 3 biscuit was only affected by the interaction between images of stores and (in)consistency of private label brands images \((F(1,152) = 306.57, p < 0.001)\). Respondents had more favourable attitudes toward the high image private label brand 3 biscuit \((mean_{HH} = 5.81)\) rather than the low image private label brand 3 biscuit \((mean_{HH+HL} = 2.45)\) that was sold in a high image store. In contrarily, respondents generated less favourable attitudes toward the private label brand 3 biscuit with low image \((mean_{LL} = 2.49)\) rather than the private label brand 3 biscuit with high image \((mean_{LL+LH} = 5.14)\) which was carried by a low image store.

4.4 Results

4.4.1 Overall store image

A 2 (private label brand models: SPLB model vs. DPLB model) x 2 (images of stores: high image store vs. low image store) x 2 (consistency of private label brands images: consistency vs. inconsistency) between-subjects ANOVA was used to analyse the overall store image. With attitudes toward the store as a dependent variable, variables of private
label brand models \((F (1, 152) = 4.28, p < 0.05)\) and images of stores \((F (1, 152) = 518.13, p < 0.001)\) had a significant main effect on it. Specifically, respondents generated more favourable attitudes toward the store by using the SPLB model \((\text{mean}_{\text{SPLB}} = 4.36)\) rather than the DPLB model \((\text{mean}_{\text{DPLB}} = 4.04)\). Respondents were also more likely to prefer a high image store \((\text{mean}_{\text{high}} = 5.95)\) than a low image store \((\text{mean}_{\text{low}} = 2.44)\).

More importantly, the interaction between images of stores and (in)consistency of private label brand images is significant \((F (1, 152) = 11.90, p < 0.001)\). As Figure 2 shows, under a high image store condition, higher mean scores of attitudes on T-mart were rated, when respondents were evaluating T-mart with its consistent images of private label brands \((\text{mean}_{\text{HH}} = 6.19)\), as opposed to a store that has inconsistent images of private label brands \((\text{mean}_{\text{HH+HL}} = 5.71, \text{contrast } F (1, 156) = 4.71, p < 0.05)\), namely, a high image store associating with both high and low image private label brands leads to a decrease in consumers’ attitudes toward the high image store. Nevertheless, under a low image store condition, the mean score of attitudes on T-mart was lower when T-mart associated with its consistent images of private label brands \((\text{mean}_{\text{LL}} = 2.15)\), as compared to low image store with inconsistent images of private label brands \((\text{mean}_{\text{LL+LH}} = 2.74, \text{contrast } F (1, 156) = 17.21, p < 0.01)\). By way of illustration, a low image store associating with both low and high image private label brands leads to an increase in consumers’ attitudes toward the low image store.

**Discussion**

The pattern of results supports Hypothesis 1a and Hypothesis 1b implying that providing low (or high) image private label brands to a high (or low) image store that associating with high (or low) image private label brands is more likely to diminish the impact of high (or low) image-attributes on overall evaluation towards the store. As a result, consumers generate less (or more) favourable attitudes toward a high (or low) image store carrying both high and low image private label brands than a high
(or low) image store carrying high (or low) image private label brands only. Thus, the notion of average process view is fully supported under both high and low image conditions. Moreover, results also support Hypothesis 2b and Hypothesis 4b under a low image store condition, however mediating effects regarding perceived variety and category-based process view I under high image store conditions remain unclear. Therefore, further analysis based on former mediating effects would be investigated in later studies. To some extent, the present study shows that consumers are more likely to prefer the SPLB model than the DPLB model. However, there are no interaction effects regarding the SPLB model versus the DPLB model. Therefore, the moderating role of private label brand models remains insignificant.

<table>
<thead>
<tr>
<th>Table 2: Mean Rating Comparison of All Underlying Mechanisms</th>
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<td><strong>DV</strong></td>
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<td>Attitudes toward the store</td>
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<td>Attitudes toward private label brands</td>
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<td>Schema (In)congruity</td>
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<td>Perceived variety</td>
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* Mean
* Stand Deviation
4.4.2 Overall private label brand images

Similar results were observed with attitudes toward all private label brands as a dependent variable. Images of stores had a major impact on all biscuit categories. As a result, respondents were more willing to rate higher attitude scores on private label brands sold in a high image store (mean = 5.50) than in a low image store (mean = 3.05). Nevertheless, private label brand models and images of stores had no significant main effects on attitudes toward all private label brands.

Although, results revealed an insignificant interaction effect between images of stores and private label brand models ($p = 0.286$), the interaction between images of stores and (in)consistency of all private label brand images was significant ($F(1, 152) = 37.07$, $p < 0.001$). As Figure 3 shows, under a high image store condition, consistent images of store’s private label biscuit brands (mean = 5.95) were more favourably evaluated than inconsistent images of store’s private label biscuit brands (mean = 5.05, contrast $F(1, 156) = 17.30$, $p < 0.001$), which is analogous to a high image store associating with both
high and low image private label brands, resulting in a decrease in consumers’
attitudes toward the high image private label brands. Contrarily, under a low image
store condition, the mean attitude score regarding consistent images of store’s private
label biscuit brands (mean = 2.58), tended to be lower than the mean attitude score
regarding inconsistent images of store’s private label biscuit bands (mean = 3.53, contrast
$F (1, 156) = 19.28, p < 0.001$) which is analogous to a low image store associating with
both low and high image private label brands, resulting in an increase in consumers’
attitudes toward the low image private label brands. In addition, there were no
significant interactions between private label brand models and (in)consistency of all
private label brand images ($p = 0.565$)

**Discussion**

The study provides additional evidence to support Hypotheses 1a and Hypotheses 1b
suggesting that offering low (or high) image private label brands to a high (or low)
image store that carrying high (or low) image private label brands tends to moderate the
impact of high (or low) image-attributes on overall evaluations toward private label
brands. In other words, consumers hold less (or more) favourable attitudes toward all
private label brands especially, when a high (or low) image store carries both high and
low image private label brands rather than a high (or low) image store carries high (or
low) image private label brands only. Furthermore, results also support Hypothesis 2b
and Hypothesis 4b under a low image store condition.

The aforementioned results of overall store image and overall private label band images
reveal sufficient evidence that averaging process view mediated the effects on consumers’
attitudes toward a store with its private label brands under both a high and low image
store conditions; as such H1a and H1b are supported. Results also support Hypothesis
2b and Hypothesis 4b under a low image store condition, however mediating effects
regarding perceived variety and category-based process view I under high image store
conditions remain unclear. Therefore, further analysis based on former mediating effects would be investigated in a later study. In addition, no significant interactive relationships between the SPLB model and the DPLB model have been found.

4.4.3 Schema (in)congruity

The ANOVA on the likelihood that all store’s biscuit brands are high (or low) quality yielded a significant interaction effect between private label brand models and images of stores ($F(1, 152) = 5.04, p < 0.05$). Respondents were more likely to believe that all private label brand biscuits were high quality under the SPLB model (mean = 5.53) rather than the DPLB model (mean = 5.30). As Table 2 implies, respondents were more likely to rate higher scores on the likelihood that all store’s biscuit brands are high quality especially, when a high image store carried its private label brands by using the SPLB model (mean = 6.50) than the DPLB model (mean = 5.50). However, respondents generated less favorable attitudes on a low image store associated with its private label brands under the SPLB model (mean = 4.95) than under the DPLB
model (mean = 5.05). Unfortunately, there was a marginal interaction effect between images of stores and (in)consistency of all private label brand images on the likelihood that all T-mart’s biscuit brands are high (or low) quality ($F (1, 152) = 3.46$, $p = 0.065$).

Discussion

The study indicates that consumers are more (or less) likely to believe that all private label brands are high (or low) image brands sold in a high (or low) image store by adopting the SPLB model than the DPLB model.

However, there are no interaction effects regarding store images and (in)consistency of private label brand images on the schema (in)congruity. Thus, notions of category based process view I and II are not supported in this study.

4.4.4 Perceived variety

A similar 2 x 2 x 2 between-subjects ANOVA suggested that there was a significant main effect of (in)consistency of private label brand images on perceived store’s biscuit variety ($F (1, 152) = 18.50$, $p < 0.001$). As a result, respondents tended to perceived more biscuit variety when private label brand images were inconsistent with the store image (mean = 3.74) rather than consistent with the store image (mean = 2.71). However, there were no significant interaction effects between images of stores and (in)consistency of private label brand images on perceived biscuit variety ($p = 1.00$). Therefore, the perceived variety could be an underlying mechanism for previous results of overall store image and overall private label brand images.

4.4.5 Additional analysis for perceived variety

In order to further investigate the role of perceived variety, additional regression analyses were carried out. Results indicated that the regression model was significant ($F (3, 156) = 16.43$, $p < 0.01$). More specifically: there was a significant positive
relationship between consumer attitudes toward private label brand 3 \( (Beta = 0.22, t = 2.82, p < 0.01) \), the perceived store’s biscuit variety \( (Beta = 0.17, t = 2.05, p < 0.05) \) and consumer attitudes toward the store (this last being the dependent variable). However, the perceived schema congruity had no significant influences on the consumer attitudes toward the store \( (p = 0.862) \). Consequently, Hypothesis 2b was not supported for attitudes toward the store.

Meanwhile, with attitudes toward all private label brand biscuits as a dependent variable, analogous results were obtained. The regression model was significant \( (F (3, 156) = 24.81, p < 0.001) \), as the independent variables: attitudes toward private label brand 3 \( (Beta = 0.38, t = 5.23, p < 0.001) \) and the perceived store’s biscuit variety \( (Beta = 0.17, t = 2.24, p < 0.05) \), seem to have significant positive impacts on attitudes toward all private label brand biscuits. However, with the perceived schema congruity as an independent variable indicated an insignificant influence on attitudes toward all private label brand biscuits \( (p = 0.995) \). As a result, Hypothesis 2b was not supported for attitudes toward all private label brands.

From the perspective of a high image store condition, the regression model was significant \( (F (4, 75) = 8.42, p < 0.001) \). Nevertheless, results in Table 3 indicated that perceived store’s biscuit variety \( (p = 0.433) \) and attitudes toward private label brand 3 \( (p = 0.052) \) did not have any significant influences on the dependent variable (i.e. attitudes toward the store) under a high image store condition. Meanwhile, compared to attitudes toward private label brand 2 \( (Beta = 0.21, t = 2.12, p < 0.05) \), private label brand 1 \( (Beta = 0.37, t = 3.66, p < 0.001) \) had the strongest predictive power on the dependent variable. Thus, the results above support Hypothesis 1a.

From the perspective of a low image store condition, the regression model was also significant \( (F (4, 75) = 11.78, p < 0.001) \). Although, results revealed insignificant
influences of attitudes toward private label 1 \((p = 0.197)\), 2 \((p = 0.070)\) and 3 \((p = 0.215)\), the study surprisingly suggested a positive effect of perceived store’s biscuit variety on the dependent variable (i.e. attitudes toward the store, \(Beta = 0.23, \ t = 2.15\) \(p < 0.05\)) under a low image store condition. Consequently, respondents were more likely to generate favorable attitudes toward the store when they perceived more variety regarding store’s biscuits. Aforementioned results mainly supported 4b

<table>
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<tr>
<th>Table 3: Independent Variables under Different Image Store Conditions</th>
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<td><strong>Independent Variable</strong></td>
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<td>Attitudes toward Private Label Brand 1</td>
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<td>Attitudes toward Private Label Brand 2</td>
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<tr>
<td>Attitudes toward Private Label Brand 3</td>
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<tr>
<td>Perceived biscuit variety</td>
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**Discussion**

The study explores an unexpected finding about the notion of perceived variety. Interestingly, the effect of perceived variety depends on images of store conditions. Consumers are unable to perceive more variety regarding private label brands sold in a high image store. However, attitudes toward private label brand 1, 2 and 3 appear to have positive influences on attitudes toward stores. In other words, under a high image store condition, consumers are evaluating the overall store image by using the average processing view only. In contrast, attitudes toward private label brand 1, 2 and 3 did not have any significant influences under a low image store condition. Surprisingly, perceived biscuit variety generated a significant positive influence on attitudes toward the store. Thus, consumers are able to perceive more variety regarding private label brands sold in a low image store.
5 CONCLUSION AND LIMITATION

In this study, we investigated the impact of (in)consistent images between a store and its private label brands on consumers’ attitudes toward a store with its private label brands under the SPLB model and the DPLB model. To some extent, the study suggests that consumers are more (or less) likely to believe that all private label brands are high (or low) image brands sold in a high (or low) image store by adopting the SPLB model rather than the DPLB model. Meanwhile, the study further indicates that consumers tend to prefer grocery stores by using the SPLB model rather than the DPLB model. However, moderating effects of private label brand models toward consumer evaluations on a store with its private label brands have not been found.

Moreover, tests of mediating effects regarding four underlying mechanisms (i.e. averaging process view, variety-seeking process, category-based process view I and category-based process view II), implied that only averaging process view mediated the effects on consumers’ attitudes toward a grocery store and its private label brands. Specifically, when a high (or low) image store not only associates with high (or low) image but also low (or high) image private label brands, consumers are less (or more) likely to generate favourable consumer attitudes toward them.

Our results also provide significant evidence to support the notion that perceived variety has a mediating effect on consumers’ attitudes toward a store with its private label brands especially under a low image store condition. In other words, consumers will perceive more private label brand variety if they are shopping in a low image grocery store than a high image grocery store.

The study of Bauer, Kotouc and Rudolph (2011) posits that the assortment’s pricing is one of the major information cues that consumers use to form perceptions about higher-level assortment. Therefore, this research indicates that pricing is the major
factor that affects consumers perceiving more variety under a low image store condition in this study. According to behavioural pricing research, results indicate that consumers develop a general category price perception for frequently purchased, low-involvement merchandise (Mazumdar, Raj, & Sinha, 2005) when they are shopping groceries instead of recalling the accurate numerical prices of specific products (Dickson & Sawyer, 1990), consumers will then use the aforementioned general price perception to judge the expensiveness of a particular product as being “too high”, “too expensive” or “good value” (Desai & Talukdar, 2003; Monroe & Lee, 1999). Since the study of Bellizzi, Kruckeberg, Hamilton and Martin (1981) conveys that private label products have been shown to be correlated by consumers with low prices, we believe that consumers hold “good value” attitudes toward stores carrying their private label brands with low prices. Consequently, a high-level of assortment can be perceived by grocery shoppers.

In addition, this study contains two limitations that indicate the direction for future research. Firstly, more robust evidence is required to explain the unpredicted result with respect to perceived variety, particularly emphasising on the pricing factor. Secondly, our study focused on the view of private label brands with its biscuit category only; it may not represent the view of general grocery categories. Therefore, grocery stores with more private label brand categories could be tested in future studies.
6 REFERENCE


