E-ISSN: 2708-4523
P-ISSN: 2708-4515
AJMC 2024; 5(1): 515-520

www.allcommercejournal.com
Received: 02-03-2024
Accepted: 06-04-2024

Anoop Tom Thomas
Assistant Professor,
Department of Commerce, St. Dominic's College,
Kanjirappally, Kerala, India

Corresponding Author:
Anoop Tom Thomas
Assistant Professor,
Department of Commerce, St. Dominic's College,
Kanjirappally, Kerala, India

Role of store image in the promotion of private label brands

Anoop Tom Thomas

DOI: https://doi.org/10.22271/27084515.2024.v5.i1g.298

Abstract
This study examines the increasing popularity of Private Label Brands (PLBs) in Kerala and investigates the role of Store Image (SI) in their promotion. Store Brand Awareness, Store Perceived Quality, Store Brand Loyalty, Store Pricing Perception, and Store Reputation are identified as SI antecedents. The study was conducted through a survey of 130 customers at Sulabha Hyper Market, which revealed that all SI antecedents positively influence purchase intention (PI) towards PLBs. In total, these antecedents account for 25 percent of PI variance, highlighting the crucial role of SI in PLB promotion. The findings suggest that the establishment of more Multi Brand Outlets to develop in-house brands can lead to increased return on investment and the provision of quality products at competitive prices.

Keywords: Private label brands, store image, multi-brand outlets, purchase intention

1. Introduction
Private Label Brands (PLBs), or own brands, are products sold by Multi Brand Outlets (MBOs) under their store names. In India, there has been significant growth in the sales of PLBs (Gangwani *et al*., 2020; Ghosh *et al*., 2021; Kumar *et al*., 2023) [9, 10, 19]. Most of the MBOs in India offer both national brands and private brands. As against national brands, PLBs are charged 10-15 percent lower prices (Gupta *et al*., 2020) [13]. This makes it an attractive option for price-conscious shoppers, particularly when they perceive slight differences in quality between the two options (Trinh *et al*., 2016) [26]. PLBs balance quality and affordability for customers while offering greater margins (Kumar & Steenkamp, 2007; Trinh *et al*., 2016) [17, 26].
Though the potential of PLBs is evident, prior research mainly revolved around the price competitive aspects (Dobson & Chakraborty, 2015) [6]. PLB apparel, once unattractive to Indian flocks owing to quality and brand recognition concerns, has now transformed into the most significant sector with PLBs only (Ghosh *et al*., 2021) [10]. Kumar (2019) [18] examined the relationship between consumer attitude, store brand image, pricing perception, product quality, and store loyalty regarding the purchase intention (PI) of PLB apparel. Store image is one of the essential elements that lead to the promotion of PLBs (Gupta *et al*., 2020) [13]. This study investigates whether store image promotes PLBs among the customers of MBOs, taking 'Sulabha Hyper Market,' an MBO in Kottayam and Idukki districts of Kerala, as the field of study. Revealing the promotional story of PLBs may encourage more MBOs to develop PLBs, thereby increasing their return on investment (ROI) while offering quality products at lower prices to customers. Thus, this study assumes greater significance from the viewpoint of the customers and MBOs.
The structure of this paper is as follows. Section 2 provides a comprehensive review of the literature and the formulation of hypotheses. Section 3 details the materials and methodology used in this study, followed by section 4, which presents the significant discussions. The paper concludes by summarizing the key findings and implications of the study.

2. Review of Literature and Hypotheses Formulation
Many leading factors influence the purchase intention (Thomas & Joseph, 2021) [24]. According to Aaker (1991) [1], there are six variables that influence the PI of potential customers. They are brand awareness, brand loyalty, brand pricing perception, brand reputation, brand perceived quality, and brand commercial image.

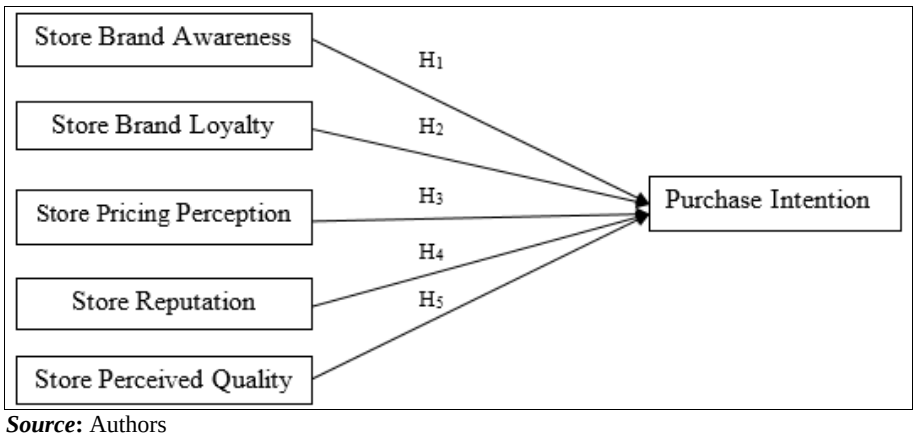
Using the major variables suggested by Aaker (1991) [1], this study tries to replicate them in the Kerala MBO context, taking the customers of Sulabha Hyper Market as the field of study. Brand awareness is the capacity of the customers, including potential customers, to recognize a particular brand (Keller, 2003) [15]. It is the extent of brand familiarity in the customers' minds (Aaker, 1991) [1]. Brand awareness is an essential factor that decides the product's desirability among customers (Lu *et al*., 2014) [20]. Brand awareness is an essential factor that leads to purchase intention (Aaker, 1991) [1]. Customers prefer brands that they are familiar with when making their purchase choices. Brand awareness can thus lead to a favorable predisposition to choose that brand over competitors (Gupta *et al*., 2020) [13]. It can also speed up decision-making, increasing the likelihood of purchasing that brand (Lu *et al*., 2014; Thomas & Joseph, 2021) [20, 24]. Based on prior experience, brand awareness can also lead to re-purchase intention. Thus, store brand awareness can attract more and more customers to the store, leading to greater exposure to PLBs.

Brand Loyalty is the tendency of the customers to consistently purchase products of a particular brand (Gupta *et al*., 2020) [13]. It measures the consumers' attachment to a particular brand (Aaker, 1991) [1]. Loyal customers repeatedly purchase the same brand and resist switching to another brand's products (Gupta *et al*., 2020; Kim *et al*., 2009) [13, 8]. Sometimes, they are also willing to pay a higher price to purchase from the same brand (Aaker, 1996) [2]. It is found that customers who are loyal to a particular store repeatedly visit that store for their purchases (Gupta *et al*., 2020) [13]. Thus, store brand loyalty can attract more and more customers to the store, leading to greater exposure to PLBs. Price is an indicator of cost (Kotler & Armstrong, 2008). Brand Pricing is the primary factor influencing consumers' purchase intention (Gupta *et al*., 2020) [13]. Brands must carefully plan their pricing strategies to influence consumer purchase intentions (Aaker, 1991) [1] positively and sustainably. PLB buyers are value-conscious and inclined to buy quality products at lower prices (Gupta *et al*., 2020) [13]. Pricing must tally with customer expectations and perceptions of value to stimulate purchase intentions (Thomas & Joseph, 2021) [24] and build long-term loyalty to PLBs. Thus, store brand pricing in the form of price competitiveness and perceived value for money can attract more and more customers to the store, leading to greater exposure to PLBs. Store reputation encompasses how a retail establishment is perceived by stakeholders, reflecting their beliefs, attitudes, and opinions (Graciola *et al*., 2020) [11]. It mirrors a store's identity and the impression it leaves, particularly on customers (Akoglu & Ozbek, 2022) [3]. The quality of service and a welcoming store environment contribute to the store's reputation (Gupta *et al*., 2020) [13]. This reputation significantly influences consumer behavior and PI, with a positive store image drawing in more customers (Graciola *et al*., 2020) [11].

Perceived quality is the perception or belief of the consumers about the overall quality or superiority of a product compared to its alternatives (Aaker, 1996) [1]. Store-perceived quality covers numerous aspects of the shopping experience, such as the store's products, services, ambiance, and reputation (Gupta *et al*., 2020) [13]. Store brand perceived quality is how consumers recognize the quality of products or services provided under a retailer's brand or private label (Gupta *et al*., 2020) [13]. It depicts consumers' beliefs, attitudes, and opinions about the quality and value of the products in comparison to their national counterparts (Akoglu & Ozbek, 2022) [3]. How consumers perceive a store's quality can notably impact their shopping behavior and purchase intentions (Gupta *et al*., 2020; Troiville *et al*., 2019) [13, 27]. The perceived quality of store brands can significantly impact PLBs' consumer purchase decisions.

Based on the above discussions, the following hypotheses are proposed for empirical validation.

H_a: Antecedents of Store Image (Store Brand Awareness, Store Brand Loyalty, Store Pricing Perception, Store Reputation, Store Perceived Quality) have a positive and significant effect on the Purchase Intention of PLBs.



***Source*:** Authors

Fig 1: Proposed Conceptual Models

3. Materials and Methods

3.1 Measurement Development

This study is conducted among the customers of 'Sulabha Hyper Market,' an MBO with a head office in Palai and outlets in Palai, Kanjirapally, Ettumanoor, Kottayam, and Thodupuzha to identify and examine the influence of store image factors in the promotion of PLBs. The scales for measuring store image factors such as store brand awareness (Netemeyer *et al*., 2004) [21], store brand perceived quality (Dodds *et al*., 1991) [7], store brand loyalty (Yoo & Donthu, 2002) [28], store pricing perception (Yoo & Donthu, 2002) [28] and store reputation (Beristain & Zorrilla, 2011) [4] and scale for measuring purchase intention (Netemeyer *et al*., 2004) [21] were assessed using established scales. Reliability was tested using Cronbach's alpha (above 0.70 as suggested by Nunnally (1978)) [22], and no evidence of common method

variance bias (less than 50% as suggested by Podsakoff *et al*. (2003)) [23] was observed in the data. Normality check revealed that all variables have an acceptable level of skewness and kurtosis (in between +/- 1.5 as suggested by Hair.

3.2 Data Collection and Sample

The study employed a systematic random sampling method, selecting one customer among the first five exiting the Sulabha store using simple random sampling (4th customer chosen). With an average daily footfall of 270 customers per Sulabha outlet, 'k' is calculated as 9 (270/30). Using this method, 30 customers were systematically chosen from each outlet, and a structured questionnaire was provided for data collection. After avoiding unfilled and partially filled responses, 130 valid responses were obtained.

3.3 Results

3.3.1 General profile

Table 1: Demographics of the respondents

Variable		Total	Percentage
Gender	Male	69	53%
	Female	61	47%
Age	< 20	8	6%
	21-40	84	64%
	41-60	32	25%
	> 60	6	5%
Annual Income	< 200000	29	22%
	200000-500000	48	37%
	500001-1000000	45	35%
	>1000000	8	6%
Educational Qualification	Up to SSLC	5	4%
	Plus two/ Pre degree	28	22%
	Graduation	38	29%
	Above graduation	38	29%
	Professional courses	21	16%
Place of Residence	Rural	44	34%
	Urban	49	38%
	Semi-urban	37	28%
Family Strength	1 person	5	4%
	2-3 person	26	20%
	4-5 person	84	65%
	More than 5 people	15	11%
	More than once in a week	6	5%
	Once in a week	65	50%
	More than once in a month	39	30%
	Once in a month	20	15%
Monthly Budget for household purchases	Up to 2000	7	5%
	2000-4000	32	25%
	4000-6000	56	43%
	Above 6000	35	27%
Preferred mode of payment	Cash	41	31%
	UPI apps	40	31%
	Debit cards	35	27%
	Credit cards	14	11%

***Source*:** Primary data

Table 1 shows the general profile of the respondents participating in the survey. Male (53%) respondents were slightly more than their female counterparts. Majority of the respondents were in the age group of 21-40 (64%), annual income Rs. 2,00,000- 5,00, 000 (37%), educational qualification of graduation and above (76%), with place of residence in urban area (38%), family strength 4-5 persons (65%), monthly budget for household purchases of Rs 4,000 to 6, 000 (43%) and cash as the most preferred mode of payment (41%).

3.3.2 Educational qualification and mode of payment

Table 2: Cross tabs of educational qualification and mode of payment

	Mode of payment					
		Cash	UPI apps	Debit cards	Credit cards	Total
Educational qualification	Up to SSLC	4(3.1%)	0(.0%)	1(.8%)	0(.0%)	5(3.8%)
	Plus two/ Pre degree	18(13.8%)	4(3.1%)	6(4.6%)	0(.0%)	28(21.5%)
	Graduation	9(6.9%)	17(13.1%)	9(6.9%)	3(2.3%)	38(29.2%)
	Above graduation	8(6.2%)	7(5.4%)	15(11.5%)	8(6.2%)	38(29.2%)
	Professional courses	2(1.5%)	12(9.2%)	4(3.1%)	3(2.3%)	21(16.2%)
	Total	41(31.5%)	40(30.8%)	35(26.9%)	14(10.8%)	130(100.0%)

Chi-square 42.666 df: 12 P value 0.000***
Source: compiled by researcher

A significant association between educational qualification and the mode of payment preferred by the respondents was observed ($\chi^2 = 42.66$, $p<0.01$ at $\alpha = 1\%$). People with higher levels of education prefer electronic payment over cash payment. Thus, the respondent's educational level and the mode of payment they prefer are associated, and the respondents with higher levels of education prefer electronic payment modes over cash payment.

3.3.3 Annual income and monthly budget: A significant association between the income of the respondents and their monthly household spending was observed ($\chi^2 = 63.4$, $p<0.01$ at $\alpha = 1\%$). Respondents with higher annual incomes spend a higher amount on monthly household purchases.

Table 3: Cross tab of annual income and monthly budget

		Monthly budget				
Annual income		**Up to 2000**	**2000-4000**	**4000-6000**	**Above 6000**	**Total**
	Below 2,00,000	6(4.6%)	12(9.2%)	9(6.9%)	2(1.5%)	29(22.3%)
	2,00,001-5,00,000	0(.0%)	17(13.1%)	25(19.2%)	6(4.6%)	48(36.9%)
	5,00,001-10,00,000	1(.8%)	3(2.3%)	22(16.9%)	19(14.6%)	45(34.6%)
	Above 10,00,000	0(.0%)	0(.0%)	0(.0%)	8(6.2%)	8(6.2%)
	Total	7(5.4%)	32(24.6%)	56(43.1%)	35(26.9%)	130(100.0%)

Chi-square 63.400 df: 9 P value 0.000***
***Source*:** compiled by researcher

3.3.4 Family strength and monthly budget

Table 4: Cross tab of family strength and monthly budget

		Monthly budget				
		Up to 2000	**2000-4000**	**4000-6000**	**Above 6000**	**Total**
Number of persons	1 person	2(1.5%)	3(2.3%)	0(.0%)	0(.0%)	5(3.8%)
	2-3 person	1(.8%)	17(13.1%)	4(3.1%)	4(3.1%)	26(20.0%)
	4-5 person	4(3.1%)	11(8.5%)	44(33.8%)	25(19.2%)	84(64.6%)
	More than 5 people	0(.0%)	1(.8%)	8(6.2%)	6(4.6%)	15(11.5%)
	Total	7(5.4%)	32(24.6%)	56(43.1%)	35(26.9%)	130(100.0%)

Chi-square 51.373 df: 9 P value 0.000***
Source: compiled by researcher

A significant association between the family strength of the respondents and monthly household spending was found ($\chi^2 = 51.37$, $p<0.01$ at $\alpha = 1\%$). As the family strength increases, people spend more on their household purchases.

3.3.5 Antecedents of Store Image on the Purchase Intention of PLBs: Regression analysis was conducted to test the effect of antecedents of SI (Store Brand Awareness, Store Brand Loyalty, Store Pricing Perception, Store Reputation, Store Perceived Quality) on the PI of PLBs.

Table 5: Model Summary of Multiple Regression Analysis

Method	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Waston
Enter	1	.504	.254	.224	.55687	1.929

Predictors: (Constant), SBA, SBL, SBP, SR, SPQ
Dependent variable: PI

The R^2 value of 0.254 indicates that predictor variables together (antecedents of SI) explained 25.4 percent of the variance in the dependent variable PI. Multicollinearity is examined through the Tolerance and Variance Inflation Factor (VIF).

Table 6: ANOVA Table showing the Regression Model Fit

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	13.077	5	2.615	8.434	.000***
	Residual	38.454	124	.310		
	Total	51.531	129			

*** Significant at .01 level
Predictors: (Constant), SBA, SBL, SBP, SR, SPQ
Dependent variable: PI

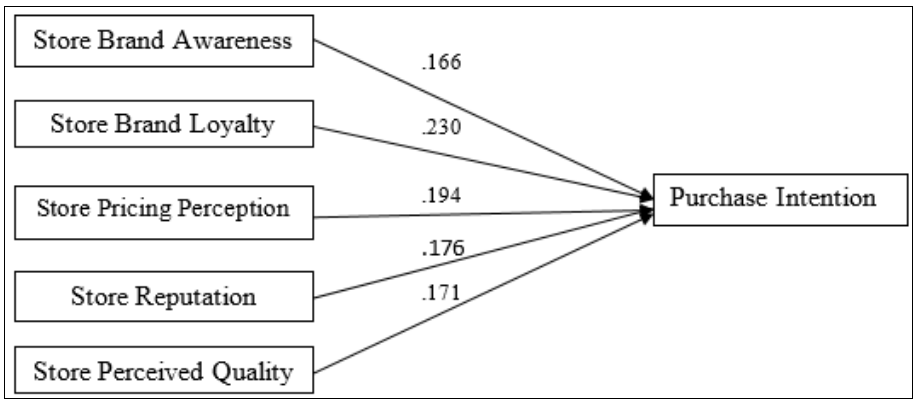
Table 7 presents the beta value, t value and significance value of independent variables.

Table 7: Regression Coefficients- Significance of factors of Store Image

Factor	Acronym	Standardized Coefficients (β)	T Value	P Value	Collinearity Statistics	
					Tolerance	VIF
Constant .964			1.780	.047*		
1.	SBA→PI	.166	1.524	.013*	.510	1.960
2.	SBL→PI	.230	2.155	.033*	.530	1.888
3.	SBP→PI	.194	2.105	.037*	.705	1.418
4.	SR→PI	.176	1.630	.010*	.516	1.936
5.	SPQ→PI	.171	1.801	.007*	.671	1.490

* Significant at .05 level

All the factors of SI were statistically significant at a 5 percent level of significance, and hence, the hypotheses that SBA, SBL, SPP, SR, and SPQ have no significant effect on the PI of PLBs are rejected. All the factors of SI have a positive significant effect on the PI of PLBs. The beta (β) coefficient indicates the extent of influence of each variable within the model. A higher β value signifies a more substantial impact of the independent variable (IV) on the dependent variable (DV). Among the variables, SBL demonstrates the highest β coefficient (β = 0.230), indicating its predominant effect on PI, followed by SPP (0.194), SR (0.176), SPQ (0.171), and SBA (0.166).



***Source*:** Compiled by the researcher

Fig 2: Statistically validated model

4. Discussion

This study explored the impact of Store Image (SI) antecedents on promoting Private Label Brands (PLBs) among Sulabha Hyper Market customers. Male respondents slightly outnumbered females. Most participants fell in the 21-40 age group, earning between Rs. 2 00,000 to 5 00,000 annually, with a graduation-level education or higher. Most of them had their place of residence in urban areas with a family strength of 4 to 5 persons and monthly spending of Rs 4,000 to 6,000 for household purchases. 69 percent of the respondents preferred an electronic mode of payment.

Consistent with earlier research, this study demonstrated a substantial association between respondents' educational qualifications and their preferred payment method, indicating a preference for electronic payments among those with higher education levels. Additionally, a significant association emerged between respondents' income and monthly household spending, affirming that higher-income individuals tend to allocate more for household purchases. The study also uncovered a connection between family size and monthly spending, suggesting that as family strength increases, there is a corresponding rise in expenditure on household purchases, aligning with previous research findings.

The proposed model demonstrated a good fit with all SI antecedents significantly influencing the Purchase Intention (PI) of Sulabha Hypermarket PLBs. Store Brand Loyalty exhibited the highest impact, explaining 23 percent of the variance in PI, while Store Brand Awareness had the most negligible impact at 16.6 percent. Collectively, all antecedents explained 25 percent of the variance in PI, underscoring the pivotal role of SI in effectively promoting PLBs at the Sulabha Hypermarket.

While this study provides valuable insights, it is important to acknowledge its limitations. The focus on Sulabha Hypermarket in Kerala and the constraints of time and finances led to a sample size of 130. However, these limitations present opportunities for future research to replicate the study in other MBOs within and outside Kerala, potentially broadening the scope of our understanding.

5. Conclusion

This study's findings are not just academic, but have significant implications for the retail sector. By identifying key variables that influence consumers' intentions to purchase PLBs, this research provides actionable insights. It underscores the potential impact of leading SI factors on the PI of PLBs. The insights gained from this study can serve as a catalyst for encouraging more multi-brand retailers to venture into developing their own brands. This strategic move not only boosts their ROI but also provides customers with access to premium-quality products at competitive prices.

6. References

1. Aaker DA, Equity MB. Capitalizing on the Value of a Brand Name. New York. 1991;28(1):35-37.
2. Aaker DA. Measuring Brand Equity across Products and Markets. California Management Review.

1996;38:102-120.
3. Akoglu HE, Özbek O. The effect of brand experiences on brand loyalty through perceived quality and brand trust: a study on sports consumers. Asia Pacific Journal of Marketing and Logistics. 2022;34(10):2130-2148.
4. Beristain JJ, Zorrilla P. The relationship between store image and store brand equity: A conceptual framework and evidence from hypermarkets. Journal of Retailing and Consumer Services. 2011;18(6):562-574.
5. DelVecchio D. Consumer perceptions of private label quality: the role of product category characteristics and consumer use of heuristics. Journal of Retailing and Consumer Services. 2001;8(5):239-249.
6. Dobson PW, Chakraborti R. Assessing brand and private label competition. European Competition Law Review, 2015, 36(2),
7. Dodds WB, Monroe KB, Grewal D. Effects of price, brand, and store information on buyers' product evaluations. Journal of marketing research. 1991;28(3):307-319.
8. Kim EY, Knight DK, Pelton LE. Modeling Brand Equity of a U.S. Apparel Brand as Perceived by Generation Y Consumers in the Emerging Korean Market. Clothing and Textiles Research Journal. 2009;27(4):247-258.
9. Gangwani S, Mathur M, Shahab S. Influence of consumer perceptions of private label brands on store loyalty-evidence from Indian retailing. Cogent Business & Management. 2020;7(1):1751905.
10. Ghosh P, Saha S, Sanyal SN, Mukherjee S. Positioning of private label brands of men's apparel against national brands. Journal of Marketing Analytics. 2021;9:210-227.
11. Graciola AP, De Toni D, Milan GS, Eberle L. Mediated-moderated effects: High and low store image, brand awareness, perceived value from mini and supermarkets retail stores. Journal of Retailing and Consumer Services. 2020;55:102117.
12. Grewal D, Baker J, Levy M, Voss GB. The effects of wait expectations and store atmosphere evaluations on patronage intentions in service-intensive retail stores. Journal of Retailing. 2003;79(4):259-268.
13. Gupta MK, Kaur J, Duggal MV. Private Brands Waiting to Be Purchased-the Store Image Story. Asian J. Market. 2020;14:1-9.
14. Hair J, Black WC, Babin BJ, Anderson RE. Multivariate Data Analysis (7th Edition). NJ: Prentice-Hall Publication; c2010.
15. Keller KL. Understanding brands, branding and brand equity. Interactive marketing. 2003;5:7-20.
16. Kotler P, Armstrong G. Principles de Marketing. Pearson, Madrid; c2008.
17. Kumar N, Steenkamp J. Private label strategy: How to meet the store brand challenge. 1st ed. Boston: Harvard Business; c2007.
18. Kumar N. Private label strategy: How to meet the store brand challenge. 1st ed. Boston: Harvard Business; c2019.
19. Kumar S, Prakash G, Gupta B, Cappiello G. How e-WOM influences consumers' purchase intention towards private label brands on e-commerce platforms: Investigation through IAM (Information Adoption Model) and ELM (Elaboration Likelihood Model) Models. Technological Forecasting and Social Change. 2023;187:122199.
20. Lu LC, Chang WP, Chang HH. Consumer attitudes toward blogger's sponsored recommendations and purchase intention: the effect of sponsorship type, product type, and brand awareness. Comput. Hum. Behav. 2014;34:258-266.
21. Netemeyer RG, Krishnan B, Pullig C, Wang G, Yagci M, Dean D, *et al*. Developing and validating measures of facets of customer-based brand equity. Journal of Business Research. 2004;57(2):209-224.
22. Nunnally JC. Psychometric Theory, 2nd ed. New York: McGraw-Hill; c1978.
23. Podsakoff PM, MacKenzie SB, Lee JY, Podsakoff NP. Common method biases in behavioral research: A critical review of the literature and recommended remedies. Journal of Applied Psychology. 2003;88(5):879-903.
24. Thomas AT, Joseph AK. Role of tie strength in word-of-mouth receptiveness and movie promotion: Evidence from Indian motion picture industry. J Tianjin Univ. Sci. Technol. 2021;54:556-573.
25. Thomas AT, Antony JK. Antecedents of Word of Mouth Adoption in Motion Picture Industry.
26. Trinh G, Romaniuk J, Tanusondjaja A. Benchmarking buyer behavior towards new brands. Marketing Letters. 2016;27:743-752.
27. Troiville J, Hair JF, Cliquet G. Definition, conceptualization and measurement of consumer-based retailer brand equity. Journal of Retailing and Consumer Services. 2019;50:73-84.
28. Yoo B, Donthu N. Testing cross-cultural invariance of the brand equity creation process. Journal of product & brand management. 2002 Nov 1;11(6):380-398.