

# Understanding the Role of Consumer Factors and Store Factors in Private Label Purchase

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## Abstract

**Purpose:** Indian retail sector is witnessing a steady growth of private labels or store brands in food category. The study primarily looks into understanding the consumer preference for private labels or store brands in food category and the role of consumer and store factors in store brand purchase in this category. Consumer responses are collected from the city of Trivandrum (India) using structured questionnaire. Five point Likert scale is used to measure the factors. Responses are collected from consumers at organized retail outlets and households. Structural equation model is used to understand the role of consumer and store factors in private label purchase. Factors like perceived quality, product familiarity, shelf space allocation and private label quality belief are found to have a significant role in determining the private label purchase in food category.

**Keywords:** private labels, store brands, perceived quality, private label quality belief, store image, private label value perception, product familiarity and shelf space allocation

## 1. Introduction

Store brands or Private labels are any brand to be produced and owned by the retailer which is sold exclusively in retailer's outlet only (Kumar & Steen Kamp, 2007). According to AMA, private label is termed as any brand name or label name attached to or used in the marketing of a product other than by the product manufacturers usually by a retailer. Retailer's intention to develop private labels can be attributed to the higher percent margins that private labels or store brands can provide (Hoch & Banerji, 1993). Private labels or store brands are developed by retailers as an option to drive customers to their retail outlets (Singhi & Kawale, 2010). Retailers think that a private label product creates an opportunity for building store image and differentiating their stores from competitors. Food category private labels account for 76% cent of total sales of private labels in India (Nielsen, 2013). We have limited research being conducted in Indian markets regarding private label purchase in food category compared with developed markets. So it's imperative to understand the factors that's enhancing the private label purchase in food category.

## 2. Literature Review

### Consumer factors

#### Perceived quality and quality

Perceived quality is a consumer factor which has an important role to play in determining the private label purchase. It can affect the consumer perceptions about private labels.

Hoch and Banerjee (1993) considered consumer driven, retailer driven, national manufacturer driven factors and its effect on private label success in food category and concluded that high level intrinsic quality is important than price for private labels.

Perceived quality differential is one of the major factors that determine the private label purchase in food category (Sethuraman & Cole, 1999; Sethuraman, 2000). Perceived quality differential is lower when consumer's familiarity with the store brand increases.

Quality has a significant role in determining the store brand preferences in grocery category among consumers (Baltas & Argouslidis, 2007). Advertising and packaging are found to be significant in determining the

consumption rate of store brands. Koshy and Abhishek (2008) in grocery category concluded that consumer's quality perceptions can be improved by introducing public quality labels recognized by consumers which can ensure adequate quality levels for private labels. Consumer perception study by Beneke (2010) revealed that perceived quality is one of the major factors influencing the private label purchase in food based private brands. Perceived quality is influenced by packaging.

Bishnoi and Kumar (2009) concluded that quality consciousness, novelty seeker, price-value consciousness, brand consciousness and habitual, brand or store loyal determine the purchase of the brands in packaged food category. Abhishek (2011) found that demographic variables and psychographic variables like quality variation and perceived value for money can determine private label purchase in apparels. Sharma et al. (2011) established that there is a significant difference in quality between national and private brands and store image is a key factor that determines the purchase.

Machavolu (2014) concluded that quality is an important factor that determines private label purchase in food, grocery and apparel segment. Permarupan et al. (2014) found that familiarity and perceived quality as major factors that determine store brand purchase. Gala and Patil (2013) concluded that low quality is one factor that reduces private label purchase.

Perceived product quality mediates the relationship between perceived relative price and perceived product value of private label brands in breakfast cereals (Beneke et al., 2015). Stanton et al. (2015) studied front of package (FOP) claims among private labels and national brands in food category and found that private labels are using the FOP claims to communicate quality attributes and benefits of the product.

Vale and Matos (2015) looked into the impact of copycat strategy packaging strategies among private labels and its impact on private label purchase in food, grocery and general merchandise category. Private label purchase is influenced by the similarity of the packaging between national brands and private labels. Higher the similarity consumers tend to perceive it as produced by national brand which enhances perceptions of quality leading to private label purchase.

*H1: Perceived quality can determine the private label purchase in food category.*

### **Intrinsic cues and Private label quality**

Intrinsic cues include taste, freshness and ingredients. Consumers consider private labels to be inferior to national brands in quality of ingredients, taste, texture, and aroma in canned food category products (Bellizzi et al., 1981; Cunningham et al., 1982). Richardson et al. (1994, 1996) in food products with respect to intrinsic (ingredients) and extrinsic (price, brand name and packaging) cues found that when ingredients were disclosed by retailers, there is minimal difference between national brands and private labels. Extrinsic cues increased the perception of quality variation between store brands, national brands and the perceived risk associated with using these products. Dick et al. (1995) concluded that important attributes that determine the private brand choice include the overall quality of the brand, the reliability and fineness of brand ingredients and taste in grocery category. The study found that consumers judge intrinsic product characters on the basis of price, brand name, packaging and advertising.

The current study attempts to explore the impact of intrinsic cues which can enhance the quality beliefs of consumers regarding private labels and its impact on private label purchase.

*H2: Consumers Private label quality belief is influenced by flavour, taste and freshness of private label brands which can affect the private label purchase in food category.*

### **Private label Value Perception**

Private label Value Perception is an important consumer factor that determines the private label purchase. Value is perceived by consumers differently. Some consumers perceive value as low price, some others as the benefits they receive from the products, quality they get for the price they pay and what they get for what they pay (Zeithaml, 1988).

The factors like value consciousness, price-quality perceptions, deal proneness, brand loyalty, risk averseness, coupon usage and response to advertised sale items were studied by Burton et al. (1998) in grocery category. Private label purchase is determined by value consciousness and deal proneness but price-quality perceptions and brand loyalty has no effect on purchase. Value consciousness and personality traits like prestige sensitivity and need for cognition determine private label purchase in food category (Bao & Mandrik, 2004).

Value consciousness contributes positive to store brand perceptions and purchase (Harcar et al., 2006; Kwon et al., 2008). Value consciousness and prior experiences have a significant influence on the consumer perceptions about store brand which can influence the purchase decision in grocery category (Kara et al., 2009).

Private label consumers tend to be value consciousness and focus on low price of store brands in food and groceries (Chandon et al., 2011). Value consciousness has a moderating effect on the quality perception of private labels which can influence the purchase intention of private labels (Bao et al., 2011). Consumer prefers private labels due to cost effectiveness and belief that they provide value (Gugloth & Murali, 2014).

Value consciousness exerts a moderating effect on the relationship between store image and three dimensions of risks in food category (Porral & Lang, 2015). Perceived product value influences consumers' willingness to buy private label brands in breakfast cereals (Beneke et al., 2015).

Private label value perception is a factor that varies across the consumer. Some segment of consumers focus on the low price aspect and others on the quality aspect.

*H3: Private label value perception can determine purchase in food category.*

### **Product Familiarity**

Familiarity is one among the major factors that influence store brand purchase. This is determined by product knowledge and brand comprehension. It's an important consumer factor that can influence the consumer choice of private labels.

Bettman (1974) focused on the relationship of information-processing attitude structures to private brand purchasing behavior among consumers in grocery category. Store brand familiarity increase with the information available about the brands which can increase the purchase due to reduction in perceived risk and perceived quality variation associated with these brands.

Wolinsky (1987) study about general merchandise suggested that it is not easy to recognize an unlabeled (or privately labelled) product with a recognized brand due to lack of information about the unlabeled products. This can hinder familiarity of the products which can affect the product purchase.

Richardson et al. (1996) to examine the effect of familiarity on store brand proneness among consumers in grocery segment. Familiarity with the private labels determines the purchase. Consumers who lack familiarity and experience with such brands are likely to view them as quality inferior, risky products. This can affect the consumer attitudes towards private labels.

*H4: Product familiarity can impact private label purchase in food category.*

## **Store factors**

### **Store image**

Store image is one of the major store factor that influence the purchase of private labels. The consumer perception about the image of the store has a direct effect on the brand image of the private label which can determine the purchase. Store image has different dimensions which need to be understood to create favorable image in consumer minds.

Store image is defined in the shopper's mind, partly by the functional qualities and partly by an aura of psychological attributes by Martineau (1958). Doyle and Fenwick (1974) concluded that consumer may differ in their perceptions but they choose stores with images most congruent with their own self-images. This means store image is influenced by consumer's self-image. Store image depends on the price, merchandise information (core facets), policy and service (peripheral facets) among consumers (Mazursky & Jacoby, 1986). Chowdhury et al. (1998) concluded that employee service, product quality, product selection, atmosphere, convenience, price and value are the dimensions that influence the store image.

Store image attributes considered by Chowdhury et al. (1998) were taken to study the impact of store image among consumers in grocery by Collins-Dodd and Lindley (2003). The study found that store brands are seen as extensions of the store image and contribute to store differentiation in the minds of consumers.

Martenson (2007) concluded that store image, ambience, assortment and price dimension influence the store loyalty and satisfaction. Factors like store loyalty and satisfaction can be channelized to enhance private label purchase in categories like gourmet and lunch food. Private label attitude is determined by factors like positive store image and money attitude regarding retention and distrust among consumers (Liu & Wang, 2008) in grocery category. Chandon et al. (2011) established that store image perceptions and private label price image perceptions along with factors like value consciousness and perceived quality determine the private label purchase in food and groceries.

Diallo et al. (2015) examined the influence of image and consumer factors on private label purchase in food and grocery category and confirmed that store image perceptions, store brand price image, purchase intention and

perceived value has positive direct and indirect effects on store brand choice. Store image tend to influence the perceived product quality (Beneke et al., 2015).

*H5: Store image of the retail chain in consumers mind can determine the private label purchase in food category.*

### **Shelf Space allocation**

Shelf space allocation is a store factor that indirectly affects the purchase of private label purchase. Shelf space allocation can enhance the visibility of private labels or store brands. Retailers always place their store brands in shelves adjacent to national brands. Dursun et al. (2011) found that shelf space allocation contributes significantly in enhancing product familiarity and perceived quality. Zameer et al. (2012) stated that private labels are placed near to national brands to make consumer perceive that they are high quality products. So shelf space is having an indirect effect on private label purchase.

*H6: Shelf space allocation can affect the purchase of private labels.*

### **3. Methodology**

Consumer responses are collected and the data are analyzed using appropriate statistical methods, to identify the major factors that determine private label purchase in food category.

Research data is collected using structured questionnaire developed based on the factors considered for the study. Five point Likert scale is used to measure the consumer responses. Structural equation modeling is used to understand the relationship between the factors and the extent to which these factors determine the private label purchase. Exploratory factor analysis is used to explore the possible underlying factor structure without a preconceived structure and confirmatory factor analysis is used to verify the factor structure of the observed variables to develop a measurement model.

#### *3.1 Sampling and Sample Size*

Convenience sampling is used to collect the data from the respondents. It's a non-probability sampling technique in which elements have been selected from the target population on the basis of their accessibility or convenience to the researcher (Ross, 2005).

The study is conducted in the city of Trivandrum (South India). Trivandrum is one of the emerging non metro city in India with high business potential (Research Fox, 2014). Responses are collected from retail outlets and households. The total sample size of the study is 300. Sample points, 263 responses are considered for the final analysis based on two criteria: a) store brand awareness b) store brand preference in food category. Some of the consumer responses are not considered due to incomplete nature. Based on the response we could conclude that 87.6% of respondents have showed preference for private labels. The response of consumers with both store brand awareness and preference are considered for the final analysis.

#### *3.2 Reliability of the Instrument*

Structured questionnaire is used to measure consumer and store factors. The current study considered consumer factors and store factors. The reliability (Cronbach's alpha) analysis helps to determine the extent to which the items in your questionnaire are related to each other, you can get an overall index of the repeatability or internal consistency of the scale as a whole, and you can identify problem items that should be excluded from the scale (SPSS guide, 2012). George and Mallery (2003) provide the following rules of thumb of reliability: "> 0.9 (Excellent), > 0.8 (Good), > 0.7(Acceptable), >0.6 (Questionable), > 0.5(Poor) and < 0.5 (Unacceptable).

Table 1. Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.774	.872	39

The reliability statistic (Cronbach's alpha) of the questionnaire has a value of 0.774 which means high reliability or high internal consistency.

#### *3.3 Respondents Profile*

Respondent's profile is an important aspect that determine the efficacy of the study. Table 2 provides the information regarding the respondent's profile.

Table 2. Respondent's profile

Particulars	Range	No of respondents	% of Respondents
Gender	Male	146	55.5
	Female	117	44.5
Age	22-30	65	24.7
	31-50	126	47.9
	>50	72	27.4
Income	<2 L	97	36.9
	2-5L	105	39.9
	>5L	61	23.2
Occupation	Employed	214	81.4
	Unemployed	49	18.6

### 3.4 Exploratory Factor Analysis Results and Analysis

Exploratory factor analysis (EFA) is used to assess the factors that influence private label purchase. Perceived quality, familiarity, store image, value consciousness and private label value perception are the factors which are measured using EFA. The following criteria in EFA like KMO value, communalities and factor loadings need to be taken into account for the suitability for conducting further analysis (Refer Table 3- Summary Table -EFA results)

Table 3. Summary table–EFA results

Factor\Construct	Items/Components	KMO value	Communalities	Factor loadings
Perceived Quality	Quality 7	<b>0.693</b>	0.594	0.766
	Quality 8		0.550	0.725
	Quality 10		0.608	0.558
	Quality 12		0.423	0.618
Private Label Quality Belief	Quality 11	<b>0.5</b>	0.454	0.517
	Quality 13		0.604	0.773
	Quality 15		0.620	0.778
Private Label brand name	Quality 9	<b>0.5</b>	0.517	0.663
	Brand name 16		0.471	0.642
Store Image	Store image 26	<b>0.5</b>	0.751	0.866
	Store image 27		0.751	0.866
	Familiarity 18		0.706	0.840
Product Familiarity	Familiarity 19	<b>0.5</b>	0.706	0.840
	Familiarity 20		0.352	-
Value consciousness		<b>0.549</b>	0.604	0.777
	VC 29		0.458	0.675
	VC32		0.629	0.638
Private Label Value Perception	VC 30	<b>0.500</b>	0.830	0.903
	VC 31		0.716	0.846
	Shelf space 37		0.716	0.846
Shelf Space allocation	Shelf space 38	<b>0.500</b>	0.716	0.846

### Perceived Quality

One of the important factors that can determine Private label purchase is Perceived quality and quality factors. Quality element is measured by 9 items. KMO value is 0.693 which is in the acceptable range. Bartlett's test also proved that factor analysis is valid. All the items have low to moderate communalities (0.4 -0.6). So all items are retained for further analysis. Quality 7, 8, 10, 12 were combined as one factor – perceived quality , quality 11, 13, 15 reduced to one factor – private label quality belief and quality 9 , brand name 16 are combined as one construct

– private label brand name. The three components measures variance of 54 %. All the items have loadings in the range of 0.4- 0.7.

#### Product familiarity

Product familiarity is one of the key consumer factor that can determine private label purchase. Product familiarity is measured using 3 items. KMO value is 0.5 which is in the acceptable range. Bartlett's test of sphericity results showed that variables are correlated which makes factor analysis valid. The communalities are in the range of 0.65- 0.35. The item - familiarity 20 with lower communality is not retained for further analysis. The other two items will be considered for further analysis which has factor loadings of 0.840 and communalities in the range of 0.706. The one factor of product familiarity estimates variance around 71%.

#### Store image

Store image can directly and indirectly influence the private label purchase. Store image is measured by two items. KMO value is 0.5 which is in the acceptable range. Bartlett's test of sphericity results showed that  $p < 0.05$  which means factor analysis can be done. 75 % of the variance is explained by one factor of store image. The item communalities for store image is 0.751 so both items are retained. Factor loadings are in the range of 0.866 which is in the acceptable range.

#### Value consciousness

One of the vital consumer factor that have a profound influence in determining the private label purchase is value consciousness. KMO value is 0.549 which means the sample is adequate for factor analysis. Bartlett's test was also confirmed that factor analysis can be done. Item communalities are in the range of 0.830-0.458 which is in the high to low range. Factor loadings are adequate in the range of 0.638 and 0.903. From the rotated component matrix we can conclude that we have two factors value consciousness and private label value perception. VC -29 and VC-32 is combined as one factor- value consciousness.

#### Private label value perception

Private label value perception is the sub factor which gives an idea about the inherent value consumer perceive about private labels. VC -30 and VC-31 is combined to measure these factors. Factor loadings are adequate in the range of 0.830 and 0.903. 63% of the variance is explained by the two factors which measures value consciousness and allied factors.

#### Shelf space allocation

Shelf space allocation has a direct and indirect effect on private label purchase. The factor shelf space allocation is measured using two items. KMO value is 0.5 which is in the acceptable range to be considered for further analysis. Bartlett's test of sphericity confirmed that we can perform factor analysis. Item communalities are in moderate range (0.716). Factor loadings are in the range of 0.846 which is in the satisfactory range. So the factor can be considered for further analysis.

Table 4. Goodness of fit indices

Model	RMR	GFI	AGFI	PGFI
Default model	.029	.971	.948	.544
Saturated model	.000	1.000		
Independence model	.117	.729	.675	.608

Table 5. Incremental fit indices

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.901	.852	.980	.969	.979
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

## 4. Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) is done to confirm the factor structure. It helps to understand and verify the

factor structure which can provide insights about the relationship between the constructs. Primary CFA is conducted using all the factors. Items with loading closer to 0.4 were retained and others were removed (Bowen and Guo, 2011). In CFA, items with dramatically lower loadings and insignificant paths need to be removed. Shelf space allocation will be considered as an observed construct as one of the item is having a loading less than 0.4.

Factors like store factors and consumer factors determine private label purchase. The study focused into understanding the interrelationship between these factors which can provide valuable insights for the retailers. The following hypothesis are used to understand the relationship between these constructs.

H7: Store image can influence the perceived quality of private labels.

H8: Perceived quality depends on product familiarity.

H9: Private label value perception of the consumer is influenced private label quality belief.

H10: Private Label quality belief is formed by product familiarity.

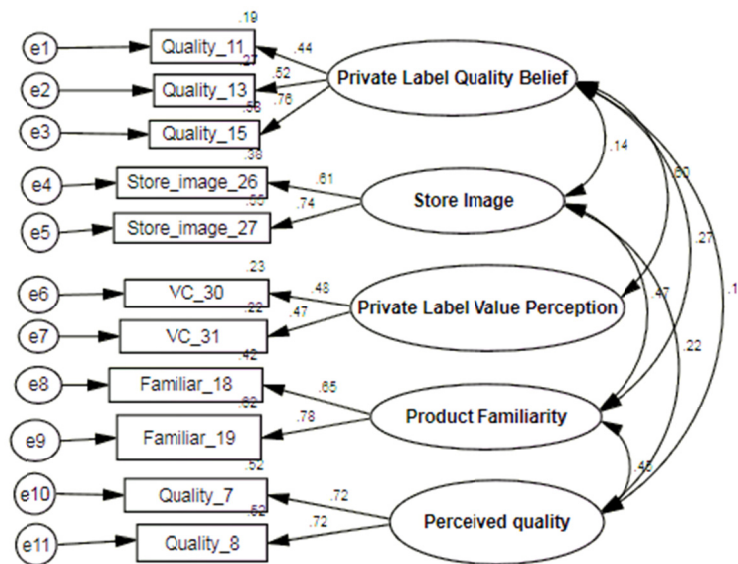


Figure 1. CFA model

4.1 CFA Results and Analysis

Confirmatory factor analysis (CFA) results shows that all paths are highly significant ( $p < 0.001$ ) and significant (0.05). The standardized regression weights for all items ranged from 0.4 to 0.7 which is the acceptable range.

$\chi^2$  value is 45.257 and  $df = 57$  and  $p$  value is 0.165. The GFI (0.971) AGFI (0.948) which means the model has a good fit (Schumacker and Lomax, 2010). The incremental fit indices CFI is 0.979, TLI is 0.969 and IFI is 0.980 which means model is having a good fit (Naor et al., 2008). The standardized RMR value is 0.0421 and RMSEA value is 0.029 which is the range of fit criteria proposed for good models (Hu & Bentler, 1999; Browne & Cudeck, 1993; Steiger, 2007).

Table 6. RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.029	.000	.055	.898
Independence model	.167	.153	.181	.000

Table 7. Goodness of fit indices

Model	RMR	GFI	AGFI	PGFI
Default model	.049	.950	.917	.574
Saturated model	.000	1.000		
Independence model	.115	.714	.667	.612

Table 8. Incremental fit indices

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.835	.766	.927	.891	.923
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

If we analyze the influence of store image on perceived quality (store image ↔ perceived quality), the p value is < 0.05 which means there is significant relationship between these two latent constructs and H7 is accepted. Perceived quality is determined by the extent to which consumer is familiar to the product (perceived quality ↔ product familiarity). The p value is < 0.001 which means there is significant relationship between these factors (H8 accepted).

Private label value perception is influenced private label quality belief. The p value is < 0.05 which means both these factors have significant influence on private label value perception. This confirms that H9 is accepted. Private label quality belief is determined by the extent to which consumer has product familiarity. P value is < 0.05 (private label quality belief ↔ product familiarity) which means there is significant relationship between these factors. So H10 is accepted.

#### 4.2 Construct Reliability and Validity

Construct reliability and validity is important for determining the accuracy of the measured constructs. CR has to be more than 0.7 and AVE has to be at least 0.5 (Hair, 2006). The reliability value (Refer Table 10) ranged from 0.8 to 0.9 which confirms that constructs have high reliability. AVE measured in the range of 0.6 to 0.9 which is in the acceptable range.

#### 4.3 Convergent and Discriminant Validity

Convergent validity will be determined by comparing the values of CR and AVE. From the CFA output it's evident that CR and AVE values are greater than proposed limits of 0.7 and 0.5 which establishes the convergent validity. Discriminant validity can be measured by comparing variance extracted estimates and the squared correlation estimate. The variance extracted estimates should be greater than the squared inter correlation estimate (Fornell & Larcker, 1981). The AVE value range from 0.6 - 0.9 and the squared inter correlation estimate is in the range of 0.016-0.359. AVE value are more that squared inter correlation estimate which confirms the discriminant validity.

### 5. Structural Model

Structural Equation Model will help us to understand the extent to which consumer factors, and store factors determine private label purchase. The proposed hypothesis look into the factors that determine private label purchase in food category are formulated based on the existing literature.



5.1 SEM Results and Analysis

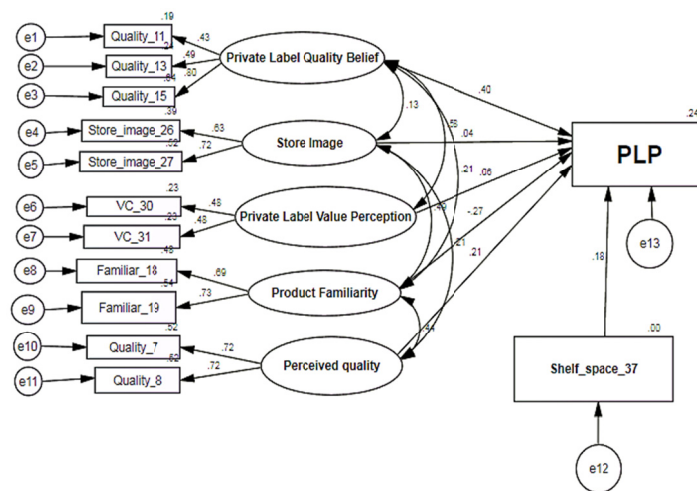


Figure 2. SEM model

$\chi^2$  value is 91.602 and  $df=55$  and  $p$  value is 0.001. The normed  $\chi^2$  value ( $\chi^2/df$  ratio) is 1.665. The value is less than proposed value of 2 (Ullman, 2001) which indicates a good fit. The GFI (0.950) AGFI (0.917) which means the model has a good fit (Schumacker & Lomax, 2010). The incremental fit indices CFI is 0.923, TLI is 0.891 and IFI is 0.927 which are indicators of good fit for the model (Naor et al., 2008). The standardized RMR value is 0.0645 and RMSEA value is 0.050 which is the range of fit criteria proposed for good models (Hu & Bentler, 1999; Browne & Cudeck, 1993). RMSEA of 0.050 means that the model is having a close fit (Browne & Cudeck, 1993).

Table 9. RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.050	.031	.068	.464
Independence model	.153	.141	.165	.000

Private label purchase is influenced by perceived quality. The  $p$  value is  $<0.05$  ( $p=0.023$ ) which means there is a significant relationship between perceived quality and private label purchase. So H1 is accepted.

Private label quality belief can determine the private label purchase. If we analyze the  $p$  value less than 0.01 which means it's significant at 99% confidence level ( $PLP \leftarrow$  private label quality belief). So H2 is accepted.

Private label purchase is influenced by private label value perception. The  $p$  value is greater than 0.05. So H3 is not accepted..

Product familiarity can influence the private label purchase. The  $p$  value  $< 0.05$  which means there is significant relationship between these constructs ( $PLP \leftarrow$  product familiarity,  $p= 0.017$ ). So H4 is accepted.

Store image is a key factor that determine private label purchase in food category. H5 is rejected as  $p$  value is  $> 0.05$  which means there is no significant relationship between these constructs.

Shelf space allocation is found to have significant relationship with private label purchase ( $p< 0.05$ ). So H6 is accepted.

Table 10. Construct reliability and validity

Item	Construct	Estimate	Square of Loadings	Sum of Square Loadings	Sum of Loadings	Error Terms	Square of Sum Loadings	Square of Sum of loadings +error terms	SSL+ error terms	Construct Reliability	AVE
Quality_8	Perceived quality	0.72	0.52	1.04	1.44		2.07	2.44	1.40	0.9	0.7
Quality_7	Perceived quality	0.72	0.52			0.364					
Familiar_19	Product familiarity	0.78	0.61								
Familiar_18	Product familiarity	0.65	0.42	1.03	1.43	0.146	2.04	2.19	1.18	0.9	0.9
Store_image_27	Store image	0.74	0.55								
Store_image_26	Store image	0.61	0.37	0.92	1.35	0.208	1.82	2.03	1.13	0.9	0.8
VC-30	PL Value Perception	0.48	0.23								
VC-31	PL Value Perception	0.47	0.22	0.45	0.95	0.255	0.90	1.16	0.71	0.8	0.6
Quality 15	PL quality belief	0.76	0.58								
Quality 13	PL quality belief	0.52	0.27	1.04	1.72	0.132	2.97	3.34	1.41	0.9	0.7
Quality 11	PL quality belief	0.44	0.20			0.239					

Table 11. Discriminant validity

Correlation		Estimate	SIC	Construct	AVE
Private Label Quality Belief <-->	Private Label Value Perception	0.599	0.359	PLB Price	0.70
Private Label Quality Belief <-->	Product Familiarity	0.274	0.075	Perceived quality	0.70
Private Label Quality Belief <-->	Store Image	0.14	0.020	Store Image	0.80
Store Image <-->	Product Familiarity	0.472	0.223	Product familiarity	0.90
Product Familiarity <-->	Perceived quality	0.454	0.206	PL Value Perception	0.60
Private Label Quality Belief <-->	Perceived quality	0.127	0.016	PL Quality Belief	0.70
Store Image <-->	Perceived quality	0.215	0.046		

## 6. Conclusion

Factors like perceived quality, private label quality belief, product familiarity and store factors like shelf space allocation was found to have a significant role in determining the private label purchase in food category. Private label quality belief is shaped by flavour and freshness that private label has to offer for consumers. The quality belief will be shaped by the extent to which consumer is familiar with the private labels. Retailers need to have proper shelf strategy for private labels to enhance their preference by consumers.

## 7. Managerial Implications

Perceived quality and quality are major factors affecting the consumer perception. So retailers need to enhance the quality image of store brands through minimizing quality variation by improving packaging and product quality. The major factor that determine perceived quality is consumer's familiarity with private label.

Private label quality belief is one factor that can influence the private label purchase. This quality belief is determined by the flavour and freshness that private label has to offer compared with national brands. So retailers need to ensure that they have appealing flavour and freshness which can create a distinct identity for store brands. If consider the private label quality belief, it is shaped in the minds of consumer depending on the degree to which consumers are familiar with store brands or private labels. Retailers need to take efforts to enhance the product familiarity through promotions, dedicated product display and giving product samples. Shelf space allocation can determine consumer's preference for private labels. It can directly improve the product familiarity and indirectly augment perceived quality. So retailers need to have a competitive shelf space allocation strategy with respect to national brands. It's better to place private labels near to store brands to create a better image of private labels rather than keeping them apart.

## 8. Limitations and Scope for Future Research

The current research focus is primarily on food category in general, so you cannot generalise this model and

apply to other categories. The major factors considered for the study include perceived quality, private label value perception, product familiarity, store image and shelf space allocation. The model cannot address the influence of private label price, perceived risk, private label brand image, category price consciousness, assortment, in store promotions and its impact on private label purchase. So there is scope of constructing a model with all these factors which can provide a better perspective about the inter relationship between these factors. Category factors, demographic factors and psychographics and its influence is not researched in depth in the current study. Macro-economic factors can also impact the shopping pattern which is not investigated in the study. So future research can explore this dimension which can add new perspectives to private label purchase.

The current study is limited to one city only so future research can consider multiple cities which can provide better outlook about factors determining private label purchase. Category focused study can give a better range for the model. When look at individual sub categories, consumers preference may be based on multiple factors. So this can limit the scope of the study to certain aspects.

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