In-Store Marketing Strategies towards Customer Attitude to Private Label Brands using Cue Utilization Theory

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Abstract - The research aimed to find out instore marketing strategies that can influence consumer attitudes towards private label brands based on "cue utilization theory". The research belonged to the category of explanatory research since it uses primary data with the population of consumers who have shopped for private label products in Hypermart Tanjungpinang, and sample as many as 174 respondents with convenience sampling techniques. The analysis approach uses partial least square-structural equation modeling (PLS-SEM). The results show that private label marketing has a positive and significant effect on private label attitudes; private label marketing and store environment positively and significantly influence private label attitudes through the mediation role of perceived quality variants; product related attributes have a positive and significant influence on private label attitudes; the national brand promotion attitudes does not moderate the relationship between private label marketing and perceived quality variants on private label attitude; and price consciousness does not moderate the relationship between private label marketing and perceived quality variants on private label attitudes.

Keywords: marketing strategies, private label brand, private label attitude, cue utilization theory, Hypermart

I. INTRODUCTION

Indonesia is a developed country with a fourth-world population that is very likely to be the focus of retail business sector expansion. The rise of Indonesia's new retail sector has made competition in the modern retail industry even tighter. This helps new retail companies to find the best way to compete with other modern retailers. Nowadays, people have many shopping options since there are many retail stores available. Hence, retailers implement a private label brand strategy to distinguish products from others. A private label brand is a brand owned, created, and marketed by retailers, classified as a store brand. Retailers have the right to use either promotional marketing techniques or other in-store marketing techniques to control and sell items.

Although the existence of private label brands has caused a lot of controversies, the development of private label brands is growing rapidly. Sellers such as Hypermart and Indomaret are now running to launch their own private label labels. Private labels are used to investigate and consider behaviors that impact the decision-making of customers when selecting store brands (Hashmi, Shu, & Haider, 2020). The addition of private label brands is a response to the weak economic situation in Indonesia, especially for housewives looking for products under cheaper brands. The increase in commodity prices felt by consumers is of course not only due to the increase in production and distribution costs but also because of the high cost of promotion. To compensate for the decline in sales, manufacturers are cooperating with retail networks to launch fast-moving consumer goods products called private label brands.

The type of products for fast-moving consumer goods is products used for daily and kitchen needs, such as bread, sugar, rice, vermicelli, syrup, etc. The average quality of products with private label brands is cheaper than other brands. Most people in the retail industry are willing to do this because the average profit provided by private labels is 10% higher than branded products, as know previously the launch of giant Hypermart many private label brands products such as Hero supermarket, Indomaret, Alfa, Carrefour, etc. Hypermart Tanjungpinang is a clear proof that retail provides private label brand products to its

customers. In the city of Tanjungpinang, it was only in mid-2016 that a modern market was established called the mall, which was later known as the Tanjungpinang City Center Mall, almost all basic necessities are sold at this mall. Starting from kitchen equipment, daily equipment, furniture, and so on. Hypermart is the only modern retailer in Tanjungpinang City Center Mall that can meet the daily needs of the community when the COVID-19 pandemic hits Tanjungpinang. This opportunity allows Hypermart retail to provide various daily necessities from its private label brands. Private label brands and Hypermart products have become the choice of many Tanjungpinang customers. During the economic recession, the phenomenon of private label brands may intensify due to lower consumer incomes and lower prices. This analysis is the development of private label marketing in the store based on suggestions from the research limitations of (Mishra, Malhotra, & Galima, 2020), by exploring the store environment as a combination of social factors, design factors, and hemorrhoid factors that can affect and evaluate perceived quality variations consumers in ways that affect the understanding of the importance by consumers.

Cues is the output of conceptualizing the measurement of a commodity by a customer, where a set of indications act as a replacement performance metric for the average consumer in the industry. The physical features of the product, such as weight, material, and product design, are intrinsic indicators. In the meantime, extrinsic indications refer to product features that are not parts of the product itself, such as the type of shoes, the price, and the image of the store (Xiao et al., 2019). The typology of indication was introduced to understand how the use of indications influences the perceived standards of customers of consumers, relating to the judgments of consumers about the superiority of a product (Sabri et al., 2020; Kim et al., 2019). Kukar-Kinney and Xia (2017) have found that consumers tend to attach importance to complex interplay when intrinsic signals are missing or when these signals are not sufficient to direct their perception of quality and purchase intentions.

A private label is a description of a brand that is developed, owned, and marketed by distributors of products and services (Kotler & Keller, 2016). Meanwhile, Abril and Rodriguez (2016) point out that selling in-store private labels is a marketing technique by optimizing the interaction between retailers and consumers in the store. The best price understanding for the client is generated by in-store contact on private labels. The effect of different strategies between private label and national label attitudes to find the best price for customers (Olbrich, Hundt, & Jansen, 2017), and private-label management often wants to realize extrinsic requirements.

According to Kotler and Keller (2016), an overall view of a person against such a brand is a private label attitude. Brand attitude is an attitude of judgment towards an entity type, emotional feelings, favorable or unfavorable, and long-lasting tendencies to action. Attitudes towards PLBs are defined as customer predispositions (orientations) to respond to PLBs favorably or unfavorably on the basis of their assessment or purchase. A private label attitude is a brand owned, produced, and managed by a retailer. Retailers attempt to promote profit and differentiation in the construction and production of private labels, increase sales, and increase market share. As a response, this retailer's private product positioning will become an additional brand choice available to the consumer and offering a wider range of private label items, improving their quality and image (Hashmi et al., 2020).

Store environments can be used as a marketing communication tool designed to satisfy customer expectations and preferences and to try to understand consumer behavior in modern shops to encourage buying decisions (Hashmi et al., 2020). It is more difficult for retailers facing an ever more competitive marketplace to distinguish their stores based solely on product, price, promotion, or location. The presence of the store itself should provide a specific feeling or climate, such that consumer choices can be influenced (Kotler & Keller, 2016). Several researchers who study the store environment indicate that the atmosphere and architecture of the store are important factors that affect customer preferences, service and product quality, price perceptions, and shopping experience costs (Konuk, 2018).

The driving factor of impulsive purchasing that retailers will use when selling goods to customers, such as commodity costs, product attributes, and product quality, is product-related characteristics (Muruganantham & Priyadharshini, 2017). Meanwhile, product attributes are product items, which are absolutely required by consumers and are used as the basis for purchase decisions (Nicole et al., 2020), if they are sold in a category of lower rates.

Perceived quality variants are, according to Wang, Tao, and Chu (2020), consumer expectations of the quality of a product brand. Perceived quality variants can influence the understanding in the eyes of consumers of the quality of a commodity. In the meantime Nicole et al. (2020) notes that customer expectations suggest that in a product category, The quality of different brands of goods may or may not vary, arguing that perceived value is characterized as the perceived quality of the price paid.

Kotler and Keller (2016) mention that the national brand image is the public view of the company or its products. According to Olbrich et al. (2017), the picture of the national brand is the entire opinion of consumers about the brand or how they know it. It is confirmed that an image is a perception that is reasonably stable in the long term (enduring perception), so it is not easy to form an image, and it would be difficult to alter it once it is created.

Price consciousness is characterized, according to Katt and Meixner (2020), since consumers are reluctant to pay a higher price for a good, i.e., consumers focus on lower prices, without taking into account

product attributes that justify price consciousness. Therefore, when purchasing a private label, low prices are the most important thing that buyers are interested in. Price awareness is often commonly used by researchers to explain a product's market scores, seen from the product's price. According to Kumar and Candra (2020), in general, the increase in the market share of private label products is related to the question of the prices of private label products, and uncertainty about price factors can be linked to customer attitudes towards PLB products.

Several studies indicate that private label marketing is important because customers make a lot of choices while they are in the shop. The private label brand was originally designed to be an inexpensive alternative to national labels. However, as customers gradually display a favorable trend for private label labels, the situation shifts (Johnen & Schnittka, 2019; Olbrich et al., 2017), because their understanding of their private label brand's success is no less excellent than that of national brands. Research shows that in-store marketing, such as display room management, displays, signs, shop environment, service and in-store interactions, has a positive influence on brand interest and sales. In this case, in-store marketing campaigns will play an important role in developing favorable customer perceptions towards private label products (Konuk, 2018).

H_1: In-store private label marketing has a positive impact on private label attitude.

Perceived quality is defined as a consumer's product quality evaluation, rather than the characteristics given by a private label brand, in accordance with the analysis of Mishra et al. (2020), postulates that private label labels typically have a lower perceived quality than national brands because of the retailer's lack of prestige, which takes time to develop. The research aims to investigate the perceived quality of consumers between private label brands and big brands, and whether private label marketing in stores can help close the gap that benefits private label brands.

H_2: Private label marketing in the store positively affects the attitude of the private label brand through the mediating role of perceived quality.

The environment of a store consists of many signals that influence the internal assessment of a customer. The elements of the retail atmosphere are categorized into social, architecture, and environmental variables (Hashmi et al., 2020). The social element applies to workers in the store and other customers. Style differences can be attributed to the visual features of a space that tend to be at the forefront of market awareness (e.g., color and layout). The environmental factor relates to space's non-visual components, such as temperature, sound, and lighting. When making product quality decisions based around the idea of cue use, consumers depend on extrinsic and intrinsic signals (Sarkar, Sharma, & Kalro, 2016), It elaborates that extrinsic and intrinsic signs, specifically flavor, materials, labeling, price, trade mark, and store image, impair private label brand-customer evaluation. The effect of merchandise as a trigger on cognitive assessment has been investigated by several studies. If a consumer sees a retail store as superior to merchandising, it may serve as an external cue and have a positive effect on his or her enjoyment of the product.

H_3: Store environment has a positive effect on private label attitude mediated by perceived quality variants.

Depending on the object, interaction with the product produces different results (Diallo & Siqueira, 2017). This explains that in the store brand-customer purchase phase, there is an attitude towards the private label, where goods with low participation can be commonly applied with less differentiation and less risk, resulting in an incentive to spend more. Refers to the degree to which types of goods are connected with shops in the minds of customers. A good perceived association between stores and products is correlated with a high degree of product importance. While shop-specific signs are store image and product classification, quality variability is intangible signs that are specific to the product lines of the consumer, classified household cleaning items as a medium participation commodity group and breakfast cereals as low involvement in development.

H_4: The influence between product related attributes has a positive effect on private label attitude.

Mishra et al. (2020) show that the perceived performance and consumer attitude brand loyalty of big brands is greater than the loyalty of private label brands. Although private label brands are focused on traditional as poor in quality and price, they are now in direct competition with national brands with product quality enhancements over the years national brand producers also participate in sales promotion or aggressive advertisement of national brand to retain consumers and compete with the creation of private label products. Olbrich et al. (2017) show that the promotional promotion of a national brand delivers consumers benefits beyond monetary savings, including greater self-perception, higher status, and higher acquisition utility than a prestigious private label brand by purchasing a national brand at an affordable price. The next assumption, therefore, is:

H_{5a}: The potential moderating effect of national brand promotion attitude on the relationship between private label marketing and private label brand attitude.

H_{5b}: The potential moderating effect of national brand promotion attitude on the relationship between perceived quality variants and private label attitude.

Price consciousness has been described by marketing researchers in several ways. Katt and Meixner (2020) define it as the reluctance of buyers to pay a greater price for a product. In addition, price-conscious shoppers concentrate exclusively on paying low prices for a good. Because of the special characteristics of its low price, private labels are purchased compared to national brands (Olbrich et al., 2017). Moreover, to motivate customers to choose private labels over national brands, retailers are also urged to prepare and have better positioning, pricing, and in-store displays. However, consider price perception to be an important reason for private label and national brand consumer brand selection. Previous literature notes that sales with private labels are likely to be positively impacted by the perception of consumer prices (Batra & Sinha, 2000). Consumers who can afford low rates tend to purchase private labels and have a positive attitude (Alic, Cinjarevik, & Agic, 2020). In the fashion market, price has a direct positive relationship with purchasing interest, thus according to Olbrich et al. (2017), the next assumption is:

H_{6a}: The potential moderating effect of price consciousness on the relationship between private label marketing and private label brand attitude.

H_{6b}: The potential moderating effect of price consciousness on the relationship between perceived quality variants and private label attitude.
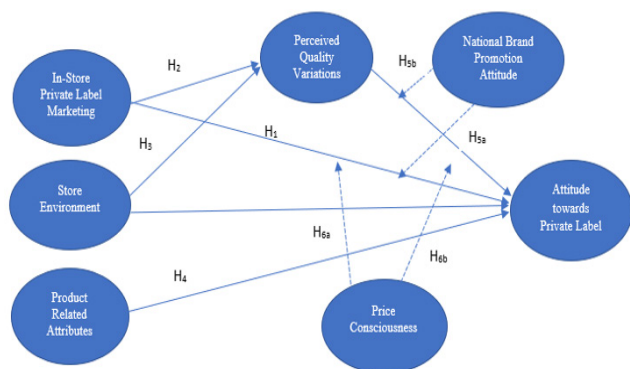

Figure 1 Research Framework

Overall, based on what is seen in Figure 1, the aim of the research is to see if retailers can influence customer attitudes toward private label brand by increasing perceived quality variance between private label brand and national brand using in-store private label marketing. Furthermore, the research investigates how moderating variables such as national brand promotion attitude and price consciousness can affect consumer attitudes toward private label brand. The results are expected to provide an overview the important role of in-store private label marketing as a media to support marketing and service activities, especially for retailers who have a private label brand,

and ultimately can understand its contribution in increasing customer attitude to private label brands.

II. METHODS

This explanatory research aims to explain the variables studied as well as the influence between one variable and another variable. Research period is conducted from October 2020 to December 2020. The research uses primary data sources using survey methods. Furthermore, the research used questionnaires as instruments to collect data. Questionnaires that have been compiled are then distributed to respondents electronically using Google Forms. The sampling method is convenience sampling. Regarding consumer behavior towards private label products in Hypermarket Tanjungpinang Sekaran and Bougie (2016) the sample is every visitor who has shopped for private label products in Hypermarket at a certain time. The information collected by researchers comes from members of the population who are easily accessible and willing to cooperate as respondents. During the time of dissemination of questionnaires (November-December 2020) collected 308 responses and 134 responses were discarded because they did not meet the criteria. The number of research samples was 174 respondents.

Furthermore, Likert-scale five points are selected from 1 (strongly disagree) to 5 (strongly agree). The private label marketing variable is measured by four statement items adopted from Abril and Rodriguez (2016); the store environment measured by thirteen statement items (Baker et al., 2002); product-related attributes measured by four statement items (Jacqueline, Kacena, & Hessa, 2012); perceived quality variants are measured by four statement items (Batra & Sinha, 2000); national brand promotion attitude is measured by four statement items (Manzur et al., 2011); price consciousness is measured by four statement items (Mukherji, 2017); and private label attitude is measured by four statement items (Manzur et al., 2011).

After the data is collected, analyzing data using the (PLS-SEM) approach, the model testing process will be conducted using Smart-PLS software version 3.0 Systematic evaluation of criteria follows the recommended two-stage process (Hair et al., 2017). Before the structural model evaluation process, the research assessed reflective measurement models to ensure the reliability and validity of constructed measurement indicators for model conformity which includes internal consistency (Cronbach's alpha, composite reliability), convergent validity (average variance extracted) and discriminant validity.

III. RESULTS AND DISCUSSIONS

The research results are presented in the form of respondent characteristics, measurement instrument

testing, hypothesis testing, and analysis results. Table 1 shows that 57,1% of respondents are female and 42,9% are male; 85,8% are between the ages of 19 and 27, and most of the respondents are from college. Validity calculation evaluates the validity of reflective models taking into account the value of the loading factor. If the factor value above >0,7, the instrument meets the convergent validity test (Hair et al., 2017). After being evaluated the loading factor value indicates that some items need to be removed from the research structure since the factor is below the recommended minimum limit. Deleted items are three store environment items, two product-related attribute items, and one national brand's promotion attitude and private labels attitude (see Table 2).

Table 1 Demographic Characteristics

Criteria	Item	Frequency	(%)
Gender	Man	75	42,9
	Women	99	57,1
Age	19-27	149	85,8
	28-35	17	9,7
	>35	8	4,4
Education	High School	19	10,6
	College	155	89,4
Profession	Professional	10	5,8
	Traders	23	12,8
	Employees	37	21,2
	Student	104	60,2
Income / Month	<Rp 1.000.000	58	33,6
	Rp 1.000.000 – Rp 2.000.000	69	39,8
	Rp 2.000.000 – Rp 3.000.000	24	13,7
	>Rp 4.000.000	23	12,9

Source: Researcher processed data (2020)

The instrument is said to meet the validity of the convergent if it has an average variance extracted (AVE) >0,5, based on Table 3, it can be seen that the variables Private Label Marketing, Store Environment, Product Related Attribute, Perceived Quality Variants, National Brands Promotion Attitude, Price consciousness, and Private Label Attitude result in an AVE value greater than >0,5. Thus, the variable indicator is declared valid.

To evaluate the criteria of construct measurement in the model stated that if the composite reliability value >0,7 and the value of Cronbach's Alpha >0,6, the construct is declared reliable (Hair et al., 2017). Table 4 shows that the composite reliability values in the ariable Private Label Marketing, Store Environment, Product Related Attribute, Perceived Quality Variants, National Brands Promotion Attitude, Price

consciousness, and Private Label Attitude are >0,7. Hence, based on composite reliability calculations of all indicators that measure variables are otherwise reliable.

The goodness of fit models in PLS analysis seen from R-squared. Results in Table 5 shows that the R-squared Private Labels Attitude variable has a value of 0,729 (72,9%). The variable R-squared Perceived Quality Variants is 0,340 (34,0%).

Hypothesis testing in the research can be known from the calculation of models using bootstrapping techniques. Evaluate the criteria by stating if the coefficient of the positive path and T-statistical value T-table (1,97) then it is stated that there is a positive and significant influence of exogenous variables on endogenous variables. Hypothetical test results are presented in Table 6 and Figure 2.

Table 2 Convergent Validity Test Result

Variable	Item	Loading	T Stat
Private Label Marketing	PLM1	0,741	19,431
	PLM2	0,880	23,961
	PLM3	0,848	17,244
	PLM4	0,860	43,198
Store Environment	SE11	0,742	23,839
	SE12	0,771	18,155
	SE2	0,737	36,919
	SE3	0,738	36,584
	SE4	0,793	15,770
	SE5	0,784	19,802
	SE6	0,743	17,412
	SE7	0,848	16,763
	SE8	0,832	21,460
Product Related Attribute	PRA3	0,891	27,955
	PRA4	0,888	41,792
Perceived Quality Variants	PQV1	0,820	29,364
	PQV2	0,880	36,973
	PQV3	0,805	21,169
	PQV4	0,761	21,855
National Brands Promotion Attitude	NBPA2	0,828	27,336
	NBPA3	0,927	74,779
	NBPA4	0,883	36,769
Price consciousness	PC1	0,806	10,732
	PC2	0,854	18,598
	PC3	0,756	8,462
	PC4	0,732	7,996
Private Labels Attitude	PLA1	0,820	20,544
	PLA3	0,786	21,637
	PLA4	0,863	44,160

Source: Researcher processed data (2020)

Table 3 Test Results of Convergent with AVE

Variable	AVE
Private Label Marketing	0,696
Store Environment	0,604
Product Related Attribute	0,791
Perceived Quality Variants	0,668
National Brands Promotion Attitude	0,775
Price consciousness	0,622
Private Labels Attitude	0,678

Source: Researcher processed data (2020)

Table 4 Reliability Test Result of Construct

Variable	Cronbach's Alpha	Composite Reliability
Private Label Marketing	0,853	0,901
Store Environment	0,918	0,932
Product Related Attribute	0,736	0,883
Perceived Quality Variants	0,833	0,889
National Brands Promotion Attitude	0,855	0,911
Price Consciousness	0,805	0,868
Private Labels Attitude	0,763	0,863

Source: Researcher processed data (2020)

Table 5 Goodness of Fit Model Test Result

Variable	R-Squared
Private Labels Attitude	0,729
Perceived Quality Variants	0,340

Source: Researcher processed data (2020)

Table 6 Results of Structural Model

Hypothesis	Original Sample	T Stat	P Values
H_1: Private Label Marketing > Private Labels Attitude	0,405	6,170	0,000
H_2: Private Label Marketing > Perceived Quality Variants > Private Labels Attitude	0,110	2,711	0,007
H_3: Store Environment > Perceived Quality Variants > Private Labels Attitude	0,104	3,303	0,001
H_4: Product Related Attribute > Private Labels Attitude	0,165	2,176	0,030
H_{5a}: Private Label Marketing*National Brands Promotion Attitude > Private Labels Attitude	-0,008	0,128	0,898
H_{5b}: Perceived Quality Variants*National Brands Promotion Attitude > Private Labels Attitude	0,030	0,493	0,622
H_{6a}: Private Label Marketing* Price Consciousness > Private Labels Attitude	0,107	1,683	0,093
H_{6b}: Perceived Quality Variants* Price Consciousness > Private Labels Attitude	-0,114	1,982	0,048

Source: Researcher processed data (2020)

Results show private label marketing has the most positive and significant influence on private label
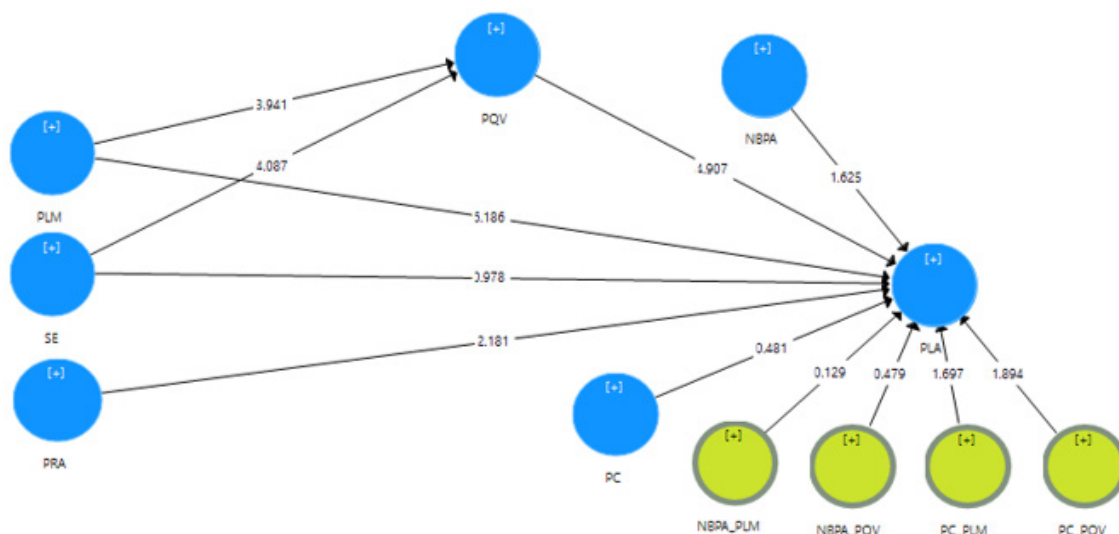

Figure 2 Hypothesis Results

attitude. Consumer attitude towards the quality of private label brand products that compete with national brands shows the importance of private label marketing in stores in giving a positive impression to consumers to improve the private label attitude of consumers. In line with research Mishra et al. (2020), in-store private label marketing has a positive and significant effect on consumer private label attitude can be achieved through the improved perception of positive private label brand quality. Abril and Rodriguez (2016) state that in-store employee communication can target consumers.

Furthermore, the results show that private label marketing has a positive and significant influence on the private label attitude through the role of mediation perceived quality variants. These results reinforce research by Mishra et al. (2020), which suggests the mediation effect of perceived quality variants on private label marketing and private label attitude relationships is significant. This indicates that private label brand efforts tend to meet direct competition with national brands in the store against perceived quality variants, for consumer attention and evaluation of the desired brand in the food category. Perceived quality variants are defined as consumer ratings for features provided by private label brands competing with national brands. Hypermarket consumers, especially in the food category, believe that the superiority of a product is based on the consumer's assessment of the quality of its products.

Results show the store environment has a positive and significant influence on private label attitude through mediation role perceived quality variants. Mostafa and Elseidi (2018) state that social cues in the store environment have a positive influence on consumer perception of the image of the store, and are proven to influence consumer perception of the image of the store. This shows that a positive store environment can support increasing customer enthusiasm if the right store atmosphere can capture attention by influencing consumers quality variants towards private label attitude and ultimately wanting to purchase private label products. While Mowrey, Parikh, and Kevin (2019) mention that customers can feel pleasure when shopping in a store with an attractive design and layout. Moreover, the favorable attitude of store employees is considered as an influential factor in getting customer feedback.

The results show that product related attributes have a positive and significant influence on private label attitude. This suggests that in-store product attributes can increase consumer attention to private label brands. Hypermarket retailers in the food category should provide adequate display space and these findings show that they can highlight private label brands in an attractive look to target consumers about the value that private label brands offer to avoid clashes against national brands. In line with the research by Muruganantham and Priyadharshini (2017) explaining there is a private label attitude in the consumer purchasing process, where products

with engagement can be easily accepted with less differentiation and less risk resulting in a push to shop more. Refers to the extent to which product categories are associated with stores in the minds of consumers.

Results show moderation of national brand promotion attitude has no interaction with dependent variables, so the national brand promotion attitude variable does not moderate the relationship between private label marketing variables and perceived quality variants against private label attitude. This result strengthens statement by Mishra et al., (2020) that national brand promotion attitude does not moderate the relationship of private label marketing and perceived quality variants to private label attitude, and national brand promotion attitude for value-conscious consumers who have some quality constraints for the price they pay for the products purchased. The research seeks private label marketing to efficiently meet direct competition with national brands in meeting consumer attitudes to make purchases in the food category at Hypermarket. The negative effects of national brand promotion tends to cause consumers to dislike in-store marketing strategies, while the positive effect of moderation perceived quality increases marketing activity in the store in lowering perceived quality variants for private label brands and national brands. Low attitude towards the promotion of national brands shows that consumers do not have confidence in marketing activities in Hypermarket, which will weaken the impact of private label marketing in the store on a positive private label attitude.

The results show that price consciousness moderation has no interaction with dependent variables, so price consciousness variables do not moderate the relationship between private label marketing variables and perceived quality variants against private label attitude. This is in line with Mishra et al. (2020) pointing out that price consciousness does not moderate the relationship of private label marketing and perceived quality variants to private label attitude. This finding is an indication of the reduced importance of price consciousness in the face of private label marketing inappropriate stores in Hypermarket. Price is generally an important cue in quality perception when consumers find difficulties to rate brands. In contrast, Mostafa and Elseidi (2018) state the relationship of price consciousness and consumer attitudes towards private label brands is found to be very significant. This difference can be caused by differences in countries, there is a possibility that private label products in Egyptian have been able to compete with national brands in terms of quality and price in that country, while for private label brands Hypermarket Tanjungpinang has not been able to compete against national brands.

IV. CONCLUSIONS

The research examines how to develop in-store private label marketing strategies to influence

attitudes towards private labels. The results show the importance of private label marketing in the store to make the perception of quality between private label brands and national brands foster positive attitudes in influencing consumers. It can be concluded that: (1) private label marketing positively and significantly affects on private label attitude; (2) private label marketing and store environment have a positive and significant influence on private label attitude through the mediating role of perceived quality variants; (3) product-related attribute has a positive and significant effect on private label attitude; (4) national brand promotion attitude and price consciousness do not moderate the relationship between private label marketing and perceived quality variants on private label attitude.

The findings suggest that in-store private label marketing is important for enhancing customer perceptions of product discrepancies between private label and national brands. The research finds that in-store private label marketing campaigns improve expectations of private labels and national brand consistency in the supermarket food category. Moreover, the store environment plays an important role in developing positive emotions. If it is managed properly, it will be able to provide sales advantages to private label products. The store environment which includes its variables, employees, lighting, and design are essential for retail stores. Therefore, Hypermart needs to focus on training employees to be more customer-centered, improving lighting patterns and store design. By doing so, it could attract more customers to shop for private label products at Hypermarket. The research expects that consumers with strong price awareness in the food category will have a positive regulatory influence on in-store private label marketing, thus reducing their attitude towards private label brands. However, in this case, the results are not supported. Because the food category competes directly with private label brands. The research results find the importance of in-store private label marketing, store environment, and product-related attributes in improving the private label attitude of retail industry consumers.

The findings contribute to providing insight into private label marketing strategies where in-store private label marketing shrinks variations in private label brands and national brand quality perceptions to foster positive attitudes and influence consumer decision making towards private label brands. Well-managed private label marketing will have a positive impact on consumers. In addition, a positive store environment allows consumers to feel the pleasure of shopping at the store with attractive design and layout. Product-related attributes will positively contribute to Hypermarket retailers in the food category by providing adequate display space, highlighting private label brands, and training salespeople to educate consumers about the value private label brands offers to bridge the gap between private label brands and national brand quality perceptions.

The limitation of the research is the sample of consumers who purchase private label products, but the facts says that not all respondents who filled out the research questionnaire had made transactions, so they were dropped. Marketing research evaluates consumer attitudes in two different ways, namely the attitudes of people who have made transaction and those who have never done. The formation of public attitudes that have never made transaction on a product or brand is a perception. Whereas for people who have made transaction, their attitudes are established by past experiences. The sample of the perceived quality variable in this study is the position of consumers who transact. Therefore, further research can use a sample of quality perception variables for consumers who have never bought private label products. The product signal can be the object of research in providing attitudes between consumers who have made transaction and those who have not.

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