# CONSUMER'S PERCEIVED VALUE AND BUYING BEHAVIOR OF STORE BRANDS: AN EMPIRICAL INVESTIGATION 

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#### Abstract

Buying processes in grocery shopping involve many factors relating to the final decision of the consumers and those aspects influence Consumer Perceived Value and their buying behavior on deciding which type of product they would buy. Store brands existence as an option in today modern grocery shopping have an important position in retail strategy nowadays and the role have increased during the development of modern grocery stores in Indonesia. Therefore, understanding store brand buyer behavior is an essential topic for marketers and researchers. Demographic Profiling, Mean Value Analysis, Crosstabs Analysis, Reliability Analysis, Factor Analysis - Principal Component Analysis (Varimax Method), Multiple Linear Regression are used in this research. Dominating, significant variables revealed, pattern of relationship showed. In overall, the findings shows that consumer's perceived value contribute positively to their perceptions of store brands and the better knowledge on the aspects of store brand products due to their past experience in purchasing the items lead to positive perceptions which eventually will lead to good possibility for them in re-purchasing store brands products in the future.


Keywords: store brand, consumer perceived value (CPV), buying behavior

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## INTRODUCTION

Understanding Consumer's Perceived Values place important part in winning customers over a product/service and became the major motive in choosing the problem. To develop and improve a product, companies must know what are the factors that consumers think as important to dig up information on how they think and perceive variables over a product before considering in purchasing it. CPV and buying behavior also reflect the performance of provider of the goods deliver their products.

The instruments that will be investigated in the paper cover the relationships among dimensions of CPV and buying behavior, and their final decisions based on the variables in the measurement constructs (consist of recommendations to relatives, willingness to buy store brands items over national brands, and the possibility in future purchasing). Although this paper is the replication of a journal, further works are designed to enhance the results of the analysis. The improvements cover more method of analyses to give better view on the actual consumer's perceived value and their buying behavior toward store brands (for example: in the research, demographic factor will be investigated to find out whether it is significantly related toward the problem or not, etc.) and supported with an open-ended question of suggestion and/or critics towards the groceries in the concern of store brands.

Establishing a positive CPV also require strong brand image, which is crucial for any retailer, especially since more shoppers become more selective in making buying decisions when they are inside a store staring at a shelf full of items. The same applies to its approach to store brands. In Indonesia, the observed hypermarkets (Carrefour and Giant) and supermarket (Hero) have its selection of in-store brands are marked with the retailer's name, small print stating distribution information, and packaging design.

The aim of this study is to provide understanding on the subject of Consumers Perceived Values and buying behavior towards store brands products in the perspective of Indonesia's consumers, using measurement constructs of CPV and buying behavior. Important demographic factors, such as: income levels and group of ages will be investigated to seek its relationships towards the final decision of the buyers. In general, this paper outlines aspiration in providing sufficient information on today's stores brands CPV, focused in Indonesia as market study. Moreover, as a focus in researching, using forms of consumer's involvement, brand loyalty, price perception, quality perception, familiarity, and perceived risks as well as demographic factors, store brands attributes will be studied to dig up information on how they make a decision based on CPV variables before they buy store brands items.

## LITERATURE REVIEW

## 1. Method of Buying Behavior

Zeithaml, Berry and Parasuraman (1996) suggested that the evidence of impact should be detectable by relating products quality to retention of customers. Consumer's purchasing behavior can be viewed as a signal of retention or defection towards the products. When there is no re-purchasing from consumers, the acquiring cost, which is the cost of getting new
customers, will be costly, rather than retaining the satisfied current customers because their attraction involves advertising and promoting, and other promotional costs.

## 2. Method of CPV

An extensive theory of CPV was developed by Sheth, Newman, and Gross (1991), who study on how to measuring consumer perceived value by observing consumer choice as a "function of multiple 'consumption value' dimensions and that these dimensions make varying contributions in different choice situations."
They search whether consumer have the decision to buy level (buy or not buy), choosing the product level (product type A or product type B), or at brand level (brand A or brand B) through those five identified values.

## 3. Further Development on Measuring the Consumer Perceived Value and Buying Behavior, a Multidimensional Construct of Perceived Values

After Sheth, Newman, and Gross introduced the underlined multidimensional construct of CPV, Sweeney (1996) investigates the measurement of perceived value construct through method named as PERVAL model, emphasizes not only on the multidimensional construct, but more on the non-physical value, a situation in which perceived value is critical to the choice in the buying process.
4. Reviews of Store Brands Previous Studies from Myers (1967) to Sudhir and Taluktar (2004)

Table 1. Major Researches for Store Brands (1967-1997)

| YEAR | RESEARCHER | STUDY |
| :---: | :---: | :---: |
| $\mathbf{1 9 6 7}$ | Myers | Personality characteristics of store brand buyers |
| $\mathbf{1 9 6 5}$ | Frank and Boyd |  |
| $\mathbf{1 9 7 1}$ | Coe | Store brand buyers in socioeconomic variables |
| $\mathbf{1 9 7 8}$ | Murphy |  |
| $\mathbf{1 9 7 4}$ | Bettman | Information processing of store brand buyers |
| $\mathbf{1 9 8 1}$ | Bellizzi | Shopping style of store brand buyers |
| $\mathbf{1 9 8 2}$ | Cunningham |  |
| $\mathbf{1 9 8 7}$ | Salmon and Cmar |  |
| $\mathbf{1 9 9 2}$ | Deveny | Quality perception of store brand buyers |
| $\mathbf{1 9 9 4}$ | Wilensky |  |
| $\mathbf{1 9 9 7}$ | Baltas |  |

Table 2. Major Researches for Store Brands (2000-2004)

| YEAR | RESEARCHER | STUDY |
| :---: | :---: | :---: |
| 2000 | Corstjens and Lal | Building loyalty through store brands <br> The relationship between store brand and store loyalty |
| 2001 | Aliawadi, Neslin, and <br> Gedenk | The relationship between store brand and store loyalty |
| 2002 | Garretson, Fisher, and <br> Burton | Buyers attitudes towards store brands |
| 2003 | Sethuraman | Quality perception of store brands and <br> store brand purchase intention |


| $\mathbf{2 0 0 3}$ | Stambaugh | Quality perception and Price perception <br> on store brands buyers |
| :---: | :---: | :---: |
| $\mathbf{2 0 0 4}$ | Sudhir and Talukdar <br> $\mathbf{2 0 0 4}$ | Bonfrer and Chintagunta |$\quad$ Building loyalty through store brands $\quad$.

THEORITICAL FRAMEWORK


Figure 1. Theoretical Framework Design
This paper proposed a structured framework that composed of different types of values that buyers experience in the buying processes. The improvements and modification of previous studies will be applied in this thesis. 27 sub-values of the six major value structures are proposed based on the prior major researches on CPV and the buying behavior measurement models from Theory of Consumption Values by Sheth, Newman, and Gross (1991), Buying Behavior Model by Zeithaml, Berry and Parasuraman (1997),, to the development of PERVAL measurement models by Sweeney and Soutar (2001).

## HYPOTHESIS DEVELOPMENT

In the research, groups of hypotheses will be situated as proposition for implementing the theoretical framework. Those hypotheses are:

1. $\mathrm{H}_{0}$ : There is no relationship between income level and willingness in buying store brands products over national brands.
2. $\mathrm{H}_{1}$ : There is a relationship between income level and willingness in buying store brands products over national brands.
3. $\mathrm{H}_{0}$ : There is no relationship between age group and recommendation of store brands products.
4. $\mathrm{H}_{1}$ : There is a relationship between age group and recommendation of store brands products.
5. $\mathrm{H}_{0}$ : There is no relationship between income level and probability to consider buying store brands products in the future.
6. $\mathrm{H}_{1}$ : There is a relationship between income level and probability to consider buying store brands products in the future.
7. Hypotheses $1-3$ related to the demographic aspects of store brands buyers and their final decisions toward the products.
8. $\mathrm{H}_{0}$ : Aspects in the new measurement constructs of CPV and buying behavior of store brands buyers do not have significant influence towards recommendation of store brands products.
9. $\mathrm{H}_{1}$ : Aspects in the new measurement constructs of CPV and buying behavior of store brands buyers have significant influence towards recommendation of store brands products.
10. $\mathrm{H}_{0}$ : Aspects in the new measurement constructs of CPV and buying behavior of store brands buyers do not have significant influence towards willingness to purchase store brand grocery products over national brands.
11. $\mathrm{H}_{1}$ : Aspects in the new measurement constructs of CPV and buying behavior of store brands buyers have significant influence towards willingness to purchase store brand grocery products over national brands.
12. $\mathrm{H}_{0}$ : Aspects in the new measurement constructs of CPV and buying behavior of store brands buyers do not have significant influence towards probability to consider buying store brand products in the future.
13. $\mathrm{H}_{1}$ : Aspects in the new measurement constructs of CPV and buying behavior of store brands buyers have significant influence towards probability to consider buying store brand products in the future.
14. $\mathrm{H}_{0}$ : Partially, there is no aspect in the new measurement constructs of CPV and buying behavior of store brands buyers that has significant influence towards recommendation of store brands products.
15. $\mathrm{H}_{1}$ : Partially, there are aspects in the new measurement constructs of CPV and buying behavior of store brands buyers that has significant influence towards recommendation of store brands products.
16. $\mathrm{H}_{0}$ : Partially, there is no aspect in the new measurement constructs of CPV and buying behavior of store brands buyers that has significant influence towards willingness to purchase store brand grocery products over national brands.
17. $\mathrm{H}_{1}$ : Partially, there are aspects in the new measurement constructs of CPV and buying behavior of store brands buyers has significant influence towards willingness to purchase store brand grocery products over national brands.
18. $\mathrm{H}_{0}$ : Partially, there is no aspect in the new measurement constructs of CPV and buying behavior of store brands buyers that has significant influence towards probability to consider buying store brand products in the future.
19. $\mathrm{H}_{1}$ : Partially, there are aspects in the new measurement constructs of CPV and buying behavior of store brands buyers that has significant influence towards probability to consider buying store brand products in the future.

## DATA AND RESEARCH METHODOLOGY

Applied Research questions in this thesis will be presented in Indonesian language considering the entire random samples that carry out the task of their frequent shopping in the supermarkets and/or hypermarkets understand Bahasa Indonesia as the language.
Period of distribution $: 28^{\text {th }}$ May 2008-14 ${ }^{\text {th }}$ June 2008
Scope for Questionnaires : DKI Jakarta
Total questionnaire : 300 questionnaires
Target respondents : grocery shoppers
Sampling method : Random sampling method
Respondents Demographic Profile of store brand buyers
The questionnaire results were analyzed using SPSS version 16.0. The first method of analyzing the gathered data is grouping demographic factors, which are: gender, age group, education level, income level (net income per month), occupation, and the number of family member, through Relative Frequency.

## Mean Value Analysis

Mean Value Analysis in this research has purpose to observe the tendency of respondents' responses in filling the questionnaire from 27 questions related to the measurement of CPV and buying behavior of store brands purchasers. Likert Scales in the questionnaire were based on values of 1 ("Strongly Disagree"), 2 ("Disagree"), 3 ("Neither Disagree nor Agree" or "Neutral"), 4 ("Agree"), and the highest point is 5 ("Strongly Agree").

## Crosstabs Analysis

Crosstabs Analysis is used to show distribution of two variables in cross tabulation/table. Chi-Square Test is the important aspect in Crosstab Analysis, with purpose to investigate whether there is a relationship between column and row in cross tabulation. ChiSquare Test will be performed under sig. (2-sided) $<0.05$ to reject Ho.

## Factor Analysis of CPV and buying behavior of store brand buyer

The primary objectives of an FA are to determine:

1. The number of common factors influencing a set of measures.
2. The strength of the relationship between each factor and each observed measure.

Some common uses of FA are to: (www.stat-help.com)

- Identify the nature of the constructs underlying responses in a specific content area.
- Determine what sets of items "hang together" in a questionnaire.
- Demonstrate the dimensionality of a measurement scale. Researchers often wish to develop scales that respond to a single characteristic.
- Determine what features are most important when classifying a group of items.
- Generate "factor scores" representing values of the underlying constructs for use in other analyses.
The principal components’ method for initial factor extraction with the criterion eigenvalue greater than 1 and Varimax method of rotation was applied the store brand shopping behavior in order to extract the dimensions based on the construct. "Varimax rotation method minimizes the complexity of the components by making the large loading larger and the small loadings smaller within each component." (Leech, et.al, p.82)


## Reliability Analysis

Reliability can reflect the internal consistency of the indicators measuring a given factor. Reliabilities for all constructs exceed or close to 0.7 will be interpreted as a satisfying general requirement of reliability for research instruments.

## Frequencies Distribution of Customers' Responses

The main purpose is to support Factor Analysis and Principal Component Analysis results by showing dominate response(s) in a particular variable.

## Multiple Linear Regression

In regression analysis we fit the predictors with aspects in the CPV measurement constructs to investigate the dependent variables (recommendation of store brands, willingness to buy store brands over national brands, and probability of buying store brands in the future).

## Suggestions to Grocery Stores for Improvement

Respondents can participate in giving their suggestions for the future improvement of store brands existence in Indonesia.

## FINDINGS AND DISCUSSIONS

Respondents participated in this research are female (214 people; 71.3\%) and male (86 people, 28.7\%). Most respondents are from group age of $25-34$ years old (108 people, 36\%), followed by the group age of $35-44$ years old for $26.7 \%$. Number of respondents with age group of $<25$ years old and $>44$ years old do not vary much in the figure.
Dominating class in this research came from people with Bachelor degree (163 people, 54.3\%) as their current education level. People with Diploma degree and High school shared the slightly equal distribution with $18 \%$ and $18.7 \%$.
Most respondents ( 105 people) earn Rp 2-5 million in their monthly nett income, followed by the group of respondents with nett income of Rp 5-10 million (22\%) and less than Rp 2 million ( $21.7 \%$ ). 3 respondents ( $1 \%$ ) left the subject empty.

Most respondents (180 people) have their career as Employee (60\%), followed by those with Housewife as occupation (14.7\%) and Professional workers (14\%).
Most respondents live in family ( 91 people) consistof 4 people (31.3\%), followed by the group of family 5 people and more which accounted for $30.3 \%$.

Mean Value Analysis in this research has purpose to observe the tendency of respondents' responses in filling the questionnaire from 27 questions related to the measurement of CPV and buying behavior of store brands purchasers. Variable with the lowest Mean Value is "The purchase of store brand grocery items is risky because the quality of store brands is inferior", meaning that most respondents disagree (answered strongly disagree/disagree) with the statement, or in other words, most of them shared the common view to not consider purchasing store brand as risky because the inferior quality of the items. The highest Mean value is "Product that I buy from grocery store matters a lot to me", meaning that most respondents have the most agreed opinion with the statement.
Crosstabs Analysis is used to show distribution of two variables in cross tabulation/table. There is no relationship between willingness of buying store brands compared to national brands and their income level. There is also a relationship between recommendation of store brand grocery product to friends and their age group; group age of $<25$ years old and $>40$ years old have the tendency to recommend store brands to their friends and relatives. And furthermore, there is a relationship between probability to consider buying store brand items in the future and income level. Respondents with monthly Nett income of $<\mathrm{Rp} 2$ million and Rp 2-5 million have high percentage in store brands items future repeated purchases probability.

Using Factor Analysis using Principal Component Analysis, the variables after rotation are diversified into 9 components. After rotation, the CPV dimensions which consist in 27 variables and initially grouped in 6 factors transforming to 9 factors.

Table 3. Rotated Component Matrix ${ }^{\text {a }}$

|  | Component |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Usually, I care a lot about which particular brand I buy | . 763 | . 110 | . 113 | -. 006 | . 022 | . 037 | -. 125 | . 105 | . 143 |
| I am willing to make an effort to search my favorite brand | . 756 | -. 007 | . 169 | -. 054 | . 134 | -. 117 | -. 040 | . 090 | . 044 |
| I prefer one/certain brand of most products I buy | . 717 | -. 123 | . 107 | . 021 | . 050 | -. 124 | . 354 | . 007 | -. 055 |
| I prefer to always shop at one store | . 660 | . 159 | -. 021 | . 139 | . 190 | . 118 | -. 130 | . 044 | -. 061 |
| I buy store brands | . 095 | . 788 | . 013 | -. 144 | -. 016 | . 164 | . 115 | -. 078 | -. 053 |
| My shopping cart contains store brands for several products | -. 024 | . 775 | . 007 | -. 100 | . 066 | . 062 | . 034 | . 024 | -. 150 |
| I am very familiar with the various store brand grocery items available in the market | . 096 | . 733 | . 003 | -. 061 | -. 055 | -. 133 | . 117 | . 089 | . 095 |

Given the potential financial expenses associated with purchasing store branded grocery products, overall financial risk is associated with purchasing such products is substantial People think of me as a good source of shopping information
I am somewhat of an expert when it comes to shopping
I enjoy giving people tips on shopping
Products that I buy from grocery store interests me a lot
The purchase of store brand grocery items is risky because the quality of store brands is inferior
Store brand grocery items are appear to be a bargain
Considering the cost of grocery products, for me to purchase store brands would be very risky
There are only minor variations among brands of grocery products in terms of quality
Product that I buy from grocery store are very important
Product that I buy from grocery store matters a lot to me
All brands of grocery products are basically the same in quality I do not think there are any significant differences among different brands of grocery products in term of quality Store brand grocery items offer great value for money
Store brand grocery products do not vary a lot in term of quality
Store brand grocery items are considered to be good buy
In grocery products, It is true that you get the quality that you paid for I read product labels in detail before I buy grocery products

| -. 092 | . 448 | . 053 | . 268 | . 278 | . 390 | -. 074 | -. 256 | . 038 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| . 063 | . 021 | . 825 | . 118 | . 005 | . 012 | . 104 | . 067 | -. 031 |
| . 101 | -. 053 | . 732 | . 001 | . 152 | -. 008 | . 130 | -. 069 | -. 148 |
| . 112 | . 264 | . 552 | . 001 | -. 126 | . 005 | -. 199 | . 301 | . 021 |
| . 150 | -. 075 | . 494 | . 032 | . 260 | . 073 | -. 065 | -. 013 | . 282 |
| . 063 | -. 089 | . 151 | . 727 | . 149 | -. 067 | -. 312 | . 046 | . 014 |
| . 152 | -. 047 | -. 073 | . 679 | -. 292 | . 070 | . 210 | -. 179 | -. 050 |
| -. 146 | -. 199 | . 074 | . 662 | . 228 | . 086 | -. 030 | . 075 | . 108 |
| . 085 | . 020 | . 000 | . 420 | . 096 | -. 259 | . 002 | . 173 | . 405 |
| . 216 | . 089 | . 042 | . 077 | . 760 | . 061 | -. 037 | . 047 | . 111 |
| . 157 | -. 064 | . 129 | . 068 | . 749 | -. 149 | . 260 | . 008 | -. 077 |
| -. 003 | -. 001 | -. 054 | . 038 | -. 039 | . 828 | . 085 | . 099 | . 075 |
| -. 021 | . 088 | . 099 | -. 066 | -. 036 | . 791 | . 211 | . 008 | -. 123 |
| . 022 | . 117 | . 156 | . 081 | . 034 | . 126 | . 770 | . 047 | . 099 |
| -. 093 | . 110 | -. 182 | -. 320 | . 099 | . 183 | . 517 | . 017 | -. 083 |
| -. 134 | . 247 | . 116 | -. 180 | . 301 | . 261 | . 453 | . 206 | -. 006 |
| . 146 | -. 032 | . 020 | -. 020 | -. 038 | . 089 | . 063 | . 781 | . 185 |
| . 080 | -. 021 | . 103 | . 018 | . 434 | -. 032 | . 049 | . 539 | -. 015 |

In grocery product, the higher the price for a brand, the higher the quality There is a great deal of difference in overall quality between nationally advertised and store brand grocery items
Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 9 iterations.

Based on the result, variables with high loadings in the same factor indicate the significant correlations among other item(s); therefore the next step is to create new labels according to their shared characteristics/attributes acquired from the items in the Principal Component Analysis.

* Factor 1 will be labeled as "Brand Preferences"

|  | 1 |
| :--- | :---: |
| Usually, I care a lot about which particular brand I buy | .763 |
| I am willing to make an effort to search my favorite brand | .756 |
| I prefer one/certain brand of most products I buy | .717 |
| I prefer to always shop at one store | .660 |

* Factor 2 will be labeled as: "Familiarity towards Store Brands"

|  | 2 |
| :--- | :---: |
| I buy store brands | .788 |

My shopping cart contains store brands for several products .775
I am very familiar with the various store brand grocery items available in the market

Given the potential financial expenses associated with purchasing store branded grocery products, overall financial risk is associated with purchasing such products is substantial

* Factor 3 will be labeled as: "Shopping Interest and Knowledge Sharing"

|  | 3 |
| :--- | :---: |
| People think of me as a good source of shopping information | .825 |
| I am somewhat of an expert when it comes to shopping | .732 |
| I enjoy giving people tips on shopping | .552 |
| Products that I buy from grocery store interests me a lot | .494 |

* Factor 4 will be labeled as: "Risk Perception"

|  | 4 |
| :--- | :---: |
| The purchase of store brand grocery items is risky because the quality of <br> store brands is inferior | .727 |



In Multiple Linear Regression, there are two aspects in the measurement constructs that have significant relationship towards the outcome (recommendation), which are: "Familiarity towards Store Brands" and "Shopping Interest and Knowledge Sharing". It seemed that grocery shoppers, especially store brands buyers, whom willing to give recommendation of the products they preferred are familiar with the existence of store branded products available in the market and have interest in grocery shopping.

The result also shows that there are two aspects in the measurement constructs that have significant relationship towards the outcome (willingness to buy store branded products than national brands), which are: "Familiarity towards Store Brands" and "Quality Perception". Using national brands as comparison for purchasing store brands, the overall
perception of quality and familiarity towards the products are proven to be important and have significant relationships.

Based on investigation, there is one aspect in the measurement constructs that have significant relationship towards the outcome, which is: "Familiarity towards tore Brands".

## CONCLUSION AND RECOMENDATION

Indonesian consumers, represented by sample, who do frequent shopping in modern grocery stores, came from well-educated classes with characteristics as smart, price-sensitive buyers. In general view, Indonesian consumers are aware in quality differences in products available in modern grocery stores. Evaluation on a product based on quality is important aspect in buying processes and this research found that although they are conscious in quality difference of all products; their perceive store brands overall quality do not vary with national brands. Furthermore, in the measurement construct, they believe that store brands offer great value for money, making income levels as less important factor with their willingness in buying store brands. External factors (such as: increasing inflation, increasing in oil price, or other issues) can be the causes of consideration in purchasing store brands. Higher monthly expenditure can be suppressed through the option of purchasing of store brands items, especially in grocery products, such as: rice, sugar, cooking oil, and other primary goods.

It is also discovered that the majority of total sample are relatively loyal in choosing brand(s) for products they use and familiar with the various store brands products available in the groceries. In general, delivering good customer's perceived value, stores will gain trust from them, making the evaluation of re-purchasing product attributes processes in the future (before buying, such as: viewing the details in label, package, and most importantly, the product's quality) less time consuming. CPV-buying behavior relationship can be represented by the research finding of probability to consider buying store branded products in the future (with $\mathrm{R}^{2}$ of .574 , it demonstrates that the model can be used optimally in predicting the probability of repeated purchases of store brands items in the future for Indonesian consumers, which is accounted for $57.4 \%$ of total source). The important improvement in store brands at the present is by establishing and maintaining good quality products, not only in the content, but also in the packaging, supported with adequate QC to ensure the undeceive buyers that store brands attributes are good value items for money.

In overall, the findings shows that the perceived values of Indonesian grocery shoppers contribute positively to their perceptions of store brands and the better knowledge on the aspects of store brand products due to their past experience in purchasing the items lead to positive perceptions which eventually will lead to good possibility for them in re-purchasing store brands products in the future.

Based on the findings, methods in this research can be used or developed in measuring consumer perceived value and buying behavior quantitatively in store brands area. Marketers should explore all dimensions of customer value before deciding on an appropriate market approach and develop new/different positioning strategy. Other scientific implications to Marketing sector are: many important decisions about product development and marketing. In the process of product development and marketing, provider of business should focus on strategic decisions about product attributes, product branding, product packaging, product
labeling and product support services. Product strategy also calls for building a product line diversification (creating premium line for the same type of product).
For Future research recommendations, it is shown that people are more aware with the existence of store brands products; therefore different aspects of this research can be inserted to examine this subject more thoroughly. Variables in CPV model can be investigated further, for example:
in price or quality perception, future researchers could add the variables focusing on at what level of price(s) can be considered as "lowest"; how much the compromised floor price of store brand items with accepted quality, followed by what products are sensitive for quality/price reducing.

This situation can lead researchers to search for the new aspects aside from quality itself, for example: through its impact on store revenues and profits, do store brands contribute to greater quality differentiation or greater price sensitivity in the market? Future research can also discuss the effects on consuming store brands products (can be focused on food categories) towards their health, is there any significant difference in terms of taste, smell, color, length of expiration period of the store brands, as the results of adjusted new quality, and other diverse dimensions to be explored.

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## APPENDICES

## A. Questionaire

Respondent yang terhormat, Survey ini dilakukan untuk kepentingan thesis sebagai tugas akhir tingkat Strata satu (S1) di Universitas Bina Nusantara International. Kerjasama Anda dalam menjawab kuesioner ini sangat kami hargai. Terima Kasih atas perhatian Anda.

Jenis kelamin: $\quad \square$ Pria $\square$ Wanita
Berapakah kisaran umur Anda:
$\square$ Kurang dari 25 tahun25-34 tahun35-44 tahunDi atas 44 tahun

Tingkat Pendidikan:
 $\square$ D1/D3S1S2

Tingkat Penghasilan: (per bulan; nett/take home pay)
$\square<2$ juta2-5 juta5-10 juta
$\square 10-20$ juta
$\square$ 20-40 juta
> 40 juta $\qquad$

Pekerjaan:
$\square$ Ibu rumah tanggaPelajar $\square$ Pegawai Negeri Sipil/ SwastaProfessionalPensiunan

Jumlah anggota keluarga:
1 orang

$4 \stackrel{\square}{\text { orang }}$
5 orang dan lebih

Berilah tanda V pada pilihan jawaban Anda.
(STS=Sangat Tidak Setuju; TS=Tidak Setuju; N=Netral; S=Setuju; SS=Sangat Setuju)

| Involvement—Keterlibatan |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Saya cakap dan mahir dalam memilih produk saat berbelanja. | STS | TS | N | S | SS |
| Orang lain menjadikan saya sebagai sumber informasi dalam <br> hal berbelanja. |  |  |  |  |  |
| Produk yang saya beli di supermarket/hypermarket sangatlah <br> penting. |  |  |  |  |  |
| Produk yang saya beli di supermarket/hypermarket sangat |  |  |  |  |  |


| digunakan. |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Produk yang saya beli sangatlah menarik perhatian. |  |  |  |  |  |
| Involvement-Keterlibatan |  |  |  |  |  |
|  | STS | TS | N | S | SS |
| Saya menyukai memberikan tips berbelanja kepada orang lain. |  |  |  |  |  |
| Saya terlebih dahulu membaca label dan detail lain sebelum akhirnya memutuskan untuk membelinya. |  |  |  |  |  |
| Brand Loyalty - Loyalitas terhadap suatu Merek |  |  |  |  |  |
| Saya memilih merek tertentu pada produk-produk yang saya beli. |  |  |  |  |  |
| Saya tidak keberatan untuk mencari demi mendapatkan produk dengan merek favorit saya. |  |  |  |  |  |
| Biasanya saya sangat setia terhadap merek tertentu yang saya beli. |  |  |  |  |  |
| Saya memilih untuk berbelanja di supermarket/ hypermarket tertentu. |  |  |  |  |  |
| Price Perception - Persepsi terhadap harga |  |  |  |  |  |
| Produk dengan merek supermarket/hypermarket tempat saya berbelanja menawarkan keunggulan dilihat dari segi harga. |  |  |  |  |  |
| Produk dengan merek supermarket/hypermarket tempat saya berbelanja terlihat seperti barang obral. |  |  |  |  |  |
| Jika harga lebih mahal, produk kebutuhan harian yang sejenis pasti juga menawarkan kualitas yang lebih baik. |  |  |  |  |  |
| Adalah benar bahwa harga yang saya bayar sebanding dengan kualitas produk kebutuhan harian yang saya beli. |  |  |  |  |  |
| Produk kebutuhan harian dengan merek supermarket/ <br> hypermarket tempat saya berbelanja menguntungkan bagi saya. |  |  |  |  |  |
| Quality Perception - Persepsi terhadap kualitas |  |  |  |  |  |
| Semua merek dari produk kebutuhan harian pada dasarnya memiliki kualitas yang serupa. |  |  |  |  |  |
| Saya tidak melihat adanya perbedaan yang berarti dari produk kebutuhan harian, dari segi kualitas. |  |  |  |  |  |
| Quality Perception - Persepsi terhadap kualitas. |  |  |  |  |  |


|  | STS | TS | N | S | SS |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Kualitas produk kebutuhan harian dengan merek supermarket/ hypermarket tidak kalah dengan merek lainnya. |  |  |  |  |  |
| Dilihat dari segi kualitas secara keseluruhan, terdapat perbedaan yang sangat mencolok; produk kebutuhan harian dengan merek terkenal dibandingkan dengan merek supermarket/hypermarket tempat saya berbelanja. |  |  |  |  |  |
| Hanya terdapat sedikit variasi pada kualitas dari produk-produk kebutuhan harian yang dipasarkan. |  |  |  |  |  |
| Familiarity - Kebiasaan |  |  |  |  |  |
| Saya biasa membeli produk dengan merek supermarket/ hypermarket tempat saya berbelanja. |  |  |  |  |  |
| Biasanya, pada troli/kereta belanja saya terdapat beberapa barang dengan merek supermarket/ hypermarket tempat saya berbelanja. |  |  |  |  |  |
| Saya mengenal berbagai produk kebutuhan harian dengan merek supermarket/ hypermarket tempat saya berbelanja. |  |  |  |  |  |
| Perceived Risk - Tingkat Resiko |  |  |  |  |  |
| Dengan mempertimbangkan harga yang lebih murah, pembelian produk kebutuhan harian dengan merek supermarket/ hypermarket, bagi saya justru sangat beresiko. |  |  |  |  |  |
| Menurut saya, jika tidak membeli barang kebutuhan harian dengan merek supermarket/ hypermarket tempat saya berbelanja, kerugian secara finansial justru sangat berarti. |  |  |  |  |  |
| Pembelian produk kebutuhan harian dengan merek supermarket/hypermarket beresiko karena kualitasnya yang inferior/bermutu rendah. |  |  |  |  |  |

Apakah saran/kritik Anda terhadap produk kebutuhan harian dengan merek supermarket/hypermarket di masa depan?
$\qquad$
$\qquad$
$\qquad$

Berilah tanda V pada pilihan jawaban Anda.

Final Decision - Keputusan Akhir

|  | 1 | 2 | 3 | 4 | 5 |
| :--- | :--- | :--- | :--- | :--- | :--- |
| Rekomendasi terhadap barang kebutuhan harian dengan <br> merek supermarket/hypermarket kepada teman/kerabat |  |  |  |  |  |


|  | 1 | 2 | 3 | 4 | 5 |
| :--- | :--- | :--- | :--- | :--- | :--- |
| Keinginan untuk membeli barang kebutuhan harian <br> dengan merek supermarket/hypermarket dibandingkan <br> dengan barang kebutuhan harian dengan merek terkenal |  |  |  |  |  |


|  | 1 | 2 | 3 | 4 | 5 |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Kemungkinan untuk membeli barang kebutuhan harian <br> dengan merek supermarket/hypermarket di masa <br> mendatang |  |  |  |  |  |

## B. List of Tables and Figures

Table 4. PERVAL Dimensions

| Factor Analysis | PERVAL Dimensions |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Emotional $\backslash$ Social | Perceived Risk | Functional -Quality | Functional -Price |
| Enhances self | . 917 |  |  |  |
| image | . 898 |  |  |  |
| Enhances social status | . 887 |  |  |  |
| Get social | . 866 |  |  |  |
| approval | . 838 |  |  |  |
| Sense of class |  |  |  |  |
| Pride and self | . 795 |  |  |  |
| esteem enhanced | . 772 |  |  |  |
| Makes you | . 763 |  |  |  |
| belong | . 714 |  |  |  |
| Appear |  |  |  |  |
| intelligent | . 629 |  |  |  |
| Projects right image | . 574 |  |  |  |
| Enhances relationships |  | . 809 |  |  |
| Strengthens <br> friendship <br> Meet social |  | . 779 |  |  |


| expectations | . 647 |  |  |
| :---: | :---: | :---: | :---: |
| Recommendation |  |  |  |
| of experts | . 569 |  |  |
| Recommendation |  |  |  |
| of friends |  | . 789 |  |
| Recommendation |  | . 774 |  |
| of salesperson |  | . 634 |  |
| In store display |  | . 617 |  |
| and promotion |  |  | . 829 |
| Age |  |  | . 811 |
| Vintage |  |  |  |
| Quality |  |  |  |
| Brand |  |  |  |
| Value for money |  |  |  |
| Saves money |  |  |  |

expectations
.789
Recommendation . 774
of salesperson . 634
In store display . 617
and promotion .811

Table 5. Rotated Component Matrix (unsorted)
Rotated Component Matrix ${ }^{\text {a }}$

|  | Component |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| I am somewhat of an expert when it comes to shopping | . 101 | -. 053 | . 732 | . 001 | . 152 | -. 008 | . 130 | -. 069 | -. 148 |
| People think of me as a good source of shopping information | . 063 | . 021 | . 825 | . 118 | . 005 | . 012 | . 104 | . 067 | -. 031 |
| Product that I buy from grocery store are very important | . 216 | . 089 | . 042 | . 077 | . 760 | . 061 | -. 037 | . 047 | . 111 |
| Product that I buy from grocery store matters a lot to me | . 157 | -. 064 | . 129 | . 068 | . 749 | -. 149 | . 260 | . 008 | -. 077 |
| Products that I buy from grocery store interests me a lot | . 150 | -. 075 | . 494 | . 032 | . 260 | . 073 | -. 065 | -. 013 | . 282 |
| I enjoy giving people tips on shopping | . 112 | . 264 | . 552 | . 001 | -. 126 | . 005 | -. 199 | . 301 | . 021 |
| I read product labels in detail before I buy grocery products | . 080 | -. 021 | . 103 | . 018 | . 434 | -. 032 | . 049 | . 539 | -. 015 |
| I prefer one/certain brand of most products I buy | . 717 | -. 123 | . 107 | . 021 | . 050 | -. 124 | . 354 | . 007 | -. 055 |
| I am willing to make an effort to search my favorite brand | . 756 | -. 007 | . 169 | -. 054 | . 134 | -. 117 | -. 040 | . 090 | . 044 |
| Usually, I care a lot about which particular brand I buy | . 763 | . 110 | . 113 | -. 006 | . 022 | . 037 | -. 125 | . 105 | . 143 |
| I prefer to always shop at one store | . 660 | . 159 | -. 021 | . 139 | . 190 | . 118 | -. 130 | . 044 | -. 061 |
| Store brand grocery items offer great value for money | . 022 | . 117 | . 156 | . 081 | . 034 | . 126 | . 770 | . 047 | . 099 |


| Store brand grocery items are appear to be a bargain | . 152 | -. 047 | -. 073 | . 679 | -. 292 | . 070 | . 210 | -. 179 | -. 050 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| In grocery product, the higher the price for a brand, the higher the quality | . 055 | -. 011 | -. 008 | . 153 | . 030 | . 050 | . 090 | . 277 | . 763 |
| In grocery products, It is true that you get the quality that you paid for | . 146 | -. 032 | . 020 | -. 020 | -. 038 | . 089 | . 063 | . 781 | . 185 |
| Store brand grocery items considered to be good buy | -. 134 | . 247 | . 116 | -. 180 | . 301 | . 261 | . 453 | . 206 | -. 006 |
| All brands of grocery products are basically the same in quality | -. 003 | -. 001 | -. 054 | . 038 | -. 039 | . 828 | . 085 | . 099 | . 075 |
| I do not think there are any significant differences among different brands of grocery products in term of quality | -. 021 | . 088 | . 099 | -. 066 | -. 036 | . 791 | . 211 | . 008 | -. 123 |
| Store brand grocery products do not vary a lot in term of quality | -. 093 | . 110 | -. 182 | -. 320 | . 099 | . 183 | . 517 | . 017 | -. 083 |
| There are only minor variations among brands of grocery products in terms of quality | . 085 | . 020 | . 000 | . 420 | . 096 | -. 259 | . 002 | . 173 | . 405 |
| There is a great deal of difference in overall quality between nationally advertised and store brand grocery items | . 037 | . 166 | . 083 | . 151 | . 042 | . 066 | . 070 | . 481 | -. 618 |
| I buy store brands | . 095 | . 788 | . 013 | -. 144 | -. 016 | . 164 | . 115 | -. 078 | -. 053 |
| My shopping cart contains store brands for several products | -. 024 | . 775 | . 007 | -. 100 | . 066 | . 062 | . 034 | . 024 | -. 150 |
| I am very familiar with the various store brand grocery items available in the market | . 096 | . 733 | . 003 | -. 061 | -. 055 | -. 133 | . 117 | . 089 | . 095 |
| Considering the cost of grocery products, for me to purchase store brands would be very risky | -. 146 | -. 199 | . 074 | . 662 | . 228 | . 086 | -. 030 | . 075 | . 108 |
| Given the potential financial expenses associated with purchasing store branded grocery products, overall financial risk is associated with purchasing such products is substantial | -. 092 | . 448 | . 053 | . 268 | . 278 | . 390 | -. 074 | -. 256 | . 038 |
| The purchase of store brand grocery items is risky because the quality of store brands is inferior | . 063 | -. 089 | . 151 | . 727 | . 149 | -. 067 | -. 312 | . 046 | . 014 |

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 9 iterations.
Table 6. Multiple Linear Regression Output

Table 7. Multiple Linear Regression Output for Recommendation of Store Brands
Table 8. Variables Entered/Removed

| Model | Variables Entered | Variables Removed | Method |
| :--- | :--- | :--- | :--- |
| 1 | Quality Perception, Product Importance, <br> Familiarity Towards Store Brands, Shopping <br> Interest and Knowledge Sharing, Brand <br> Preferences |  |  |

a. All requested variables entered.
b. Dependent Variable: Recommendation of store brand grocery product to their friends

Table 9. Multiple Linear Regression Output for Willingness of Buying Store Brands over National Brands
Table 10. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |  |
| :--- | :---: | ---: | ---: | ---: | :---: |
| 1 | $.275^{\mathrm{a}}$ | .076 | .060 |  |  |

a. Predictors: (Constant), Quality Perception, Product Importance, Familiarity Towards Store Brands, Shopping Interest and Knowledge Sharing, Brand Preferences
b. Dependent Variable: willingness to buy store-branded grocery products over national brands

Table 11. Variables Entered/Removed

| Model | Variables Entered | Variables Removed | Method |
| :--- | :--- | :---: | :--- |
| 1 | Quality Perception, Product Importance, <br> Familiarity Towards Store Brands, Shopping <br> Interest and Knowledge Sharing, Brand <br> Preferences ${ }^{\mathrm{a}}$ |  | Enter |

a. All requested variables entered.
b. Dependent Variable: willingness to buy store-branded grocery products over national brands

Table 12. Coefficients

| Model |  | Unstandardized Coefficients |  | Standardized <br> Coefficients$\|$ | t | Sig. |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | B | Std. Error |  |  |  |
| 1 | (Constant) | 1.885 | . 471 |  | 4.001 | . 000 |
|  | Brand Preferences | -. 006 | . 081 | -. 004 | -. 073 | . 941 |
|  | Familiarity Towards Store Brands | . 294 | . 082 | . 207 | 3.580 | . 000 |
|  | Shopping Interest and Knowledge Sharing | -. 017 | . 087 | -. 011 | -. 191 | . 849 |
|  | Product Importance | . 085 | . 083 | . 061 | 1.031 | . 303 |
|  | Quality Perception | . 145 | . 064 | . 130 | 2.250 | . 025 |

a. Dependent Variable: willingness to buy store-branded grocery products over national brands

Table 13. Multiple Linear Regression Output for Probability to Consider Buying Store Brands' Products in the Future
Table 14. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| :--- | :---: | ---: | ---: | ---: |
| 1 | $.758^{\mathrm{a}}$ | .574 | .567 | .655 |

a. Predictors: (Constant), Quality Perception, Product Importance, Familiarity Towards Store Brands, Shopping Interest and Knowledge Sharing, Brand Preferences
b. Dependent Variable: probability to consider buying store brand items in the future

Table 15. Variables Entered/Removed

| Model | Variables Entered | Variables <br> Removed | Method |
| :--- | :--- | :--- | :--- |
| 1 | Quality Perception, Product Importance, Familiarity <br> Towards Store Brands, Shopping Interest and <br> Knowledge Sharing, Brand Preferences |  |  |

a. All requested variables entered.
b. Dependent Variable: probability to consider buying store brand items in the future

Table 16. Coefficients

| Model | Unstandardized <br> Coefficients | Standardized <br> Coefficients | t | Sig. |
| :--- | :---: | :---: | :---: | :---: |


|  |  | B | Std. Error | Beta |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | (Constant) | . 153 | . 308 |  | . 497 | . 619 |
|  | Brand Preferences | -. 019 | . 053 | -. 015 | -. 364 | . 716 |
|  | Familiarity Towards Store Brands | 1.015 | . 054 | . 742 | 18.920 | . 000 |
|  | Shopping Interest and Knowledge Sharing | . 016 | . 057 | . 011 | . 281 | . 779 |
|  | Product Importance | -. 091 | . 054 | -. 068 | -1.678 | . 094 |
|  | Quality Perception | . 077 | . 042 | . 071 | 1.825 | . 069 |

a. Dependent Variable: probability to consider buying store brand items in the future


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