

Thesis
5491



**UNIVERSITY OF
STIRLING**

RETAIL BRANDS IN THE EMERGING MALAYSIAN MARKET

ANIZAH ZAINUDDIN
MSc Retail Management (1997)

**A dissertation submitted for the degree of Doctor of Philosophy
Marketing Department, Institute for Retail Studies,
Faculty of Management, University of Stirling,
Scotland, United Kingdom**

OCTOBER 2005

05/07



IMAGING SERVICES NORTH

Boston Spa, Wetherby
West Yorkshire, LS23 7BQ
www.bl.uk

**TEXT CUT OFF IN THE
ORIGINAL**

ACKNOWLEDGMENTS

ALHAMDULILLAH, my utmost gratitude to Allah for letting me completes this thesis on Retail Brands in Malaysian Market.

Some things take a little longer than anticipated, but the journey is often its own reward. The journey represented by this dissertation has been made possible by the support and insight of many valuable individuals, whom I gratefully acknowledge. I am very pleased to have been able to achieve this goal at the University of Stirling. My supervisors, both Professor Steve Burt and Dr. Keri Davies, were a source of knowledge and inspiration. I am particularly indebted to them for their guidance, unfailing attention to detail and patience. I only regret that I was unable to provide them with a shorter dissertation manuscript to review. I would like to acknowledge comments and suggestions made by Professor John Fernie from Heriot-Watt University (external examiner) and Professor Paul Freathy (internal examiner).

I was fortunate to have the support of wonderful friends throughout my time at the University of Stirling. I cannot begin to express my deep regard for, and indebtedness to, Zaiton Abdul Hamid. Without her assistance in sending me some material from home, this project would not have been possible and her dedication, professionalism and humour were evident every step of the way. To help me with the statistics, I am indebted to Dr. Rasimah, Kate, Shamsiah and Zura, who guided me throughout the analysis. They have been valued friends and their support throughout this study was much appreciated. In addition, I was also helped in the field by a variety of volunteers. These individuals included Sharon, Neil, Sheila, Lynne, Shafik, Lisa, Ester, Jamie, Jeannice, Iddya and Mahathir. Often our time together was too brief, but their efforts were a wonderful contribution.

I am always indebted to Universiti Teknologi MARA (UiTM) and Jabatan Perkhidmatan Awam (JPA) for sponsoring my study. Without their financial assistance it is difficult to see how I could be where I am now. Finally, while this dissertation marks the occasion of the first Ph.D. in my family, I am most proud of my husband, Ridzwan Ibrahim; my adorable little angels, Sarah Batrisyia and Sarah Irdina; my father, Haji Zainuddin Ahmad and in spite of her illness, my mother, Hajah Asmah Muharam, who continue to astonish me with their resilience, patience, and love; and to them.....*This Dissertation Is Dedicated.*

.....and mother went peacefully on the 5 Syawal, 1426 (7 November, 2005), *Al-Fatihah*

ABSTRACT

Currently one of the most controversial innovations in grocery retailing in Malaysia is the introduction of retail brands. A retail brand can be defined as a product that retailers sell under their own brand name. These products may bear the name of the retailer selling them, such as 'Giant', 'Tesco' and/or 'Tesco Value', 'Carrefour', or may be sold under an entirely different name such as 'Aro'. The introduction of this brand may have a great impact particularly on consumer belief, which can lead to the modification in the relative efficacy of retail strategies for the hypermarkets concerned. This study provides a new opportunity for retailers particularly to reassess their retail strategies in order to gain a larger market share. Although Malaysia's grocery retailing was and still is dominated by manufacturers' brands, it is argued that developing a strong retail brand strategy can play an important role in competing and sustaining in the global market. Using one thousand systematic random samples from store-intercept technique from two major hypermarkets in Malaysia, this research investigates several attributes of retail brands that may affect consumers' overall perceptions. In addition, issues such as the situational factors, the shopping motives as well as the image of the store are also considered.

Results are analysed and presented which show that while retail brands offer a lucrative market for retailers, as evidenced in the UK, retailers in Malaysia are struggling with these brands. The market indicates that Malaysia is more influenced by the manufacturers' brands. Malaysians perceived retail brands as inferior to manufacturer brands. In addition, certain aspects of the Tesco brands were not perceived as well as the Giant and the manufacturer brands. There is also some evidence suggestive of consumer confusion regarding the Tesco brand because it was introduced after, and possibly influenced by perceptions of the Tesco Value brand. The results also indicate some tactical problems being faced by Tesco. In addition, although situational factors, shopping motives as well as store image, provide significant relationships, the impact on the overall retail brands' perceptions is not strong. This demonstrates that consumers very often do not use explicit, concrete, rational factors to evaluate retail brand products, and thus their perceptions and motivation to purchase are not always easy to articulate.

Nonetheless, the results conclude with an opinion of the responsibility that retailers could take in the delivery and strengthening of the advantage offered by retail brands. Retailers should convey their retail brand benefits' more on product functionality thus improving the brand attributes on a gradual basis; expanding on the retail promotion strategies; offering innovation and receptivity in-store environment; projecting store reputation clearly and finally managing their retail brands efficiently. It is argued that retail brands are not just about fulfilling basic consumer needs. Retail brands possess great power and the truly great retail brands will be those that learn to balance this power with responsibility. Incorporating a solid understanding of all aspects of consumer behaviour could assist retailers in their retail brand strategy. Hence, concentrating on one retail brand at a time in a store might be an ideal strategy for an immature market such as Malaysia.

DECLARATION OF AUTHENTICITY

I declare that this document embodies the results of my own work and that it is composed by myself and has not been included in another thesis. Following normal academic conventions, I have made due acknowledgement of the work of others.

Anizah Haji Zainuddin
October 7, 2005

Acknowledgement	Page
Abstract	

Chapter 1: INTRODUCTION

1.1 Introduction.....	1
1.2 Methodological Approach and Objectives of the Study	5
1.3 Structure of the Thesis	8

Chapter 2: THE INCREASING POWER OF RETAIL BRAND PRODUCTS

2.1 The Historical Perspective and the Development of Retail Brand Products	10
2.1.1 Definition and Characteristics of Retail Brands	11
2.1.2 The Evolution of Retail Brands.	21
2.1.2.1 The Four Generations of Retail Brands	24
2.1.2.1.1 First Generation	24
2.1.2.1.2 Second Generation.	27
2.1.2.1.3 Third Generation.	28
2.1.2.1.4 Fourth Generation.	29
2.1.2.2 The Five Stages of Retail Brand Development	29
2.1.3 Factors Influencing the Growth of Retail Brand Products	36
2.1.4 Retail Brand Market by Product Category	39
2.1.4.1 High Volume High/Low Margin or Low Volume, Low Margin High Margin Category.	40
2.1.4.2 Categories with High Growth Potential	41
2.1.4.3 Fragmented Categories with No Dominant Proprietary Brand	42
2.1.4.4 Opportunity to Develop a New Category	43
2.1.4.5 Where Other Retailer Brands are Established	44
2.1.5 Categories with Low Retail Brand Penetration.	44
2.2 The Fundamental Attributes of the Development of Retail Brand.	47
2.2.1 Consumer Considerations.	47
2.2.1.1 The Perceptions of Retail Brands	50
2.2.1.2 Reasons for Buying Retail Brands	55
2.2.2 The Competitors Considerations.....	58
2.2.2.1 Leading Manufacturer Brand	58
2.2.3 The Suppliers Considerations.	61
2.2.3.1 Supplier’s Track Record of Product Quality	63
2.2.3.2 Supplier’s Willingness to Supply to Retailer’s Specification.	64
2.2.3.3 Lowest Cost Producer.	64
2.2.3.4 Historical Relationship With the Suppliers	65
2.2.3.5 Suppliers’ Track Record in Innovation	66
2.3 Retail Brand Strategy.	69
2.3.1 Low Cost Orientation.....	74
2.3.2 Value Added Strategy.	76

2.3.3	Innovation and Enhancing on Quality .	77
2.3.4	Superior Marketing Communications.....	79
2.4	Producing and Supplying Retail Brand Products.....	80
2.4.1	Advantages of Supplying Retail Brand Products	81
2.4.2	Potential Disadvantages of Supplying Retail Brand Products.....	88
2.5	The Determinants of Success for Retail Brand Products	91
2.6	The Retailing Challenge: From Value-Chain Power to Brand Power	95
2.6.1	Retail Power in the Distribution Channel.	96
2.6.2	The Centralisation of Retail Decision Making.	99
2.6.3	The Acknowledgment of the Advantage of Retail Image.	101
2.6.4	The Impact of Technology in the Development of Retail Brand	103
2.7	Summary and Discussions .	106

Chapter 3: CONSUMERS' RETAIL BRAND PERCEPTIONS AND GROCERY SHOPPING BEHAVIOUR

3.1	Demographics and Consumer Attitudes and Behaviour Towards Retail Brands	109
3.1.1	The Influences of Shoppers Demographics and Socio-Economic Factors	110
3.1.2	Consumer Perceptions and Buying Behaviour of Retail Brand Products.....	121
3.1.2.1	Quality, Price and Value Effects on Retail Brand Perceptions.....	121
3.1.2.1.1	Store Image and Product Quality	127
3.1.2.1.2	Price and Product Quality.	130
3.1.2.1.3	Value for Money Orientation and Quality.	135
3.1.2.2	The Concept of Risk and Its Dimensions.	137
3.1.2.3	Brand Familiarity and Knowledge.....	150
3.1.2.4	Intrinsic versus Extrinsic Cues	153
3.1.2.5	Intolerance of Ambiguity Experience.	173
3.2	The Role of Situations on Consumer Behaviour .	176
3.3	The Influence of Retail Store Image on Product Perceptions.....	194
3.4	Consumer Shopping Orientations and Motives .	203
3.5	Discussions and Summary .	217

Chapter 4: FOOD RETAILING AND THE EMERGENCE OF RETAIL BRAND IN MALAYSIA

4.1	An Overview of the Development of Food Retailing in Malaysia.	221
4.2	Retailing as a Culture and Family Life in Malaysia.	227
4.3	Domination of Supermarkets and Hypermarkets	231
4.3.1	The Supermarkets.	232
4.3.2	The Hypermarket Phenomenon.	236
4.3.3	The International Strategies in Malaysia.	245
4.3.3.1	Tesco.....	246
4.3.3.2	Giant.....	247

4.3.3.3 Carrefour.....	247
4.3.3.4 Makro.....	248
4.3.4 Future Directions of Food Retailing.....	249
4.4 Malaysia as a Manufacturers' Brand Dominated Market.....	250
4.5 The Development of Retail Brands in Malaysia.....	255
4.5.1 Factors Influencing the Growth of Retail Brand Products.....	256
4.5.2 Characteristics of Retail Brands.....	261
4.6 Discussions and Summary.....	265

Chapter 5: RESEARCH METHODOLOGY

5.1 The Research Objectives.....	270
5.2 The Research Design.....	280
5.2.1 Focus Groups Method.....	281
5.2.2 The Design of the Questionnaire.....	284
5.2.2.1 Identification of Items.....	285
5.2.3 Selection of Product Category.....	291
5.2.4 Selection of Survey Sites.....	292
5.2.5 Questionnaire Construction.....	293
5.2.5.1 Section A.....	293
5.2.5.2 Section B.....	293
5.2.5.3 Section C.....	294
5.2.5.4 Section D.....	294
5.2.5.5 Section E.....	295
5.2.5.6 Section F.....	295
5.2.6 Wording of the Questionnaire and Response Format.....	295
5.2.7 Translation.....	297
5.2.8 Pilot-testing.....	298
5.2.9 Questionnaire Design –Revised.....	302
5.2.10 Measurements and Scaling.....	304
5.2.11 Person-Administered Store-Intercept Survey.....	307
5.2.12 Populations and Samples.....	312
5.2.12.1 The Sample.....	313
5.2.12.2 Sampling Techniques.....	314
5.2.12.3 Sampling Size.....	317
5.2.12.4 Data Collection.....	319
5.2.12.5 Source of Sampling Error.....	323
5.2.12.6 Survey Schedules.....	324
5.3 In-Store Observations.....	324
5.4 Limitations of the Methodology.....	325
5.5 Discussions and Summary.....	328

Chapter 6: ANALYSES, RESULTS AND DISCUSSION ON FINDINGS

6.1 Section I: Descriptive Analysis of the Data.....	329
6.1.1 The Characteristics of the Respondents.....	330
6.1.2 How Often Do They Shop and How Much Do They Spend?.....	331
6.1.3 Descriptive Statistics for Variables Used.....	333

6.1.3.1	Internal Consistency Reliabilities (Cronbach's coefficient alpha).....	333
6.1.3.2	Manufacturers' Versus Retail Brands' Attributes.....	334
6.1.3.3	Consumer Situations and Brands Preferences.	338
6.1.3.4	The Influences of Shopping Motives on Shopping Behaviour.	340
6.1.3.5	The Influences of Store Image on Shopping Behaviour.	343
6.1.3.6	Overall Perceptions on the Development of Retail Brands. .	344
6.1.4	Do Demographics and Socio-Economic Factors Influence The Perspective of Retail Brand Ranges & Attributes.	345
6.1.4.1	Gender.....	345
6.1.4.2	Age.....	346
6.1.4.3	Race.....	348
6.1.4.4	Marital Status.	348
6.1.4.5	Education Level.	349
6.1.4.6	Household Income.	350
6.1.4.7	Summary.	351
6.2	Section II: Results From Research Objectives and Testing Propositions.	353
6.2.1	Objective One: Perceptions of Retail Brand Attributes.....	353
6.2.1.1	Overall Quality of Brands.....	355
6.2.1.2	Overall Value of Brands.	356
6.2.1.3	Extrinsic Cues of Brands.	358
6.2.1.4	Risks, Familiarity and Confidence Level Associates with Brands.	359
6.2.1.5	Discussion of Results from Objective One.....	361
6.2.1.6	Summary.	363
6.2.2	Objective Two: Consumer-Shopping Situations and Consumers Shopping Motives Affect Perceptions of Retail Brands' Attributes.....	364
6.2.2.1	Manufacturer Brand.	366
6.2.2.2	Giant Brand.	367
6.2.2.3	Tesco Brand.	368
6.2.2.4	Tesco-Value Brand.	368
6.2.2.5	Discussion of Results from Objective Two.	370
6.2.2.6	Summary.	374
6.2.3	Objective Three: Overall Perceptions of Consumers on the Development of Retail Brands in Malaysia.	375
6.2.3.1	Perceptions of Retail Brands by Consumers of Different Stores.....	376
6.2.3.2	Discussion of Results from Objectives Three.....	378
6.2.3.3	Summary.	379
6.2.4	Objective Four: The Effects of the Situations and Motivation on Overall Perceptions of Retail Brands.....	379
6.2.4.1	Consumer Situations and Overall Perceptions of Retail Brands.....	380
6.2.4.2	Correlations Analysis Between Shopping Motives and Overall Perceptions of Retail Brands.....	382
6.2.4.3	Correlations Analysis Between Shopping Motives and	

	Overall Perceptions of Retail Brands by Individual Store....	385
6.2.4.4	Discussion of Results From Objective Four.	387
6.2.4.5	Summary.	391
6.2.5	Objective Five: Store Image Affects on the Perceptions of Retail Brands' Attributes.	391
6.2.5.1	Correlation Analysis Between Store Image and Retail Brand Attributes.	392
6.2.5.2	Discussion of Results From Objectives Five.	393
6.2.5.3	Summary.	393
6.2.6	Objective Six: The Effects of Store Image on Overall Perceptions of Retail Brands.	394
6.2.6.1	Correlations Analysis Between Store Image and Overall Retail Brand Perceptions.....	395
6.2.6.2	Results of Correlations Analysis Between Individual Store Image (Giant and Tesco) and Overall Perceptions of Retail Brand Ranges.	397
6.2.6.3	Discussion of Results From Objectives Six.	398
6.2.6.4	Summary.	400
6.2.7	Objective Seven: The Effects of Store Image on Consumer Shopping Motives.	400
6.2.7.1	Correlations Analysis Between Overall Shopping Motives And Overall Store Image.	402
6.2.7.2	T-Test Analysis on Store Image for Individual Store.	403
6.2.7.3	Discussion of Results From Objective Seven.	405
6.2.7.4	Summary.	406
6.3	Concluding Comments.....	407

Chapter 7: CONCLUSIONS AND IMPLICATIONS FOR RETAILERS

7.1	Summary and Conclusions.	410
7.1.1	Consumer Perceptions of Retail Brand Attributes.	410
7.1.2	The Role of Situational Factors.	413
7.1.3	The Consumer-Shopping Motives.	414
7.1.4	The Overall Perceptions of Retail Brand Ranges.	417
7.1.5	The Perceptions of Store Image.	418
7.2	Practical Implications for Retail Brand Retailers in Malaysia.....	418
7.2.1	Understand Current Retailing Strategies.	419
7.2.2	Retail Branding Orientation	422
7.2.3	Retail Brand Promotions Strategies.	425
7.2.4	Planning In-Store Environment.	427
7.2.5	Project Store Reputation Clearly.....	429
7.2.6	Managing Retail Brands Efficiency.	431
7.3	Limitations of the study.	432
7.4	The Prospect of Retail Brand Ranges.	433
7.5	Summary of Contributions.....	437
7.6	Future Research.	437

Bibliography
Appendixes

Index of Exhibits:

Exhibit 2.1:	Evolution of Retail Products/Brands.	23
Exhibit 2.2:	Stages of Retail Brand Development.	30
Exhibit 2.3:	The Eras of Private Labels.	33
Exhibit 2.4:	Private Label's Evolution.	34
Exhibit 2.5:	The Percentage of Market Shares of Retail Brand.	38
Exhibit 2.6:	Effective Categories for Retail Brands.	40
Exhibit 2.7:	Consumer Profiles toward Retail Brands Purchases.	51
Exhibit 2.8:	Consumer Perceptions towards Retail Brand Purchases.	51
Exhibit 2.9:	Brand Perceptions Among Consumers.	53
Exhibit 2.10:	Image of Retail Brands Compared to Brand Leaders.	57
Exhibit 2.11:	Reasons for Consumers Buying an Own Brand Product.	57
Exhibit 2.12:	Forces Squeezing Retail Brands and Secondary Brands.	61
Exhibit 2.13:	Reason for Manufacturing Retail Brand Products.	62
Exhibit 2.14:	Criteria for Preferred Suppliers for Producing Retail Brands.	63
Exhibit 2.15:	Tactic Used by Retailers for Retail Brand Growth.	71
Exhibit 2.16:	The Advantages of Retailer Brands for Retailers.	86
Exhibit 2.17:	Advantages of Supplying Retailer Brand Products.	88
Exhibit 2.18:	Disadvantages of Supplying Retailer Brand Products.	90
Exhibit 2.19:	Major Determinants of Retail Brand Success.	94
Exhibit 2.20:	Top UK Chain Retailers Control Grocery Market Share (2003).	97
Exhibit 3.1:	Price vs Quality Strategies of British Retail Brands.	128
Exhibit 3.2:	What Do European Consumers Value?.	205
Exhibit 3.3:	A Conceptual Framework of The Study.	220
Exhibit 4.1:	Number of Retail Outlet by Food and Non-Food Split 1993 – 19982.	224
Exhibit 4.2:	Malaysia: Average Monthly Household Income from 1995 – 2002 (RM).	224
Exhibit 4.3:	The Composition of Malaysian household consumption from 1998 – 1999.	225
Exhibit 4.4:	Population by Ethnic Group and Sex for Klang Valley, 2003 ('000).	227
Exhibit 4.5:	Klang Valley District.	229
Exhibit 4.6:	Projected Population by Age, Administrative District of Klang Valley, 2004.	229
Exhibit 4.7:	Types of Store in Malaysia in 2001.	232
Exhibit 4.8:	Growth Rate Estimates for the Retail Sector.	232
Exhibit 4.9:	Profile of Major Supermarket Chains with Significant Market Presence in Malaysia.	236
Exhibit 4.10:	Major Hypermarkets in Malaysia 2003.	238
Exhibit 4.11:	Retail Sales and Sales Growth, 1996–2001.	238
Exhibit 4.12:	General Information on Hypermarket Chains.	239
Exhibit 4.13:	Malaysia's Traditional Distribution Structure.	239
Exhibit 4.14:	Store Characteristics.	241

Exhibit 4.15:	List of Hypermarkets Available Throughout Malaysia.	242
Exhibit 4.16:	Latest Trends Observed in Malaysia’s Food Retail Sector.	250
Exhibit 4.17:	Malaysia’s Top 10 Brands by Sales (RM mill).	251
Exhibit 4.18:	Example of Manufacturer Brands Available in Many Stores in Malaysia.	252
Exhibit 4.19:	Product and Price Range of Retail Brands as Compared to Manufacturer Brands.	259
Exhibit 4.20:	Price Comparison Between Manufacturer Brand and Retail Brands (RM).	263
Exhibit 4.21:	Retail Brand Products in Malaysia.	266
Exhibit 5.1:	Type of Research Methods.	278
Exhibit 5.2:	Summary of Multi-Step Process in Consumer’s Survey.	279
Exhibit 5.3:	Focus Group Sessions.	285
Exhibit 5.4:	The Items Obtained from Mini Focus Groups.	287
Exhibit 5.5:	The Items for Overall View of Retail Brand Products Ranges.	288
Exhibit 5.6:	Reasons for Conducting Pilot Studies.	298
Exhibit 5.7:	Questionnaire Design – Revised.	303
Exhibit 5.8:	Advantages of Surveys.	308
Exhibit 5.9:	Advantages of Person-Administered Surveys.	310
Exhibit 5.10:	Factors Determining Person-Administrated Store- Intercept Interviews as Survey Method.	311
Exhibit 5.11:	Sampling Terminology.	313
Exhibit 5.12:	Survey Sampling Techniques.	316
Exhibit 5.13:	Choice Points in Sampling Design.	317
Exhibit 5.14:	The Distribution Schedule.	321
Exhibit 6.1:	Consumer Buying Brands vs. Consumer Situations.	339

Index of Tables:

Table 6.1:	The Respondents’ Profile.	331
Table 6.2:	Respondents’ Shopping Behaviour.	332
Table 6.3:	Reliability (Cronbach’s Alpha) of The Measures.	334
Table 6.4:	Descriptive Statistics for Manufacturer and Retail Brands’ Attributes.	335
Table 6.5:	Descriptive Statistics for Consumer Situations vs. Brands.	339
Table 6.6:	Descriptive Statistics for Shopping Motives.	342
Table 6.7:	Descriptive Statistics for Store Image.	343
Table 6.8:	Descriptive Statistics for Overall Perceptions of Retail Brands.	344
Table 6.9:	Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison.	356
Table 6.10:	Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison.	357
Table 6.11:	Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison (Extrinsic Cues).	358

Table 6.12:	Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison (Risks).	359
Table 6.13:	Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison (Familiarity).....	360
Table 6.14:	Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison (Confidence in use).....	360
Table 6.15:	Summary on the Overall Brand Attributes' Group Comparisons (N=1000).....	364
Table 6.16:	Summary of the Giant's Respondents Point of Views on The Overall Brand Attributes' Group Comparisons (n = 500).....	364
Table 6.17:	Summary of the Tesco's Respondents Point of Views on the Overall Brand Attributes' Group Comparisons (n = 500).	364
Table 6.18:	Mean Scores Results Between Situations and Brand Attributes.	366
Table 6.19:	Individuals Mean Scores of Overall Perceptions of Retail Brands Development.....	376
Table 6.20:	Mean Scores and Results of Independent Sample T-Test for Overall Perceptions of Retail Brands and Stores.....	378
Table 6.21:	Comparison of Mean Between Consumer Situations and Overall Perceptions of Retail Brands.....	381
Table 6.22:	The Results of Correlation Analysis Between Shopping Motives Of All Respondents and Overall Perceptions of Retail Brands.	384
Table 6.23:	The Result of Correlation Analysis Between Shopping Motives and Overall Perceptions of Retail Brands.....	387
Table 6.24:	Correlation Analysis Between Store Image and Overall Perceptions of Retail Brands.....	395
Table 6.25:	Results of Correlations Analysis Between Store Image and Overall Perceptions of Retail Brands.....	397
Table 6.26:	Results of Correlations Analysis Between Individual Store Image (Giant and Tesco) and Overall Perceptions of Retail Brands.	398
Table 6.27:	Correlation Analysis Between Overall Shopping Motives and Overall Store Image.	401
Table 6.28:	The Result of Correlation Analysis Between Consumer Shopping Motives and Store Image.....	402
Table 6.29:	The Result of Correlation Analysis Between Consumer Shopping Motives and Store Image for Stores.	403
Table 6.30:	Mean Scores and Result of Independent Sample T-Tests For Store Image and Stores.....	404

Index of Figures

Figure 1.1:	Outline of the Study.	9
Figure 6.1:	Scatter Plots Illustrating Relationship Between Variables.	383
Figure 6.2:	Scatter Plots Illustrating Relationship Between Variables.	395
Figure 6.3:	Scatter Plots Illustrating Relationship Between Variables.	401

List of Appendixes:

- Appendix 1: Past studies on the Characteristics of Retail Brand Buyers
- Appendix 2: Previous Study on Quality, Price and Value of Retail Brand Products
- Appendix 3: Research on Situational Influence
- Appendix 4: Store Image and Store Attributes Studies
- Appendix 5: Previous Studies on Consumer Shopping Motives, Orientations and Strategies
- Appendix 6: Brief Profiles of the Major Supermarket Chains in Malaysia
- Appendix 7: Brief Profiles of the Major Hypermarket Chains in Malaysia
- Appendix 8: Retail Brands Packaging
- Appendix 9: Consumers Survey
- Appendix 10: Mean Scores and T-Test Results for Retail Brand Attributes Between Gender
- Appendix 11: Mean Score and ANOVA Results on Retail Brand Attributes and Age
- Appendix 12: Mean Score and ANOVA Results on Retail Brand Attributes and Race
- Appendix 13: Mean Score and ANOVA Results on Retail Brand Attributes and Marital Status
- Appendix 14: Mean Score and ANOVA Results on Retail Brand Attributes and Education Level
- Appendix 15: Mean Score and ANOVA Results on Retail Brand Attributes and Household Income (RM)
- Appendix 16: From Giant's and Tesco's Respondents' Points of View
- Appendix 17: Correlation Analysis Between Consumer Motivation and Retail Brand Attributes
- Appendix 18: Correlation Analysis Between Store Image and Retail Brand Attributes

CHAPTER ONE

Introduction

'If all of Coca Cola's assets were destroyed overnight, whoever owned the name could walk into a bank the next day morning and get a loan to rebuild everything'

*Carlton Curtis
VP Corporate Communications, Coca Cola
(BuildingBrands, 2003)*

The above quote indicates a brand strength, which retailers can only dream about. In packaged food markets, particularly in major supermarkets and hypermarkets, manufacturers' brands have long operated without much competition. These brands became pioneers and were established worldwide through their product quality, prestige and reliability. While manufacturers' brands were perceived as being of high quality and as superior to other brands (ACNielsen, 2003; Baltas, 1997; Prendergast and Marr, 1997), retail brands were perceived as lacking a strong quality image, as poor value for money, and/or offering inconsistent quality compared to equivalent manufacturers' brands (Baltas, 1997; Prendergast and Marr, 1997; de Chernatony, 1988). However, such perceptions have gradually diminished as retailers themselves are becoming more powerful, 'focusing and creating their own brands rather than relying on the manufacturers' ones. This is evidenced by the fact that the average market share of retail brands rose from 15.3 per cent in 1988 to 20 to 30 per cent in 1998 in the US (Marketing News, 1995; Hoch, 1996; Dunne and Narasimhan, 1999; Ailawadi, 2001; ACNielsen, 2003). In several European

countries, retail brands have risen in their market share by an average of nearly 1 per cent annually: from 22 per cent (1977) to 31 per cent (2003) in the UK (ACNielsen, 2003); to 24 per cent in Belgium; and to 27 per cent in Germany in 2003 (ACNielsen, 2003).

Over the years, the characteristics of retail brands have changed, becoming more similar to manufacturers' brands. The former products have transformed from a low quality product alternative at a lower price, into a powerful brand offering a true quality brand alternative at a competitive price, thereby reflecting the application of a clear retailing approach in the retail environment. Sales of retail brands have been increasing and now account for over US\$85 billion in grocery products (Sprott and Shimp, 2004; ACNielsen, 2003). This has indirectly created fierce competition for grocery products (Bhasin *et al.*, 1995; Dickinson *et al.*, 1992; Dunn *et al.*, 1986) as shoppers faced a far greater variety of products than they were used to. It has been argued that the success of retail brands has provided retailers with increased leverage over manufacturers in several ways; providing higher margins; allowing them to negotiate better margins on manufacturers' brands; and also providing a means for retailers to attract value-conscious consumers away from manufacturers' brands and to build store loyalty and differentiation (Ailawadi, 2001; Baltas, 1998; Dick *et al.*, 1995; Laaksonen, 1994; Pellegrini, 1993; Shaw *et al.*, 1992).

While retailers in the UK and the US have long enjoyed the benefits of retail brands, retailers in Malaysia only started to introduce such brands in early 2000. Hypermarket chains such as Giant, Tesco, Carrefour and Makro Cash and Carry currently offer their own products. For consumers, the introduction of retail brands provides more variety, thus offering more choice. This situation indirectly influences Malaysian consumers, as they are not used to these makes. It is believed that Malaysians will purchase any product as long as the price is low. However, currently there is no evidence to support this notion; thus this present research intends to provide this information. The study explores the attitudes of Malaysian consumers toward retail brand products and aims to answer the following questions: Do consumers in Malaysia portray similar attitudes towards the introduction of retail brand products to their counterparts in the UK and the US? Based on the rationale that retail brand products are able to offer a range of prices, from low to high (based on various stages), coupled with the combination of huge middle-incomes and the economic downturn, will Malaysian consumers perceive retail brands as attractive? And are they willing to buy such products?

It is important to mention here that it is unwise to draw sweeping conclusions about consumers' attitudes towards retail brands being similar in the UK and US as in Malaysia, because, as mentioned by Burt (2000), the term '*retail brand*' may differ from one country to another, particularly in less developed retail markets such as Malaysia. Malaysian consumers may perceive the term

'brand' differently, and may therefore have particular reasons for deciding whether or not to buy a particular product. As attested by Robinson (1996), Ho (1988) and Hofstede (1980) Asians differ in their thinking, feeling and behavioural patterns. It is therefore interesting to analyse Malaysian views on this type of brands. Do the disparities in Malaysian consumers' opinion affect their attitudes towards retail brand products?

In addition, the researcher has encountered a degree of challenge in finding studies that have been conducted on Malaysian interests, particularly in the retail sector. The Malaysian economy registered a growth of 4.2 per cent for the year 2002 compared with a 0.4 per cent growth in 2001 - a growth that has benefited the retail industry, which in turn has seen the entry of new players as well as aggressive expansive approaches by existing retailers; the introduction of new retail formats; and competitive price wars. Retailers have faced challenges of competing not only to fulfil consumers' desires but also to fulfil their own. This competitive environment is expected to become more intense in the coming years as the retail industry expands and continues to witness the proliferation of various retailing formats such as supermarkets, hypermarkets, supermarket-cum-department stores, department stores and specialty shops. Though each retailing format will generally be different from others through their merchandise, target markets, investment requirements and layouts, they will inevitably be competing for the same consumer Ringgit (\$). Meanwhile, as consumers become more affluent in wealth and education, their lifestyles and

preferences also evolve. Nowadays, shopping in large stores and retail outlets is a growing and commonplace social behaviour. With new entrants, consumers are faced with wider choices and exposure. Their purchasing decisions will set the parameters for customer service level, merchandise range, quality, pricing and shopping comfort. It was noted that retail businesses have grown intensely competitive in the 2000s, especially with the emergence of hypermarkets that have been aggressive in both their expansion and marketing activities as they seek to increase their market share and achieve economies of scale in their operations. Traditional assumptions about consumer behaviour now need to be redefined. It is important to understand customers' needs and what motivates them to continue visiting a store or a retailer. Thus, the aim of the current research is to understand the attitude of consumers by examining their perceptions towards retail brand products. Additionally, this author has produced previous studies which dealt with the phenomenon of retail brands as a concept that is different from the manufacturers' brands, but did not explore the impact of store-specific brands. This research may fill a gap in the literature relating to retail brands as individual brands, as well as bridge the gulf between the West and East pertaining to the study of retail brand products.

1.2 Methodological Approach and Objectives of the Study

Initially, the study was designed in such a way that both inductive and deductive approaches could contribute to the issues being examined. From the researcher's perspective these two approaches of reasoning have a very different '*feel*'. Inductive reasoning, by its very nature, is more open-ended and

exploratory, especially at the commencement of a study. In line with this it was therefore intended that retailers would be interviewed to find out the true motives behind the introduction of retail brand products to their stores. Conversely, deductive reasoning is narrower in nature and is concerned with confirming the study propositions. In this study it was intended that the consumers' attitudes towards retail brand products would also be investigated to establish a comprehensive view on the subject matter. The researcher believed that by adopting both approaches, in-depth information on attitude and behaviour towards retail brand products could be obtained. However, due to certain difficulties, particularly in obtaining agreement from respective retailers to participate in the study the first approach had to be abandoned thus allowing only the second focus of the study (i.e. the deductive approach) to be pursued. From a review of previous research in the West, the following research objectives are identified: -

1. *To investigate consumer perceptions of retail brand attributes from the Malaysian consumers' point of view.*
2. *To examine if the consumer-shopping situation (planned purchase of retail brand versus unplanned purchase of retail brand) and consumer motivation affects perceptions of retail brands' attributes.*
3. *To investigate the overall perceptions of consumers on the development of retail brands in Malaysia.*
4. *To examine the effects of the situations and motivation for grocery shopping on overall perceptions of retail brands.*

5. *To examine whether store image affects the perceptions of retail brands' attributes.*
6. *To examine the effects of store image on overall perceptions of retail brands.*
7. *To examine the effects of store image on consumer shopping motives.*

Accordingly, the above objectives lead to the following research propositions:

- P1: Consumers will attach significantly different perceptions to the attributes of different types (generations) of retail brands.*
- P2i: Consumers will hold significantly different perceptions of retail brands attributes' depending on the consumer shopping situation.*
- P2ii: Consumers will hold significantly different perceptions of retail brands attributes' depending on the consumer shopping motivation.*
- P3: Malaysians will hold positive attitudes within the overall perceptions of retail brands, regardless of store brand.*
- P4i: There will be a significant relationship between consumer situations and consumers' overall perceptions of retail brands.*
- P4ii: There will be a significant relationship between consumer shopping motives and consumers' overall perceptions of retail brands.*
- P5: Consumers will hold significantly different perceptions of retail brands' attributes depending on the store image.*

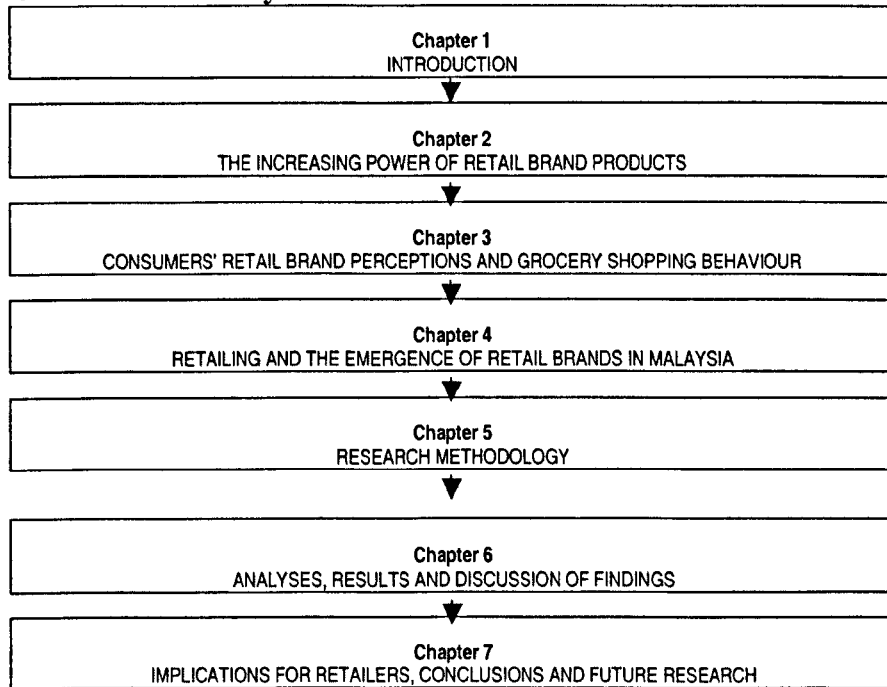
P6: There will be a significant relationship between store image and overall perceptions of retail brands.

P7: There will be a significant relationship between store image and consumer shopping motives.

1.3 Structure of the Thesis

In order to keep the study systematic, the structure of the research is illustrated in Figure 1.1. Following this section, the chapter continues with a discussion, which comprises a literature review of retail brand products. Chapters Two and Three explore the industry's conventional wisdom about retail brand products from a managerial and a consumer perspective. Following these, there is a discussion on retailing and the emergence of retail brands in Malaysia, while Chapter Five describes the research methodology that has been employed in this study. Chapter Six analyses the consumer survey and discusses its findings in relation to previous studies. Finally, the last chapter, Chapter Seven, which deals with management implications, the limitations of the study as well as discussing the overall findings and conclusions of the study and identifying directions for future research. What now follows, however, is the first part of the literature review, which examines *the increasing dominance at retail brand products*.

Figure 1.1
Outline of the Study



CHAPTER TWO

The Increasing Power of Retail Brand Products

Consumers now seem to have many more alternative products and brands to choose from when buying grocery products. The current 'hot topic' in grocery retailing in Malaysia is the emergence of retail brand products. What is a retail brand product? What makes retail brands very powerful in grocery stores? This chapter will explore the development of retail brand products: from 'generic' inferior products to powerful 'retail brand' products in the context of changing retailer strategies. To guide the reader in understanding the subject, there are six main sections.

These are (1) *The Historical Perspective and the Development of Retail Brand Products*; (2) *The Fundamental Attributes of the Development of Retail Brand Products*; (3) *Retail Brands Strategy*; (4) *The Potentials and Dilemmas of Supplying Retail Brand Products*; (5) *The Determinants of Success for Retailer Brand Products* and finally (6) *The Retailing Challenge: From Value-Chain Power to Brand Power*.

2.1 The Historical Perspective and the Development of Retail Brand Products

There is nothing new about the idea of retailers selling goods under their own name. The current debate can be traced to twenty-five years ago, when manufacturers were facing a new phenomenon; *'the emergence of retailers as genuine brands'*. The market share of these products in the US in 1998 was about 20 to 30 per cent in grocery products (*Marketing News*, 1995; Hoch, 1996; Dunne and Narasimhan, 1999; Ailawadi, 2001). In several European countries such as the UK, retail brands

have risen in their market share by an average of nearly 1 per cent annually, from 22 per cent in 1977 to 40 per cent (Baltas, 1998). It is believed that these figures will continue to increase due to fact that as retail brand quality has improved, consumers attach less importance to manufacturers' brands. In addition, many retailers are becoming more proficient in managing their own brands (Farris and Ailawadi, 1992; Baltas, 1998).

2.1.1 Definitions and Characteristics of Retail Brands

Despite the increasing importance of retail brands, it is obvious that, the *term* used to describe these products also varies. In the traditional retail trade, such as supermarkets, a manufacturers' brand is a widely known brand within a product category. The terms '*retail brand*', '*store brand*', '*own brand*', '*own label*', '*private brand*' or '*private label*' are, on the other hand, generally used to refer to types of products provided by suppliers to the retail industry that bear the '*name*' of the respective retailers. These products are used to achieve economies of scale in production and distribution, utilise excess production capacity, gain sales increases without marketing cost, as well as to provide price discrimination. Other types of retail brand may also include those created and owned by suppliers who allow certain retailers to sell these products in their stores.

Due to the various terms used to describe these types of brand, Schutte (1969) provided 17 alternative definitions of retailer related brands and commented on the need of re-examine the definitions of different kinds of brands, both retailer and manufacturer. He suggests that:

- i) A manufacturers' brand is owned, sponsored, and controlled by a firm that is primarily concerned with production or manufacturing, rather than with distribution such as Pepsi Cola.
- ii) A distributor's brand is owned, sponsored and controlled by a firm that is primarily concerned with distribution, rather than with production or manufacturing, and
- iii) A generic brand is a distributor's brand that does not include a traditional brand name on its label, products are simply labelled 'cola' or 'batteries', for instance.

It is noted that Schutte's (1969) taxonomy was based on the ownership and control of particular brands. Martell (1986) reveals that one of the problems with relying on historical examples is that terminology and definitions become out-of-date and eventually lead to confusion and misunderstanding over the role and purpose of brands.

One of the earliest definitions of '*retail brand*' is provided by the Economist Intelligence Unit (1968) and Morris (1979). They defined retail brands as '*...consumer products produced by or on behalf of, distributors and sold under the distributor's own name or trademark through the distributor's own outlet*'. Further, Walters (1989) stated that retail brands are '*products sold under a retail organisation's house brand name, which are sold exclusively through that retail organisation's outlets*'. To understand fully the structure of retail brands,

Davies (1992) developed four tests for the presence of branding which are based on:

- (1) Differentiation: Does the supposed brand name differentiate the product/service positively from other, similar offers in the marketplace in the mind of customers/consumers?
- (2) Premium Price: Does the supposed brand command a higher price in the marketplace than a similar product/service, because of an image for quality and/or reliability?
- (3) Separate Existence: Can the supposed brand be valued, used, sold or licensed separately from the business owning the brand/name?
- (4) Physic Value: Does the supposed brand offer benefits to the customer at a symbolic or sensory level?

He then argues that the '*genuine*' retail brand is one which fulfils all four tests, otherwise products are not brands, but simply a convenient label used only for identification purposes.

In 1993, Pellegrini suggested an additional four tests that may assist in attempting to identify the role of different types of brands used by retailers such as generics, house brands, etc. These are as follows

- (1) The degree of identification between the trade name of the retailer and the name used for its brands;
- (2) The positioning of its brands with respect to leading manufacturers' brands and consequently, their qualitative standards;
- (3) The width of the range of the products covered by the brand(s);

- (4) The extent of backward integration into marketing functions traditionally performed by manufacturers.

de Chernatony (1988) proposes that an own brand is '*an added value entity, produced by or on behalf of a distributor following the distributor's specifications. It is then targeted to specific consumers and portrays a unique, relevant and distinctive personality, which is associated with the distributor and is backed by a coherent use of marketing resources*'. This definition highlights the fact that distributors' brands no longer carry a cheap image as a poor quality good. They now act as alternatives to manufacturers' brands, and are recognised as providing added value. De Chernatony and McWilliam (1988) also argue that '*generic*' products in Britain were effectively marketed as brands. Retailers had clear positioning strategies for these products and in some cases even provided brand names incorporating company logos. At this point therefore, the development of a retailer's own brand strategy is highly dependent on how it can offer the customer a different proposition from the competition. Similarly, both de Chernatony (1989) and McGoldrick (1990) argue that in Britain, the terminology often used, which is '*own label*', is considered inaccurate. They argue that '*label*' implies a restricted marketing role, with emphasis simply on packaging, whereas in reality '*own brand*' is more accurate, as this highlights product benefits such as product differentiation, premium price and having specific value (Davies, 1992).

Similarly, Laaksonen (1994) argues that products that are owned, commissioned and marketed by retailers as opposed to manufacturers' brands are recognized

as a *'retail brand'*, *'store brand'*, *'own brand'*, or *'private brand'*. He suggested that the word *'label'* is basically only a name on the product, whilst *'brand'* means that the name of the product is well known and that there is a set of values, which consumers associate with the name. Likewise, in the American literature, retail brands are often referred to as *'private labels'* or *'house brands'*. Again, Light, the President of Arcature Corporation, argues that the private label is not a brand (Knapp, 2000). He discloses that customers can be brand loyal, but not label loyal. He then states that retailers actually take brands and turns them into labels. As a result, *'own'* or *'private label'* is considered a less developed version of the retailer's exclusive product and less sophisticated than own or private brand. Based on all the arguments mentioned above, Laaksonen (1994) suggested that there are four main types of own brand product categories. These are:

i) Generic

In France, these products were called *'produits libres'* which means *'free products'* and were wrapped in a plain white packaging, which labelled only the product composition. In much of the American literature, the generic was called the *'no-name'* or *'un-brand'* product (Cagley *et al.*, 1980; Neidell *et al.*, 1984). In the UK, the product was known as *'plain packs wraps'*, *'no-frills'*, *'brand-free'*, *'no-names'* and also *'unbranded products'* (McGoldrick, 1984). Apart from the different names, generic products can also be identified through simple packaging and lack of a *'recognised'* brand name. The product description is normally in black, stencil-like lettering and the pack carries only the required label information (McGoldrick, 1984). An increase in margins and the provision of choice in pricing are the two main objectives of these kinds of brands.

Nevertheless, generic products also have a reputation of being the '*alternative category*' when it comes to shoppers' choice of grocery products (Granzin, 1981; Hawes, 1982; Rosen, 1984). This is due to the fact that generic products are usually sold at a price which is 40 per cent or more lower than the branded equivalents (Yucelt, 1987; de Chernatony, 1989, Baltas, 1997; Prendergast and Marr, 1997) and can usually be found in the area of low-involvement grocery items (basic and functional products) which carry less physical, social or financial risk (Prendergast and Marr, 1997). It is believed that the lower price is made possible through cost savings created by using simple and basic production processes, plain packaging and almost zero expenses in promotional activities (Myers, 1967; Coe, 1971; Murphy and Laczniak, 1979; Faria, 1979; Cagley *et al.*, 1980; Cunningham *et al.*, 1982; Rosen, 1984; Neidell *et al.*, 1984; Yucelt, 1987; Szymanski and Busch, 1987; Karolefski, 1990, 1991; Lichtenstein *et al.*, 1993; Hoch and Banerji, 1993; Baltas 1997). In addition, McGoldrick (1984) claims that the most important cost saving by far arises from retailer flexibility in buying. Different suppliers can be used for different products and sometimes more than one smaller manufacturer supplies in different areas. He also agreed that low prices were made possible through the inferior quality of ingredients as well as using unattractive packaging. This strategy therefore allowed retailers to charge a significantly lower price to customers but often make a higher profit margin for themselves (Martell, 1986; Baltas, 1997).

Unlike the UK and the US, generic products in France were perceived as having an equal value with national brands (de Chernatony, 1988) despite the lower price. McGoldrick (1984) states that although the generic offers an opportunity to build market share, the product also potentially incurs risks such as:

- a. overall gross margins can suffer unless buying terms are very favourable and unless sales of other items are also stimulated;
- b. the retailer's image can be adversely affected, and
- c. an existing own-label range can be weakened if the generic range is not appropriately positioned.

ii) Store brand

Next to generics are store brand products, which take the retailers' name (for example Tesco). These kinds of products are well established in several European countries (Laaksonen, 1994). Originally, store brands were only produced when capacity allowed. Increasingly, however, entire factories are dedicated to the production of store brands. The packaging of store brands is also similar to the packaging of manufacturers' brands and although they are usually priced below the industry leaders they are not always the cheapest alternative available (Dick *et al.*, 1995). Unlike generics, store brand products provide the potential for the retailer to build store loyalty since they can be differentiated from manufacturers' brands (Simmons and Meredith, 1984; Martell, 1986; Dick *et al.*, 1995). Differentiation can occur by charging customers lower prices, or by offering consumers better value for money without narrowing the range of choice. Subsequently, retailers may gain higher gross margins, and have more control over product quality, stock, and price

(Uncles and Ellis, 1987). Many retailers have shifted these store brands to an up-market position and are now selling them on an equal footing with manufacturers' brands. The consumer is offered more of the same rather than additional choice. Competition is more about quality than price (Uncles and Ellis, 1987). It is also argued that store brand products help to establish a distinct corporate identity and set in train a reinforcement process between favoured brands and favoured chains (McGoldrick, 1984; Uncles and Ellis, 1987). The upgrading of store brand products also means a better image for the retail chain.

iii) Non-store brand

Non-store brands are products that have their own labels, using a different name from the retailer's name. It is also known as the pseudonym brand approach (Sullivan and Adcock, 2002). Examples were St Michael from Marks and Spencer and Winfield from F.W.Woolworth. These brands were competing with other brands without the support of the retailer's image. Perhaps the reason behind this strategy is to protect the retailer image in case the brand fails in the market, as well as to be able to relate to brand extension and promotional efficiencies (Sullivan and Adcock, 2002). However, a major weakness of this approach is the time required to build awareness of this fresh brand name. Consumers may think that manufacturers bring the brand to the store, rather than that the store sponsors the brand. It is also noted that the St Michael brand has now disappeared from Marks and Spencer, leaving very few non-store brands in the market place.

iv) Exclusive brand

The exclusive brand approach involves a retailer offering a branded product that is produced only for that retailer (for example, Goodmans for Comet). The brand may technically be a supplier brand, but is effectively a retailer brand. In a sense, this is a pseudonym approach applied to a single product or category. For this reason, the same strengths and weaknesses apply.

Although there are different forms of own brands, Laaksonen (1994) stated that traditionally they all share similar features. These are:

- they are all lower in price than manufacturers' brands;
- they are normally found in basic commodities which record high sales and exhibit maturity in the market,
- they become a supplementary brand to a premium manufacturer's brands.

Most recently, Fernie and Pierrel (1996) identified similar terms to explain products that are owned, controlled and marketed by retailers. These include '*own label*', '*own brand*', '*private labels*', '*retail brands*' and '*distributor brands*'. They claimed that the differences between labelling and branding were the degree to which a retailer becomes involved in true branding strategies (Shaw et al., 1992).

Adding to Laaksonen (1994), Sullivan and Adcock (2002) suggested another three types of own brand product. These are stand-alone, speciality and premium. A stand-alone approach is a modern development of the pseudonym

approach. In this case, the retailer produces a brand that has a brand name rather than simply a product identifier (for example, Novon from Sainsbury). The retailer name is typically lower profile than this brand name, so that the brand stands apart (alone) from the retailer's other own brands. This approach is extremely close to a supplier brand and demonstrates an increasing movement from retailer to retailer-brand builder. The major advantage of the stand-alone brand approach is a unique image that is hard to copy. On the negative side, packaging and promotion costs increase, and the benefits associated with brand extension may be reduced or lost altogether. Speciality retailer brands are associated with unique products or aimed at a small niche shopper group (for example, the '*organic range*' from Tesco or Sainsbury); Premium retailer brands are positioned towards the high-quality end of the market often priced above manufacturers' brands. Both speciality and premium retailer brands may be retailer own brand, pseudonym, exclusive manufacturer or stand-alone brand. These three new retailer brand approaches are common to Western consumers, as in the UK.

Close examination of the above arguments reveal that, although many terms are used interchangeably in previous studies (for example Laaksonen, 1994; Wileman and Jary, 1995; Baltas, 1997), it is believed that the term, retail brand is most applicable to describe retailers' own brand in Malaysia. Therefore, '*Retail Brand*' in this research is defined as '*those brands distributed by retailers who may or may not have the name of the store clearly labelled on the product, thus claiming 'ownership' of the brand for the store*'. This term is considered appropriate for this study because it gives the researcher the

opportunity to compare the results used by different retailers in Malaysia in their retail brand approaches.

2.1.2 The Evolution of Retail Brands

The development of the retail brand product began more than 35 years ago. At that time the retail brand product was believed to be offering the consumer a lower quality product alternative for a lower price (Murphy and Laczniak, 1979; Yucelt, 1987; Szymanski and Busch, 1987; Uncles and Ellis, 1987; Faria, 1979). Although the penetration of retail brand products in grocery markets is generally identified with the post 1970 era, retail brand development in the UK has its origins in the late 19th century, through the growth of the cooperative movement. The 19th century had given rise to mass production, and towards its closing years, manufacturers exploited their own names on their products. This continuous development of manufacturer brand was interrupted by the Second World War, but returned with a vengeance at its end (Martell, 1986).

Backed by legislation in the 1950s, resale price maintenance sustained this position. Section 25 of the Restrictive Trade Practices Act stated that '*A manufacturer has the right to fix the price at which his goods are sold to the public*'. During this time, manufacturers were said to have conquered the whole of retailing activities through the control of consumer prices. In an attempt to break free from the manufacturer and from the constraints of Resale Price Maintenance, retailers decided to develop their own products by '*developing our own-label products so that we were not restricted by price*' in an attempt to weaken the manufacturers' position (McMaster, 1987). This strategy was

operated through the purchase of standard commodities from the weaker brand manufacturers who had surplus capacity (Doel, 1996). From this point onward, retail brand products gradually up-graded their characteristics from inferior to superior' products, which could compete against manufacturer brands (Laaksonen and Reynolds, 1994; Wileman and Jary, 1995).

2.1.2.1 The Four Generations of Retail Brands

Retail brand development can be identified in four phases (Laaksonen and Reynolds, 1994). These phases and their characteristics are illustrated in Exhibit 2.1. In each phase, the retail brand product required *a different technology, different consumer motivations to buy, a different set of retailer's objectives* as well as *a difference in product characteristics*. Each phase therefore required a different level of sophistication which increased, from one phase to another. As both retailers and consumers demanded more benefits from retail brand products, this drove changes towards greater sophistication. The whole process of developing retail brand products should, however, should not be seen in isolation, as a brand does not necessarily develop from the first phase to the next. The phases can overlap (Laaksonen and Reynolds, 1994, Fernie, 1994; Fernie and Pierrel, 1996; Wileman and Jary, 1997; Burt, 2000), and not all retailers in all countries will experience the same growth of their retail branding as experienced by the UK and the US (McGoldrick, 1990; Laaksonen and Reynolds, 1994, Fernie, 1994; Fernie and Pierrel, 1996, Wileman and Jary, 1997; Burt, 2000).

2.1.2.1.1 First Generation

The first phase in the development of retail brand products was started in 1976, when Carrefour, a French retailer, decided to introduce a line of 50 generic brand grocery products throughout its 38 stores (Hawes, 1982; Laaksonen, 1994; Pellegrini, 1994). These products were called '*produits libres*' or '*produit drapeau*' which mean '*free products*' or '*flag products*' and were wrapped in plain white packaging featuring only the name of the product in black lettering (Fernie and Pierrel, 1996; Prendergast *et al*, 1997). '*Produits libres*' or '*produit drapeau*' were intended to be cheap but with a desirable quality, albeit lower than the comparable manufacturers' brands. In general the quality and image of this kind of product was considered to be lower than other brands.

Since the objectives of '*produits libres*' was to increase margins and provide choice in pricing options, '*produits libres*' were usually sold at a price around 40 per cent or more lower than their branded equivalents (de Chernatony, 1989) and could usually be found in low-involvement grocery items (basic and functional products). Low prices were made possible through cost savings created by using simple and basic production process. During this time, '*produits libres*' were always packaged with a plain label, using cheaper paper, black and white colouring with no graphic embellishment, accompanying the products. Packaging also switched from the use of more costly cans to plastic bags. In addition there were almost zero expenses incurred in promotional activities (Murphy and Laczniak, 1979; Reidenbach *et al.*,

1983; Yucelt, 1987; Szymanski and Busch, 1987 Faria, 1979; Lichtenstein *et al.*, 1993). Reidenbach *et al.* (1983) stated that the quality of '*produits libres*' contributed most significantly to the lower price and that the retail cost of '*produits libres*' were about 10–15 per cent below the cost of manufacturer brands.

The introduction of '*produits libres*' was a success in their home country (France). Within a few months, they captured an average of 30 per cent of Carrefour's sales (Hawes, 1982) and had spread to Belgium, Canada, Australia, and Japan within two years (Prendergast and Marr, 1997). Faria (1979) reported that generic products were not a passing fad but one of the most significant developments in the grocery business. The same situation however, did not apply in the UK, as '*produits libres*' were not as popular with UK customers. De Chernatony (1989) in his study argues that in the UK retailers had stocked retail brands much earlier than in France. He claimed that UK retailers had already introduced a policy on pricing, quality, packaging and merchandising that enabled consumers to somehow associate retail brand ranges with particular retailers. These findings clearly support the statement provided by Fernie and Pierrel, (1996) who claim that in the UK, the second-generation of retail brands was in existence prior to the launch of '*produits libres*' in 1976. De Chernatony (1989) reveals that International Stores was the first retailer to introduce a '*produits libres*' range in the UK in 1977, followed by Carrefour in 1978 and Tesco in 1981.

However, by 1983, the sales of '*produits libres*' were reported to be in decline. By the end of 1985, eight years after generics were first introduced to the US, sales had fallen to 2.0 per cent of total grocery sales (Prendergast *et al.*, 1997). Similarly, in the UK, to counter the threat from '*produits libres*' as well as from the discounters in the grocery market, Fernie and Pierrel (1996) reported that the big three UK grocery retailers (Sainsbury's, Tesco and Safeway) had started to develop their own brand products. By the mid 1980s Dunkin (unstated) suggested that '*produits libres*' had become an idea whose time had passed. Two other authors, Franz (1987) and de Chernatony (1988) shared similar views, reporting that '*Ten years may be generic lifetime*' and commenting on '*The fallacy of generics in the UK*' respectively.

2.1.2.1.2 Second Generation

Although, '*produits libres*' seemed to be a perfect product allowing retailers to compete among themselves, retailers then realised that price alone is not sufficient to ensure their survival and to achieve competitive advantage. In this phase (mid 1980s), the packaging of '*produits libres*' was improved. More attractive packaging was introduced but products still competed on the basis of price as in phase one. In some cases, the packaging of '*produits libres*' ranges was changed gradually to look more like manufacturers' brands, as well as to encompass better quality products for consumers (Laaksonen and Reynolds, 1994; Wileman and Jary, 1997; Burt, 1992, 2000).

2.1.2.1.3 Third Generation

In the third phase, retailers were said to experience the most challenging moment in the competition among own brand operators. During the late 1980s the competition within own brand ranges shifted and the focus was no longer on price alone. Quality and service appeared on the agenda. Retailers possess rich information and are sensitive to the things happening in their areas of interest. They started to extend their own brand product ranges adding more sophisticated lines, moving away from basic products to better quality products whilst at the same time maintaining reasonable pricing. They attempted to be different and lead the market by initiating new offerings. During this phase the '*me-too*' products became available. These '*me-too*' products were an imitation of leading brand producers, with an element of added value. Both products and packaging emulated brand leaders but retained cheaper prices than manufacturers' brands. This scenario led to own brand operators clearly competing directly against the manufacturers' brands. This would eventually benefit retailers as well as consumers, by bringing them better margins and better deals.

2.1.2.1.4 Fourth Generation

The fourth phase of own brand development was that of value added products, which can be distinguished from competition through product quality, innovation and/or design. Retailers realised that they could not depend too long on the '*me-too*' products (third generation), as this

would not create a competitive edge, as it allowed others to copy the same products. Therefore, this is the period where retailers moved into value added ranges such as '*value for money*', '*ready to eat*', '*chilled*', '*high quality image*', and of course with good '*quality*' ranges of products. Perhaps, the term '*retail brand*' as a true brand is best suited to these types of own brand product.

2.1.2.2 The Five Stages of Retail Brand Development

Three years later, slightly differing from the schema given by Laaksonen and Reynolds (1994), Wileman and Jary (1997) suggest another schema with five stages of retail brand development. They suggested that retail brand development followed a cycle of '*generics*', '*cheap*', '*re-engineered low cost*', '*par quality*' and '*leadership*' (see Exhibit 2.2). Echoing the arguments of Laaksonen and Reynolds (1994), Wileman and Jary (1997) claim that '*generics*' typically have plain white packaging and are normally offered as a commodity product with simple functionality and low prices. This stage is followed by '*cheap*' retail brands, still stressing low prices and substandard product quality. However, the packaging of these '*cheap*' retail brands has gradually increased to mirror the packaging of the leading manufacturer brands.

Wileman and Jary (1997) claim that in the first two phases of retail brand development, little investment is needed to develop these retail brand products. This arrangement is possible through a contract tender or through the use of third-tier producers who are willing to supply the retailer with their excess

capacity. By taking this approach no efforts were made in either improving the design or the quality of the products.

The next stage is the '*re-engineered low cost*' retail brand. This type of retail brand requires a minor investment from retailers. Elements of product and packaging are carefully disaggregated and examined to see where costs and quality can be reduced while still maintaining basic functionality requirements for consumers.

'*Par quality*' and '*leadership*' are the two last stages of retail brand development and require a substantial amount of investment from retailers. Through these phases a major positioning overhaul occurs, from being a cost and price based product to one based on quality and innovation, thus reflecting the true commitment from the retailer. '*Par quality*' retail brand products, for instance, offered consumers the same value and quality of product as other leading brand manufacturers. At this point, the second-tier producers are willing to offer retailers their excess capacity, with the retailers willing to sacrifice a bit by giving more attractive contract prices to the suppliers. This arrangement allows consumers to pay less for retail brand products (by 10 to 25 per cent) compared with the manufacturers' brands.

Finally, '*leadership*' retail brands reflect the true identity of the successful retailers by fruitfully moving away from a low price and low quality image to a superior grade of products, thus distinguishing themselves from the other manufacturers' brand leaders. Retailers at this point are able to set a higher price

as they are the only retailers who can offer customers the products. Marks and Spencer is the best example as they are a successful grocery retailer who supplies innovative '*chilled*' products in '*convenient*' packaging. This is an image that is desired by many retailers. However, it is observed that only those who are committed, financially strong, and willing to work jointly with suppliers in long-term relationships will succeed at this level.

Both the propositions provided by Laaksonen and Reynolds (1994) and Wileman and Jary (1997) are obviously related to the same cycle of development of retail brands as documented by Glemet and Mira (1993) (see Exhibit 2.3). While Wileman and Jary (1997) treat '*par quality*' as a separate entity, Laaksonen and Reynolds (1994) include '*par quality*' in the second and third generations of their schema. The word '*re-engineered low cost*' itself implies that the products are not only maintaining slightly lower prices but simultaneously experiencing changes in quality.

The proposition provided by Laaksonen and Reynolds (1994) is closer to that recommended by Glemet and Mira (1993). Glemet and Mira (1993) reported that four main activities, namely: '*drivers of change; manufacturers; retailers; and consumers*', were initiating the development of retail brand products. They focus on the *type of product produced by the retailers, the objectives that they need to achieve, and the characteristics involved in each stage in the evolution advancement* (see Exhibit 2.4). Possibly, one can conclude that Laaksonen and Reynolds' (1994) is an advanced version of Glemet and Mira's (1993), but it

also condenses the ideas offered by Wileman and Jary (1997) on the general pattern of retail brand development.

The '*leadership*' generation of retail brands tend to be most appropriate for the current environment. During the nineties, retailers have viewed retail brands not just as an offering at the low price and low quality end of the spectrum but as a means of improving image, differentiating themselves from competition and engendering customer loyalty (Ailawadi, 2001). For example, in upstate New York, Tops Supermarkets introduced a premium quality line of retail brand products called '*President's Choice*', while Marks and Spencer in the UK introduced a premium quality line of chilled food products. This trend has been adopted by other supermarket chains and resulted in consumers changing their perceptions of retail brand products from that of low quality to premium quality (Ailawadi, 2001; Hoch, 1996). This changed the positioning of most retail brand product ranges. This new marketing approach, which includes better packaging, improved quality and specific advertising and promotional programmes, is designed to increase customer awareness and grow sales of retail brand products. As the quality of retail brand products has increased, so has the price. The result is that not only are consumers buying more retail brand products than ever before, but they are also paying higher prices, which have contributed to a higher overall spending level for retail brand products. What does this mean for the grocery market? Certainly it is a signal to the brands of the grocery manufacturers that competition from retail brands will continue to increase and become tougher. As retailers focus more on their own brands they will focus less on manufacturers' brands; especially on manufacturers' advertised brands that have a weak marketing programme and small market share (Mela *et al.*, 1998). These weaker

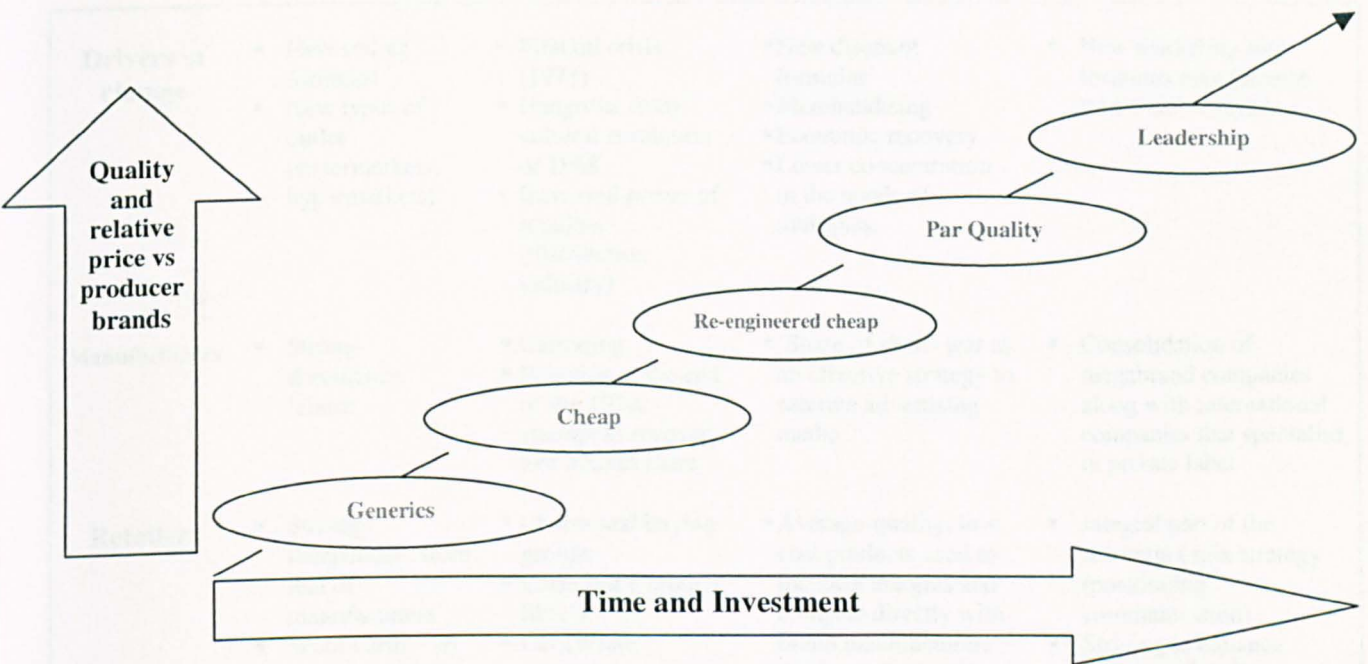
brands will be in jeopardy of being eliminated from the shelves. Retailers will want to use this space for the ever-increasing number of retail brands that they offer to consumers. Customers could also benefit from a wider variety of higher quality retail brand products to choose from. Moreover, these products, in most cases, can be purchased at prices lower than comparable manufacturers' brands.

Exhibit 2.1 Evolution of Retail Products/Brands

Heading	1 st generation	2 nd generation	3 rd generation	4 th generation
Type of brand	<ul style="list-style-type: none"> ➤ generic ➤ no name ➤ brand free ➤ unbranded 	<ul style="list-style-type: none"> ⊞ 'quasi-brand' ⊞ own label 	<ul style="list-style-type: none"> ◆ own brand 	<ul style="list-style-type: none"> ▶ extended own brand, i.e segmented own brands
Strategy	<ul style="list-style-type: none"> ➤ generics 	<ul style="list-style-type: none"> ⊞ cheapest price 	<ul style="list-style-type: none"> ◆ me-too 	<ul style="list-style-type: none"> ▶ value-added
Objectives	<ul style="list-style-type: none"> ➤ increase margins ➤ provide choice in pricing 	<ul style="list-style-type: none"> ⊞ increase margins ⊞ reduce manufacturers' power by setting the entry price ⊞ provide better value product (quality/price) 	<ul style="list-style-type: none"> ◆ enhance category margins ◆ expand product assortment, i.e. customer choice ◆ build retailer's image among consumers 	<ul style="list-style-type: none"> ▶ increase and retain the client base ▶ enhance category margins ▶ improve image further ▶ differentiation
Product	<ul style="list-style-type: none"> ➤ basic and functional products 	<ul style="list-style-type: none"> ⊞ one-off staple lines with a large volume 	<ul style="list-style-type: none"> ◆ big category products 	<ul style="list-style-type: none"> ▶ image-forming product groups ▶ large number of products with small volume (niche)
Technology	<ul style="list-style-type: none"> ➤ simple production process ➤ basic technology lagging behind market leader 	<ul style="list-style-type: none"> ⊞ technology still lagging behind market leaders 	<ul style="list-style-type: none"> ◆ close to the brand leader 	<ul style="list-style-type: none"> ▶ innovative technology
Quality/Image	<ul style="list-style-type: none"> ➤ lower quality ➤ inferior image compared to the manufacturers' brands 	<ul style="list-style-type: none"> ⊞ medium quality but still perceived as lower than leading manufacturers' brands ⊞ secondary brand alongside the leading manufacturer's brand 	<ul style="list-style-type: none"> ◆ Comparable to the brand leaders 	<ul style="list-style-type: none"> ▶ same or better than brand leader ▶ innovative and different products from brand leaders
Approximate pricing	<ul style="list-style-type: none"> ➤ 20% or more below the brand leader 	<ul style="list-style-type: none"> ⊞ 10-20% below 	<ul style="list-style-type: none"> ◆ 5-10% below 	<ul style="list-style-type: none"> ▶ equal or higher than known brand
Customers' motivation to buy	<ul style="list-style-type: none"> ➤ price is the main criterion for buying 	<ul style="list-style-type: none"> ⊞ price is still important 	<ul style="list-style-type: none"> ◆ both quality and price i.e. value for money 	<ul style="list-style-type: none"> ▶ better and unique products
Supplier	<ul style="list-style-type: none"> ➤ national not specialised 	<ul style="list-style-type: none"> ⊞ national, partly specialising in own label manufacturing 	<ul style="list-style-type: none"> ◆ national, mostly specialising for own brand manufacturing 	<ul style="list-style-type: none"> ▶ international, manufacturing mostly own brands

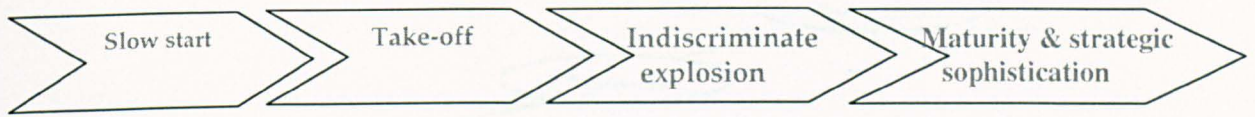
Source: Laaksonen and Reynolds (1994)

Exhibit 2.2
Stages of Retail Brand Development



Source: Wileman and Jary, 1997

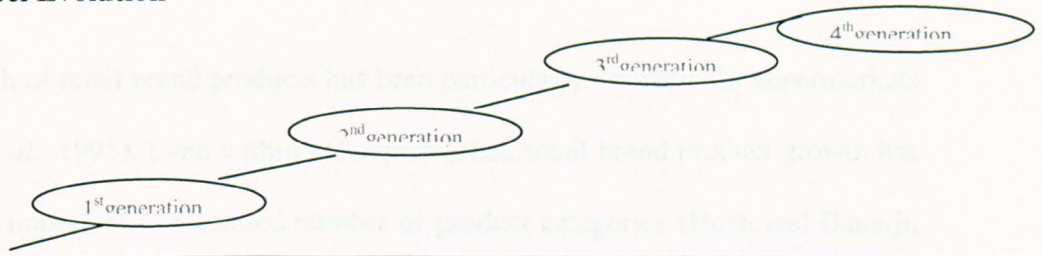
Exhibit 2.3
The Eras of Private Labels



	Slow start	Take-off	Indiscriminate explosion	Maturity & strategic sophistication
Drivers of change	<ul style="list-style-type: none"> ▪ New selling formulas ▪ New types of outlet (supermarkets, hypermarkets) 	<ul style="list-style-type: none"> ▪ First oil crisis (1973) ▪ Hangover from cultural revolution of 1968 ▪ Increased power of retailers (distribution industry) 	<ul style="list-style-type: none"> ▪ New discount formulas ▪ Merchandising ▪ Economic recovery ▪ Lower concentration in the hands of multiples 	<ul style="list-style-type: none"> ▪ New marketing mix formulas may threaten traditional loyalties
Manufacturers	<ul style="list-style-type: none"> ▪ Strong dominance, 'abuse' 	<ul style="list-style-type: none"> ▪ Cartoning ▪ Reaction at the end of the 1970s – attempt to recover lost market share 	<ul style="list-style-type: none"> ▪ 'Share of shelf' war as an effective strategy to saturate advertising media 	<ul style="list-style-type: none"> ▪ Consolidation of megabrand companies along with international companies that specialise in private label
Retailers	<ul style="list-style-type: none"> ▪ Strategy independent from that of manufacturers ▪ Woolworth – all products at same price ▪ Marks & Spencer (St Michael) ▪ Sainsbury – luxury products sold under private label 	<ul style="list-style-type: none"> ▪ Chains and buying groups ▪ Carrefour ('produit libre') ▪ GB (White products) ▪ Intense, successful advertising campaigns (e.g. Carrefour) 	<ul style="list-style-type: none"> ▪ Average-quality, low cost products used to increase margins and compete directly with brand manufacturers ▪ Selling own specific brands competing against national brands ▪ Race for locations ending gradually; need to differentiate image and positioning 	<ul style="list-style-type: none"> ▪ Integral part of the marketing mix strategy (positioning, communication) ▪ Striving to enhance consumer loyalty
Consumers	<ul style="list-style-type: none"> ▪ Brands synonymous with quality and risk aversion 	<ul style="list-style-type: none"> ▪ Intellectual consumers react against hyper-marketing (inflated prices because of advertising and merchandising) ▪ Private label perceived as cheaper alternative with acceptable quality (white packaging is guarantee of value) 	<ul style="list-style-type: none"> ▪ Closer to retailer ▪ Knowledge of private label still limited ▪ Fascination vis-à-vis changes in distribution ▪ Refusal of white packaging – reminiscent of crisis 	<ul style="list-style-type: none"> ▪ Change in mentality: from 'consumerism' to 'enjoying' (preference for more of acceptable quality over less of 'superior' quality) ▪ Trial and error attitude toward private label ▪ Segmentation in markets and products

Sources: Adapted from Glemet and Mira, McKinsey analysis, 1993

Exhibit 2.4
Private Label Evolution



Type	Generic	'Quasi Brand'	'Umbrella Brand of Trade'	Segmented Private Labels: shaped brand (a brand with its own personality, developed using traditional techniques)
Objective	<ul style="list-style-type: none"> * Increase margins * Provide a lower-price product for consumer during inflationary times 	<ul style="list-style-type: none"> * Reduce manufacturers' power by setting the entry price * Increase margins * Provide a better-value product (quality/price) 	<ul style="list-style-type: none"> * Enhance category margins * Expand product assortment * Build retailer's image among consumers 	<ul style="list-style-type: none"> * Increase and retain the client base * Enhance category margins
Characteristics	<ul style="list-style-type: none"> * Low-volume functional product * Technology lagging behind market leader * Perceived as lower quality/inferior image * Price as necessary to attract consumer 	<ul style="list-style-type: none"> * Large volume one-off product * Technology lagging behind market leader * Average quality (but perceived as lower) * Price is major criterion for purchase * National manufacturers, partly specialising in private label 	<ul style="list-style-type: none"> * Big category products * Expand the number of SKUs * Technology closer to market leader * Quality/image in line with leading brand * Quality and price as criteria for purchase * National manufacturers, mostly specialising in private label 	<ul style="list-style-type: none"> * Image-forming groups * Many SKUs, but with small volume * Innovative technology * Quality/image equal or superior to leading brands * Better product as criterion for purchase * International manufacturers, mostly specialising in private label

Sources: Adapted from Glemet and Mira, McKinsey analysis, 1993

2.1.3 Factors Influencing the Growth of Retail Brand Products

The growth of retail brand products has been particularly dramatic for supermarkets (Bhasin *et al.*, 1995). Even within the supermarket, retail brand product growth has been very important in a limited number of product categories (Hoch and Banerji, 1993). For example, Bhasin *et al.* (1995) reported that 80 per cent of the growth of retail brand products fell into 15 out of 240 grocery categories. The key factors fuelling this growth are;

- **Increased consumer emphasis on value**

Hoch and Banerji (1993) reported that the difficult economic times at the time of writing had changed the focus of many consumers to value and related substantive quality. This was also documented by Wold (1992) who claims that recession in the economy is the main reason for consumers to change their preferences from manufacturer brand to retail brand products.

- **Decreased variance in substantive quality**

Bhasin *et al.* (1995) suggest that goods have increased substantially in quality and the variance of substantive quality has narrowed among brands. Carsky (1994) compared product ratings of Consumer Reports in the US for the period 1978-1980 to 1988-1990. She concluded that there was a significant decrease in the variability of substantive quality between the two time periods. Bhasin *et al.* (1995) suggest that the factors leading to an increase in substantive quality may also include:

- a) More international competition;
- b) Greater focus on quality by almost all large manufacturers, and;

c) The increased education level of consumers

- **Perceptions of consumers have changed**

It was reported by Bhasin *et al.* (1995) that the decrease in the variance of substantive quality had contributed to a decrease in the perceptions of quality differences among consumers. Both Giges (1988) and Landler (1991) indicated that consumers perceive more products as commodities distinguished primarily by price.

- **Increasing 'real' prices of manufacturer brands**

Bhasin *et al.* (1995) observe that many manufacturers' brands have tried to reverse some of the large and frequent price increases of recent years. This increases the price difference between major manufacturers' brand and retail brand products.

- **Opportunistic behaviour**

Rising prices to retailers and subsequently at the retail level did not go unnoticed by the retail operators (Bhasin *et al.*, 1995). Many retailers saw great differences in the value offered by retail brand products and the potential to develop retail brand products (see Exhibit 2.5).

Exhibit 2.5

The Percentage of Market Shares of Retail Brand

Retailers	Market Share (%)
Tesco	45
Sainsbury	60
Aldi	95
Lidl	80
Carrefour	33
Walmart	40

(Source:<http://retailindustry.about.com>, 2003)

- **Increased power of retailers**

Many feel that the power of retailers has increased (Burt, 2000; Wileman and Jary, 1997; Laaksonen and Reynolds, 1994; and many others). However, power may have to be qualified in specific merchandise areas and for certain types of retailers (see section 2.6 for details).

- **Decreased amount of couponing by manufacturer brands (the case of the US)**

Bird (1994) reported that the decision by manufacturers' brands to decrease the amount of couponing on their brands has increased the attractiveness of retail brand products. Similarly, Bhasin *et al.* (1995) noted that since retail brand pricing and growth have typically been accomplished within an environment in which coupon were evidence (i.e. the US), the net impact of the supplier de-emphasising couponing has been to increase the attractiveness of retail brand products to shoppers. However, this evidence comes from the US, as in the UK market, this is not the case, as there is very little use of coupon.

- **Increased diffusion of media**

Both Bhasin *et al.* (1995) and Mela *et al.* (1998) argue that the media is now fragmented and often focuses on certain special interest programmes designed to reach finely tuned segments, normally having narrow preferences. As such, the power of manufacturers' brands that have traditionally enjoyed a competitive advantage from mass media and mass merchandising has declined. Consequently, in recent times, manufacturers' brands have less control over the TV networks.

- **The rise of the concept of partnerships**

As reported by many authors such as Laaksonen (1994), McGrath (1995), Bhasin *et al.* (1995), de Chernatony (1989) and Burt (2000) many retailers have developed win-win partnerships with selected suppliers when choosing to implement retail brand strategy (see Section 2.2.3 for details).

2.1.4 Retail Brand Market by Product Category

It is argued that the growth in retailer brand penetration very much depends on the product category as well as in the country where it is operated (Glemet and Mira, 1993; Laaksonen, 1994). Burt (1992), Laaksonen (1994), and Quelch and Harding (1996) identified seven potential areas where high penetration of retail brand products can be observed. These are basically

- an inexpensive, easy, low risk purchase for the consumer;
- large volume markets;
- technological simple markets;
- high profit margins;
- few national brand manufacturers;
- low levels of innovation;
- low levels of national brand advertising

Nevertheless, as the two most important roles of retail brand are to improve profitability and develop as well as maintain customer loyalty, it is possible that some categories will be more effective than others (see Exhibit 2.6). McGrath, (1995) categorises five characteristics of product categories that seem to be significant to the development of retail brand products. These are:

- high volume;
- high/ low margin or low volume low/ high margin;
- categories with high growth potential;
- fragmented categories with no dominant proprietary brand;
- new innovation categories;
- those with established retailer's brands.

We will now discuss each of these in turn.

Exhibit 2.6
Effective Categories for Retail Brands

UK		Netherlands		France		Spain	
Product category	% share	Product category	% share	Product category	% share	Product category	% share
Wine	75	Prepared poultry meals	74	Biscuits	42	Honey	27
Cheese	65	Wine	70	Frozen fruit	41	Mashed tomato	26
Prepared poultry meals	63	Dessert and yogurt	60	Bakery	35	Canned pineapple	24
Fruit juice	60	Tea	50	Pizza	25	Canned vegetables	21
Dessert and yogurt	56	Prepared meals	46	Wine	25	Juice	21
Frozen fruit	56	Fish (frozen and others)	40	Preserves	25	Jam	20
Pasta	51	Biscuits	50	Dessert and Yogurt	21	Cocoa spreads	19
Canned vegetables	50	Canned vegetables	35	Cheese	21	Sardines	19
Bakery	46	Preserves	35	Oil and margarine	21	Rice	18
Fish (frozen and others)	46	Snack foods	34	Canned fruit	40	Instant coffee	18

Sources: Adapted from The McKinsey Quarterly, 1993

2.1.4.1 High Volume, High/Low Margin or Low Volume, Low Margin/High Margin Categories

Products with a high volume of sales and high margins are the best categories to enter. However, McGrath (1995) stated that this is '*an ideal world*' situation and does not happen very often. She argues that if the margin of the manufacturers' brand is high, the margin on retail brand products will be even higher.

Categories with high volumes and low margins such as coffee, tea, paper ware, cereals, sugar and such like will be more rational. This is because developing a retail brand product will enable retailers to balance the brand manufacturer dominance even though these are considered more challenging markets to enter. These product categories are beneficial for retailers because they are high volume; therefore they offer a good base for retailer brand development. Smaller retailers believe that these characteristics make a category far more attractive for the development of retail brand products. This is due to the practicalities involved, as manufacturers are usually not prepared to supply low volume retail brand products to smaller retailers due to packaging costs and plant inefficiencies.

2.1.4.2 Categories with High Growth Potential

One area that has become '*one of the most dynamic and profitable sectors of the UK grocery trade*' (McIlveen and Chestnutt, 1999; Howitt, 1996) is the ethnic food sector, with particular emphasis on convenience ready meals and snacks. Since 1996, the value of this market has increased by 51 per cent, reaching £520 million in 2003 (ACNielsen). This could be due to increased mobility and foreign travel, better consumer education and an increased knowledge of food through media exposure. Irrespective of the influence, retailers are always willing to respond to new tastes and indeed may help foster them, as '*such products usually command a premium and are therefore*

potentially highly profitable'. Consequently, all elements of the ethnic food markets across Europe are seeing growth (O'Carroll, 1997). The niche-retailing trend is towards regional cuisine and greater authenticity. In the UK for example, the ethnic food sector is becoming an increasingly important area for the large multiples and, like the restaurant sector, innovation forms an important component of quality and reveals a consumer desire for uniqueness and excitement (Peacock, 1998). This clearly indicates the opportunity for retailers to develop their retail brand products based on a category of high growth potential.

2.1.4.3 Fragmented Categories with No Dominant Proprietary Brand

As retail brands have made less of an impression in product categories where strong manufacturers' or international brands exist, fragmented categories are usually favoured (Simmons and Meredith, 1984). Fragmented categories such as commodity products (rice, sugar, flour, milk, coffee, tea and spices) offer the same volume or margin mix against products like orange juice and canned vegetables produced by the manufacturers. Their study states that the fundamental aim for a retailer to supply these types of products is only to tidy up the category. The commodities market is enormous and even the smallest food retailers can introduce their retail brands. For that reason, the market has become very price competitive and flooded with names and varieties (Mirabel, 2003).

2.1.4.4 Opportunity to Develop a New Category

After years of rapid expansion, most European food retailers are now faced with the consequences of overcapacity and maturity (Kass, 1994). Food retailers need to take the initiative if they are to react to these challenges. Developing a new product category may be useful for retailers in their retail brand development but the effects can be massive too. New categories may involve risks, as these products will change consumer attitudes towards them. Developing a new category may require retailers to spend more time and money to develop 'new' products. During the 1980s retailers had few resources to invest in new product development (McGrath, 1995) and most of the products produced by the retailers were fairly unsophisticated (Laaksonen, 1994). Traditionally, retail brand penetration was highest in technologically simple and high volume commodity lines such as kitchen rolls, tissue papers, mineral water, etc. Common factors between these lines are that they do not require highly advanced manufacturing technology and branding is pointless although these are clear exceptions to this rule. In the UK, this is not the case as a paper product such as Kleenex was always strong and produced under the name of manufacturer.

2.1.4.5 Where Other Retailer Brands are Established

McGrath (1995) also argues that retailers should venture into categories where other retailer brands are already established. Obviously retailers have to make these products available, as consumers will expect such products within all retailers. The quality and benefits must however be

perceived as at least equal and consequently will have to be carefully developed. However, although these brands are well established, this should not imply that these products cannot be innovated further. Innovations may produce differences leading to non-conventional products.

2.1.5 Categories with Low Retail Brand Penetration

Laaksonen (1994) claims that there is neither a clear pattern, nor a product group, which is consistently dominated by retailer's brands. In general, he concludes that retail brands have the largest penetration in food and beverages, and the personal care category has, most often, the lowest penetration (see Exhibit 2.6). Growth is lowest in personal care because of the strong brands in the categories and the products are considered to be intimate in nature. The more intimate the product, the more consumers seek assurance in the quality of a well-known brand. Also lower penetration rates are attributed to the sophisticated manufacturing technology needed to produce this kind of product. Glemet and Mira (1993) claim that categories with higher levels of product innovation tend to have a lower level of store brand penetration. The higher market share of retail brands in food and beverages suggests that lower risk is another factor that contributes to the success of retail brand development. These categories are generally low priced and frequently purchased and it is relatively easy for the consumer to assess the value of the product since taste is a key factor. In contrast, non-food products classes, such as toothpaste, are less suitable for retail brand development because purchases carry a greater risk and

product performance is not so easily assessed by the consumer during consumption (Baltas, 1998).

It is also noted that retail brand penetration is low in product categories, which already have a large range of existing retail brands. Leading brands have often increased their market share together with retailer brands, thus secondary brands may be pushed out of the market (Laaksonen 1994). Likewise, Morris (1979) also reveals a strong negative relationship between the market share of the leading manufacturer's brand and retail brand penetration. He states that where there is a single dominant firm in the market, the retail brand will be less successful. Consumers find it hard to believe that retailers somehow manage to produce many products in many categories with varieties in production and consumption processes (Quelch and Harding, 1996). These two findings, however, clearly contradict the findings of McGrath (1995).

Morris (1979) states that a negative association occurs between the advertising activity of the manufacturers' brands and retail brand penetration. He claims manufacturers' brands rely heavily too on advertising unlike retail brand products, thus weakening the retailer brand's share in a market place. In addition, Glemet and Mira (1993) and Hoch and Banerji (1993) suggest a similar association between advertising and store brand penetration. They argue that retail brand penetration is low due to the absence of advertising activities in order to promote the brand effectively. Moreover, the differences in penetration levels of retail brand products may also be attributed to the unavailability of the

product in as many product categories, or in the expected variety of sizes (Rosen, 1984; Wilkes and Valencia, 1985).

Although retail brand products have been successfully introduced the true colour of this product still has along way to go; particularly in markets other than the UK and the US. Retailers in other countries, such as Malaysia, need to understand and be familiar with the development of these products. Their characteristics and various stages need to be fully distinguished before any attempt can be made to introduce such products. The objectives, strategies and the technologies involved in producing retail brand products needs to be entirely defined. It is argued that failure to fully understand this may destroy the products as well as the retailer's reputation.

2.2 The Fundamental Attributes of the Development of Retail Brand

Does the best hope for the future of supermarkets lie in retailer brands? The answer is traceable through the success of major British grocery retailers. These retailers are creating retail brands for their exclusive use, which provide the opportunity to create an independent brand image while offering their consumers distinctive product and service benefits. A retailer who understands the importance of retail brands will be able to leverage its retail brand products. However, if a retailer develops a retail brand range, it does not necessarily follow that it will have a successful retail brand strategy. Therefore when formulating retail brand strategy, retailers need to understand the market in which they are operating. Factors such as competitors, suppliers, and most importantly consumers, are crucial to the development of successful retail brand grocery products.

2.2.1 Consumer Considerations

'*Customer is number one*', or '*customer is always right*', are the two phrases normally used to express the importance of customers in any business particularly in the retail industry. For consumers, the attraction of retail brand products is comparable quality with manufacturers' brands, at prices 10-40 per cent lower.

As consumers' tastes and preferences change with the values and norms of the time changing demographics ensure that an ever-growing proportion of future markets will be composed of experienced buyers who are more self-assured, and more willing to accept responsibility for judging the relationship between quality and price. It is argued that consumers in the late 1990s are far more value-conscious than in the 1980s and demand the best value in merchandise (Bhasin *et al.*, 1995). Furthermore, social status may be less a function of a person's possessions in the 21st century than it was in the last part of the 20th century. Retail brand buyers have been shown to be more price sensitive than manufacturers' brand buyers (Baltas, 1997; Yucelt, 1987) and can differ significantly from manufacturers' brand buyers on some important behavioural dimensions (Baltas, 1997; Bellizzi *et al.*, 1981).

The retail brand inclinations of consumers have been researched extensively. One stream of research has focused on the characteristics of retail brand buyers, such as their socio-psychographics (Myers, 1967), demographics (Murphy and Laczniak, 1979), perceptual differences

(Bellizzi *et al.*, 1981) and behavioural aspects (Baltas, 1997). The most recent studies focus on how retailers manage retail brands, as well as the competition between manufacturers' brands and retailer brands (Baltas, 1997; Aggarwal and Cha, 1998; Dick *et al.*, 1997; Sethuraman, 1995).

Dickson (1992) suggests that in times of oversupply, consumers theoretically have a greater choice and become more sophisticated (Baltas, 1997). Retailers' attempts to serve these more sophisticated consumers spur them to innovate, which in turn, leads to imitation and again to oversupply. Nevertheless from a practical perspective, the consumer is aging and most learn from their experience to be more selective in their purchasing and consumption. Furthermore in recent times, retailers offer more services and higher product quality (that is, consumers receive more value for the same amount of money paid). Consumers will therefore increasingly expect and even demand these added benefits. Quality seeking consumer judgements of perceived quality versus price require brand owners to accurately benchmark competitive value and price (Baltas, 1997).

It is therefore important for retailers to understand first how consumers judge their products. Many studies such as Frank and Boyd (1965); Myers (1967); Rao (1969); Coe (1971); Burger and Schott (1972); Rothe and Lamont (1973); Bettman (1974, 1979); Livesey and Lennon (1978); Murphy (1978); Anvik *et al.* (1979); Cagley *et al.* (1980); Bellizzi *et al.* (1981); Cunningham *et al.* (1982); Richardson *et al.* (1996); Baltas

(1997) explore retail brand proneness. Information on consumers such as characteristics that affect retail brand buying, their shopping behaviour, their background profiles and their behaviour towards competitors' products provide significant indicators of the success of retail brand products in the future.

2.2.1.1 The Perceptions of Retail Brands

When comparing a retailer's brand to a manufacturer's the centre of interest generally focuses on the consumers' perceptions of retail brand products and manufacturers' products (for example Frank and Boyd (1965); Myers (1967); Rao (1969); Coe (1971); Burger and Schott (1972); Rothe and Lamont (1973); Bettman (1974, 1979); Livesey and Lennon (1978); Murphy (1978); Anvik *et al.* (1979); Cagley *et al.* (1980); Bellizi *et al.* (1981); Cunningham *et al.* (1982); Richardson *et al.* (1996); Baltas (1997).

Glemet and Mira (1993) state that the variations in consumer perceptions reflect an underlying segmentation of consumer attitudes toward retail brand purchases (see Exhibits 2.7 and 2.8). They group consumers into three types, '*branded*', '*promotion driven*', '*mixed*' and '*realistic*'.

Exhibit 2.7
Consumer Profiles toward Retail Brand Purchases

Consumer Types	Attitudes and Perceptions
‘Branded’	<ul style="list-style-type: none"> • Strong preference for branded products • Retail brand is a cheap but low-credibility alternative • Retail brand purchase can be encouraged by reassurance on quality
‘Promotion Driven’	<ul style="list-style-type: none"> • Constant search for the best deals • From the 1980s to the present, no great interest in retail brand (price differential too small to win sales from brands) • During the 1990s, will become largest consumers of lower-price products • Yet to be attracted to retail brands
‘Mixed and Realistic’	<ul style="list-style-type: none"> • Preference for purchasing branded products at the beginning of the month, but no hesitation over buying retail brand at the end of the month (‘realistic’) • Price is critical (given acceptable quality) • Retail brand prices must be lower than those of promoted brands

Source: Adapted from Glemet and Mira, McKinsey analysis, 1993

Exhibit 2.8



Source: Adapted from Glemet and Mira, McKinsey analysis, 1993

Exhibit 2.9 illustrates three types of brand perception among consumers namely ‘absolute preference for strong brands’, ‘relative preference for medium brands’ and ‘no preference for

transparent brands'. This pervasive segmentation of attitudes implies that some product categories offer considerably more potential for retail brand products than others. Laaksonen (1994) also revealed that consumers' brand perceptions varied from one product category to another. He discloses that where the differentiation between the retailer's own brand and manufacturers' brands is equal to zero or does not exist (for example products such as tissues and toilet rolls), price and product displays become the critical factors for consumers. Conversely, Laaksonen (1994) also claims that availability of retail brands is an important factor for consumers when choosing where to shop.

Exhibit 2.9
Brand Perceptions Among Consumers

	Characteristics / Behaviour	Examples	Potential for private label products
Absolute preference for strong brands	<ul style="list-style-type: none"> ✓ Specific products associated with markets where most consumers have an absolute preference for existing brands ✓ If the preferred brand is not available, the purchase will not take place. The consumer will seek the brand in other outlets ✓ Preference stems from the relationship between consumers and products, not consumers and manufacturers ✓ Consumer needs full confidence in product at time of purchase and consumption ✓ Products' functions, associations, specification, and mission explain the need for brands. 	<ul style="list-style-type: none"> ○ Spreads in France ○ Colas ○ Razors (Gillette, Bic, Wilkinson) ○ Olive oil in Spain ○ Rice 	Very Low
Relative preference for medium brands	<ul style="list-style-type: none"> ✓ Products associated with markets where consumer feel less need for brand reassurance ✓ Consumers may prefer a particular brand, but are willing to change to other well-known brands at point of sale ✓ Very sensitive to merchandising and point of sale promotion ✓ Knowledge and image of brands can be improved, but never extended to create a real brand need 	<ul style="list-style-type: none"> ○ Films (Kodak vs Fuji or Agfa) ○ Washing machines, TVs, Videos ○ Tissue papers (Kleenex vs Lotus) ○ Motor oil 	Medium – as retailers observe and learn about consumer behaviour at point of sale
No preference for transparent brands	<ul style="list-style-type: none"> ✓ Products may be well-known brands, but consumers do not differentiate between branded and private label products • Merchandising is critical • No sense of loss if consumers fail to find specific brands 	<ul style="list-style-type: none"> ○ Video tapes in France ○ Toilet paper ○ Butter ○ Refrigerator brands 	Very high

Source: Adapted from Glemet and Mira, McKinsey analysis, 1993

Laaksonen (1994) also reveals that consumer perceptions vary nationally and each country has individual product categories, which are sensitive. Products such as chocolates and pet foods in the UK, spreads in France and olive oil in Spain show a strong preference for manufacturers' brands and offer limited potential for retail brand development. In Britain Burt (1992) reported that

the British consumer's perceptions of retailer brands have changed from that of an alternative product option to that of an alternative brand option. This change is made possible through the continuous and consistent upgrading of products and ranges by retailers, from the starting point of the traditional lower price/lower quality retailer brand to the offer of a high quality/value for money retailer brand. More often these products are only slightly less expensive than the leading manufacturers' brands.

In another area, Fugate (1986), in his study of the effects of manufacturer disclosure of consumer perceptions of retail brand grocery product attributes, reveals that when retailers use familiar manufacturers' names on their products, consumers are instinctively attracted to the brands. However, a lack of confidence in the quality of products when associated with familiar manufacturers' brands may result in a poorer purchase decision. He also claims that consumers have poorer perceptions and purchasing decisions when the brands are associated with unfamiliar manufacturers.

2.2.1.2 Reasons for Buying Retail Brands

Brand names have become the most valuable asset for many companies as branding does influence a customer's choice (Kohli, 1997). It is important to see how brand names contribute

to the success of a product through differentiation. In many cases we see consumers buying brand names and being willing to pay a premium for them. We do not buy jeans; we buy Levi's. We do not buy sunglasses; we buy Ray Ban. And, we do not buy sparkling water; we buy Perrier. The approval rating for Kellogg's Corn Flakes increased from 47 per cent in a '*blind*' test to 59 per cent when the name was revealed (Kohli, 1997). Over time, there has been a change in consumers' buying attitudes (Laaksonen, 1994). Recently, consumers have begun to rationalise. Brand preferences have changed from wanting superior quality to wanting acceptable quality. The economic recession has brought back tertiary brands and even generics are considered an acceptable choice. Some consumers are again faced with the necessity of buying the cheapest products (economy seeker customers) whilst others who no longer feel the need to make an impression on others, make more rational choices on the basis of acceptable quality and value. More importantly, consumers may prefer the guarantee offered by a familiar store name on a cheap product than the uncertainty and the risk of an unfamiliar minor manufacturer brand (Baltas, 1997).

Based on a Private Label Manufacturers Association (PLMA) survey, Laaksonen (1994) reports that product quality is generally the most important reason for buying a retail brand

product followed by price (see Exhibit 2.10 and 2.11). High quality and relatively low price results in a good value for money proposition (Cagley *et al.*, 1980) which is essential in order to have a successful exclusive brand offer. Currently, the majority of European consumers are willing to pay a premium for a quality brand. Although retailer brands are now perceived as offering better value, retailers still have to be aware of the prices of competitors and ensure that their value edge is sustained. As disclosed by Farris and Ailawadi (1992), manufacturers' brands have become less important in the past two decades due to the increased power and influence of the major retailers.

Exhibit 2.10
Image of Retail Brands Compared to Brand Leaders

	Germany	Spain	France	Italy	UK
Price					
# More expensive	3	2	2	3	1
# As expensive	12	16	26	29	13
# Less expensive	85	83	72	68	86
Quality					
# Higher	2	6	3	7	4
# Same	90	73	78	71	77
# Lower	8	21	19	22	18
Confidence					
# More expensive	3	7	4	10	5
# Same	84	71	73	66	74
# Less	12	22	23	24	21

Source: Adapted from Laaksonen, 1994

Exhibit 2.11
Reasons for Consumers Buying an Own Brand Product

	UK	France	Germany	Netherlands
Price				
• Very important	62	60	55	78
• Fairly important	31	33	35	16
• Not important	7	5	7	5
• Don't know	0	2	3	1
Quality				
• Very important	81	52	75	88
• Fairly important	14	38	21	8
• Not important	5	6	2	2
• Don't know	0	4	2	2
Liked store's other own brand products				
• Very important	31	29	16	35
• Fairly important	44	47	42	45
• Not important	22	12	22	11
• Don't know	3	12	20	9
Packaging				
• Very important	12	8	8	19
• Fairly important	32	28	20	24
• Not important	56	59	67	54
• Don't know	0	5	5	3

Source: Adapted from Laaksonen, 1994

2.2.2 Competitors' Considerations

Laaksonen (1994) reveals that not only do retailers themselves become competitors to other retailers in developing retail brand products, but manufacturers too can become competitors. This competition is a result of retailers becoming brands themselves thus competing head to head for a place in the customer's shopping trolley. According to the study done by PLMA (1993) 63 per cent of European retail executives and buyers consider the greatest threat to retail brand products as coming from the

major manufacturers' brands. This is because the manufacturers have already established themselves many years ago.

2.2.2.1 Leading Manufacturer Brand

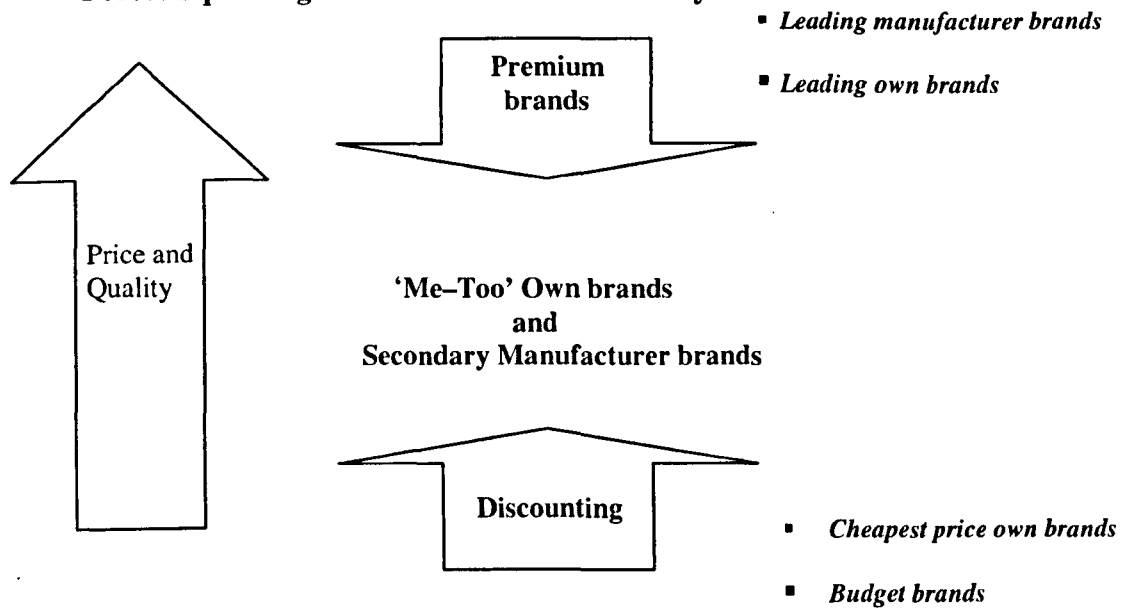
As well as competition for manufacturers' brands, discounters can also slow the expansion of retail brands by lowering prices, introducing new promotions and adding price-fighting lines to their offer. Some traditional UK grocery retailers have tried to use their buying muscle to stop manufacturers from supplying discounters and some even launched their own discount format in order to fight back. Discounting appears in two main forms namely, as a distinct store concept and as a part of total product offering in food stores or food retailers.

As food retailing is increasingly becoming a zero sum game, there has been pressure towards lower prices and increased price competition creating a larger niche for a discount offering. To satisfy the needs of price-sensitive customers and to counter the discounter competition, several traditional retailers have introduced budget brands, which may also be called '*tertiary brands*', or '*premier prix product*' or '*price fighting brands*'. Tesco, for example, launched its own tertiary brand products under the name of '*Tesco Value*' in August 1993.

The strength of leading manufacturers as well as the emerging discounters places pressure on the retailer and secondary manufacturers' brands. Both retailers and secondary manufacturers' brands are trapped between two forces. Discounting creates pressure to cut prices, resulting in lower margins and declining profitability for both retailers and manufacturers. In contrast, leading brands have responded by stepping up their levels of product differentiation and investment. Consequently, this has enabled the brand leaders to sustain a price-premium. In addition they have also stepped up their promotional campaigns creating pressure on both retailers and secondary brands. As a result, retailers and secondary brands face decreasing volumes, which in turn create cost pressures, further squeezing margins (see Exhibit 2.12).

Medium priced and average quality retail brand and manufacturers' brand products simply do not offer a good enough value-added proposition; neither are they competent to compete with the brand leaders or price leaders. Retailers have to choose whether to become brand leaders themselves or differentiate through added value or price. Polarising markets are an opportunity for retailers to develop their own brands out of mediocre '*me-too*' copies into real brands. If retailers are able to develop their brands and the concentration of retailer and manufacturing sectors continues at equal pace, the market power will be a balance between strong retailers and strong global manufacturers. The majority of manufacturers will become specialised retail brand suppliers.

Exhibit 2.12
Forces Squeezing Retail Brands and Secondary Brands



Source: Adapted from Laaksonen, 1994

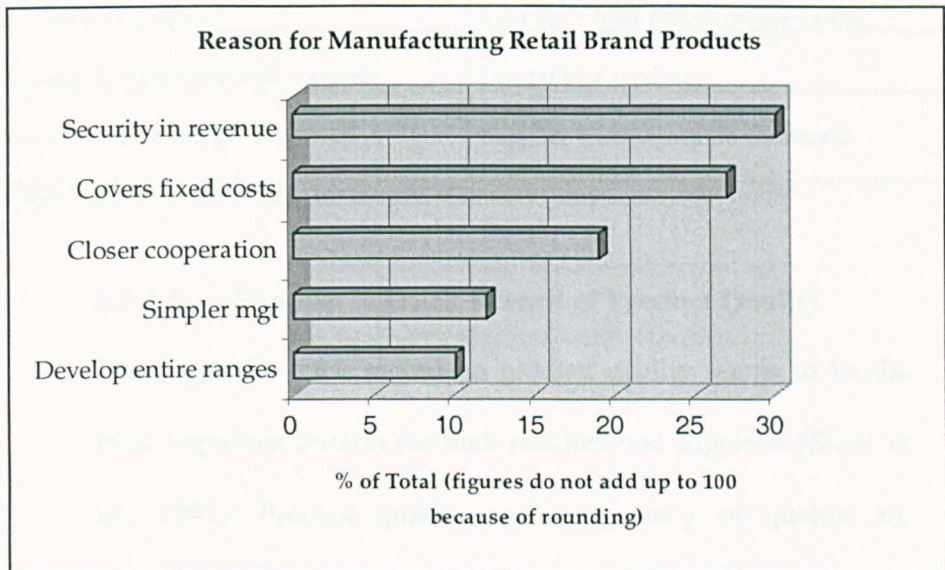
2.2.3 The Suppliers' Considerations

The power of the retail brand has created fundamental but complex organisational changes at the food retailer–manufacturer interface. This is because for retailers to be able to sell their own retail brand products in the market, it requires a willingness from the suppliers' base. Factors such as the criteria of the suppliers and level of cooperation needed between both retailers and suppliers are vital for the success of retail brand development. However, when discussing retailer-supplier relationships, consideration should also be given to the manufacturer relationship as well, as the three of them are actually closely related to each other (retailer-supplier-manufacturer).

Domestic manufacturing and international sourcing are two sources of a possible supplier base for retail brands. Many manufacturers regardless

of whether they are domestic or international are willing to put their production capacity to full use, at the same time taking advantage of economies of scale. Besides economic factors, other factors such as security and control of the market are also important (see Exhibit 2.13).

Exhibit 2.13



Source: Adapted from Laaksonen, 1994

As retailers lead the market with innovative products, it is important for them to choose preferred suppliers. McGrath (1995) reveals that there are five criteria for retailers in this respect (see Exhibit 2.14). Generally, the findings suggest that both retailers and suppliers are looking at similar reasons in choosing their suppliers. In order to be a cost-effective retail brand producer, flexibility is necessary to meet both supplier and retailer needs. In addition, customer service is also a prerequisite and may form part of the retailer's specification in terms of delivery and order lead times.

Exhibit 2.14**Criteria for Preferred Suppliers for Producing Retail Brands**

Retailer	Supplier
Supplier's track record of product quality	Supplier's track record of product quality
Supplier's willingness to produce to retailer's specification	Supplier's willingness to produce to retailer's specification
Lowest cost producer	Supplier's track record in innovation
Historical relationship with suppliers	Lowest cost producer
Supplier's track record in innovation	Supplier's willingness to constantly improve product

Source: Adapted from McGrath, The Institute of Grocery Distribution (1995)

2.2.3.1 Supplier's Track Record of Product Quality

The supplier's track record on product quality seems to be the most important criteria for both retailers and suppliers (Shaw *et al.*, 1992). Product quality and consistency of quality are essential for retail brand products to be able to compete with the other branded products. If retailers fail to provide quality retail brand products meeting their consumer's expectations, the whole range of retail brand products within the store will be affected (Davies *et al.*, 1986; Martell, 1986; McGoldrick, 1984; Simmons and Meredith, 1983).

2.2.3.2 Supplier's Willingness to Supply to Retailer's Specification

There are various arguments over whether retailers are satisfied with the kind of products produced by the manufacturer on their

behalf. This is due to the fact that some retailers may not have the choice of what kind of product they want. If they are a minor player in the marketplace, they will not have the same power as other established retailers. As a result, these retailers may end up with conventional products. Another argument is that it may be difficult to follow a retailer's specification as this may vary by category. Products like coffee are one example. Although a standard specification can be drawn up, the blend may change each week depending on the availability of a type of crop. Similarly with Broccoli Quiche, the specification is very rigid and includes details such as size of the broccoli chunks (McGrath, 1995).

2.2.3.3 Lowest Cost Producer

Doing retail business twenty years ago is not the same as now. Previously, if retailers wanted to increase profits, they may have chosen the suppliers who were willing to supply the products at the cheapest cost. However, this approach has limitations, because the lowest cost producer may often be the most unreliable. The producer may not have sufficient support services and therefore retailers will be forced to face certain risks including inventory, safety stock, volume output and service levels (Keith, 2002). Again the implications of such failings for the retailers will be enormous and could influence consumers'

perceptions of all retail brand products (Cox, 1967; Bettman, 1974).

Besides looking at the cheapest available cost in the market, retailers will also take a very simple view on price. They may choose suppliers who are offering the same quality and service but at a cheaper price than the current supplier. Some retailers argue that 'once you had been chosen to supply the product, the business will be yours as long as you want to'. These retailers seem to have other views of the '*lowest price*' definition. They interpret the lowest cost producer to be the '*best value producer*', and these producers tend to be chosen by retailers whose mission is to have budget retail brand products.

2.2.3.4 Historical Relationships with the Suppliers

While some manufacturers believe that historical relationships with retailers are not-important criteria, some retailers do not share this view. Retailers reveal that they will normally stay with one supplier when the supplier is reliable and provides a fair deal. However, just because a manufacturer has supplied retail brand product before, this does not guarantee that he will be selected again. Other factors also come into consideration. It is believed that retailers tend to select those suppliers who show commitments towards developing retail brand products as well as having mutual faith in each other.

Nonetheless, it is now documented that the historical relationship with the supplier may no longer be important. This is because speed of development and the increasing emphasis on flexibility has meant that those who have been long-term suppliers, may no longer meet the changing needs of retailers. Those with the latest technology, a reputation for innovation and who are financially sound may be given preference over the historical suppliers.

2.2.3.5 Suppliers' Track Record in Innovation

Innovation in retail takes many different forms and the most significant have changed the course of retailing history. The mark of a consistently successful retailer is the ability to maintain that innovating skill and to treat it like any other routine retail discipline. In short, innovation should be seen as essential to the survival of a business. Every aspect of retailing - product design and delivery, sales, customer service, supply chain, retail formats, even security - have seen innovations in the last decade. Innovation is at its most powerful when it changes the status quo, the way customers shop, or even overturns established business models. New product developments have the greatest effects on customers. To capture customer loyalty, retailers have ploughed significant resources into developing retail brand products. For example, Tesco's Finest range of premium foods or Sainsbury's longer life bread are examples of innovation in the grocery sector to try to secure repeat shopping.

Interestingly, in the list of issues for choosing a supplier, innovation was ranked fifth by retailers and third by manufacturers. Although innovation is important, small retailers may find it difficult to offer very innovative products, as:

- their suppliers are the major branded manufacturers and therefore are innovating for their branded products;
- they may also supply all the multiple retailers who force them to continuously innovate thus having limited resources to support the smaller retailers.

McGrath (1995) also documented that producers tended to lack expertise in innovation, as they do not have the resources to invest in teams who keep ahead of advancing technologies. Again as mentioned earlier consideration must be given to the above factor as it is also depends on the product category.

In spite of the above, retailers in general did not believe that retail brand manufacturers were better than branded suppliers at understanding their objectives or in doing business with them. This is attributed to the fact that most brand suppliers have all the resources with them and therefore will have the information needed to produce more innovative products for their clients. Retail brand manufacturers on the other hand do not have enough facilities to compete with manufacturers' brand suppliers, thus affecting the operations of retail brand products.

Doel (1996) reveals that retail brand sub-contracting or relationships develop through two distinct processes. These are;

- through the utilisation of existing brand suppliers' surplus capacity and
- through direct intervention to develop firms with the capacity and capability to supply the retail multiples.

She also argues that the instrument that is actually being utilised depends on a variety of factors such as the maturity of different food sub-sectors, the strategic significance of particular products and the characteristics of individual retailers. It is also possible that a retailer may choose between more than one mode in a given situation. Nevertheless, the implications of each initiation mode are different. They vary in terms of the degree of mutual commitment, the possibilities for joint product development and the qualitative character of the mode of governance across the supply chain. It is therefore important for both parties to really understand what each other wants from these relationships. As mentioned by Doel (1996) retailers are unlikely to invest time and money in the continual scrutiny of their suppliers if they have no intention of continuing the above relationship. In sum, a successful business relationship is very similar to a successful personal relationship. The clearer the expectations and lines of communication, the better the chances are of a successful long-term relationship between retailers and suppliers.

2.3 Retail Brand Strategy

Although the largest grocery chains produce some of their own retail brand products (Laaksonen, 1995) most retailers do not produce retail brand products by themselves (Baltas, 1998). In some instances manufacturers make retail brand products as well as their brands (manufacturers' brand). Burt (1992) reported that there are six options for the retailers to choose from in order to pursue a range of strategic options with their retailer brands. These are:

- the use of the retailer's name (such as Tesco)
- the use of a proprietary name which becomes associated with the retailer (such as St Michael from Marks & Spencer)
- improved own brands
- generic own brands
- brands exclusive to the retailer
- surrogate brands (a manufacturers' brand exclusive to a chain of stores)

In addition, McGrath (1995) discloses other approaches normally used by retailers in order support their retail brand products. These include

- Produce products that are perceived equal in quality but distinct to brand leader
- Provide a wide range of retail brand products in-store
- Support retail brand with below the line promotional support
- Devote disproportionate shelf space to retail brand products
- Invest in store image by having a distinctive style of own brand packaging

However, the approach followed largely depends on the various strategic objectives employed by the retailers and the manufacturers' brands respectively (Baltas, 1998), the type of retailers (Laaksonen, 1994) and the core of a strategy of differentiation (Pellegrini, 1993). For instance, those retailers who have not yet completed sourcing own brand products for their commodity ranges are at an earlier stage of retail brand development than those actively involved in new product development with added value and sub-brands. Exhibit 2.15 below gives the likely areas of growth for the different types of retail brand products.

Exhibit 2.15
Tactics Used by Retailer for Retail Brand Growth

Type of Retailer Brand	Likely Areas of Growth
Budget	Will grow in tandem as the number of discount outlets grows, and within discounters only. Most multiple retailers who wish to offer budget own brand are already doing so and, due to profit contribution, will aim to keep these products to a limited number of categories.
Commodity	Within all retailers who are in the early stages of own brand development.
Added Value	Mostly within multiple retailers as they strive to differentiate their offer and increase customer loyalty.
Sub Brands	Initially by a limited number of players within a few relevant categories only.

Source: McGrath, The Institute of Grocery Distribution, 1995

Laaksonen (1994) states that for retailers the greatest benefit accrues from store brands in which the retailer's name is incorporated into the brand name. Promoting a store brand can yield benefits, which are relatively long lasting. He also argues that these retail brands carry the retailer's name into the consumers' home and create marketing

efficiency. With such store brands, the retailer is jointly promoted together with his own brand product. Furthermore, the benefits of the promotion are spread over the whole retail brand product range and the investment that is made in the stores. It is therefore essential for the retailers to continually monitor these strategic options for retail brand products, if they wish to be successful in the future.

Alternatively, Pellegrini (1993) claims that there are four factors that may assist the retailer to do so. These are

- the degree of identification between the trade name of the retailer and the name used for its brands;
- the positioning of its brands with respect to leading manufacturers' brands and consequently their qualitative standards;
- the width of the range of products covered by the brands, and
- the extent of backward integration into marketing functions traditionally performed by manufacturers.

The success of retail brands requires considerable investment. Unless retail brands deliver on '*quality*', it is unlikely these products will ever significantly threaten national brands (Laaksonen, 1994, Bhasin *et al.*, 1995; Baltas, 1998). It is therefore important for retailers to be able to benchmark their products against the manufacturer brands and if possible adjust their product ingredients and manufacturing processes as well. In addition, it is critical for retailers to give careful attention to other cues of product quality such as the attractiveness

of packaging, labelling and brand image, as well as the image of the store itself. This requires investment in better packaging and advertising directed at changing any consumers' negative perceptions of retail brand products.

Professor Fred W.I.Lachotzki, the former vice president of Asko in Germany, revealed that there are four words to describe the successful retail brand, namely, '*long-term, discipline, ambition and commitment.*' All four key words characterise the most pre-eminent British own brands, such as Tesco, Sainsbury, and Marks & Spencer. They have a long history behind them and have become brands. Discipline is explained by the fact that these brands were developed such a long time ago and that the strategies have been seriously developed for the future. Ambition is best demonstrated by Marks and Spencer who wanted to sell products which were not available in the market. Therefore they had to initiate the product itself. Commitment is shown in the long-term development of the brands, as well as by the huge resources that these retailers invest in the research and design (R&D) and promotion processes. In addition, the success of retail brand products in Britain has allowed British retailers to achieve above average profit margins (Dick *et al.*, 1995). Retail brands enable chains to expand into lower volume categories for which success depends on comparative gross profit contributions. Additionally, retail brands may potentially increase customer traffic and generate greater store loyalty by virtue of the fact that such brands are available only at the sponsoring store. As a result, retail brands may greatly assist retailers in gaining a unique competitive position in the marketplace, provided that the brands are effectively marketed (Dick *et al.*, 1995). Nevertheless, Sayman and Raju (2004) claimed that retailers should not

introduce more than one retail brand in their store if the competitor's brands (i.e. the manufacturers' brands) are relatively strong.

Baltas (1998) argues that in modern hyper-competitive markets, there are no simple rules for finding the best strategy for retail brand products. He reveals that in the era of retailer power, the decision to produce retail brands is a major strategic issue for manufacturers' brands. Conversely, Doyle (1989) states that the determination of retail brand strategy requires a thorough analysis of available strategic options and various market place factors. Retailers have to first define their objectives for a retail brand programme (Shaw *et al.*, 1992). It is believed that the principal aim must be to achieve a competitive advantage (Laksonen, 1994). Retailers have to use their retail brand products as part of an offensive strategy, in order to gain new customers by creating a competitive edge and improve store image as well as to gain profitability (Baltas, 1998). Laaksonen (1994) suggested four strategy routes for retailers to enable them to produce their own retail brand products. These are

2.3.1 Low Cost Orientation

One way to develop retail brand products is by using the most cost-competitive approach through offering the cheapest prices in the market. Consumers are likely to remain sensitive to price and it is possible that shopping habits will change as discounters increase their penetration of the market. In this case, high volume levels will no longer provide a behavioural obstacle to shopping at a discounter. This indirectly increases demand for the cheapest price proposition.

A low cost strategy can result in three types of retail brand products. These are generics, cheapest price products and third generation me-too brand products. Lower prices for the consumer and better margins for the retailer clearly require a considerably lower supply price. The size of retailers and their sophisticated logistic skills are also important in deciding what strategic routes the retailer should take. The large scale of a retailer's operation enables high volume, control over suppliers and favourable buying terms, (McKinnon, 1986; Smith and Sparks, 1993; Penelope and Sue, 1993; Laaksonen, 1994; Wileman and Jary, 1997; Fernie, 1997; Ellram *et al.*, 1999; Burt, 2000) which can be seen as a main contributing factor to the low cost route (Baltas, 1998). Sophisticated logistics skills enable savings in distribution costs and rapid turnover of stock. In turn, a low cost base enables the retailer to gain competitive edge by offering the cheapest priced products. Similarly, lower advertising and promotion costs also contribute to the formation of lower cost retail brand products (Murphy and Laczniak, 1979; Cunningham *et al.*, 1982; Yucelt, 1987; Szymanski and Busch, 1987; Faria, 1979; Lichtenstein *et al.*, 1993; Baltas, 1998).

However, to produce retail brand products under this strategy will have drawbacks. It is difficult for retailers to continuously offer consumers low priced retail brand products 15-40 per cent cheaper than manufacturers' brands (Ashley, 1998), especially if there is manufacturing overcapacity, as cheaper alternatives will be introduced.

Many customers also have an inbuilt suspicion towards very low prices; and, according to Baltas (1997), quality-seeking consumers will be primarily interested in buying national brands. Me-too ranges are in an especially difficult position because they emulate leading brands. Therefore cost-based retail brand products can find themselves in a position where they are not sufficiently reasonable any longer, nor do they offer the benefits and the innovation of the leading brands. Quelch and Harding (1996) argue that the gap between retail brands and manufacturers' brands has narrowed; resulting from an improvement in the retail brand product procurement processes and a consistent upgrading in the quality of the products.

2.3.2 Value Added Strategy

This retail brand strategy results in value-added retail brand products, which represent the fourth retail brand generation (Laaksonen, 1994). A value-added strategy is based on differentiation. The competitive edge is achieved by introducing innovative products ahead of competitors. The value-added strategy also requires retailers to provide consumers with courteous and knowledgeable staff, a wide assortment of services in a pleasant store atmosphere.

Value-added retail brands are especially attractive for retailers who emphasise high quality and are able to build upon their existing image. They are especially beneficial as they yield high margins and enable retailers to build up quality and service positioning. However,

Laaksonen (1994) cautions that highest quality value does not mean retailers can price products too high as evident in the UK, where manufacturers' brands are being forced to lower their prices.

2.3.3 Innovation and Enhancing on Quality

Laaksonen (1994) argues that retailers need to be innovative ahead of the manufacturers' brands in order to survive in the market. He states that retailers need to identify niche markets that are normally too narrow for large manufacturers if they want to be successful in their retail brands strategy.

The move by food retailers into retail brands based on value rather than on prices can be associated with a growth in the technical function within retail organisations (Omar, 1995). He discloses that product packaging is where many retailers feel that they have made a substantial contribution to innovation. Differences between retail brand products and manufacturers' brands are therefore likely to be noted by consumers at the level of product performance and packaging.

Porter (1995) has argued for the importance of technological innovation in retailers' competitive strategy. Yet, technology is not, as Omar (1992) pointed out, necessarily a determinant of successful innovation. Omar argues for a clear understanding of the process of technological innovation in each retail organisation so that retailers can be more

analytical and consequently more successful in using technology. In addition, Omar (1996) states that organised research and development (R&D) is only one kind of innovative activity.

Quelch and Harding (1996) claim that the development of premium retail brand products will convey superior quality, thus strengthening the whole retail brand range. Laaksonen (1994) states that quality is the single most important factor for the customer when choosing retail brand products. The future growth and success of retail brand products is, therefore, likely to depend on the ability of retailers to match the quality of their own brands with the quality of even the most effective brand manufacturers. These issues certainly affect the retailer's method of own brand procurement and their choice of suppliers (Quelch and Harding, 1996).

2.3.4 Superior Marketing Communications

The top retailers are generally those who are in the closest contact with their market, both listening to and interacting with it. It is necessary for retailers, especially those with value-added ranges, to identify new market segments and new consumer trends ahead of their competitors (Laaksonen, 1994).

Although in the early days of retail brand development, it was argued that it was unnecessary to promote products (Coe, 1971; Murphy and Laczniaak, 1979; Cagley *et al.*, 1980; Cunningham *et al.*, 1982; Rosen,

1984; Yucelt, 1987; Szymanski and Busch, 1987; Faria, 1979; Lichtenstein *et al.*, 1993; Laaksonen, 1994; Hoch, 1996; Baltas 1998), this is no longer the case. Retailers have to inform their customers about their superior retail brand ranges, with their unique set of values (low prices and added value) as well so as to be able to enhance their store image (Porter and Claycomb, 1997; Jacoby and Mazursky, 1984; Hirschman and Stampfl, 1980). It is believed that long-term product development and careful promotion of retail brand products will reduce the perceived risk of buying these products (Bettman, 1974; Livesey and Lennon, 1978; Granzin, 1981; Reidenbach *et al.*, 1983; Dunn *et al.*, 1986; Richardson *et al.*, 1996; Baltas, 1997). As the image of the retail brand is enhanced, so too is the image of the retailer. Laaksonen (1994) notes that the leading UK retail brand retailers are among the biggest advertisers.

Probably, at this point in time, UK food retailers have the most advanced retail brand ranges in Europe (Burt, 2000; Laaksonen, 1994). It is important to remember that British retailers did not achieve this overnight. All leading retail brand retailers, such as Marks & Spencer, Sainsbury and Tesco, have built up their value-added ranges over decades by working their way through different retail brand generations (Wileman and Jary, 1997; Laaksonen and Reynolds, 1994). They started by launching simple, low priced, good quality commodities, which created volume and achieved market share. When a solid base and

economies of scale had been created (Laaksonen, 1994), they gradually developed their retail brand ranges into more sophisticated products.

2.4 Producing and Supplying Retail Brand Products.

The increasing development of retailer brands and their move upmarket has implications for both retailers and manufacturer in respect of producing and supplying the brand, either directly or on behalf of the stores concerned. Both retailers and manufacturers will have to deal with various consequences of producing and supplying the retail brand.

2.4.1 Advantages of Supplying Retailer Brand Products

As retail brands link the store and the product in the consumer's mind, they effectively become an extension of the retailer's proposition. The more retailers invest in customer service, store design and cleanliness, the range of goods and value for money, the more customers are likely to trust the retailer and his own brands. Numerous authors have acknowledged the benefits of retail brand products from the retailer's perspective as well as from the manufacturers' point of view (Ailawadi, 2001).

It has been argued that the success of retail brands has provided retailers with increased leverage over manufacturers in several ways. Leahy (1987) explores the advantages of retail brand products from the

perspective of a leading British retailer. He discloses six main advantages

- **Improvements in market planning**

In the self-service environment, considerable market planning needs to be undertaken to enable retailers to communicate effectively, thus providing a clear choice to their customers. Properly administered retail brand products can ensure coordination among product ranges.

- **Greater ability to control products**

Retail brand products are the property of the retailer and therefore will be under his absolute control.

- **Ability to participate in product innovation**

New product developments often involve long lead times, heavy investment and high launch costs. In an increasing number of sectors, retail brand products are the shortest, cheapest and most cost effective new product routes for the retailer.

- **Provision of alternative choice for the consumer**

The presence of the retailer's brand has brought new competition, provides an alternative in terms of range and price level, and has stimulated improvements in product choice and quality.

- **Building of consumer loyalty**

As retail brand products bring the store right into the customer's home, it is unique to that store which cannot be copied by the competition. However if retailers produce bad retail brand

products, the entire range of products together with the overall store image can be destroyed.

- **Cost margin advantages**

Retail brand products seldom require additional promotional investment and are therefore cost-effective to develop. The customer pays less and the retailer can make a higher margin from it.

McGoldrick (1990) classifies the benefits under three broad headings (see exhibit 2.16). These relate to:

- **Store image or customer loyalty;**

Retail brand products build consumer loyalty and hence repeat purchasing because they help to build a corporate identity (Shawn *et al.*, 1992).

- **Competitive edge or extra turnover**

Retailers have tried to build distinctive product ranges as part of the process of reinforcing store image and they believe that through their own control of the product positioning and specifications of retail brands they are able to achieve this.

- **Higher profits or better margins;**

The opportunity for better profit margins arises through growing retailer bargaining power resulting from the retail concentration. It can be argued that this power is at its greatest for retailer branded products where the retailer is less dependent on the need to stock particular products from well-known individual

manufacturers and where the retailer has, at least potentially, greater ability to switch to different sources of supply for this reason.

Similarly, Laaksonen (1994) reveals that the potential advantages fall into three categories

- **Differentiation and store image**

Retail brand products are a perfect tool for differentiation because by definition they cannot be purchased anywhere else. As retail brands are generally offered in addition to the brand leaders, retail brand products increase the customer's choice especially in product categories where choice is limited. Retail brand products also enable retailers to differentiate by offering customers choice in pricing and good value for money, as retail brands are generally sold at lower prices and comparable quality. In turn, this creates as a better value proposition compared to the manufacturers' brands. In the long term, this may be used to enhance the image of the retailer as well as the image of the store, which eventually builds customer loyalty.

- **Control over products and product range**

Since retail brand products are under the retailer's control product innovation is more retailer-led. Retailers have more control over product specification, quality and pricing. This enables a more coherent product range, having a consistent pricing and quality policy. This provides better coordination for

the image and design of the store and the products reinforce the total concept of the retailer. Retailers are also believed to have a significant advantage over manufacturers, due to the total control they have over the selling environment, which can be manipulated in order to enhance the sales of their own brands.

- **Profitability**

Retailers' own brands offer an effective tool to increase margins up to 40 per cent (Baltas, 1998) and improve profitability. The wider margins achieved from own brands are largely attributed to cost savings. In the case of a competitive supplier environment, retailers can gain advantage through increased bargaining power. They can switch suppliers and therefore the remaining manufacturers have to compete for limited shelf space. If retailers are buying quite basic products and are ready to accept slight variations in product characteristics, they may then pursue a highly aggressive buying policy. Generally, profitability can also be achieved through the development of retail brand products; as this is the cheapest and quickest way of undertaking new product development especially in basic commodities products. Further cost savings can be squeezed from the supply and distribution of retail brand products; as retailers are able to control production and distribution, tighter control over stocks is possible.

Exhibit 2.16
The Advantages of Retailer Brands for Retailers

Store Image/Customer Loyalty	Competitive Edge/Extra Turnover	Higher Profits/Better Margins
1 Good value enhances store image	1 Advantage over competitors with no own brand	1 Margins tend to be 5-10 per cent better
2 Good value builds loyalty to the store and own brand	2 Offer benefits distinct from competitors	2 Manufacturers' promotional expenses are avoided
3 Own brand may be perceived as equal to or better than manufacturers' brand	3 More control of product specification and quality	3 Display space can be manipulated for better returns
4 It is widely assumed that own brands are made by leading manufacturers	4 Allows more retailer-led product innovation	4 Sales can be promoted by placing own brands next to major brands
5 Own brands can give a distinctive corporate image	5 More control over composition of product range	5 Tighter stock control is usually possible
6 Own brands carry the retailer's name into the consumer's home	6 Own brand products cannot be obtained elsewhere	6 There is more control over pricing
7 Retailer advertising can benefit both the stores and the own brand	7 Can be sold at lower prices	7 Favourable buying terms occur where excess supply capacity exists
8 Better design coordination can be achieved between the stores and the products	8 Offer more price variety to the consumer	8 Bargaining power increases as it easier to switch suppliers
	9 Inducement to use the store, leading to other purchases	9 They can help to break down manufacturers' hold of certain markets

Source: Adapted from Burt (1992)

Simmons and Meredith (1984) also noted that retail brands could provide additional benefits connected with stock rationalization by reducing the number of brands carried and by capitalizing on successful own brands by innovation and extension into product areas not yet covered by brands.

Although most emphasis is placed upon the retailer perspectives, McMaster and McGoldrick (1990) categorise a number of benefits for the manufacturer. These are primary economic or cost related benefits:

- The use of excess capacity;
- The absorption of fixed costs;

- Require no promotional costs;
- Competitive issues—competing manufacturers would supply;
- The opportunities extend brand lines at low cost;
- Channel issues—better relationships with retailers;
- Low cost market entry for smaller manufacturers.

In a study done by McGrath (1995) as reported by Laaksonen (1994), thirteen advantages are associated with supplying retailer brands either to the retailer or manufacturers (see Exhibit 2.17).

Exhibit 2.17
Advantages of Supplying Retailer Brand Products

No	Advantages
1	Enhances the supplier-retailer relationship
2	All retailer brand segments will continue to grow in the next five years even though at a different rate dependent on category
3	Supplying retailer brands will increase a company's total share of shelf space
4	Manufacturers enhance their importance within relevant retailers by increasing total market share
5	Through enhancement of the supplier-retailer relationship access is gained to data, which will help identify trends for new product development.
6	Provide a means to test market new product developments relatively cheaply before investing in branding products
7	Absorption of fixed costs
8	Additional volume may increase economies of scale in 3 ways: i) manufacturing ii) distribution iii) procuring ingredients / packaging
9	The 1990s consumer is a hybrid shopper requiring different criteria to be fulfilled within different categories – hence consumers require retailer brand products as well as proprietary brands; therefore, it is better to supply retail brand than relinquish the opportunity to a competitor
10	Possible lower entry cost in terms of marketing and promotion
11	May be the only possible way for a new player to enter a new market
12	In eliminating secondary brands from shelf it may decrease the number of competitors in a category
13	The only alternative for secondary brand manufacturers who look likely to have their products de-listed from retailers.

Source: Adapted from McGrath, Institute of Grocery Distribution (1995)

2.4.2 Potential Disadvantages of Supplying Retail Brand Products

Laaksonen (1994) argues that from retailer perspectives, the possible disadvantages of retail brands are quite limited. He mentions that if retail brand penetration is high, there is a possibility that the customer gets the impression of limited choice. Another possible risk is that if retailers supply poor quality retail brand products to the customer, the retailer's image will be ruined thus damaging the whole product range and the name of the retailer itself. Similarly, having two different propositions under the same brand name (e.g Tesco and Tesco Value) may initially lead to customer confusion. Besides that, it is also difficult for the retailer to reap the full advantages of retail brand products. It is necessary for the retailer to have '*value*' to add to the product, and for the product itself to have the quality to match to the retailer's image. If the sole purpose of the product is to enhance a price image, it would be damaging for a high quality retailer to put his name on the product, especially if a premium retail brand range already existed.

It was noted too that some retailers are comfortable selling their own brand products using other names besides their store name. This type of retailer may find that he loses many of the real benefits of retailer branding, because a non-store name brand is perceived to be just another brand among manufacturers' brands. To attempt to compete with them is a mistake, as non-store brands cannot afford the heavy investment in innovation and promotion undertaken by leading manufacturers. However, as stated by Laaksonen (1994), successful non-store brands

are considered rare even though Marks & Spencer's St Michael brand proved otherwise.

From the supplier's perspectives, Burt (1992) reveals that there are three main issues that may affect suppliers who manufacture retailer brand products. These are *over-dependency*, *profitability* and *fears of instability*. Over-dependency on the retailer may be seen as a danger. Retailer brands are believed to be less profitable to manufacturers, although lower margins are often offset by increases in sales volume. If retailers decide to switch sources of supply by transferring trade secrets to competitors, the suppliers are then faced with major difficulties. Laaksonen (1994) argues that with the ability to control the channel and their increased buying power, retailers may decide to eliminate any particular brand and clear the shelves for their own retail brand products. McGrath (1995) documented six potential barriers for supplying retailer own brands (see Exhibit 2.18).

Exhibit 2.18

Disadvantages of Supplying Retailer Brand Products

No	Disadvantages
1	Disclosure of cost information to retailers can provide ammunition for them to insist on price cuts for branded goods.
2	New entrants often have to undercut the price of current own brand suppliers which may risk a price war within those categories where there is little trade loyalty
3	As retail brand penetration increases within a category, consumers become more price sensitive, which decreases margins and possibly a supplier's profits
4	Brand leaders influence whether a new product will be branded or not. Suppliers gain the opportunity of controlling a category if all new product development is first supplied as a brand so that consumers can be informed through advertising. Retail brand supplies may relinquish this advantage
5	Can decrease a brand's share of shelf space and erode market share
6	Companies that provide retailer brands only, may develop an awareness of certain retailers' consumers, but have little knowledge of all consumers.

Source: Adapted from McGrath, Institute of Grocery Distribution (1995)

2.5 The Determinants of Success for Retail Brand Products

Numerous authors have identified the success of retail brand product ranges although the results vary significantly across product categories (Frank and Boyd, 1965; Simmons and Meredith, 1984; Baden-Fuller, 1984; Leahy, 1987; McMaster and McGoldrick, 1990; McGoldrick, 1990; Hoch and Banerji, 1993; Laaksonen, 1994; Bhasin *et al.*, 1995; Hoch, 1996; Krishnan and Soni, 1997; Steenkamp and Dekimpe, 1997; Mela *et al.*, 1998; Sinha and Batra, 1999; Burt, 2000, 1992). Factors such as improved retail brand quality and increased retailer power, as well as a decrease in manufacturers' brand innovation, and advertising, changes in consumer preferences, and economic conditions, are some of the prominent reasons that have contributed to the rising market share of retail brand products. Hoch and Banerji (1993), for instance, now claim that the principal reason for the success of retail brand products has been the

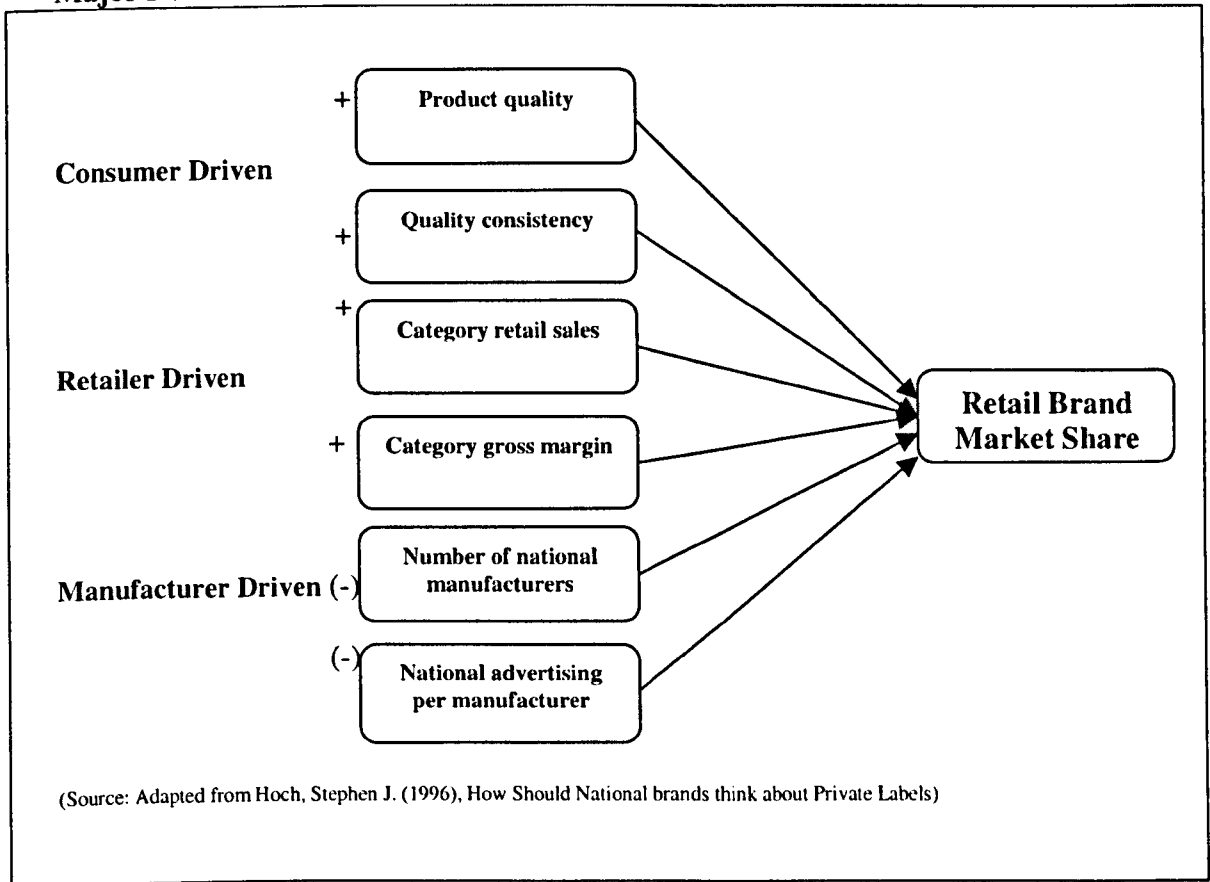
improvements in quality, and not the price advantage per se. In the past however, the growth of retail brand products might have been due to the price advantage over manufacturers' brands (Bronnenberg and Wathieu, 1996). These authors also noted that prevailing economic conditions were a factor.

Further, Hoch (1996) suggests that there are several crucial differences that a manufacturers' brand must consider in order to compete more effectively. These include the consideration of retail brands as just another manufacturers' brand, awareness of price sensitivity and retail brand demand, and considerations of how manufacturer brands should react, recognising retail brand products as one element crucial in the category management process, which of necessity is a joint responsibility of both the manufacturer and the retailer. He added that one should expect retail brands to function much like any other brand in a category. For example, we may imagine that all brands, including retail brands, occupy positions in a quality and price product space where consumers must make trade-offs between quality (attributes) and price when choosing among brands. In fact, understanding retail brand competition and the factors that influence manufacturers' brand performance should help us to understand why retail brands succeed or fail. Nevertheless, it has been recognised that retailer effort is still an important determinant of retail brand success. If the average retailer performed to the standards of the best retailer, retail brands could account for a substantially greater share of the grocery business (Hoch, 1996). According to Hoch (1996) there are three major determinants that may contribute to the success of retail brand products (see Exhibit 2.19). These are the consumer, the retailer, as well as the manufacturer. From Exhibit 2.19, one can say that only

two forces, namely the consumer and the retailer were positively related to the success of retail brand products, whereas a negative relationship occurs in the manufacturer force. Consumer Driven, which is closely related to demographic and lifestyle changes, have helped create a favourable climate for retail brand products (Bhasin *et al.*, 1995). They noted that people in the age groups between 35–44 and 45–54 years old, which are the two fastest growing age groups, have the largest discretionary income, are the best educated and are most loyal to retail brand products particularly in the US.

However, Krishnan and Soni (1997) examine a phenomenon, which has been observed in the grocery channel recently, called '*guarantee of margins*'. Guarantee of margins is a clause inserted in the contract between the manufacturer and the retailer that ensures a certain profit margin for the retailer irrespective of the retail price he or she is charging. The trend towards increasing retail level concentration and competition improves the retailers' ability to extract these guarantees from manufacturers and is a clear demonstration of retailer power. Their findings provide new insights into the growing debate about the power shift towards retailers in the grocery channel. It shows how retailers have utilised this power to maintain their margins by extracting these guarantees from manufacturers. They specifically model the ability of the retailers to play one manufacturer against another and to use retail brands as a lever to extract more profits.

Exhibit 2.19
Major Determinants of Retail Brand Success



In another, Mela *et al.* (1998) and Bhasin *et al.* (1995) reveal that changes in promotional and advertising policy have affected grocery market structure in the US over the long term. The eight and one quarter years of scanner panel data used for their analysis indicated that brands in the analysed product category tend to fall into premium/non-premium and attribute-based tiers. Moreover, the data suggests that the differentiation between non-premium and premium brands has diminished during the period of their study (1984–1992). The data also suggests that increases in price promotions and reductions in advertising (Bhasin *et al.*, 1995) have led to a decreased differentiation between brands. These findings suggest that shifts in marketing dollars from advertising to

promotions have made manufacturers' brands more at risk from retail brand products (Mela *et al.*, 1998).

2.6 The Retailing Challenge: From Value-Chain to Brand Power

Sometimes, retailing is defined as having the right goods in the right place at the right time. A change in the retail environment creates an impact on the relationships between retailers and their suppliers. Concentration of sales to fewer, larger and more powerful retailers, the growth of retail brands and the operational and marketing benefits of retailer information technology, all affect the relationship between retailers and their suppliers. The latest developments in information technology, for instance, can ensure that the supply chain runs even more smoothly and efficiently, to get these goods to the shelves even faster. These trends are seen most extensively in the UK market, which is seen by many as a model for the future of the rest of the world (Oddy and Newman, 1993).

A major feature of the retailing revolution of the last 20 years has been the usurpation of manufacturer dominance in the distribution channels by retail chain members (Martell, 1986). Grant (1987) claims that this phenomenon occurs at three levels due to

- Structural change - in the relative sizes of manufacturers and retailers. This is presently emphasised by the propensity to merge in retail chains. In effect this makes the retail groups larger than their suppliers;
- Conduct change – with retailers taking control over functions that were previously in the manufacturers' domain, e.g. physical distribution,

packaging, product design and development, and the growth of retail brand products;

- Performance change – reflected in the growth of the profitability of retailing companies in relation to consumer goods manufacturers.

Davies (1991) argues that the growth in sales of retail brand products has been linked to the growth in retailer concentration. As retailers expanded, and particularly when they centralised their purchasing, they created the economies of scale needed to interest suppliers in making a product exclusively for themselves, and justified the cost of packaging and other unique features of their retail brand products.

2.6.1 Retail Power in the Distribution Channel

Hughes (1996), Wileman and Jary (1997) and Burt (2000) argue that the most important factor that drives the growth of retail power is the increasing command of retailers both in terms of scale and market concentration. They believe that an expansive retailer, with significant market share, will have a strong negotiating and buying position with global producer brands. McGoldrick (1984) noted that large retailers usually demand relatively high levels of quality. In addition, studies show that in UK the five largest retailers have access to at least 50 per cent of the whole market share, (see Exhibit 2.20). This obviously gives retailers the financial muscle to make huge investments in their microenvironment such as their staff, marketing departments, retail technology, product quality and control, and also supply-chain

management. Marketing activities such as improved store layouts, merchandising, product presentations and customer services help retailers gain access to a broad base of consumers, and provide close and frequent contact with either existing or potential customers.

Exhibit 2.20
Top UK Chain Retailers Control Grocery Market Share (2003)

Retailers	Percentage of Food Market Share (%)
Tesco	26.0
Sainsbury	16.2
Asda	17.0
Safeway	10.0
Morrisons	6.0

(Source: www.guardian.co.uk/supermarkets)

According to Burt (2000), as retailers took command of the retail industry, suppliers began to prepare to produce retail brand products on behalf of retailers. They use the retailer's name to produce a certain specification at a specific price. Hence, instead of manufacturers developing their brand and then simply selling it to retailers through the medium of a wholesaler, retailers now deal directly with the suppliers. He concludes that this may have inspired the initial moves into the retail brand. As discussed earlier this initially involved the development of 'me-too' product ranges consisting of technologically simple, quasi commodity products, but has now changed to the innovative, technologically complex and high price/high quality retail brand of today. However, this initial move requires a more complex use of market power. He argues that in order to have effective and efficient

distribution channel activities, two approaches must be considered.

These are

- a) reinforcing existing trading relationships with a focus on price, and
- b) using information proactively to amend traditional channel approaches.

He suggests that the British retailer of today is characterised by proactive information use. Therefore the relationship with suppliers has evolved from a traditional trading based relationship, characterised by conflict and negotiation, to the more integrative, constructive and co-operative relationship associated with a vertical marketing system approach to channel management. Hughes (1996) also argues that this element is the main factor contributing to the development of retail grocery brands in the UK.

Doel (1996) demonstrates two outcomes of enhanced retail power in the distribution channel. She argues that retailers can develop their retail brand by either using the traditional method of utilising excess capacity among existing manufacturers, or via proactive intervention. Which approach the retailer chooses very much depends on the maturity of different sub-sectors, the strategic significance of certain products, as well as the characteristics of individual retailers (Burt, 2000).

2.6.2 The Centralisation of Retail Decision Making

The increasing importance of management control implemented by the retailers allows them to establish and monitor quality control. This, in turn, supports their added value retail image and offers consumers high quality retail brand ranges. Martineau (1958) once described store image as *'the personality of the store and the manner in which the store was represented in a person's mind'*. Based on the above statement, it is clear that retailers have the advantage of selling their whole range of products to the consumers. This is because while other brand producers are busy preparing their activities by instructing staff or promoters in different stores in different locations, retailers on the other hand, manage retail activities in the stores by using standard instructions from the main office. The standardisation of product assortments, merchandising, store layout, pricing and promotional activities in all stores will subsequently create a set of core values. These will eventually create the potential for a repositioning of retailer brands, particularly in respect to developing and maintaining a quality image (Burt, 2000).

It is also noted that changes in retailing logistics (McKinnon, 1986; Smith and Sparks, 1993; Fernie, 1997) towards centralised distribution allow the logistics system to be viewed as a whole, from purchasing through to the final delivery of the product to the customer. This structure is only possible in practice with an integrated system for capturing, analysing, distributing and utilising information (Sussams, 1991; Ellram et al, 1999). The direct transfer of information between

retailers and suppliers can be significant in improving logistics efficiency thus potentially extending the supply base for retail brand product ranges (Burt, 2000).

Information regarding price changes, stock levels and other pertinent order data can be transmitted from the retailer to the supplier instantaneously. Integrated systems, which also resulted from the centralisation of decision-making, allow rapid, accurate information capture. This enables the logistics system to perform more efficiently and effectively in getting retail brand products to the desired location when needed. This permits retailers to improve on their logistics performance. These shifts have a profound effect on the way in which retailers compete, as well as the role of logistics in retailing (Ody and Newman, 1993; Ellram *et al.*, 1999).

2.6.3 The Acknowledgment of the Advantage of Retail Image

The first image aroused by 'retailing' for many customers, especially those who are somewhat older, is that of the corner grocery store. Not so long ago retailing was and still is, in some parts of the world, a fragmented, local, unsophisticated, traditional business run by vulnerable owner-operators. Today, as retailers gradually enhance and refine their 'new' image to customers, retail stores have a more exclusive image. The store is no longer seen as solely a place to buy goods but a place for socialising as well. The introduction of income generating services (such as the coffee shops, photo processing) and

customer service initiatives (such as baby-changing facilities, ample car parking, as well as customer service desks) in the 1990s have boosted the image of the store (Burt, 2000). During this period, retailers spent huge amounts of money trying to project a standard image to all their stores. They changed their store environments, upgraded their store personnel as well as the quality of their products. These changes had an impact on retail brand ranges too, as upgraded stores indicated that the image of retail brand products would also have to be re-evaluated. In line with the changes, 'value added' products were then introduced to the market (Burt, 2000).

As retailers endeavour to improve customer perceptions of retail brands, from the low quality/low price to high quality brand alternatives to leading manufacturers' brands; retailers not only have to improve the quality of the products but also other visible characteristics from which consumers may build their perceptions, as well as confidence, in the products. Burt (2000) noted that in order to produce new, innovative products that convey high quality and high value, retailers have had to engage with more proactive strategies. Additionally they have had to work effectively with suppliers as to ensure the success of the products. Yet, changes in the product quality alone will be worth nothing unless the packaging of these products is changed too (Burt, 2000). This is due to the fact that packaging provides consumers with intrinsic clues to product quality (Louvière *et al.*, 1987; Costley and Brucks, 1992; Sirdeshmukh and Unnava, 1992).

Burt (2000) reveals that the original packaging for the mid quality/ mid price 'me-too' retail brands followed the usual formula of presenting these ranges in the corporate colour, with a clear emphasis on the company trade name or logo. This type of packaging according to Burt (2000) draws attention to the company and not to the product per se. Therefore, changes must be employed, the old packaging has to be re-designed, highlighting more the high quality and added value features of the product itself. Attractive packaging such as a range of colour packs, graphics and the size of the products must be taken into account. These indirectly allow the packaging of retail brand products to be similar to the packaging of manufacturers' brand products. When this situation occurs, many claim that retail brand products are actually 'copycatting' the manufacturers' brands. This implies that the retail brand product has the same qualities or even originates from the same manufacturer (Burt, 2000). Rothe and Lamont (1973) in their study state that when retail brand products are almost physically identical to manufacturers' brands, retailers can achieve a substantial advantage by varying price, increasing advertising and widening space allocation for retail brand products. Retailers have the incentive to act in this manner since margins on retail brands are more favourable and control can be enhanced.

2.6.4 The Impact of Technology in the Development of Retail Brand

Technology is becoming a primary prerequisite to successful competition in retailing (Saleh, 1989; McKinnon, 1990; Baines, 1990;

Omar 1995; Swinyard, 1997; Amrik *et al.*;2002). Technology in the development of retail brand products can be explained from two perspectives: to provide opportunities to grow businesses and to add value to the total supply chain.

Changing market demands for food requires technical knowledge to generate new innovative ideas and the use of technology to develop acceptable quality products. Retailer-supplier partnerships or relationships will depend on technology, substituting information for inventory, in order to reduce costs while improving productivity. Retailers rely on technology to establish links with consumers through electronic retailing and customer relationship marketing. Manufacturers increasingly use technology to reach consumers directly in their homes and on the selling floor (Swinyard, 1997). The shift from supplier-led to retailing-led operations, increased opening hours, increased product ranges, more sophisticated layouts and the necessity for more detailed sales data are factors that need consideration in the adoption of technology to satisfy information requirements (Baines, 1990).

Retailers who are able to influence food innovation are guaranteed success by having large food technology departments; employing food technologists to meet consumer food requirements and legal obligations, and who collaborate with their suppliers to develop new products (Omar, 1995). When questions were asked on whether retail brands are manufacturers' brand copies, only 40 per cent of retailers, mainly those with no significant food technology department, agreed with the

statement. The other 60 per cent denied that their retail brands were copies of manufacturers' brands, but agreed to having collaborated with suppliers to produce retail brands. About 75 per cent expressed a preference for small supplying firms provided that they were technically capable. Those who expressed a preference for large supplying firms did so for product quality consistency and supply reliability. This finding clearly correlates with Porter (1985) who claims through his '*derived theory*' that innovation is the technological dimension of retailers' competitive strategy. Rackoff *et al.* (1985) building on the work of Porter (1980) proposed a strategic thrust model, which illustrated how an organisation should work towards gaining competitive advantage in one of the following areas

- 1 Differentiation: In this area the aim for the organisation is to identify for the customer ways in which the products are different and superior to those of competitors.
- 2 Cost: In this case, the firm has alternative approaches to achieving a cost advantage. It may lower the cost of its own product in relationship to that of competitors (e.g. by reducing firm's cost or suppliers' costs), or it may try to force competitors to raise their own costs in order to produce an equally good product.
- 3 Innovation: The firm may wish to achieve an advantage by making significant and creative changes either in the way the business is run or in the products associated with the industry.

- 4 Growth: In this case expansion may be achieved in one of the following ways: expanding output; extending the area of potential sales; extending the focus of the product backwards or forwards; diversifying the nature of the product.
- 5 Alliances: Finally, a firm may gain advantage by one of the above approaches through negotiation with other organisations or bodies.

Rackoff *et al.* (1985) conclude that any organisation can use these critical success factors to measure the attainment of their business goals. The use of retail technology has improved customer service and inventory management. The growth in retail brand products would not be possible without improved information technology.

2.7 Summary and Discussions

From the literature reviewed in this chapter one can say that retail brand products have evolved over the years from the inferior '*generic*' grocery products of yesterday. They have been transformed into the powerful '*retail brand*' products that now compete directly with manufacturers' brands, earning their rightful shelf space next to manufacturers' brand products. Simple plain white and black type packaging only describing the contents - fruit cocktail, cola, onion soup mix, ground coffee - have been gradually replaced by packaging and graphics that rival those of manufacturers' brands. In addition, retailers have also matured over the past 25 years into large, global, technology-intensive, powerful, fast-growth corporations that manage themselves as brands.

Several of these retailers have become the '*sweetheart*' of their stock markets generating revenue for their shareholders. The leading retailers, through consolidation, global expansion, technology push and innovative formats have become '*market driving*' rather than '*market driven*.' They have shaped consumer behaviour, transformed the market place and redefined the rules of engagement with their competitors as well as their suppliers.

However, most of the studies on retail brand products focus mainly on mature markets. As there are the different perspectives of retail brand products in different parts of the world (McGoldrick, 1990; Laaksonen and Reynolds, 1994; Fernie, 1994; Fernie and Pierrel, 1996; Wileman and Jary, 1997; Burt, 2000) one should perhaps consider how retail brand products work in a country other than in Europe and in the US. In emerging markets, such as the young Malaysian market it is possible that retailers may have different agendas for introducing retail brand products. It may therefore be unwise to draw sweeping conclusions about a retailer's motives for establishing retail brand products from studies in mature developed economies.

The present study will investigate two types of retail brand products, those which carry a lower packaging and labelling cost, as well as those that are positioned as comparable with manufacturer brands (Dietrich, 1978; Murphy and Laczniak, 1979; Prendergast and Marr, 1997, Baltas, 1997) and evaluate how customers refer to these two different strategies.

The broad purposes of the present study is therefore to investigate the current situation of retail brand development in Malaysia, so as to facilitate an understanding of the relationship between trends in the advanced markets and a less advanced market. To further expand on our understanding of the historical perspective and the development of retail brand products, it is also imperative to present the consumer perspective on these issues. The next section is the second part of the literature review that is Chapter Three – Consumers' Perceptions and Grocery Shopping Behaviour on Retail Brands Products.

CHAPTER THREE

Consumers' Retail Brand Perceptions and Grocery Shopping Behaviour

Although 'consumer orientation' is high on many retailers' agenda, very few retailers really listen to their existing and potential customers. To manage retail brands successfully retailers have to understand consumer's needs and desires. Consumer perceptions have to be studied because these are basic to other activities. This section focuses on previous studies of consumers' responsiveness towards retail brand products and identifies the factors contributing to the behaviour of retail brand consumers. This chapter is divided into four main sections (1) *Demographics and Consumer's Attitudinal and Behaviour Towards Retail Brands* (2) *The Role of Situations on Consumer Behaviour* (3) *The Influence of Retail Store Image on Product Perceptions and* (4) *Consumer Shopping Orientations and Motives*.

3.1 Demographics and Consumer Attitudes and Behaviour Towards Retail Brands

A variety of studies have been undertaken to investigate consumer attitudes towards retail brand products (for example, Frank and Boyd, 1965; Myers, 1967; Rao, 1969; Coe, 1971; Burger and Schott, 1972; Rothe and Lamont, 1973; Mintel, 1973; Wheatley and Chiu, 1977; Bettman 1974, 1979; Livesey and Lennon, 1978; Dietrich, 1978; Murphy, 1978; Anvik *et al.*, 1979, Murphy and Laczniak, 1979, Zbytniewski Zybntniewski *et al.*, 1979; Cagley *et al.*, 1980; Hawes *et al.*, 1980; Bellizi *et al.*, 1982; 1981; Granzin, 1981; Cunningham *et al.*, 1982, Reidenbach *et al.*, 1983; McEnally *et*

al., 1984; Simmons and Meredith, 1984; Rosen, 1984; Wilkes and Valencia, 1985; Neidell *et al.*, 1985; Fugate, 1986; Yucelt, 1987; Szymanski and Busch, 1987; Uncles and Ellis, 1987; Hoch and Banerji, 1993; Richardson *et al.*, 1994, 1996; Dick *et al.*, 1995; Quelch and Harding, 1996; Omar, 1996, 1994; Rafiq and Collins, 1996; Prendergast and Marr, 1997; Baltas, 1997; Balabanis and Craven, 1997; Miquel *et al.*, 2002). Although a large portion of these studies are dedicated to the demographics and socio-economic characteristics of retail brand consumers, many of them have also concentrated on the perceptions attached to retail brand products such as *perceived quality, price and value, perceived risk, brand familiarity, intrinsic versus extrinsic cues reliance and intolerance of ambiguity experience*. This section will begin with a discussion of the previous studies of demographic and socio-economic factors in retail brand consumption.

3.1.1 The Influence of Demographics and Socio-Economic Factors

Within the literature relating to retail brand products, numerous research studies have been undertaken in relation to demographic and socio-economic variables (for example; Frank and Boyd, 1965; Rao, 1969; Coe, 1971; Rothe and Lamont, 1973; Livesey and Lennon, 1978; Dietrich, 1978; Murphy, 1978; Sullivan, 1979; Anvik *et al.*, 1979; Murphy and Laczniak, 1979; Zbytniewski *et al.*, 1979; Cunningham *et al.*, 1982; McEnally and Hawes, 1984; Neidell *et al.*, 1985; Wilkes and Valencia, 1985; Kono, 1985; Szymanski and Busch, 1987; Dick *et al.*, 1995; Omar, 1996; Prendergast and Marr, 1997; Baltas, 1998) (see Appendix 1 for details). This group of studies were conducted during the late

1960s (two studies), early and late 1970s (nine studies), in the 1980s (six studies), and recently in late 1990s (four studies). Although these studies were conducted over four-decades, they had one common goal: they sought to investigate whether differences existed between the demographic and socio-economic characteristics of retail-brand consumers compared with non-retail brand consumers. However, despite this long history (1965–98) most of these studies were inconsistent in their findings.

Retail brand studies, particularly in the 1960s, began with the study of Frank and Boyd (1965). Using a diary panel method, they tried to find out whether private brand consumers were different. They examined 44 grocery products, determining the extent to which 20 socio-economic variables could distinguish between manufacturers' brand consumers and private brand consumers. Using multiple regression analysis, they noted that some differences emerged. Household heads with higher levels of education tended to be private brand consumers, whilst high-income families tended to have a lower level of private brand proneness. Generally however, they claimed that the study had failed to find any characteristics that could be associated with private brand prone consumers as a specific market segment. They concluded: *'private brands and manufacturer brands meet in head-on competition in the sense that they are consumed by households with virtually the same socio-economic and total consumption characteristics'*. However, four years later, Rao (1969) claimed that private brand consumers of supermarket products, fitted into a price

consciousness category of housewives. The results indicated that while other shoppers might not have many preferences toward these products, upper-class housewives who are particularly price conscious consumers were attracted to the products. Although this study contradicted the findings of Frank and Boyd (1965), it did not offer much more information to retailers. However, it does offer some insights into the potential of women, specifically those in the upper-class category, as retail brand consumers. The findings were, therefore, important to retailers as private brands at that particular period of time (the 1960s) were still very new in the market.

The studies in the 1970s also focused on similar areas. Coe (1971) in his study of private versus national brand preference among lower and middle-income consumers discovered that middle-income consumers saw price as an important element when buying products. However, he noted that, surprisingly, these consumers also claimed that high price did not correspond to product superiority. They deduced that the high prices of these products were influenced by higher promotional costs. In contrast, the lower-income group felt that a high price meant that these products were simply of good quality. Therefore, although the lower-income group was aware of price differences between private and manufacturer brands, they were not familiar with the extent of the differences. Hence, this group of consumers had not considered private brand products in their grocery preferences. The study concluded that private brand consumers belonged to a higher income group, which generally consisted of younger consumers. In contrast with Frank and Boyd (1965) both Rao (1969)

and Coe (1971) revealed that private brand consumers came from higher-income consumer groups.

Nevertheless, the information obtained from these three studies in the late 1960s was often general in nature and did not contribute much to explaining who retail brand consumers were. No further studies appeared until seven years later when Livesey and Lennon (1978) attempted to identify retail brand consumers. Their research was more specific in examining the factors that might contribute to the choice between manufacturer and private brands. These findings however, revealed no clear identification of private brand consumers. Using 123 housewives as respondents and examining nine grocery product categories, they noted that private brand consumers belonged to a slightly higher rather than lower income group. This group of consumers consisted of those who already had some experience with private brand products. Thus, this group viewed the products as safe and secure. In contrast, those who did not buy private brand products generally claimed that the products were associated with risks, specifically, social risk.

In the same year, using a telephone survey of 400 respondents, Dietrich (1978) revealed that the purchase of retail brand products was somehow negatively related to household income. He claimed that retail brand consumers generally came from large households with full time house makers, aged between 35-65 years old, and usually had less than US\$15, 000 in annual income. He believed that the reason why consumers bought retail brand products was because they

felt that the products offered the same value as the manufacturers' brands. Dietrich was the first to successfully distinguish retail brand buyer market segments.

Similarly, Murphy (1978) claimed that price consciousness was not simply related to income level. He discovered that upper-social-class women generally were more prone to select retail brand products. As the social class level increased the frequency of retail brand choice also increased. In addition, he noted that consumers who lived in suburban areas were more prone to buy retail brand products compared with those in urban areas. This probably explains why Myers (1967) suggests that retail brand consumers are best classified through their perceptions of attributes (quality and value for money) rather than their individual characteristics.

A year later, Sullivan (1979) revealed a similar proposition. He claimed that retail brand consumers came from large families normally with a higher weekly grocery shopping expenditure. Moreover, he classified these buyers as educated and from middle-income group categories. This is not a surprise, as Frank and Boyd (1965) also discovered that retail brand consumers, in general, have a higher education background.

Slightly different to the others, Anvik *et al.* (1979) also revealed that retail brand consumers were mostly women, but could best be identified through consumer innovativeness, higher thrift orientations, and as those who had low

brand loyalty. They agreed that demographics and socio-economic variables alone did not serve as a good predictor of retail brand consumers.

Instead of using consumer demography or socio-economic variables, Murphy and Laczniak (1979) used attitudinal variables such as price, quality and satisfaction as well as purchase frequency. Consumers, who were well educated with large families, were most likely to purchase retail brand products. However, they claimed that age was an insignificant factor in retail brand proneness. They concluded that since retail brand products were available in a wide range of categories, consumers of all ages and occupations, in all ranges of income, educated or less educated, could consume, and therefore that demographic variables had become an insignificant factor in segmenting the retail brand market.

Zbytniewski and Heller (1979) discovered that retail brand consumers were often working women who were better educated, from the middle income group, aged between 35 and 49 years old, from a large family background usually of five members, with either a young or growing family. Here, Zbytniewski and Heller (1979) clearly identified retail brand purchasers as working mums, who perhaps married late and had small children around the household. These consumers normally spent carefully as they might be financially constrained. They might also purchase products that were value for money yet at the same time offered equal quality to branded products.

Three years later, in an attempt to establish the differences between consumers of generic, national and retail brand products, Cunningham *et al.* (1982) claimed that retail brand consumers showed no relationship to family income: anybody, from rich to poor consumers, consumed the products (as mentioned earlier by Zbytniewski and Heller (1979)). They also discovered that retail brand consumers were normally young and had a good educational background. Manufacturers' brand consumers were labelled as quality conscious, whilst retail brand consumers were classified as price conscious customers.

McEnally and Hawes (1984) using panel data of 1442 households, examined retail brand consumers in terms of their shopping frequency, product usage rate, unit price selection and store loyalty. These findings revealed that retail brand consumers shopped more frequently than non-retail brand consumers and also had a higher product usage rate. This probably applies to the large family group as mentioned earlier by authors in the 1970s (Dietrich, 1978; Sullivan, 1979; Murphy and Laczniak, 1979; Zbytniewski and Heller, 1979). Generally, retail brand consumers also purchased low priced products, which might explain why they chose retail brand products. Finally, the study revealed that consumers who bought retail brand products normally exhibited a higher level of store loyalty. This suggests that retail brand consumers were normally buying their grocery shopping from the same grocery store. Finally, McEnally and Hawes (1984)

also agreed that retail brand consumers were normally from the middle-income group of shoppers.

Despite being classified as from middle to high-income groups, retail brand consumers were also classified as having low to moderate-incomes. Neidell *et al.* (1985) revealed that retail brand consumers were positively related to low to moderate-income groups. They were also less educated consumers who usually earned more than US\$25, 000.00 annually. This type of consumer was identified as being less sensitive to price. They also claimed that retail brand consumers were mostly older consumers, who had no dependent children living with them, receiving a fixed income. Perhaps the reason behind this finding is the fact that retail brand consumers were pensioners who spend little on grocery but spend more on health and vacations. They normally have a fixed income from their pension and more often have no dependants staying with them. This type of consumer may feel that buying retail or manufacturers' brand products makes no difference.

Wilkes and Valencia (1985) identified retail brand consumers based on sub-cultural variations. They claimed that while Whites and Mexican-Americans showed no relationships between demographics and retail brands purchasing, Black customers tended to be younger, from low-income groups, larger households and rented homes. They also reveal that White customers tended to be positively related to a manufacturers' brand orientation. This is an interesting finding, as there is no other attempt to explore differences between cultural

groups. Most studies whether in the 1960s or in the 1970s failed to incorporate these issues. Where such studies exist they are largely based on different countries as the site where the research took place, for example Brazil, New Zealand and Spain (de M Suzana, 1996; Prendergast and Marr, 1997; Miquel *et al.*, 2002).

Ten years later Dick *et al.* (1995) sought to remedy some of the methodological weaknesses of previous research. They claimed that their study used a more representative sample of 1325 respondents. The surveys contained demographic items and self-reported measures of frequency of retail brand purchase of 28 grocery items, as well as several questions dealing with consumer attitudes, interests and opinions (AIO). From their findings, they revealed that retail brand buyers were mostly those aged below 45 years old, had lower to middle-incomes and were married with five or more members in the household. A majority of the smaller households seemed to be more likely to confine their purchases to manufacturers' brands. Thus, differences in financial pressures among the groups may partially determine retail brand proneness. These findings, however, contradicted those of Neidell *et al.* (1985). One explanation for these findings may be that retail brand products had evolved or altered from the first or second generation typically found in the 1980s to the third or fourth generations by the 1990s. It may also be because of the huge exposure that consumers experienced from the retailers. Thus consumers became more familiar with these products compared to those in previous years (in the 70s and 80s).

In the UK, Omar (1996) in his study of grocery purchase behaviour for national and own-label brands argued that, although a majority of the respondents agreed that manufacturers' brands were perceived as superior to store brands, there were few characteristics that could be associated with store brand buyers. He claimed that roughly retail brand buyers were low in terms of socioeconomic status based upon the respondent's housing patterns, occupation and education levels.

Finally, Prendergast and Marr (1997) in their study of generic products noted that the purchase of retail brand products was negatively related to household income. They discovered that higher household income groups were less likely to purchase retail brands than those in lower household income groups. Moreover, they revealed that there were no relationships between consumer's age, occupation and weekly household grocery expenditure and retail brand proneness. These findings were consistent with Dietrich's (1978) study. This implied that retail brand products were normally purchased by cost-conscious and careful consumers rather than other types (Baltas, 1997; Yucelt, 1987; Hawes and Kiser, 1980; Murphy, 1978; Rao, 1969; Myers, 1967).

In sum, many of these studies have confirmed a slightly higher propensity to purchase retail brand products amongst up-scale, large households and/or co-heads of household possessing greater amounts of formal education. Perhaps one reason why lower income group failed to be associated with retail brand

products was that lower income consumers were not fond of the lower status which the purchase of retail brands conferred on them.

Although retail brands in the early studies (between 1960s–1970s) were reportedly most attractive to slightly younger consumers, more recent studies state otherwise. Prendergast and Marr (1997) and Neidell *et al.* (1985) show that different age groups may prefer different categories of retail brand products. Both studies concluded that older age groups tended to buy retail brand products rather than the younger ones. The rationale behind these findings is difficult to understand. Perhaps the more experienced the buyer, the more knowledgeable they are and therefore with a limited amount of money, retail brand products seem to correspond well with their expenditures. However, most recently, Ailawadi and Keller (2004) characterised retail brand buyers as price sensitive, middle-income group and educated.

It is arguable that the conflicting findings reported above may simply be a result of the different product categories being used, differences in sample size, different markets or places being examined, and different types of dependent relationships being measured, and/or the shifting over time of the position of many retail brand products. As discussed in Chapter One, these range from first to fifth generation of retail brand development. As retail brand products were surveyed in a wide range of product categories, consumers were found across all ages, occupations, incomes and education levels. Therefore the demographic variable had become an insignificant factor in segmenting retail brand market

(Baltas, 1998; Kono, 1985; Szymanski and Busch, 1987; Murphy and Laczniak, 1979; Zbytniewski *et al.*, 1979; Burger and Schott, 1972; Myers, 1967).

3.1.2 Consumer Perceptions and Buying Behaviour of Retail Brand Products

Other researchers argued that retail brand buyers can be best identified from attitudinal and behavioural factors rather than from individual consumer's characteristics (Baltas, 1998; Szymanski and Busch, 1987; Mintel, 1973; Myers, 1967). Factors such as quality, price and values; risk; familiarity and knowledge; intrinsic and extrinsic cues; and intolerance of ambiguity experience were said to be important to perceptions of retail brand and ultimately consumption.

3.1.2.1 Quality, Price and Value Effects on Retail Brand Perceptions

One of the factors that is often recognised as important in consumer perceptions of retail brand products is the consumers' product quality assessment (Cunningham *et al.*, 1982; Rosen, 1984; Yucelt, 1987; Hoch and Banerji, 1993; Darden and Babin, 1994; Sethuraman, 2000; Ailawadi and Keller, 2004). Jacoby and Olson (1985) are some of the many authors who reported that consumers were not homogeneous; rather, there were different groups of consumers who held different kinds of quality perceptions (Van Kenhove *et al.*, 1999). The term '*quality*' itself implies a level of performance, taste, texture, aroma,

reliability of ingredients and nutritional value provided by the product on average (Rosen, 1984). Jacoby and Olson (1985) took the word quality as expressing general approval, as in '*that product is made with quality ingredients*' or '*performance of that brand was of the highest quality*'. Moreover, individual needs, memories and experiences may also influence perceptions (Jacoby and Olson, 1985). In sum, perceived product quality is '*the perceived ability of a product to provide satisfaction 'relative' to the available alternatives*' (Jacoby and Olson, 1985). Likewise, Park and Winter (1979) stated that the consumer quality perceptions process involves *gathering, retrieving and processing the data necessary for the causal analysis*. So what has all this got to do with retail brand products?

In the early days (1970s) of retail brand development, retail brands were usually perceived as being inferior to manufacturers' brands on a variety of intrinsic attributes such as taste, texture, aroma, reliability of ingredients, nutritional value and overall quality (Bellizzi *et al.*, 1982; 1981; Cunningham *et al.*, 1982). Initially retail brands were based primarily on a low price proposition (first generation) and generally priced about 20 per cent lower than manufacturers' brands (Wileman and Jary, 1995; Laaksonen, 1994; Glemet and Mira, 1993; Dick *et al.*, 1995). To understand further the impact of this on retail brand products, it is essential to look at the previous studies concerned with these variables.

Past studies on the perceptions of retail brand quality clearly provide conflicting results. Myers (1967) revealed that consumers perceived retail brands as money saving without any sacrifice of quality. Coe (1971) revealed that price was the prime factor for buying retail brands, as high prices did not necessarily mean good quality but rather a high cost of promotional activities (Zbythiewski *et al.*, 1979). Dietrich (1978) revealed that a majority of consumers (70-72 per cent) perceived the quality of retail brand products to be of equal value to manufacturers' brands. These findings were shared by other authors such as Mintel (1973) in an industry report which claimed that consumers considered retail brand products to be of the same quality as well-known manufacturers' brands. Similarly, Livesey and Lennon (1978) and Murphy and Laczniak (1979) revealed that retail brand buyers were mainly concerned with obtaining a product of a satisfactory quality standard at a lower price. They concluded that consumers rated the quality of retail brand products as comparable with other brands. Zbythiewski *et al.* (1979) also indicated that retail brand products were of equal quality to manufacturers' brands. Given these results, it seems that the actual perceptions of retail brand products during the 1970s were generally favourable. The result of these studies which were conducted at a time when retail brands were just being introduced in the market implies that consumers seemed to be pleased with these innovative products.

However, as the exposure of retail brand products in the market increased, the perceptions of retail brand products, specifically in quality terms began to decline (Prendergast and Marr, 1997). Bettman (1974), in his study, stated that uncertainty over the quality of retail brands represented a danger in purchasing these products. Livesey and Lennon (1978) revealed that retail brand products were poor in quality while Bellizzi *et al* (1981), Cunningham *et al* (1982) and Rosen (1984) stated that consumers perceived retail brands to be inferior to manufacturers' brands but superior to generic grocery items on attributes such as quality. Bellizzi *et al.* (1982; 1981) noted that consumers consistently rated retail brand products below manufacturers' brands on attributes related to quality, appearance and attractiveness. Similarly, Cunningham *et al.* (1982) claimed that consumers rated retail brands as inferior to manufacturers' brands in terms of taste, appearance, labelling and variety of choice. Some consumers demonstrated aversion to buying retail brands regardless of the amount of savings associated with their purchase (Richardson *et al.*, 1994).

Several authors also discovered that consumers had a propensity to impute quality on the basis of price, particularly when there were no other strong quality cues available (Riesz, 1978; Rosen, 1984). However, a study by Richardson *et al* (1994) identified that the quality of retail brand products was perceived as high when retail brand products were repackaged as manufacturers' brands and presented with

manufacturers' brand prices. Similarly in the study carried out by Bellizzi and Martin (1982), where a taste test was given to 119 visitors at an annual student fair, the findings revealed that manufacturers' brands were consistently given a higher rating, even though the respondents were actually given the same product to taste. This indicated that personal factors such as individual psychology existed and played a part in consumer perceptions during the taste test.

Good quality but lower priced retail brand products might find it difficult to overcome the barrier of consumer perceptions of unreliability vis-à-vis their branded contemporaries (Prendergast and Marr, 1997). Yucelt (1987) indicated that consumers were not willing to sacrifice quality for price if they felt that the quality of a retail brand product was below that of other brands. Similarly, Rosen (1984), Rao and Monroe (1989) and Omar (1996) noted that overall retail brand products were still of poorer quality compared with manufacturer brands. This argument was supported further by the study of Dick *et al* (1995), who concluded that non-users of retail brands claimed that retail brand products were lower in quality, had less reliable ingredients, lower nutritional value, offered poorer value for money, were higher risk purchases, had unattractive packaging, and whose buyers were considered as '*cheap*'. Likewise, Quelch and Harding (1996) revealed that retail brand quality signalled inferior or unreliable ingredients. Baltas *et al* (1997) mention that quality-seeking consumers are primarily

interested in manufacturers' brands, whereas economy-seeking consumers are primarily interested in retail brand products. Nevertheless, Omar (1996) found clear differences in the perceptions of retail brands and manufacturers' grocery brands. He concluded that retail brands were psychologically positioned below the manufacturers' brands and were particularly good value for money. In addition, his research indicated that retail brands suffered from a low quality image when compared to manufacturers' brands. This may be true as Dodds *et al.* (1991) claim that brand, level of advertising and store image are the most important variables that affect perceived product quality. The truth is that the uniqueness of these products may actually continue to colour perceptions of the aspect of quality (Prendergast and Marr, 1997). All studies consistently indicate that retail brands suffer from a low-quality image compared with manufacturer brands. This is natural as quality and the price of a brand are positively related (Dodds *et al.*, 1991). Theoretically, this dilemma suggests that consumers may use price and product positioning as a sign of quality assessment before deciding to buy the brands. This result perhaps requires retailers to revise their retail brand positioning from inexpensive alternatives to equivalent or perhaps higher prices than manufacturers' brands. Moreover, unfavourable perceptions may in fact be fostered by the widespread use of inexpensive-looking packaging and the absence of an attractive brand

image due to poor communication and positioning strategies (Richardson *et al.*, 1994).

3.1.2.1.1 Store Image and Product Quality

Jacoby and Olson (1985) argued that perceptions of product quality were associated with perceptions of the store itself. They argued that when a product had a high perception for quality, but the store had a lower perception for quality, the image of the store would increase while the image of the product would suffer. Similarly, if the brand only had a moderate quality perception, while the store had a high quality perception, both store and brand perceptions would be negatively affected. Alternatively Park and Winter (1979), in their study of product quality judgments through the information processing approach, stated that product cues were the most critical causal element in determining the directional attribution of quality as well as the specific location of the directional quality. When the product cue was not available, brand name played a critical role in determining the quality direction and provided a specific measure of quality, while price information was important only in determining the specific location of quality. Therefore, lack of advertising and the absence of a brand name linked to the product class might affect consumer perceptions especially in terms of quality (i.e. signal inferior or unreliable ingredients) (Quelch and Harding, 1996; Rosen, 1984). Dodds *et al.* (1991) suggested that

external cues such as price, brand name and store name are three cues that influence perceptions of product quality and value, and subsequently purchases of the brand. Although the effects of these three cues show inconsistent statistical results, both price and brand name have been shown to have a significant but moderate effect on buyers' perceptions of quality (Dodds *et al.*, 1991). The store name, in contrast, had a small but not significant effect on consumers' perceptions of brand quality (Rao and Monroe, 1989).

The Institute of Grocery Distribution (1995) reveals that generally retailers use quality and price combinations in their retail brand strategy (see Exhibit 3.1). However, retailers find it difficult to compete with manufacturers' brands using quality and price factors, as it is not easy to determine the outcome when consumers consider two brands to be equivalent. It is difficult to give an absolute like-for-like comparison such as the content weight of the products or the percentage of ingredients that goes into a product.

Exhibit 3.1: Price vs Quality Strategies of British Retail Brands

No	Price vs Quality Strategies
1	Quality equal to proprietary brands but price lower
2	Quality better than proprietary brands but price lower
3	Basic quality but price lower

Source: The Institute of Grocery Distribution (1995)

The vast majority of retailers priced their retail brands lower than the proprietary brand whilst achieving equal quality. This is due to the fact that at that particular time (mid 1990s), retailers believed that there was no benefit in developing products of a higher quality than the branded products, as the consumer did not believe that retailers would choose that approach for their own brand strategy. The Institute of Grocery Distribution report also recognised that acceptability was very important and within some categories '*basic quality*' was below a minimum standard for many consumers. To achieve a price point, products often had to be downgraded in terms of quality. However, where this happened, it could lead to an increase in consumer complaints, thus affecting perceptions of the retail brand products. Therefore, the evaluation of product quality is clouded by the fact that some consumers make quality judgments on the basis of price rather than physical product attributes (Newman and Becknell, 1970). This outcome was supported by Wheatley (1980), and Prendergast and Marr (1997), who revealed, in the case where there was limited or no information regarding the product, price might well serve as an indicator of quality. More often, however, consumers perceive the price and quality of a product as being in tandem with each other.

3.1.2.1.2 Price and Product Quality

Although price plays an important role in everyday economic activities for shoppers, in reality price represents the value of something that consumers have to give up to obtain something else of value (Jacoby and Olson, 1985). To further understand the relationship between price and perceived quality, it is also important to look at the influence of price on retail brand products.

Dodds *et al.* (1991) clearly suggest that perceptions of the same price stimulus may vary across consumers and, for one consumer, across products, buying decisions and time. Price can be both an indicator of the amount of sacrifice needed to purchase a product and of the quality level. Higher prices lead to higher perceived quality and consequently to a greater willingness to buy (Dodds *et al.*, 1991). At the same time, the higher price represents a monetary measure of what must be sacrificed to purchase the brand, thus leading to a reduced willingness to buy (Dodds *et al.*, 1991).

Sinha and Batra (1999) in their study of the effect of consumer price consciousness, define price consciousness as '*a consumer's reluctance to pay for the distinguishing features of a product if the price difference for these features is too large*'. They argue that the phrase '*too large*' suggests that the consumer '*trades off*' the higher price with

potential benefits, such as an increase in quality or a reduction in risk that may accompany a higher price and this varies across individuals. Therefore, the key concept underlying the behavioural approach to understanding the effect of price on consumers is that price serves as a cue whereby consumers can predict the quality of the product particularly of unknown brands (Monroe, 1973).

Murphy (1978) claims that an area of strategic importance to supermarket chains is consumer sensitivity to price. Scitovsky (1945) introduced the idea of the price–perceived quality relationship. He argued that judging quality by price merely implies a belief that price is determined by the competitive interplay of the forces of supply and demand. Following Scitovsky’s thinking, several researchers have studied the relationship between price and product or brand (Tull *et al.*, 1964; Coe, 1971; Burger and Schott, 1972; Raju, 1977; Dietrich, 1978; Laczniak, 1979; Murphy and Laczniak, 1979; Hawes and Kiser, 1980; Cunningham *et al.*, 1982; Reidenbach *et al.*, 1983; Neidell *et al.*, 1984; Rao and Monroe, 1989; Dodds *et al.*, 1991; Omar, 1994; Dick *et al.*, 1995; Richardson *et al.*, 1996; Baltas, 1997; Prendergast and Marr, 1997; Aggarwal and Cha, 1998; Sinha and Batra, 1999). In spite of conflicting findings, most studies basically agree that when price is the only information available to the consumer, price has a significant effect on product perception. Moreover, it is believed that initial studies on retail

brands have been focused solely on the lower price substitute (Pellegrini, 1993).

Despite the above findings, one may ask, what makes consumers believe that a product can be measured simply from its price? Tull *et al.* (1964) reveal that some consumers may feel less satisfied with low priced products. They note '*price is usually cited as the defining characteristic of own brand, but it is the broader and relative concept of value, which truly determines consumer attitudes and behaviour*'. These arguments were supported by Garretson *et al.* (2002). They concluded that for those consumers believing price to be strongly associated with quality, the lower price of retail brands resulted in a more unfavourable attitude towards retail brands than manufacturers' brands. However Omar (1994) denies such an conclusion. He reported that data from British consumers showed their scepticism toward manufacturers' prices and expressed their preference for cheaper retail brand products. This indicated that value for money suggests considerations of quality, not in absolute terms, but in relation to the price of a particular brand (Cagley *et al.*, 1980). The initial reason for buying the brand was because of its low price, while product performance expectations were perceived to be moderate (Cagley *et al.*, 1980). Dietrich (1978) claimed that retail brand buyers obtained savings of 16%–20% by not purchasing manufacturers' brand grocery items. Similarly, Murphy and Laczniak (1979) revealed

that retail brand products were perceived to be of a lower level by two-thirds of the respondents. In addition, 27 per cent found that the prices were very much lower than for manufacturers' brands. The study by Neidell *et al.* (1984) highlighted that 92 per cent of retail brand consumers rated retail brand products as lower in price. Dodds *et al.* (1991) and Prendergast and Marr (1997) suggested that price can be an indicator of perceived sacrifice and the perceived level of quality. Higher prices may lead to higher perceived quality (Raju, 1977), but may also represent a monetary measure of what must be sacrificed to purchase the brand. In other words, consumers may have lower and upper price limits (absolute thresholds) for a product. If the product is priced below the lower limit, its quality becomes suspect and if it is priced above the upper limit, it is not considered worth the price (Raju, 1977). Generally, Raju (1977) claimed that price was found to be important in overall quality evaluations.

The above findings clearly reveal that retail brand products may be seen as offering good value for money if they are viewed as possessing a similar quality to that of a branded alternative, but cost less (Richardson *et al.*, 1996). Aggarwal and Cha (1998) claimed that if buyers find the price of a manufacturers' brand to be below the reference threshold price, they tend to purchase manufacturers' brands. But, if buyers find the price of manufacturers' brands to be above the reference threshold

price, they will then choose retail brand products instead. Reference Threshold Price refers to the absolute price threshold - the range of prices that a consumer finds acceptable. Similarly, Biswas *et al.* (2002) in their studies examined the effects of low price guarantees, claiming that low price guarantees will increase value perceptions, shopping intentions and search intentions if the store carries a high price image.

Further to the general perception of lower prices, some retail brand products were purchased on the basis of the availability of suitable package sizes. At that time (during the 80s), retail brand products were typically packaged in large sizes, catering directly to the needs of consumers from larger households. This group of consumers found that the low price of retail brand products, coupled with packaging that came in the right size to fulfil their demands, was an attractive offer (Prendergast and Marr, 1997). Since there is no advertising cost involved in the lower packaging and labelling cost in the marketing of retail brand products, a price differential between retail brand products and manufacturers' brands become possible (Dietrich, 1978; Murphy and Laczniak, 1979; Prendergast and Marr, 1997). However, Reidenbach *et al* (1983) suggest that retail brand buyers are not mainly driven by price. Availability in the market also played a major role in consumer perceptions of retail brand products.. He observed that the market for retail brand products was actually not overly large. Similarly,

Cagley *et al.* (1980) observed that in terms of product line, width and depth, retail brands have had limited exposure.

3.1.2.1.3 Value for Money Orientation and Quality

In explaining the relationship between the quality and price, it is also important to explain the next element that is closely associated with retail brand products: '*value*'. Most retailers have chosen to stress this attribute in the marketing of their retail brand products, rather than competing with manufacturer brands on the basis of quality (Richardson *et al.*, 1994). The most common definition of value is '*the ratio or trade-off between quality and price, which is a value-for-money conceptualization*' (Sweeney *et al.*, 1999; Richardson *et al.*, 1994; Monroe, 1990; Livesey and Lennon, 1978; Myers, 1967). Value is a concept that balances what the consumers receive in an exchange versus what they give up (Sweeney and Soutar, 2001; Dodds *et al.*, 1991 and Zeithaml, 1988). Thus, essential components of value perceptions include the price promotion and the perception of product quality. Blattberg and Neslin (1990) state that, in the presence of a discount, the presentation of a reference price creates a perception of savings. Similarly, Grewal *et al.* (1998) suggest that merchandise selection and price discount strategies play a significant role in shaping consumers' perceptions of value. Conversely, Grewal *et al.* (1998) also claimed that perceived value might come from two components: '*transaction value*

and acquisition value'. An emphasis on value for money is an integral part of many retailer promotion efforts (Davies *et al.*, 1986; Martell, 1986; McGoldrick, 1984; Simmons and Meredith 1984). Consequently, rather than competing with manufacturers' brands on the basis of quality, most retailers have taken a '*value for money*' orientation in the marketing of their retail brand ranges (Davies *et al.*, 1986; Martell, 1986; Ody, 1987).

However, quality and price have different and differential effects on perceived value for money (Sweeney and Soutar, 2001). Zeithaml (1988) claimed that some consumers perceive value when there is a low price; others perceive value where there is a balance between quality and price. Thus, for different consumers, the components of perceived value may be differentially weighted. In addition, Zeithaml (1988) revealed that some consumers obtained value from all relevant '*get*' and '*give*' components, leading to her definition of perceived value. According to Richardson *et al.* (1994), retailers use '*value for money*' in marketing their own brand so as to instil the purchase of retail brand products not only from those consumers who perceive that retail brands are lower priced but of relatively good quality, but also from those consumers who perceive that retail brands are lower priced and relatively bad quality, as long as the savings associated with the price differential provided adequate compensation for purchase.

In sum, quality and price perceptions initially provide the main information which consumers use to evaluate retail brand products (see Appendix 2 for details). However, viewing value as a trade-off between only quality and price is far too simplistic (Sweeney and Soutar, 2001). Most importantly, in the 1990s, when retail brand products were said to be equivalent to or higher quality than the manufacturers' brands (fourth generation) the products structure improved (Baltas, 1998) and consumer perceptions of retail brand products provided other suggestions about the quality of retail brand products as a whole. Moreover, many authors discovered that price might not be the dominant signal of quality perceptions. Other elements such as perceived risk, product familiarity, intrinsic and extrinsic cues, brand, store names, product knowledge, market information, as well as shopping experience were also said to affect consumer perceptions and buying decision of retail brand products (Dawar *et al.*, 1994; Dodds *et al.*, 1991; Jacoby and Olson, 1985; McGoldrick, 1984; Rao, 1970, 1971; Smith and Broome, 1966; Monroe, 1973, 1970).

3.1.2.2 The Concept of Perceived Risk and Its Dimensions

Another useful framework for examining the interplay between the perceptions and purchases of retail brands is perceived risk. Especially as the grocery market is already risk-segmented to some extent. Understanding how consumers perceive risk may help to explain

consumers' daily and weekly food shopping trips, as well as underpin the retailing strategies adopted by grocery retailers (Mitchell, 2001; 1998). Generally, consumers perceive risk in purchasing most products (Dowling and Staelin, 1994) and tend to select higher-priced products when they perceive a substantial degree of uncertainty in the purchase situation (Jacoby and Olson, 1985). Shapiro (1972) suggests that consumers perceive a product as a set of information cues. Each cue is evaluated as to whether it has predictive value (how close the cue matches a desired product attribute) and confidence value (the consumers' ability to evaluate the cue itself). Bettman (1973) and Dunn *et al.* (1986) state that there were two distinct risk classes namely; inherent risk and handled risk. Inherent risk appears at the primary demand level, which is the latent risk that a product class or retailer holds for a consumer. Handled risk is the amount of conflict a product or retailer causes when the consumer chooses a brand or a store in a particular buying situation. Dowling and Staelin (1994) refer to this partitioning as '*product-category risk*', which reflects the person's perception of the risk inherent in purchasing any particular product category and '*product-specific risk*' which is associated with a particular product purchase.

Cunningham (1967) measures risk perceptions by using the two components of certainty and consequence. He claims that a consumer

judging low probability/high consequence risks more through the consequence than through the probability. Similarly, Horton (1976) suggests that the degree of negative consequence was more important in determining risk than the probability of occurrence. In contrast, Diamond (1988) reveals that in most-high probability/low consequence situations, such as purchasing grocery items, consumers process information by combining consequence size and probability to form a judgment. He claims that, if the outcome of a risky choice is generally good, for example, a positive monetary outcome, consumers are risk averse, while if the outcome is poor, for example, the low performance of a product, consumers take risks. Whilst most studies have examined inherent risk (Bettman, 1975), believe that a lack of emphasis on selective demand (e.g. the brand) is one of the main factors that may contribute to a delay in the understanding of the construct and its relationship to consumer behaviour.

Cox (1967), elaborating on Bauer's work, stated that perceived risk is a function of the stake in a purchase and the consumer's subjective feelings of uncertainty about a favourable outcome of purchase consequences. This has led to a definition of risk as the *consumer's perceptions of the uncertainty and adverse consequences of buying a product or service* (Dowling and Staelin, 1994). In addition, Dowling and Staelin (1994) claimed that uncertainty, discomfort, and/or anxiety

is the result of the consumer's perception of risk. This is due to the fact that both positive and negative outcomes will influence a consumer's perceived risk when evaluating a product.

Further, perceived risk has than been conceptualised as a multi-dimensional phenomenon with overall risk being sub-divided into performance, physical, financial, psychological, social loss and time (Mitchell, 1998; Loudon and Della Bitta, 1988; Jacoby and Kaplan, 1972). Kaplan . (1974) recognised five types of perceived risk, namely; performance, physical, financial, psychological, and social. Bettman (1974) made a distinction between inherent risk, which relates to the importance of loss, and handled risk (operative at the brand level), which relates to the probability of loss. He viewed perceived risk as a function of two components only, namely; *'the probability of the loss occurring, and the importance of the loss if it occurs'* (Bettman, 1974). After incorporating these components of perceived risk, risk is viewed *'as the sum of the probability of loss times the importance of loss associated with each dimension for a product or brand offering'* (Dunn *et al.*, 1986). Bettman, (1974) also reveals that uncertainty regarding retail brand quality and perceptions of danger associated with retail brand purchase are key variables that discriminate retail brand from manufacturer prone buyers. Mitchell (1998) claimed that the retailer or

manufacturer who offered the lowest-risk products would have a significant competitive advantage.

In the early stage of retail brand development, consumers perceived a risk in buying retail brand products (McGoldrick, 1984). He suggests that consumers used their confidence in the integrity or reliability of the retailer to evaluate retail brand products. This might be accurate, as at that particular time, retailers placed less emphasis on the quality of retail brand products, specifically in the first few stages of retail brand development (Laaksonen and Reynolds, 1995; Wileman and Jary, 1997).

Today, as retailer brands have moved closer to leading manufacturers' brands in terms of quality, price and value; it could be argued that the risk in purchasing these products has reduced (Burt, 1992). However, there are still many studies (Mitchell, 2001, 1998, 1995; Dick *et al.*, 1995; Dunn *et al.*, 1986) that claim otherwise. They argue that consumers vary in their tolerance to loss types, and this suggests the presence of risk type sensitive segments within a market. These segments that differ in the type of risk they perceive will obviously have different perceptions of the presentation of retail brand products. In addition, consumer perceptions and their acceptance of retail brand products differ with experience (Livesey and Lennon, 1978; Jacoby and Kaplan, 1972; Cunningham, 1967). Therefore it is vital for retailers to be

able to differentiate between various types of risk and to perform accordingly so as to ensure the success of retail brand products.

One of the most crucial risks associated with retail brand products, identified by Mitchell (1998), was performance risk. He claims performance risk can be observed in two ways. First, it can be related to a concern that the product or store may not perform as desired and thus not deliver the benefits promised. For example, if a retailer is selling his or her own brand, then the performance risk has a direct impact on the retailer. Second, performance risk can be seen as a surrogate for overall risks, which is a combination of other losses. In this sense where a supermarket fails to meet a customer's satisfaction level, some or even worse all of the types of risks will be associated with the brands as well as with the store. These losses may include financial, physical, psychosocial and time loss (Mitchell, 1998).

Financial risk may be classified as a consumer's concerns about value for money as well as concerns about how much money might be wasted or lost if the product does not perform well (Mitchell, 1998). Incidental costs accrued from the shopping experience such as travelling costs, meals required and paying more than necessary, can also be seen as a part of financial risk. The price level of the products, range of value-for-money goods, availability of special offers such as coupons, discounts,

twin packs and the ease of payment such as usage of store debit cards, credit cards and the like, all have an influence on the perceived financial risk (Mitchell, 1998). It is obvious that recently retailers have introduced retail brand products as a means of reducing this financial risk. For example, Tesco has its '*value line*', Safeway its '*Savers*' and Kwik Save its '*No Frills*' that guarantee quality product at a low price. The Asda '*price promise*' and '*pocket-the-difference*' campaigns offer a price guarantee and promise to refund the difference if shoppers can buy a full weekly shop cheaper elsewhere (Mitchell, 1998).

Dunn *et al.* (1986) examined the relationship between the consumer's perceived risk and the branding of supermarket products. The results suggested that consumers perceive the greatest performance risk with generics and the highest financial risk with manufacturers' brands. However, he concluded that risk tolerance varies according to the type of product bought (Burt, 1992). Dick *et al* (1995) in their study reveal that low retail brand prone shoppers stated that the main reasons why they did not purchase retail brands is because of inferior quality, and they tended to believe that retail brand purchase might result in financial loss. In addition, they claimed that the brands might not possess desirable attributes, provided uncertainty in product performance, or a sense that the purchase might invite social disapproval. These views

indicate that retail brand buyers sometimes can be labelled as *cheap skate* buyers (Dick, 1995).

Physical risk refers to threats to the health or appearance of the consumer and to the physical and mental energy expended on shopping, and the effort-saving functionality of the products purchased (Mitchell, 1998). Labour saving devices are judged as more convenient not only because they save effort, but also because they save time. Therefore a dyadic relationship between time and convenience exists. However, to equate time with convenience is to overlook the effort component of convenience. Thus, any physical or mental effort saved in the shopping trip or by the products purchased will help reduce physical risk (Mitchell, 1998). Following the above outcome, two dimensions of convenience exist; the type of convenience (saving physical energy and or mental energy) and the timing of convenience (the stage of the consumption process which is affected, such as what to eat, purchasing, preparation, consumption and clearing-up) (Mitchell, 1998). Nevertheless, concerns about the quality of food, cleanliness of the store environment and safety of shopping and parking areas can also be related to physical risk (Mitchell, 1998; Dunn et al., 1986). However, according to Dunn *et al.* (1986) safety risks were not considered to be as important because of low levels of involvement from customers.

Risk resulting from friends or family perceptions that a consumer has made a poor or inferior choice is called psychosocial risk. The product may be perfectly acceptable, but in the judgment of others it is inferior in some way. Social risk operates at the store as well as the product level since a shop can be socially judged as much as what one buys. Livesey and Lennon (1978) suggest that the reason why consumers refuse to buy retail brand products is because of the association between social risk and usage. Psychosocial risk exists when family and friends are aware of any consequences of a product failure. In addition, there is the psychological aspect of being disappointed with oneself for not making a wise choice. Although social and psychological risks may be discussed separately, Mitchell and Greatorex (1990) claim that for relatively low-value goods, which have little psychological symbolism, consumers had difficulty in separating these two concepts and thus the idea of combining them in 'psychosocial risk' is more meaningful. This finding, clearly supported by the earlier study by Dunn *et al.* (1986) reveals social risk as salient only to a small number of consumers. Shopping at a well-known, highly reputable, store may lead to the satisfaction of status or prestige needs. Similarly, a wide and well-known brand range can also enhance the quality image of a store and lead to the satisfaction of status motives. Speed, quality of service and attitude of staff can also have an immediate effect on the self-esteem, status, authority and prestige feelings of consumers by making them feel special and

important - which in turn increases the chance of them becoming loyal to the store (Mitchell, 1998).

Time risk refers to the amount of time required by consumers to purchase the product or may also be classified by the time lost as a result of product or service failure (Mitchell, 1998). All time costs such as travel time and waiting time can be included, as well as the location of the store relative to work, home and transport routes, the speed of service, the internal organisation of the store (easy-to-find goods), the range of speciality goods, the presence of non-retailing functions (for one-stop shopping) and the overall ease of shopping, all have an impact on the time risk perceived. It is considered important for retailers to understand and develop their brands accordingly, as perceived time risk may play a part in the success of retail brand development. However, due to changing consumers' needs, motives and perceived risks, Mitchell (2001) claims that there are now only four types of risk dimensions that can be positively associated with consumer shopping intention namely; *time risk*, *financial risk*, *psychosocial risk* and *physical risk*.

Most research on retail brand products and perceived risk has examined the risk associated with this type of branded grocery items (Bettman, 1974; Livesey and Lennon, 1978; Granzin, 1981; Toh and Heeren, 1982;

Reidenbach *et al.*, 1983; Wu *et al.*, 1984; Dunn *et al.*, 1986; Richardson *et al.*, 1996; Baltas, 1997). Jacoby and Mazursky (1984), however, examined the links between brand and retailer image. Instead of focusing on what kind of risk is associated with buying retail brand products, most studies only examine the general perceptions of risk in respect of retail brand and manufactures' brand products, giving limited perspectives for improvement for both retailer and manufacturer. They claim that overall consumers perceive greater risks in buying retail brand products compared to manufacturers' brands. But what types of risk can be specifically associated with retail brands, is hardly examined. Richardson *et al.* (1996) identified two types of risk with retail brand grocery products: social risk and functional risk. Studies by Granzin (1981) and Reidenbach *et al.* (1983) suggested that retail brand's buyers are more willing to take risks, but only when the product in question has a comparatively high inherent risk. Later, Wu *et al.* (1984) identified that these more venturesome individuals will select retail brand products within each category more often than others, provided that the category in question is not above a certain risk threshold. They concluded that each marketing decision would be decided on a product-by-product basis, since willingness to take chances and risk perceptions vary across product categories. The Dunn *et al.*(1986) study is the only one which examined specific types of perceived risk in the buying of retail brand products. The results indicated that performance and financial risks are

associated with the purchasing of supermarket products. Consumers perceive the greatest performance risk with retail brand products and the highest financial risk with manufacturers brands. The influence of perceived risk on brand choice also varies by product categories. Therefore risk perceptions cannot be generalised across brand types.

Within the literature on risk perceptions only Toh and Heeren (1982) examined the effect of personal factors such as gender on risk perception in purchasing retail brand products. They concluded that gender does not affect perceived risk for grocery generics in any consistent way. Similarly, Mitchell (1998) claims that the effect of social class on risk perceptions remains unclear and it may be that, like gender, social class exerts its effects indirectly through differences in product experience, self-confidence or financial resources. He also suggests that age increases risk perceptions, while males are generally greater risk takers than females and are likely to perceive different types of risk.

Additionally, consumers' risk perceptions are also dependent on the situational element (Mitchell, 1998; Dowling and Staelin, 1994). Mitchell (1988) claims that there are two factors in which situational elements play a vital role in perceived risk. Firstly, group discussion and secondly, consumer involvement. Overall, consumers are more willing to accept greater risk during or after a discussion with other people than

as individuals. These results suggest that retailers should place more emphasis on stimulating group discussion such as free trial, or gift-a-friend-a-gift gimmicks. Schiffman and Kanuk (1997) suggest that there is a positive association between consumer involvement and perceived risk. In tandem, Laurent and Kapferer (1985) indicate that risk is positively correlated with a purchase's sign or symbolic value as well as its hedonistic value and that this influences the completeness of the decision process. Nonetheless, Dowling and Staelin (1994) claim that overall perceived risk varies from situation to situation. They have suggested that factors which contribute to the overall perceived risk as;

- the levels of the attributes of the specific product considered e.g. the product's price, quality, etc.,
- the likelihood of 'failure' that leads to negative consequences,
- the individual's purchase goals e.g. use for self or as a gift,
- other conditions associated with the specific purchase situation;

Product sourcing is also another major concern to food consumers (Mitchell, 1998). Since many retailers are now focusing their retail activities outside their boundaries, specifically, in international markets, it is possible that consumers may relate the country of origin with retail brand perceptions. According to Mitchell (1998) consumers perceived a greater risk in buying products made abroad than buying products made by firms in the home country. Nevertheless, he claims that in the

situation of shopping for apparel goods, price/quality relationships, guarantees of satisfaction and store reputation were found to be more important than country of origin. Unfortunately, he claims that there is no effort made by researchers to find out the association between country of origin and the effects of perceived risk in grocery products so far (Mitchell, 2001). This study will pursue this option to examine of perceived risk in buying retail brand grocery products can be associated with the stores that produce such brand for examples, Tesco and Giant.

3.1.2.3 Brand Familiarity and Knowledge

Another factor often suggested as important for retail brand buying is product familiarity or product knowledge (Dodds *et al.*, 1991; Rao and Monroe, 1988; Shapiro, 1973; Valenzi and Eldridge, 1973; Jacoby *et al.*, 1971). Familiarity denotes brand comprehension, product knowledge, or skill as in judging the criteria needed to evaluate products (Howard and Sheth, 1969). Alba and Hutchinson (1987) define familiarity as *'the number of product related experiences that have been accumulated by the consumer'*. More recently, Sheth *et al.* (1999) claimed that familiarity refers to *'the history of purchased and consumption and information obtained with respect to a product or service'*. In other words, familiarity is based on prior use of the brand and/or the extent to which the consumer has heard of a particular brand or perhaps has received relevant information (Sheth *et al.*, 1999). A person with high

product familiarity is likely to be more discriminating and is, therefore, expected to have a narrower range of acceptance. Such an effect would also be expected from the point of social judgment theory, as higher product familiarity could indicate greater involvement with the product, which in turn would lead to a narrower range of acceptance (Raju, 1977). Cue utilisation theory predicts that consumer familiarity acts to decrease reliance on price and brand name because of the consumer's ability to synthesise a greater range of cues in quality assessment (Wheatley et al., 1977). However, research indicates that increased brand familiarity results in different effects in brand assessment and in information processing (Alba and Hutchinson, 1987). This suggests that consumers rely on brand name during evaluation as brand-related experiences and associations are extensive.

A consumer who is familiar with retail brand products and who buys these products, considers them as providing a greater level of information and confidence (Bettman, 1974). He suggests that retail brand familiarity serves to increase retail brand proneness by decreasing the perceived risk and perceived quality variation associated with these brands. Similarly, Livesey and Lennon (1978) indicated that familiarity with the store would increase retail brand proneness. Later, Rosen (1984) claimed that the rating for retail brand proneness would be higher if consumers used and became familiar with retail brand products

themselves. When familiarity is high, the perceived danger in selecting retail brands decreases and the certainty that retail brands offer an acceptable level of quality, increases (Dick *et al.*, 1995).

Further, Richardson *et al.*, (1996) suggest that consumers who are familiar with retail brand products are likely to view them as high quality, low risk products, and as producing good value for money. However, consumers who lack experience with retail brands are likely to consider them to be risky choices. Account needs to be taken of Richardson *et al.*'s (1996) definition of retail brand proneness which encompasses many different packaged grocery products and it may be that perceived risk, perceived value for money, familiarity etc., differs across these different product categories.

Bettman and Park (1980) reveal that more knowledgeable consumers have a propensity to process by brand. Thus, this type of consumer tended to use attributed-based evaluations in the early and brand-based evaluations in the later, phases of choice. They concluded that consumers with moderate knowledge and experience did more processing of the information available than the high or low knowledge group consumers.

Most recently, Ailawadi, *et al.*(2001) claim that as consumers become more familiar with retail brand products, store image and loyalty may also improve. Consumer familiarity with retail brand products facilitated consumer-shopping behaviour through the ability to buy a single brand across a wide range of product categories (Ailawadi *et al.*, 2001; Baltas and Doyle, 1998; Hoch and Lodish, 1998). This clearly suggests that as consumers become familiar with retail brand products, store image and store loyalty will gradually improve. It is therefore interesting to find out how Malaysian consumers respond to retail brand grocery products in general. Are they familiar with these products? And if so does familiarity increase their perceptions of the image of the store, and consequently increase their loyalty to the store?

3.1.2.4 Intrinsic and Extrinsic Cues

A 'cue' is a characteristic or dimension external to a person that can be encoded and used to categorise a stimulus (Schellinck, 1983). Consumers use cues when forming beliefs about objects, which in turn influence their behaviour with respect to those objects. Richardson *et al.* (1994) claimed that cue utilisation theory might offer a better framework through which to assess consumer perceptions of retail brand products. He and the group claimed cue utilisation theory reveals that products consist of an array of cues that serve as surrogate indicators of quality to consumers (Richardson *et al.*, 1994; Olson 1972; Cox, 1967). These

particular cues are evoked according to their predictive and confidence values. The predictive value of a cue is the degree to which consumers associate a given cue with product quality. This is similar to the diagnostic of the cue, which represents the reliability of a cue and the likelihood that using it would lead to a successful task resolution (Richardson *et al.*, 1994). The confidence value of a cue is the degree to which consumers have confidence in their ability to use and judge that cue accurately (Richardson *et al.*, 1994; Olson 1972; Cox, 1967). Cues characterised by high confidence values and high predictive values assume the greatest weight in the quality assessment process (Richardson *et al.*, 1994).

Cox (1967) believes that consumers assign information values as a function of its predictive value and its confidence value. Cues, according to Olson (1972) and Olson and Jacoby (1973), may be considered to be derived either from the actual physical product, that is, the cue is '*intrinsic*' to the product, or from product-related attributes, which are not parts of the physical product. That is, the cue is '*extrinsic*' to the product. Intrinsic cues are product-related attributes such as ingredients, taste and weight that cannot be manipulated without also altering the physical properties of the product. Conversely, extrinsic cues are product-related attributes, such as price, brand name, packaging and

country of origin, which are not considered as part of the physical product (Jacoby *et al.*, 1977).

So, which cues do consumers use the most, intrinsic or extrinsic? It is believed that consumers use extrinsic cues when intrinsic cues are missing or are hard to evaluate; hence, these intangible extrinsic cues are useful to consumers in forming product evaluations. Nevertheless, Jacoby and Olson (1985) claim that intrinsic cues were likely to have a greater impact on product evaluation than extrinsic ones. However, they claimed that using intrinsic cues to manage quality perception is a challenging task (Jacoby and Olson, 1985). They argued that using a seller's classification of the levels of these cues, while providing a method of determining intrinsic-cue levels, does not indicate that consumers perceive differences in these cues. Thus it cannot be assumed that the cue stimuli are perceived by consumers as different. Further, experimental manipulation of intrinsic cues as a within-subject factor may produce strong carry-over effects from one product experience to another. Such carry-over effects are unlikely in real-world product experiences that involve rather large inter-trial time periods, thereby allowing for the dissipation of carry-over effects (Olson, 1977). In addition, presence of or intrinsic cue may intrigue a subject more than any extrinsic cue, that is, domination of a visual cue in an experimental situation. Thus the manner in which experiments of quality perceptions

are conducted may influence the findings. Due to the above reasons, most studies focus on extrinsic rather than intrinsic cues in product assessment (see Leavitt, 1954; Monroe, 1973; Murphy, 1978; Della Bitta *et al.*, 1981; Rao and Monroe, 1989; Dodds *et al.*, 1991; Monroe *et al.*, 1991; Dawar and Parker, 1994; Richardson *et al.*, 1994; Keaveney and Hunt, 1992; Rao and Monroe, 1989, Zimmer and Golden, 1988; Wheatley and Chiu, 1977; French and Barksdale, 1974; Johnson *et al.*, 1985; McDaniel and Baker, 1977; Cox, 1962; Wheatley and Chiu, 1977; Daly, 1976; Day and Brandt, 1974; Friedman, 1977; Bilkey and Nes, 1982; Cordell, 1992; Erickson *et al.* 1984; Han, 1989; Hong and Wyer, 1989, 1990; Thorelli *et al.* 1989; Ahmed *et al.*, 2002).

Previous research suggests that consumers rely on extrinsic cues such as *price* (Leavitt, 1954), *brand name* (Monroe, 1973; Murphy, 1978; Della Bitta *et al.*, 1981; Rao and Monroe, 1989; Dodds *et al.*, 1991; Monroe *et al.*, 1991; Dawar and Parker, 1994; Richardson *et al.*, 1994), *store name* (Keaveney and Hunt, 1992; Rao and Monroe, 1989, Zimmer and Golden, 1988; Wheatley and Chiu, 1977), *packaging* (French and Barksdale, 1974; Johnson *et al.*, 1985; Mc Daniel and Baker, 1977; Cox, 1962; Wheatley and Chiu, 1977; Daly, 1976; Day and Brandt, 1974; Friedman, 1977) and *country of origin* (Bilkey and Nes, 1982; Cordell, 1992; Erickson *et al.* 1984; Han, 1989; Hong and Wyer, 1989, 1990; Thorelli *et al.* 1989; Ahmed *et al.*, 2002), when assessing products.

Rao and Monroe (1989) claim that multiple independent variables (such as brand name, store name, price-quality) provided more meaningful results than a single cue variable (price-quality). Murphy (1978) claims that an area of strategic importance to supermarket chains is not solely price but also the consumers' sensitivity to the brand name. Brand name has been shown to be a critical cue for customer perceptions of product quality in a number of studies (Dawar and Parker, 1994; Dodds *et al.*, 1991). The role of merchandise and the brand names that retailers carry are important for a better understanding of consumer decision making. Monroe (1973) suggests that brand name is important and possibly dominates price for relatively inexpensive grocery products and beverages. Similarly, Rao and Monroe (1989) suggest that price and brand name were used as extrinsic cues in evaluating perceived quality.

Brand name is a commonly used extrinsic cue to infer and/or maintain quality perceptions and can represent an aggregate of information about a product (Richardson *et al.*, 1994). Della Bitta *et al.*, (1981) proposed that a strong brand name helps to control or stabilise the quality perceptions of a branded product even when its price is discounted. In a more recent study, Dodds *et al.* (1991) found empirical support for the positive effect of brand name on quality perceptions. Brand name is also expected to influence positively consumers' internal reference prices. Monroe *et al.*, (1991) noted that consumers form an internal reference

price scale based on past experience with stimuli. One component of past experience would be recognition of a brand name. Thus, even when consumers have not had direct experience with a product, exposure to the brand name gives them a certain degree of familiarity. Research evidence supports a positive relationship between brand name and internal reference price (Bearden *et al.*, 1984). Additionally, brand names may also affect buyers by influencing their internal reference prices through their perceptions of merchandise or brand quality (Rao and Monroe 1989).

In a study of retail brand grocery product assessments, using extrinsic and intrinsic cues, Richardson *et al.* (1994) examined the impact of three extrinsic cues (one from packaging and two from ingredients) on evaluations of retail brand grocery products. Consumer test evaluations of retail brand grocery products were much higher when the retail brand products were repackaged as manufacturers' brands and presented with manufacturers' brand prices. The study showed that extrinsic cues played a much more important role in determining consumers' evaluations than did actual product ingredients. They concluded that the consumer's unfavourable reactions to retail brand grocery items were largely the result of consumers' propensity to rely on extrinsic cues when assessing product quality. Later, Richardson *et al.*, (1996) in a study of household store brand proneness; revealed that extrinsic cues

such as price and brand name played a vital role in retail brand quality assessment. Thus, one can say that unfavourable perceptions of retail brand products may be fostered by consumer's reliance on extrinsic cues when making quality judgments (Jacoby *et al.*, 1971; Olson 1972; Olson and Jacoby, 1973).

Another extrinsic cue that may influence consumers when deciding to purchase a product is the store name (Keaveney and Hunt, 1992; Rao and Monroe, 1989, Zimmer and Golden, 1988; Wheatley and Chiu, 1977). The store name is an information-rich cue to its image. Mention of the store's name evokes a vivid store image in the consumers mind. Zimmer and Golden (1988) found that consumers sometimes used store names to describe a prototypical store (e.g. "Like Sears"). The store name represents a store's abstract, gestalt nature, and is a form of the category-based processing perspective of store image suggested by Keaveney and Hunt (1992). While Rao and Monroe (1989) discovered that the effect of store name in quality assessments of breakfast cereals was minimal and not statistically significant, Wheatley and Chiu (1977) reveal that the reputation of a store is used as a cue to the quality of a product. They reveal that the more prestigious the store, the more likely consumers are to use the name as an indicator of product quality.

Packaging also acts as an extrinsic cue that helps consumers make better food choices in the market place (French and Barksdale, 1974). Retailers spend US\$34 billion or 9 cents of every US dollar the consumer spends on food and beverages on packaging costs (Gallo *et al.*, 1982). This is because packaging contains a variety of informational aid, which addresses a wide spectrum of specific and general consumer concerns, particularly when assessing product quality. Additionally, consumers view packaging not only as providing information but also most importantly as providing protection of the product as well as convenience (Johnson *et al.*, 1985). The packaging of a product is capable of influencing perceptions of the product. A negative packaging attribute can sometimes project negative product quality (McDaniel and Baker, 1977). Cox (1962) pointed out that the colour of ice cream affects consumer perceptions of flavour and colour in liquid detergents affects perceptions of mildness. Although reaction to the colour of packaging is complex and not very well understood (Wheatley and Chiu, 1977), culture, education, economic status and age seems to influence the reaction to colour of packaging. In addition, packaging also provides retailers with the final opportunity to persuade prospective consumers prior to brand selection, especially in today's self-service economy.

Past studies suggest that consumer understanding and use of information from packaging is rather weak (Daly, 1976; Day and Brandt, 1974,

French and Barksdale, 1974; Friedman, 1977). Perhaps, the reason is that most studies were made during the 1970s when the technologies used were not as advanced as they have now become.

Research has also recognised the effects of country-of-origin information on consumers' product assessment. The country of origin sign was considered as an extrinsic product cue (Bilkey and Nes, 1982; Cordell, 1992; Erickson *et al.* 1984; Han, 1989; Hong and Wyer, 1989, 1990; Thorelli *et al.* 1989; Ahmed *et al.*, 2002). Some major studies indicate that the '*Made in...*' sign has a significant effect on consumers' attitudes and product assessments (Bilkey and Nes, 1982; Gaedeke, 1973; Johansson, 1989; Nagashima, 1970, 1977). In examining the role of country-of-origin information in product assessment, certain studies indicate that the overall assessment of products is influenced by country stereotyping; that is, the image that consumers have about a certain country will influence their perceptions of products from that country (Bilkey and Nes, 1982; Lillis and Narayana, 1974; Reiersen, 1966; Schooler, 1965). Most of these previous studies indicate that country-of-origin information acts as a salient attribute in overall consumer information assessment; others report that while country-of-origin information affects consumers' assessments of certain attributes of products, in the presence of other product information, extrinsic cues, such as country-of-origin information, may have a lesser effect

(Erickson *et al.* 1984). The knowledge the consumer has about the country in which the product is produced can influence consumer assessment of a product. The consumer's knowledge about the country's reputation for producing good or inferior products may be used to predict the quality of a particular product (Kaynak and Cavusgil, 1983). In addition, there have been studies exploring the relationship between consumers' perceptions of product quality and the level of economic development of the sourcing country. Products produced in less developed countries tend to have a less positive image than products from more developed countries (Bilkey and Nes, 1982; Cordell, 1992; Delener, 1995; Han and Terpstra, 1988; Khachaturian and Morganosky, 1990).

It is also noted that consumers' product assessment depends on the consumers' familiarity with the product. Familiarity with the product is high for established brands, resulting from experience with or marketing communications about the product. High familiarity reduces the impact that country-of-origin information may have on product assessment. When consumers are not familiar with a country's product, they will use the country's image as a '*halo*' in product assessment (Cordell, 1992; Erickson *et al.*, 1984; Han, 1989). Alternatively, when consumers are familiar with the product, country images serve as summary constructs. Familiarity with a brand name may also influence consumers'

perceptions of product quality. Han and Terpstra (1988) reveal that both the country of origin and the brand name affect consumer perceptions of product quality. They found that the sourcing country has a greater effect on consumer assessment than does the brand name. A more recent study found that the use of country-of-origin information helps to reduce dissonance in the purchase process (Lascu and Babb, 1995).

However, for certain products consumers may be less inclined to use country-of-origin information. Lascu and Babb (1995) discovered that Polish consumers are less interested in the country of origin if they are purchasing a less expensive item or a product that is accepted by family and friends. Consumers have different degrees of familiarity with products produced in different countries. Their confidence in the ability of different countries to design or produce quality products also differs. Kaynak *et al.* (1995) discovered, in their study in Azerbaijan, that Japanese and American products were perceived to be better in terms of design and technology compared with products from Russia, China and Hong Kong. Similarly, it has been found that products from China and India were rated as inferior to those from the USA. In the case of hybrid products (products that are designed, assembled and sold in different countries), Chao (1993) reported that price, country of design and country of assembly influenced consumer assessment of product design and qualities. Thus, country images formed experientially or through

other environmental cues may influence consumers' perceptions of quality and their inclinations to buy products from a country.

Another category of extrinsic cue that might influence consumers is the retail brands look-alikes phenomenon. Leavitt (1954) once claimed that '*...most of what we might see as new in the marketplace is not new at all, but is rather innovative imitation*'. This innovative imitation can also be a prologue through the introduction of retail brand products. As retail brand products, particularly in Britain, have moved from a product alternative (perceived as a different quality/price option) to a brand alternative (perceived as equal to/better than manufacturer brands) (Burt and Davies, 1999), the physical characteristics of the brands have also changed. From the '*low-priced*' packaged generic which first appeared on the shelves of supermarkets, retail brand packaging, labelling, and presentation have been transformed. Many retail brands now imitate the most successful manufacturers' brands (Burt and Davies, 1999; Davies, 1998; Balabanis and Craven, 1997; Rafiq and Collins, 1996; Kapferer, 1995; Loken *et al.*, 1986). Thus, it is believed that the transformation of retail brand products has somehow contributed to the consumer confusion (Burt and Davies, 1999; Davies, 1998; Balabanis and Craven, 1997; Rafiq and Collins, 1996; Kapferer, 1995; Loken *et al.*, 1986). It is clear that, retail brands through changes in packaging, labelling, and presentation have moved ahead. These brands are now turning into

powerful instruments that significantly influence the formation of consumer judgments (Balabanis and Craven, 1997).

Accordingly, Kapferer (1995) suggests that this '*ready-to-wear marketing*' strategy, that tries to move sales away from the original (manufacturer brand), actually steals the goodwill developed by manufacturers' brands over time, by attempting to associate retail brands with the quality and attributes of the successful manufacturers' brands without spending on advertising and promotion, and even seriously attempting to trick and later confuse grocery shoppers (Burt and Davies, 1999; Balabanis and Craven, 1997; Rafiq and Collins, 1996; Kapferer, 1995; Loken *et al.*, 1986). Loken *et al.* (1986) in their study of consumer confusion claimed that retail brand products were often perceived as having the same source or producer as manufacturers' brands (Davies, 1998; PLMA, 1984). The findings clearly show that the physical similarities between retail brands and manufacturers' brands do somehow influence consumer perceptions, thus becoming a major concern to both retailers and manufacturers (Rafiq and Collins, 1996). They also claim that such '*copy-cat*' (an effort to reproduce the major ingredients or functional properties of the product) brands may force consumers to form impressions of the positioning or functions of a product when knowing nothing else about it but the way it '*looks*'. Similarly, consumers may believe that the two products come from the

same source, or even worse, '*they are actually the same products*'. This, however, according to Rafiq and Collins (1996) is not usually the case in practice.

Since shopping for grocery products is highly routine (Olshavsky and Grandbois, 1979) there is little evidence of extensive in-store decision-making particularly for repeat purchases (Hoyer, 1984). This is largely due to familiarity and loyalty of consumers with respect to grocery products. Kapferer (1995), in an effort to establish the role of visual clues in causing confusion, reveals that in the context of fast-moving consumer goods, many brand loyal consumers rely on visual cues to locate their preferred brand. Consumers may pay an average amount of attention looking for the recognisable signs attached to their regular brand. In addition, Hoyer (1984) suggests that as grocery product purchasing is low involvement behaviour, searching for the product is done on the basis of habit. The level of attention is often limited and recognition does not need full attention. In addition, in the aisles of hypermarkets, brands appear one after the other, each with its own shelf space (Kapferer, 1995). Consequently, the vision of the consumer does not normally cover two brands at the same time. As a result, customers tend to think of retail brand products as a manufacturers' brand or mistakenly assume that the product that they choose is sourced from a brand manufacturer (Rafiq and Collins, 1996). Loken *et al.* (1986) also

claim that the consumer would somehow experience some degree of confusion. Therefore the conclusion is that physical similarities between products may result in the mis-attribution of source or identity by the consumer.

So what is a look-alike product and why are consumers confused? Rafiq and Collins (1996) define look-alikes as *'retailers' products with one or more visible attributes that is/are similar to that of better-known product, to the extent that a consumer paying an average amount of attention in the process of shopping is likely to confuse the two'*. Likewise, Balabanis and Craven (1997) reported that *look-alikes products are a product that are sold by large retailers whose packaging resembles that of the manufacturers' brand, and usually are retail brand products*. These look-alike products are believed to be similar to manufacturers' brands in terms of packaging attributes such as shape, size, colour, lettering, logo and even name (Kapferer, 1995; Rafiq and Collins, 1996). What is more, the sale of these look-alikes products is legal in the UK, so long as the products do not confuse the consumer (Balabanis and Craven, 1997). Confused best describes the consumer when *'he or she struggles to come to terms with the vast sea of look-alikes brands'* (National Survey of Look-Alikes Products, 1996).

From the manufacturers' perspectives, a look-alike product harms the whole product category. They claim that the qualities of these copycat brands are inferior to the original brands. According to the manufacturer, they often offer poor performance to consumers particularly when the technology is hard to duplicate (Kapferer, 1995). Manufacturers also claimed that look-alike products might lower standards and devalue branded goods (National Survey of Look-Alikes Products, 1996). Moreover, because of similar packaging and design, consumers are actually confused between retail brand and manufacturers' brand products (Rafiq and Collins, 1996). This was also the view of Sirdeshmukh and Unnava (1992) who claimed that the presentation of packaging and labelling alone is sufficient to induce inferences thus significantly affecting choice (Louvière *et al.*, 1987). Likewise, Costley and Brucks (1992) suggest that visual cues can be more easily recalled and thus increase the likelihood that this information will be used to compare brands, in particular when other information is missing. Such an occurrence means that retailers have been accused of the '*theft of identity*' (Davies, 1998).

Rafiq and Collins (1996) revealed that the level of confusion among grocery consumers was moderate and varied with the retailer concerned. They disclosed that the most confused consumers are those who never or barely buy retail brand products and those who shop most frequently. In

contrast, those who frequently buy or purchase retail brand products were the least confused group of consumers.

Foxman I. (1992) suggest that the more similar the characteristics of the two stimuli, the higher the likelihood of confusion. They believed that situational factors, cognitive styles, and information load are three additional factors that lead to consumer confusion. Situational factors, for example, task definition, relate to the reason behind buying particular brands and possibly lead to brand confusion (Dawar *et al.*, 1992). Antecedent state, which refers to human conditions such as illness, mood, intoxication, or fatigue, may also affect a consumer's ability to make correct buying decisions (Swinyard, 1993). Physical environments such as the distance and similarity between products on the shelf, may also contribute to confusion. Brand experience such as brand knowledge and brand importance perceptions (Park *et al.*, 1981; 1992; 1994; Johnson *et al.*, 1984; Davies, 1990) may also affect a consumer's inferential processing which, in turn, may increase or decrease the occurrence of brand confusion (Balabanis and Craven, 1997). The time of the day, season and time constraints (temporal environment) during shopping activities, may also lead to increased confusion (Park *et al.*, 1989). Finally, the social environment such as the presence of others, like those accompanying the consumers and the role of buyers, may also

distract attention thus allowing consumers to behave differently (Balabanis and Craven, 1997).

Individual modes (cognitive styles) of perceiving, remembering, and thinking or distinctive ways of apprehending, storing, transforming, and utilizing information may also be seen as factors that might confuse consumers (Balabanis and Craven, 1997). Consumers who are able to identify stimuli differences and can store a more detailed image of an original brand are likely to avoid product confusion than the other type of consumers. Nevertheless, information load may result in less accuracy and therefore may lead to inefficiency in buying and decision-making. This may eventually direct consumers to confused behaviour (Balabanis and Craven, 1997). However, besides these three features, Rafiq and Collins (1996) discovered that male consumers were found to be slightly more confused than female consumers. These findings confirm more of Olshavsky and Grandbois (1979) who claimed that in this condition, *'frequent'* consumers treat grocery shopping as a routine task and therefore display a lower level of involvement in shopping for grocery products. Similarly, Foxman *et al.* (1992) reveal that gender and age also appear to affect both information processing of visual information and the inferential process. Thus, consumers are likely to exhibit different patterns of brand confusion.

Above all, questions such as what makes retailers decide to move into this kind of *'look-alikes'* products, need to be explored. From most of the literature, retailers claimed that look-alikes are essential as this prevents competition on the basis of price, discourages price comparisons from one store to another, and provides profitability through better margins (Kapferer, 1995). In addition, retailers claim that if the copycat is less fulfilling, the advantage will be on the manufacturer's side, as the perception of the manufacturer's brand will be strengthened. In reverse, if the copycat is good, it benefits the consumer, as the same suppliers could supply the inexpensive version to the retailers (Davies, 1998). Moreover, similarities in packaging and design are essential to enable consumers to recognise retail brand products (Rafiq and Collins, 1996), as consumers will not recognise a retail brand product that looks nothing like a brand. Consumers may perceive the products they are glimpsing along the shelf as similar, (Davies, 1998). Accordingly, Davies (1998) believed that the retail brand products' packaging, shape, colours and artwork were the 'products' that the retailers obtained from the manufacturers' brands or more accurately, from their retail brand suppliers rather than their original invention. This clearly supported the finding by Levitt (1966). Further, Burt and Davies (1999) in their study on look-alike retail brand products in non-manufacturer-dominated product markets, reveal that the packaging of many retail brand products also closely resembles the

market leader even if this was another retailer's. They discovered that the features of Marks & Spencer's packaging style and design are often found simulated in other retail brand products. This led to a misguidance of source. For other retailers, this allows their brands to be in close competition with other quality retail brand products. Consumers may not confuse the brands directly with Marks & Spencer's products but rather assume the value that the brand offered to be of similar quality (Burt and Davies, 1999).

Over time, apart from price, consumers are not benefiting much from look-alike products. Kapferer (1995) believed that due to the low price of these look-alikes products, consumers are being led to think that the manufacturers' brand has overcharged them. Consumers are cynically duped into believing that they are purchasing products that have qualities over and above those offered by competition, while in reality they are paying for 'fluff and hype' Inevitably this will oneday harm the whole system particularly in grocery retailing. Products have become so alike that they fail to distinguish themselves by their quality, efficacy, reliability, assurance and most importantly trust. Retail brand products need to be increasingly consumer-oriented and driven by the readiness to provide individual consumers with worthwhile experiences. It is believed that, the more a retail brand tries to grow its market the more it will have to invest in marketing and promotion; and eventually that will

lead to an increase in price. As a result, retailers will be forced to downsize their stores and manufacturer brands will eventually die out.

Although retailers try harder to impress consumers through their product quality and packaging improvement, retail brand products will still be seen as inferior in quality to known manufacturers' brands. It is therefore, tough for retailers to carry out studies based on intrinsic and extrinsic cues of retail brand products, as most customers particularly in the UK and the US already have pre-judgments on the products concerned. Thus, a neutral environment is needed to carry out a similar study to find out the true view of how consumers perceive the intrinsic and/or extrinsic cues attached to retail brand products.

3.1.2.5 Intolerance of Ambiguity Experience

Consumers are not homogeneous (Jacoby and Olson, 1985). They are different in the degree to which they accept or reject the familiar norms and values (Budner, 1962). Budner (1962) claims that consumers who are intolerant of ambiguity tend to be more conventional than those who are tolerant of ambiguity. Budner (1962) defines intolerance of ambiguity as *'the tendency to perceive (for example, interpret) ambiguous situations as sources of threat'* while tolerance of ambiguity is defined as *'the tendency to perceive ambiguous situations as desirable'*. He further added that an ambiguous situation can be

identified as *'one which cannot be adequately structured or categorized by the individual because of the lack of sufficient cues'*.

This situation can be divided into three kinds of situations. These are, a completely new situation in which there are no familiar cues (*novelty*), a complex situation in which there are a great number of cues to be taken into account (*complexity*) and a contradictory situation in which different elements or cues suggest different structures (*insolubility*). This situation then serve as an indicator of the perceptions of threat as dislike (phenomenological), repression (phenomenological denial), avoidance behaviour (operative submission), and destructive, or reconstructive behaviour (operative denial) (Budner, 1962).

Barnett (1964) added that a product might be objectively defined as new because it is incompatible with cultural behaviour patterns or because it has been recently introduced to the market (Jacoby, 1971). Factors which make a product appear subjectively newer may be those which make it more unfamiliar, that is, those that reduce one's ability to estimate product attributes and the consequences of its use. Perceived newness of products may also depend on the extent to which a person characteristically finds ambiguous, unfamiliar stimuli aversive, that is, on his intolerance of ambiguity (Budner, 1962). The intolerant individual's greater aversion to ambiguity may lead him to avoid unusual products and, hence, have less experience with them. The

greater his unfamiliarity with such products the more he will judge them to be newer, than in the case of individuals who are more tolerant of ambiguity. Further, because the person's intolerance of ambiguity finds the unfamiliarity of typical products more aversive, he will be less willing than the more tolerant person to buy the products. Surprisingly, to the knowledge of the author, only one study specifically tackling this issue relating to retail brand products has been carried out. By using the most common scale of Budner's intolerance of ambiguity, Richardson *et al.* (1996) reveal that those who are intolerant of ambiguity process product related cues differently. The processes rely on easier product related factors such as price and brand name than packaging and advertising. Since retail brands lack easily decipherable brand-related information, intolerants of ambiguity are inclined to perceive less value for money associated with retail brand products. This finding further suggests that retailers may need to improve their packaging, labelling, and promotional support in promoting retail brand products. In addition, most studies concerning this issue have been carried out more than nine years ago and have focused more on personality dimensions.

Generally in most studies, demographics and consumers behavioural factors did affect consumer's behaviour on retail brand products in its own ways. Although some factors may contribute more than the others, the findings from the demographic characteristics however showed uncertainty thus require further

analysis to be carried out. Moreover, attitudinal and behaviour factors such as quality, value for money, extrinsic cues, risks and familiarity continuously play an important part in retail brand studies. As such it is essential to look at this field in the present study.

3.2 The Role of Situations on Consumer Behaviour

Many researchers argue that situational factors affect consumer behaviour and their decision-making in various ways. Researchers argue that, apart from the individual and brand characteristics, situation factors also influence buying and consumption behaviour. It is believed that grocery shopping will be more specific. Consumers will take the time to explore what type of products are offered by the retailer and discuss them with family members before deciding what products to buy. Due to these reasons, it is believed that, although earlier research in buyer behaviour mostly emphasised the individual and personality difference variables such as demographic, socio-economic, or psychological variables (Mattson, 1982; Monroe and Guitinan, 1975; Howard and Sheth, 1969), it is also essential to learn and understand the nature of the situation in which behaviour takes place.

The study of situation variables was introduced by Belk (1974). He proposed that research of consumer behaviour that does not use situation-specific effects is likely to provide unreliable results, unless the characteristics of buyers or choice alternatives are so intense as to be influential across all relevant situations. The variety of the consumer situation might create a unique context which will affect the perceptions of consumers. This will require an understanding of why consumers select particular brands or

products in specific situations. However, Van Kenhove and De Wulf (2000), and Lai (1991) claim that, despite its importance in consumer behaviour, it is very difficult to deal with the operational definition of the situation.

Belk (1975) defined situation as '*all those factors particular to a time and place of observation which do not follow from a knowledge of personal (intra-individual) and stimulus (choice alternative) attributes, and which have a demonstrable and systematic effect on current behaviour*'. This definition describes situation in terms of observable aggregate effects rather than in terms of similarities in individual perceptions of situations, to permit '*a more manageable number of choice specific behaviours*' (Belk, 1975). However, Kakkar and Lutz (1975) took the view that consumers can interpret and respond to a given situation in different ways. They defined situation in their study as '*an individual's internal responses to, or interpretations of, all particular to a time and place of observation which are not stable inter-individual characteristics or stable environmental characteristics, and which have a demonstrable and systematic effect on the individual's psychological process and/or his overt behaviour*'. The difference between these two approaches according to Van Kenhove and De Wulf (2000) lies in the perceptions of situation stimuli. Belk's (1975) approach was based on the stimuli as they exist, while Kakkar and Lutz (1975) considered the consumer response to these objective stimuli. However, few authors believe that greater benefit can be derived from an objective definition of situation rather than from the subjective part. This is because objective stimuli permit a

clearer interpretation of situation across different individuals (Miller and Ginter, 1979; Marshall, 1993; Van Kenhove and De Wulf, 2000).

In spite of these arguments about the definition of situations, research with regard to situation variables continually attracts a number of authors looking to understand consumer consumption behaviour (Sandell, 1968; Engel *et al.*, 1969; Bishop and Witt, 1970; Belk, 1974a, 1974b, 1975a, 1975; Kakkar and Lutz, 1975; Vincent and Zikmund, 1976; Miller and Ginter, 1979; Srivastava, 1980; Warshaw, 1980; Mattson, 1982; Hornik, 1982; Rosen and Sheffett, 1983; Srivastava *et al.*, 1981, 1984; Stayman and Deshpande, 1989; Park *et al.*, 1989; Gehrt *et al.*, 1991; Gehrt and Pinto, 1993; Sinha, 1994; Pascale and Smart, 1998; Van Kenhove *et al.*, 1999; Knox and De Chernatony, 1999; Roslow *et al.*, 2000; Gehrt and Shim, 2002) (see Appendix 3 for details).

Research concerning situations in consumer behaviour started with the study of product choice. Sandell (1968) examined respondent behaviour by using ten beverages as a sample. Respondents were then asked to rate the choice of beverages based on different situations when they might consume the drink. The situations chosen were; when alone, feeling sleepy in the afternoon, and reading a newspaper in the morning. Using a seven-point scale from '*extremely willing to try*' to '*extremely unwilling to try*'; the results established that a person's preference is highly dependent on the situation. It was noted that an alternative with a high choice probability for a person in one situation, does not necessarily have a high choice probability for the same person in another situation. The same experiments were also carried out by Belk (1974a, 1974b).

Belk (1974a) examined choices of eleven different meat products (e.g. hamburger, steak, chicken) in nine different situations (e.g. party for friends, meal on a weekday evening, at a nice restaurant with friends). Using five-point Likert-scales from '*extremely likely*' to '*not at all likely*'; he reveals that situational factors were significantly strongly related in consumer food preferences. He claims that the situational effect provided nearly half of the explained variance in meat and snack preferences. This suggested that consumer research has much to gain by the explicit recognition of purchase and consumption situations.

In another study, Belk (1974b) investigated the choice of a hundred students of motion pictures and snack products, in nine and ten different situations respectively. He noted that each of these samples provides a potential source of variance in response to likelihood for which main and interaction effects may be occurring. For motion pictures, he suggests that situations were selected via protocols and pretexts based on familiarity, and were structured to parallel currently popular themes. In addition, he also noted that shoppers' intentions to purchase snack food depended on the degree to which shoppers associate product characteristics with their anticipated consumption situation. These explain the scenario that consumers prefer different products or perhaps brands for different conditions.

To further explain the effect of situation variables in consumer behaviour, but this time using the fast food segment, Belk (1975) analyzed the effect of ten different situations (*e.g. too tired to cook dinner, unexpected dinner guests, having a few friends over for a*

casual get-together) with 98 married females in a single community. Using six point Likert scales from 'not at all likely' to 'very likely' he suggested the potential uses of behavioural taxonomy situations involving a particular product category. He noted that consumers might consume fast food in three different ways; *when they are looking for variety, when they feel like having relaxation as well as when entertaining their guests.*

At this point in time, it is clear that situation variables do affect consumers in their shopping behaviour; but which specific situation effects influence consumers in shopping activities? Hansen (1972) suggests that consumer choice situations can be classified into three types of responses; *purchase, communication or consumption situations.* *Purchase situations* can be seen through observable behaviour. Hansen argues that if the ultimate dependent variable is the total demand for a product or brand, the situations that must be defined are those where a final purchase of the product or brand is made. Therefore, this situation can be identified as a single situation, where the product is available only in one particular environment. Some products have several uses or move through a process of preparation. This situation can be identified as *consumption situation.* Hansen (1972) argued that when all the different aspects of consumption are important, several consumption situations must be considered. However, as some products have only a single use, which always occurs in the same way, it may sometimes be possible to deal with a single consumption situation (Hansen, 1972). In situations where a *communication* response is selected, the responses will always be in the form of information provided to somebody else. The diversity and

importance of this information determines with what detail such situations should be specified (Hansen, 1972).

However, based on both studies carried out by Belk (1974a, 1974b), Belk (1975a) identified five specific variables that might influence a shopper's behaviour. He claims that each of the dimensions of situations exists, independent from consumer behaviour.

These are

- antecedent states (momentary moods immediately preceding choice),
- physical surroundings (geographic location),
- temporal perspective (time to reach destination),
- social surroundings (the presence of other persons), and
- task definition (intent to buy or purchase)

The *antecedent states* represent temporary conditions which the consumer either brings to a situation or alternatively, which may change significantly as a result of that situation. An obvious example is mood-related effects upon behaviour, such as anxiety, pleasure or depression, which, when not chronic or enduring trait conditions, can be regarded as situational; for example, where a consumer's mood state results in negative expectations of a store, or serves as an initial motivation for going shopping as a form of retail therapy. Gardner (1985) in her study pointed out that mood does affect shopper interaction with service providers and shopper response to advertising. The study concluded that advertising itself has an impact on shopper moods. She stated that '*because mood states are omnipresent and readily influenced by marketer actions, moods therefore have important effects on shopper behaviour*'. On a more fundamental

stage, Belk (1975a) claims that factors such as exhaustion, cash-in-hand, and temporary illness symptoms might also be located within this category.

The *physical* setting begins with the geographical and institutional location of the retail store, but might also equally be seen in terms of the environment conditions, such as weather or climate, visible configurations of merchandise and information provision in a store. Nevertheless, Kotler (1973) categorised this situation as store atmospherics. He claimed that the effects of background music, or colour scheme (Bellizzi and Hite, 1992) might also influence consumer behaviour when deciding to buy or purchase.

The *temporal* perspective is considered crucial in its own way. The time of day and constraints upon time available for shopping are variables which clearly affect consumer behaviour (Nicholson *et al.*, 2002). Many academic researches have focused on general food shopping behaviour and time (Park *et al.*, 1989; Zeithaml, 1985 and Walker and Cude, 1983). They examined consumer shopping trips, day of the week preferred, number of regular and special trips, time and money costs, approaches used by husbands and wives, the effects of several demographic variables as well as the effects of culture on time. McDaniel and Rao (1985) discovered that working wives had a stronger dislike for grocery shopping than at home wives, mainly due to time considerations. Holman and Wilson (1982) reveal that women employed full-time, regardless of income level, show the highest proportion of trips during low-volume hours. Overall, in grocery shopping, research suggests that working-women are the ones who are most affected under this situation.

The *social* setting focuses on the presence or absence of others, together with their social roles, role attributes and opportunities for interaction. It is therefore a dimension, which summarises everything from awareness of security staff in the mall and opportunities for interaction with in-store sales staff, through to the presence of those accompanying the consumer on the shopping trip (Nicholson *et al*, 2002).

A year later, Kakkar and Lutz (1975) in an attempt to examine the psychological situations in terms of Mehrabian and Russell's (1974) dimensions of pleasure, arousal and dominance as a determinant of consumer behaviour, presented a hundred subjects with ten different snack consumption situations, asking them to respond to a ten-item behavioural differential inventory in each situation. They employed short paragraphs to describe situations to subjects and discovered that each group of respondents rated products in different situations. The study concluded that psychological situations such as pleasure, arousal and dominance might be quite useful in the understanding and classification of consumption-related situations. Although this particular approach to taxonomy has the advantage of allowing highly general and generaliseable insights into situational effects; where the intent is to explain the effects of complex situations on selected behaviour, the use of such a taxonomy as an initial means of measuring situations has the disadvantage of inefficiency (Belk, 1976). Thus it appears to have little systematic effect on preferences (Kakkar and Lutz, 1975). This, according to Belk (1976), arose from the many internal responses to a situation that might be unrelated to the behavioural responses of interest.

Belk's concept of *task definition* is more person-bound and encompasses cognitive and motivational elements of the shopping situation, effectively capturing situational influences on the task definition, orientations, search and evaluation stages described in traditional cognitive consumer decision making models (Engel *et al.*, 1995). For instance, differences in information processing behaviour have been observed where consumers are shopping for practical or hedonic products, product for themselves versus gift purchases for others. Consumer choice and product-market structures have generally been based on the perspective where product-markets may be defined as consisting of those products that are purchased by the same consumers who presumably desire the same benefits or costs that the products offered. However, Srivastava (1980) claims that both products and consumers are embedded in an environment which in turn may influence choices. He states that different environmental contexts specifically usage situational are likely to lead to varying consideration sets and consequently multiple choices. Adopting Hansen's (1972) categorisation of the types of environmental influences again considering the beverage example, he noted that social influences (peer pressure) and cultural norms might affect the choice between tea and coffee. If the coffee route was chosen, the consumption or usage situation (entertaining guests versus grabbing a quick cup) might determine the choice between instant and ground coffee. Finally, if instant coffee were the chosen one, communication (advertisements, word-of-mouth communication regarding flavour) or point-of-purchase factors (coupons, displays) might influence the choice among brands of instant coffee. Similarly, although cultural factors primarily affect competition between product types, their influences at the higher levels of the product hierarchy (e.g. brand)

will be indirectly based on the sequential conversion of diffused goals or preferences into more specific ones; and the dependence of the less stable factors on the more stable ones. For example, cultural norms may determine the relevance of usage-situations as well as the frequency with which they arise for different individuals. Similarly, Laaksonen (1994) revealed that a consumer behaves differently when changes in environment occur. Again he suggests changes in environment may include physical surroundings such as the existence of new competitors or improvement of existing competition.

Using a conjoint analysis of consumers' choice of a popular product on three independent wine experts, six retail managers from six retail outlets and a sample of twenty respondents, Pascale (1998) examined the influence of consumption situation and product involvement on consumers' selection of wine. She reveals that both the level of product involvement and the anticipated consumption situation influence consumers' behaviour. She also noted that product involvement and the consumption situation significantly influenced the relative importance of product attributes in the selection of red wine. It can be concluded that the anticipated consumption situation significantly influences consumer decision-making in the case of red wine, and that involvement therefore plays an explanatory role in this process (Pascale, 1998).

Knox and de Chernatony (1990) carried out a study to determine the level of interaction and influence that product and situational determinants have on the purchasing decision of Continental cheese consumers. Using Belk's (1975) S-O-R model, they claimed that

frequent purchasers of Continental cheeses were significantly different from the occasional purchaser. However, they also discovered that product cues were not found to be discriminatory at all.

Situational variables were also be linked to how consumers chose between stores. Vincent and Zikmund (1976) claimed that store factors had a minor influence on performance risk. They revealed that buying situations, along with individual differences and product characteristics played important roles in determining perceived risk. They concluded that it would be appropriate to identify specific buying situations when experimental efforts were being made in order to measure perceived risk. In addition, Miller and Ginter (1979) clearly acknowledged that the addition of situation specific variables could help to reduce the unexplained variance in research results. Their study was one of the first to consider the role of situations on choice decisions and attitudinal results. The authors chose the product category of fast-food restaurants such as hamburger places like Arby's, Borden Burger, Hungry Herman's and McDonald's and provided the subjects with four distinct situational conditions; such as lunch on a weekday, snack during a shopping trip, evening meal when rushed for time and evening meal with the family when not rushed for time. Through the study, they discovered that inclusion of situation specific measures increased the ability of the model to predict subsequent brand choice behaviour. However, according to Sinha (1994), this study focused more on the nature of attribute importance and perceptions across situations, and thus failed to explain the effect of situational factors on the decision-making process.

On another note, Mattson (1982) claims that, although most current research emphasises individual differences such as sex, age and income as predictors of important shopping behaviours including store choice, situational factors, and in particular, time pressure have been largely ignored. In his study, he investigated the influences of time pressure and gift shopping versus shopping for oneself. Store choice reveals that these types of situational factors influence store choice. Consumers are less likely to visit department stores for first or subsequent visits when they are time-pressured than when not time-pressured. Time pressured customers are most likely to visit mass merchandisers when shopping for a gift. Such results, according to Mattson (1982) implied that situational variables could increase the ability to predict store choice.

Gehrt *et al.* (1991) used situational factors to characterise non-store retailers with respect to their appropriateness in various patronage situations. By using two situational factors (e.g. task and product situations) and ten retailers in three types of focus groups, they discovered that patronage perceptions of various store and non-store retailers are significantly affected by the nature of the patronage situation. They suggested that the competitive market does not necessarily consist of store retailers competing against non-store retailers. The store versus non-store conceptualisation of the market place does not reflect the true nature of competition. They argued that inter-retailer competition is conceived by consumers and can be quantitatively defined in terms of relevant situational factors. Using similar techniques, Gehrt and Pinto (1993) employed situational contingencies that include physical, temporal and task definition dimensions

of the purchase process (Belk, 1975) on ten health care alternatives. They concluded that there are significant distinctions among health care choices on both at-home/away-from-home (physical definition) and major/minor (temporal definition) situational scenarios. The findings however, did not support the separate situational characteristics of 'myself' versus 'my family' situations (task definition).

Van Kenhove *et al.* (1999) in an attempt to investigate the relationship between five different task definitions and store choice or store- attribute saliencies in the DIY business, claimed that task definition showed a significant impact on both store choice and store-attributes salience. They claimed that the importance which is given to the attributes of a store, differs significantly across task definitions. In addition, they reveal that certain stores were visited more or less frequently, depending on the task definition. The five types of task definition used in this study are urgent purchase, large quantities, difficult job, regular purchase and lastly, get ideas.

Using twelve environmental dimensions, Moye and Kincade (2002) indicated that there are differences in consumer ratings on the importance of environmental dimensions for several shopping orientations groups and the usage situations in the selection of apparel. They claimed that the perceptions of the store's apparel would depend on the consumer shopping orientations (confident, brand conscious, appearance conscious, convenience/time, bargain and decisive) and the usage situation (formal versus family usage situation or work versus community usage situation). Overall they concluded that consumers in different shopping clusters differ in terms of the importance they placed

on environmental dimensions. The sensory/layout environmental dimension was more important than the music/aesthetics environmental dimension when consumers decide to buy apparel from one store rather than the other store.

Apart from product and store, situational variables were also used to look at how a consumer chooses between brands. Warshaw (1980) claims that research on brands which corresponds purchase intentions and subsequent behaviours always end up with weak results. The potential reason for this may be due to the absence of specific measures (Warshaw, 1980). To prove his claim, he carried out a study to compare direct and conditional intentions as predictors of six types of soft drink purchases. Using a two-stage, in-home questionnaire survey to 60 housewives, he divided respondents into purchase and non-purchase segments. In the conditional intentions, Warshaw employed two types of primary situational antecedents, namely, the purchase location and the number of brands purchased. Although the result indicated that derived intentions were the best predictive to purchase segments, he also concluded that the result from conditional format is more predictive compared to direct intentions arrangement in both purchase and non-purchase segments.

Correspondingly, Rosen and Sheffett (1983) while examining whether the likelihood of use of generic grocery products would vary across five different meal situations (e.g. regular weekly meals to be eaten by the family, regular weekly meals to be eaten only by yourself, late night snacks to be eaten by yourself, formal meals to be served to friends or relatives, and informal meals to be served to friends or relatives), concluded

that the likelihood of use of generic grocery products declines under formal meal situations and those involving guests, relative to the use of private label and manufacturer brands. The above study was selected to represent a variety of commonly occurring situations (Rosen and Sheffett, 1983) namely, the social surrounding, task definition and antecedent state characteristics of situations as defined by Belk (1975). It is argued that while Rosen and Sheffett (1983) focused on the brand-type use in general as a function of the situation, studies involving specific product categories and situational variables within brand types remain unexplored.

Sinha (1994) suggests that situational variables affect consumer decision-making mostly in ad-hoc situations. He defined an ad-hoc situation as unfamiliar or less frequently experienced situations that are not as well defined and as predictable as common situations. He noted that these situations sometimes occur unexpectedly and affect the decision process drastically. Although ad-hoc situations are encountered less frequently, he argued that these situational factors should be considered as more significant than common situations. The scenario can be seen through a grocery-shopping example. An ad-hoc situation occurs when a consumer is shopping in an unfamiliar store or is shopping under time pressure, when they purchase products on impulse or based on a sudden need due to unavoidable circumstances. Park *et al.* (1989) examined the effects of these factors. In an attempt to explore the effects of two situational factors; store knowledge and time available for shopping on consumers' grocery shopping behaviour, Park *et al.* (1989) revealed that both store knowledge and time available affected many types of in-store shopping decisions, particularly those of

unplanned purchase, brand switching due to difficulty in locating preferred brands or products, and the level of purchase volume deliberation. Knowledge of a store's layout, irrespective of time available for shopping, had a positive effect on absolute levels of brand or product switching. Time pressure primarily had an effect on frequency of failure to make intended purchases. Similarly, Lai (1991) in his study focused on the consumer's ad-hoc needs, particularly in the adoption process. He claims that the consumption situation does determine the adoption process between two new products, namely, the canned Wulong tea and the musical greetings card.

In another study Nicholls *et al.* (1996) found that consumers' purchase behaviour was influenced by the presence of a companion such as social surroundings. He also discovered that consumers who fear crime (antecedent state) may deter retail patrons from consumption and purchase. Consumers also become narrower purchasers when they make immediate consumption decisions than consumers who buy for more distant consumption (Simonson, 1989). Dawson *et al.* (1990) noted that shoppers with strong intentions to purchase (task definition), were much more likely to conclude purchases than those who were more casually motivated.

In studying the effect of the structure of the family on decision-making, Foster and Olshavsky (1989) in their study of choice of restaurant, reveal that decisions were most frequently concluded when all family members joined in the decision process, rather than fewer, as for instance in a hierarchical structure. Similarly, Stayman and Deshpande (1989) argue that consumption and ethnic food choice may be affected by

the situational context. Using regression analysis on 395 respondents, they discovered that ethnicity affects consumption behaviour. They claimed that Chinese, Mexican, and Anglo consumers had different perceptions of the appropriate food for consumption in situations where business associates were present versus those where parents were present. They concluded their study by suggesting that the use of situation-specific felt ethnicity increased the explained variance in likelihood of choice over that explained by either self-designated ethnicity alone, or use of non-situation-specific felt ethnicity.

Although situational influence on consumption behaviour has been extensively researched in the context of the US markets, Gehrt and Shim (2002) claimed that very little research has been undertaken in other cultures. Triandis and Suh (2002) reveal that as culture can be one of the bases of differences in consumer behaviour, it is therefore important for researchers to include culture elements, as this can provide different results than studies that do not include the element of culture. Filling the gap, Gehrt and Shim (2002) examined the effect of situation in Japanese gift giving. Using both focus group and survey questionnaires, they concluded that situational research provides a useful context to a market outside the US. They state that three situational factors were identified to be important for the Japanese in relation to gift giving. These are situational contingency, formal or informal relationships and the occasion of the gift giving. In an attempt to explore the effect of seasonal differences on purchase behaviour in Turkey, Roslow *et al.* (2000) reveal that situational factors such as summer and winter, and demographic/lifestyle attributes show a positive association with consumers' shopping behaviour. Their study discovered that situational variables

are more influential than demographic attributes on purchase behaviour for each season. This is due to the fact that unlike demographic/lifestyle attributes, situational factors are related to the purchase moment and can shift or be influenced markedly, while demographic/lifestyle attributes change gradually over a period of time. They noted that shopping patterns between the two seasons are different. For instance, in the winter, consumers purchased adult clothing to a greater extent than in summer. In contrast, in the summer, consumers purchased more food or beverage, and spent more money, than in winter. Similarly, Nicholson *et al.* (1996) in their study of food products in India and the US, reveal that there are differences in these two countries with respect to purchase by control of a given situational dimension. Using culture as a basis for the comparison between both countries, they noted that situational factors affecting purchase behaviour were found to be significantly stronger in the US than in India. How consumers behave should therefore be studied in the situations in which he or she makes choices. Therefore situation variables should be taken into account when trying to measure how consumers perform their shopping activities in different culture sets.

Although situational dimensions were found to significantly affect behaviour in the US individualist culture, very few studies examine situational dimensions in other cultures (Gehrt and Shim, 2002), specifically in collectivist cultures (Triandis and Suh, 2002). Pascale (1998) also noted that the magnitude of the situational influence on shopper behaviour also differed between studies. As most findings in the consumption situation were diverse, she suggests that more research should be carried out, in order to

establish the impact of the perceived situation on the shoppers' evaluation of product attributes.

In sum, generally, Belk's taxonomic structure seems to accommodate the vast majority of situational variables typically explored within a consumer research context. Furthermore, the five dimensions theorized by Belk are evidently applicable to the in-store shopping situation (Nicholson *et al.*, 2002) and these situations are relatively comprehensive and cross-cultural (Kakkar and Lutz, 1981 and Roslow *et al.*, 2000). Moreover, despite the limited information (Moye and Kincade, 2002; Gehrt and Shim, 2002; Pascale, 1998), and the theoretical indications that situation effects play an important role in retail brand purchases, research on the link between situations and retail brand products were hardly seen, with the exception of Rosen and Sheffett (1983). It is considered appropriate to make use of the existing taxonomy introduced by Belk in the present study (task definition - purchase) which aims to examine the effect of situation on retail brand perceptions in a collectivist culture such as Malaysia. As mentioned by Greenfield (1997), research that has been developed in one culture and translated for use in other cultures is likely to be insensitive to cultural differences and to produce distorted results.

3.3 The Influence of Retail Store Image on Product Perceptions

Apart from the multidimensional attributes of the perceptual variables that affect retail brand product perceptions, retail store image is equally important to the perceptions of retail brand products. This is due to the fact that consumers form impressions of brands

and stores, and that these impressions can later provide a major influence on shopping behaviour as the more favourable the store image, the more likely that customers will shop and buy from a store (Sherman and Smith, 1987). Biswas *et al.* (2002) in their study of consumer evaluations of low price guarantees, reveal that store image has been demonstrated to influence consumers' perceptions of savings, value and quality. In view of this, a retailer who has retail brand products must generally be concerned with three basic questions. Firstly, what images do retailers and their brands evoke in the mind of consumers? How do these images relate to the existing/or current images? And what can be done to modify or reposition an existing image? These questions are considered critical to any retailer who intends to develop his or her own brand; as an introduction could damage the retailer's image (Jacoby and Olson, 1985). Retailers have established distinctive retail brand formats which can be differentiated from each other based on either a single dimension (such as price) or a combination of several dimensions (product range and price). Two commonly used dimensions are product range and price level (Burt and Sparks, 1994; 1995). For example, consumers generally expect a low price store to have prices at or near to the lowest marketplace price, which makes even a relatively small savings offer by a low price store very attractive (Biswas *et al.*, 2002). A low price image store that offered additional low prices on their products did not have any effect on value perceptions or shopping intentions. In other words, those who are likely to buy from low priced image stores are also likely to buy from it without any further search for better prices. In contrast, a high price image store is likely to enhance perceptions of the value for money offer, shopping intentions and increase search intentions if they decided to carry low price products in their store

(Biswas *et al.*, 2002). Search intention may also have increased because of the inherent financial risk of purchasing from a high price image store. Generally, consumers are not likely to buy from high price image store without further searching or checking around for a better price (Biswas *et al.*, 2002).

Store image has been identified as one of the most important determinants of success in retailing (Jacoby and Olson, 1985). Jacoby and Mazursky (1984) in their study-linking product and retailer images, reveal that there is a relationship between product image and retail image. It is known that product image can substantially improve or damage a retail store image depending on how the product is perceived. Furthermore, they claim that product image tends to be more powerful than retail image, as product image is not substantially improved by being linked with a more favourable retail image but can be damaged by a less favourable one. Porter and Claycomb (1997) reveal that the most favourable retail image perceptions were found when the retail store carried both an anchor brand and a relatively large number of recognisable brands.

The initial attempt to conceptualise the store image construct was made by Pierre Martineau (1958) when he described store image as *'the way in which the store is defined in the shopper's mind, partly by its functional qualities and partly by an aura of psychological attributes'*. He considered store image to include both functional and psychological dimensions. Functional in this definition, refers to physical properties such as merchandise selection, price range and store layout while psychological attributes refer to such things as a sense of belonging, the feeling of friendliness and the

like. It has generally been acknowledged that over time, consumers form thoughts and feelings associated with stores and that these overall impressions strongly influence shopping behaviours (Keaveney and Hunt, 1992; Porter and Claycomb, 1997; Sherman and Smith, 1987).

Ten years later, by applying a learning theory, Kunkel and Berry (1968) defined store image as *'the total conceptualized or expected reinforcement that a person associates with shopping at a particular store'*. Both definitions suggested that a store's image at any point in time is mainly the result of previous differential reinforcement. Later, Oxenfeldt (1974) described image as an overall impression greater than the sum of its parts. He concludes *'...an image is more than the sum of its parts...it represents interaction among characteristics and includes extraneous elements...it has some emotional content...a combination of factual and emotional material'*. However, other scholars have defined store image as an attitude. For instance, Doyle and Fenwick (1974) claimed that *'the term is used interchangeably with attitude toward the store to describe the overall impression a consumer has to it'*. Similarly, James *et al.* (1976) define store image as *'a set of attitudes based upon evaluation of those store attributes deemed important by consumers'*. Engel and Blackwell (1982) define store image as *'one type of attitude measured across a number of dimensions hopefully reflecting salient attributes'*. However, according to Mazursky and Jacoby (1986), such definitions fail to provide a clear picture of how image and attitude differ from each other.

Hirschman (1981) took a more cognitive approach and offered a definition that begins to touch on the process of image development and formation. According to her definition, store image is '*a subjective phenomenon that results from the acquisition of knowledge about the store as it is perceived relative to other stores and in accordance with the consumer's unique cognitive framework*'. She also stresses the importance of the interrelationship across stores in store-image formation.

Ditcher (1985) reinforced the idea that '*image refers to a global or overall impression*'. He described both what image is and is not '*it describes not individual traits or qualities, but the total impression an entity makes on the minds of others...an image is not anchored in just objective data and details. It is in the configuration of the whole field of the object*'.

Building upon the above definitions, Mazursky and Jacoby (1986) and Baker *et al.* (1994) conceptualised store image, proposing a more clear definition. They define image '*as an individual's cognitions and emotions that are inferred from perceptions or memory inputs that are attached to a particular store and which represent what the store signifies to an individual*'. This definition implies the following process: when shopping at a store or obtaining information regarding the store from other sources (for example newspapers), a consumer is exposed to a reality which is partly controlled by the retailer. The consumer extracts and perceives certain features from this reality, and forms beliefs and/or effects, which are congruent with his or her idiosyncratic cognitive configuration. The process of inferring various beliefs and

effects from perceptions, with a possible intervention of memory factors, underlies the process of image development and formation. As a result, when consumers think about the store, several of the most salient dimensions are retrieved from memory and represent what the store signifies (Mazursky and Jacoby, 1986). This description, according to Porter and Claycomb, (1997) is one of the commonly accepted formal definitions of retail store image as it comprises distinct dimensions and is also greater than the sum of its parts.

Despite an enormous range of definitions of store image, it was also found that different authors have identified different contributing store attributes or characteristics (see Appendix 4). Store attributes can also be associated with the overall image of the store, the so-called '*retail mix*'. Lindquist (1974) for example, proposed the notion of all inclusive image or attitude attribute of nine categories namely, merchandise, service, clientele, physical facility, convenience, promotion, store atmosphere, institutional factors and post-transactional satisfaction. Doyle and Fenwick (1974) distinguished only five elements: product; price; assortment; styling and location. Bearden (1977) suggested the following characteristics: price, quality of the merchandise, assortment, atmosphere, location, parking facilities and friendly personnel. Further, store image is supposed to contain the different elements of the retail marketing mix as introduced by Ghosh (1990). These eight elements are: location; merchandise; store atmosphere; customer service; price; advertising; personal selling and sales incentive programmes.

Moreover, studies that relate store image in an international context provide additional information. Burt and Carralero-Encinas (2002) identify six dimensions and attribute statements of retail image. They are physical characteristics, pricing policy, product range, customer service, store character and store reputation. McGoldrick and Sandy (1992) suggest fourteen attributes of store image such as, merchandise quality, merchandise range, merchandise fashion, level of services, facilities, layout, atmosphere, location, quality of display, advertising, general reputation, reliability, image and prices. However, according to Mazursky and Jacoby (1986) the most important components of store image can be grouped into three components. These are *merchandise related aspects (such as quality, pricing, and assortment)*, *service related aspects (such as quality in general and salespersons' service)* and *pleasantness of shopping at the store*. Thus, retailers who wish to be successful in their retail businesses should offer these three most important components of store image to their existing and prospective clients.

Previous research on grocery shopping behaviour indicated that consumers differ in their selection of food purely because of store image (Jacoby and Olson, 1985; Zimmer and Golden, 1988) and their responsiveness to specific marketing policies. Zimmer and Golden (1988) reveal that consumers sometimes describe retail stores in terms of their evaluations of the products carried by the store concerned. The merchandise, whether seen as favourable or unfavourable, appears to project an image not only of itself but also of the store as a whole. Similarly, Omar (1992) suggests that those who shop for groceries were motivated by several factors including store image, brand image,

shopping experience and convenience, in deciding which groceries to buy. Further, Grewal *et al.* (1998) stated that store image, quality of the merchandise or brand sold and price or promotion are important components that appear to be key factors for consumers to shop. As reported by Cuneco (1997) failing to project a positive store name and store image will also mean that retailers have to shut down their stores. According to Baker *et al.* (1994), ambient factors, such as music and lighting, design factors, such as colour, layout, and organisation of merchandise and social factors, such as the number of salespeople, may also influence retail store image. These factors may in particular, influence the service and atmosphere dimensions of retail store image. Finally, Zimmer and Golden (1988) claim that store image encompasses characteristics such as the physical environment and the atmosphere of the store. In sum, it is clear that all of the above factors have significantly contributed to consumer shopping behaviour for grocery products.

The store image literature also treats merchandise quality and service quality as key variables influencing store image (Hildebrandt, 1988; Mazursky and Jacoby, 1986; Zimmer and Golden, 1988; Baker *et al.*, 1994). This is due to the fact that merchandise and service quality evaluations are critical inputs to the consumer's decision-making process (Dodds *et al.*, 1991; Zeithaml, 1988). According to McMaster (1987) product and store performance influences the buying decision. Similarly, Nevin and Houston (1980) report that that store image is an important input in the consumer decision process. Consumers use certain cues as signals for components like store name, brand name and price discount (Dawar *et al.*, 1994; Dodds *et al.*, 1991). It is believed that

store name serves as a cue to store image thus providing a tremendous amount of information to consumers (Grewal *et al.*, 1998). Simmons and Meredith (1984) stipulated the criterion of store image as a factor influencing retail brand development. They claim that retail brands are only extended if a retailer enhances their store image. Therefore, the previous literature suggests that there are linkages between store environment, merchandise, service quality and store image.

Few studies have examined how store image varies across different consumer segments. Baker *et al.* (1992) suggest that retailers should explore how environmental factors such as which part of store image, influence specific target markets. Joyce and Lambert (1996) in their study examining the impact of age-related behaviour on consumer perceptions of store image, reveal that younger consumers or those aged below 30 placed more importance on characteristics and salesperson attributes in their perceptions of store image, while mature or older aged customers, aged more than 30 to 60 are less pleased with various aspects of stores. Probably these consumers are predisposed towards retail environments from the past. As suggested by Rosenberg (1979) an individual's evaluation of store image could be affected by the personal-views he or she developed in early life. Consumers' preferences for store environments shopped in an earlier time must shape their evaluation of store images, thus their assessments of store image are likely to be affected by the types of stores consumers frequented in the past, and the attributes associated with these stores (Joyce and Lambert, 1996). However, research undertaken by Rao and Monroe (1989) on the effect of price, brand name and store name on buyer's perceptions of product quality,

found that the positive effect of store name on perceived quality is rather small. The possible reason behind this finding is because consumers do not associate the brand directly with the store, as retail brands are seen as just another product with a lower quality position (Richardson, 1997). However, most recently, Mitchell (2001) presents a new conceptual framework for store image which links store choice attributes, shopping motives and risk. He discloses that store image can be linked into four types of risk dimensions, which are *time risk*, *financial risk*, *psychosocial risk* and *physical risk*.

It is therefore obvious that grocery-shopping behaviour reflects what consumers think of the store. The more favourable the image of the store, the greater the likelihood that consumers will shop and buy from the store. The poorer the image of the store, the more likely it is that consumers will not shop and buy from the store. In the 1990s, retailers not only viewed the retail brand as an offering at a lower price and lower quality end of the spectrum, but also as a means for improving image, differentiating themselves from the competition and engendering customer loyalty. Subsequently, it is important to investigate how Malaysian consumers view the image of the store that currently carried retail brand products in the markets.

3.4 Consumer Shopping Orientations and Motives

It is equally important to study and understand what motivates consumers to perform grocery-shopping activities. Although, one may say that consumers shop because they have to fulfil their basic necessities, perhaps, there is more than what meets the eye.

Grocery shopping behaviours can be best described as a routinised (Vakratsas and Bass, 2002; Piacentini *et al.*, 2001; Park *et al.*, 1989) and functional behaviour (Dawson and Sparks, 1985). It is also generally recognised as being heavily dependent on location-related factors (Piacentini *et al.*, 2001). Consumers tend to shop for grocery at stores that are near their homes or that are convenient to visit en route to work, school or other places that they travel to in the course of their day to day activities. However, it is also noted that to gain a holistic understanding of the influences on consumer grocery shopping behaviour, it is also important to consider their non-functional shopping motives (Piacentini *et al.*, 2001). In view of the fact that grocery goods are frequently bought, one would not expect an individual to shop at different stores for price comparisons before a purchase is made (Doti and Shahrir, 1981). There are other factors too, that are important to consumers when choosing where to shop. Factors related to product offer (quality, varieties), service (credit facilities), attractiveness of shopping environment, and trade offs (Dawson and Sparks, 1985) are frequently considered. Child *et al* (2002) discovered that British, French, and German shoppers differ in certain broad ways. They found that consumers for groceries fall into one of these three segments:

- Service/quality customers care most about the *variety and performance of products in stores as well as the service they provide.*
- Price/value customers are most concerned about *spending their money wisely.*
- Affinity customers primarily seek stores that *suit people like themselves or the members of groups they aspire to join.* In fact, the research shows that affinity

in this sense referring to the social association of stores that is; a more important consideration for all groups than marketers have traditionally recognised.

In sum, grocery customers in France place more emphasis on service and quality; in the United Kingdom, affinity; while in Germany, price and value are more important than elsewhere (see Exhibit 3.2). These differences do not mean that a value retailer can succeed only in Germany, but they do suggest that the size of the value-oriented market differs from country to country. In Germany the discount-food market accounts for around 32 per cent of grocery sales, compared with 9 per cent in the United Kingdom and 8 per cent in France (Child *et al.*, 2002). Understanding what drives consumer behaviour in each grocery market can have enormous financial benefits (Child *et al.*, 2002).

**Exhibit 3.2:
What Do European Consumers Value?**

Country	Service/quality Customers (%)	Price/value Customers (%)	Affinity Customers (%)
France	48	27	25
Germany	13	42	45
United Kingdom	13	32	55

(Source: Adapted from McKinsey Survey (Child *et al.*, 2002) > 1,500 consumers' ratings of 40 retail grocery brands in France, Germany, and United Kingdom)

Nevertheless, according to Dawson and Sparks (1985) the trade offs that consumers make, depend on the nature of the shopping trip as well as an individual (Piacentini *et al.*, 2001). Consumers normally travel greater distances to a shopping location for their main grocery shopping (Piacentini *et al.*, 2001). This evidence clearly reveals that

consumers may have other shopping motives than just purchase of goods (Babin *et al.*, 1994). These non-functional reasons for shopping may include social motives and personal motives (Tauber, 1972). Social motives explain the desire of individuals to be able to interact with other shoppers, salespeople, as well as to be able to meet friends. Personal motives indicate that the individual needs to engage in some form of exercise or perhaps simply get out of the house and seek a diversion from other tasks (Tauber, 1972). However, it is essential to recognise what actually motivates consumers when they decide to buy retail brand products, other than the product attributes.

In deliberating on consumer shopping behaviour, it is therefore, important to identify a set of distinct shopper types to which retail managements may direct their differentiated retailing efforts. Shoppers have been categorised in a number of ways (Jarrat, 1996; Westbrook and Black, 1985; Williams *et al.*, 1978; Darden and Ashton, 1975; Darden and Reynolds, 1971; Chicago Tribune, 1955; Stone, 1954). These categorisations describe shoppers in terms of observed behaviour, benefits sought and motivations, which in turn offer retailers a variety of options in strategy formulation (Westbrook and Black, 1985) (see Appendix 5 for details).

Stone (1954) was the first researcher to establish a grouping of shoppers through observed behaviour. Using depth interviews with a sample of 124 female department store shoppers to understand the social relationship binding urban residents to the community, he was able to differentiate four fairly distinct shopper types, based on their varying orientations toward the activity of shopping. They are '*the economic*

shopper, the personalising shopper, the ethical shopper, and finally, the apathetic shopper'. Economic shoppers were characterised by a careful approach to shopping, giving heightened attention to merchandise assortment, price and quality. On the contrary, personalising shoppers appeared to seek personal relationships with retail personnel, while ethical shoppers were willing to sacrifice lower prices and wider selections of goods in order to behave consistently with moralistic beliefs, such as '*helping the little retailer*' or perhaps '*avoiding the chain store....(with)....no heart or soul*' (Stone, 1954).

In an unpublished study by the Chicago Tribune (1955) investigating the psychological aspects of shopping, five types of shoppers were revealed (Westbrook and Black, 1985). Although this study employed the same method as Stone (1954) that is, using depth interviews, the findings with the exception of the dependent shopper, did not reveal the same results. This, according to Westbrook and Black (1985) may result from the differences in the research direction between the two studies. The study suggests that there are five kinds of shoppers, namely, '*dependent shoppers, compulsive shoppers, individualistic shoppers, indecisive shoppers and independent shoppers*'. In this study, dependent shoppers were classified as those whose essential characteristic was the need for social support from others during the shopping activity. The compulsive shoppers were identified as shoppers who were concerned with the cleanliness and orderliness of the physical store environment, while individualistic shoppers were recognised through their unusual and individualistic merchandise choices. Indecisive shoppers were identified as being unsure of what they wanted and

thus could not make quick shopping judgements. In contrast, independent shoppers approached shopping with confidence and viewed it as an enjoyable task.

Further, in an attempt to classify shoppers in terms of product usage orientations, Darden and Reynolds (1971) discovered four types of shopping orientations. Although they did not attempt to classify consumers into discrete 'types' of shoppers, they clearly supported the findings noted earlier by Stone (1954). Using structured questionnaires with multi-item Likert-format activity/interest/opinion (AIO) scales to measure shopping orientations, they revealed that shoppers' orientations can be observed as *economic, moralistic, personalising and apathetic shoppers*. They define moralistic shoppers as shoppers who provide back-up for local merchants; while personalising shoppers are those who were personalising small stores and depersonalising big stores depending on their circumstances.

In contrast, Stephenson and Willet (1969) suggested a conceptual taxonomy of shoppers based on shopping behaviour and actual patronage. Based on the degree of patronage concentration across retailers as well as the number of different outlets searched for apparel and toy products, they proposed four styles of shoppers; *store-loyal shoppers (high concentration, low search), compulsive and recreational shoppers (high concentration, high search), convenience shoppers (low concentration, low search), and price-bargain-conscious shoppers (low-concentration, high search)*.

In an attempt to search for cosmetics buyers, Moschis (1976), using structured AIO-type rating measures, discovered six types of distinct shopper types; *the store-loyal shoppers, the brand-loyal shoppers, 'special' shoppers, psychosocialising shoppers, name-conscious shoppers and lastly, the problem-solving shoppers*. As mentioned by Westbrook and Black (1985), the types of shopper introduced by Moschis (1976) mix shopping behaviour strategies and basic motivational-perceptual orientations. Therefore, this study was considered limited in comparison to the earlier studies.

There are two studies that have specifically investigated the grocery shopper category. Darden and Ashton (1975) analysed consumers' ratings of preference for supermarket attributes and discovered seven distinct categories of grocery shoppers. These shoppers were *quality-oriented shoppers, fastidious shoppers, who valued store neatness and cleanliness, convenience shoppers, demanding shoppers, who insisted on everything, trading stamp collectors, stamp avoiders and apathetic shoppers*. Later, Williams *et al.* (1978) based their grocery shopper typology on the perceived attributes of preferred grocery stores, and revealed four types of shopper. They are '*the low-price shopper, the convenience shopper, the involved shopper and the apathetic shopper*'. Again it is difficult to decide the most appropriate type of grocery shopper, as both studies employed different types of measurement (supermarket attributes and perceived attributes of preferred grocery stores) (Westbrook and Black, 1985). Nevertheless, both studies indicated the existence of the economic shopper (price-oriented shopper), the convenience shopper and the apathetic shopper.

In the 1980s, Bellenger and Korgaonkar in their study profiling the recreational shopper identified two-types of shopper typology. Through their study, they differentiated the recreational shopper from the more functional economic shopper. While a number of differences were observed between these two polar shopper types, interpretation of the results is conditioned by the researchers' use of a potentially unreliable single-item measures of the criterion variable, defined as the extent of shopping enjoyment (Westbrook and Black, 1985). They discovered that the recreational shopper is best characterised as an active female head of household looking for a pleasant retail store atmosphere with a large variety of high quality merchandise from which to select. As such, their recreational typology appears to include several additional shopper types acknowledged by earlier studies.

In a similar field, Gultinan and Monroe (1980) examined the utility of multidimensional shopping strategies as a basis for identifying shopper types. They claimed shopping strategies represent sets or activities that reflect the motives and decision processes governing shopping behaviour. These strategies tend to develop over time and reflect general procedures which buyers may adopt such as store loyalty, brand strategy and bargain strategy (Gultinan and Monroe (1980). They identified six strategies for the grocery-shopping group. These are *in-store economy group*, *apathetic mechanistic group*, *involved traditional group*, *economy planners group*, *house makers group* and *convenience group*.

Perhaps the most basic question one can ask about consumer behaviour is why do consumers do what they do? What makes them choose and purchase products from a wide range of categories and visit multiple stores? To answer these questions, retailers must first find out what needs consumers have and what motivates them to buy, as this remark merely points to the fact that every customer is unique, and behaves differently. An understanding of what motivates consumer shopping is important in the retailing environment and thus is vital to the success of retail brand development, specifically in Malaysia.

Westbrook and Black (1985) reveal that one of the most appropriate taxonomies of shoppers is based on shopping motivation. Although the concept itself is a complex process, it seems to explain why such behaviour occurs. The term motivation itself is derived from the Latin verb '*movere*', meaning 'to move' (Wilkie, 1994). According to Wilkie (1994) motivation "*refers to the process that moves a person to behave in certain ways*". Importantly he claimed that motivation is the basis for all consumer activities, as consumer motivations tend to be specific to different products and different situations. The fundamental motivations underlying shopping behaviour have been examined by Tauber (1972). He claims that consumer shopping behaviour is motivated through the variety of psychosocial needs beyond those relating to the products being acquired. Based on exploratory depth interviews, Tauber (1972) clearly identified personal motives as influential in shopping behaviour. He reveals that the most significant personal satisfactions obtained from shopping were

- The opportunity to enact a culturally prescribed role;

- Diversion from daily routine;
- Provision of self-gratification;
- Learning about new trends, fashions, and innovations;
- Obtaining physical exercise;
- Receiving sensory stimulation from the retail environment.

Besides personal motives, he also noted that the primary satisfactions from shopping might also arrive from social nature. These are

- Social interaction outside the home;
- Communication with others having similar interests;
- Affiliating with reference groups;
- Obtaining increases in social status;
- Achieving success in bargaining and negotiation.

According to Westbrook and Black (1985), Tauber's findings argued that shopping behaviour might occur from three continuums; such as shopping behaviour *principally to acquire the products for which needs are experienced, both to acquire the desired product and to provide satisfaction for various additional non-product-related needs, and finally, primarily in service of needs unrelated to the acquisition of the product.* Although, Tauber's findings including sensory stimulation, diversion, self-gratification and new product learning, Westbrook and Black (1985) argued that the propositions were lacking two potentially significant aspects on the direction and instigation of shopping behaviour; first, the instrumentality of shopping in acquiring the desired or needed products. Engaging in activity leading ultimately to product acquisition may be

gratifying precisely because it creates the anticipation of utility or satisfaction to be derived from consuming the product. In learning theory terms, shopping may indicate *'a fractional antedating goal response'* (Westbrook and Black, 1985). Though distinct from the satisfactions actually realised in consumption, the anticipation of these utilities before purchase may well comprise an important motivational element in pre-purchase search. Second is *'choice optimisation'*. Since shopping may be constructed a process of market research to satisfy individual or household assortment requirements, the activity provides a potential arena for achievement and personal mastery. That is, the satisfactions derived from finding exactly what one has been looking for, reflect either or both of the two important types of motivation, namely the need for autonomy, self-fulfilment, or self-actualisation and/or the need for achievement (Westbrook and Black, 1985). Due to these reasons, Westbrook and Black (1985) proposed other dimensions of shopping behaviour, which are also derived from motivation. These are *anticipated utility of prospective purchases, enactment of an economic shopping role, negotiation to obtain price concessions from the seller, optimisation of merchandise choice in terms of matching shoppers' needs and desires, affiliation with reference groups, exercise of power and authority in marketplace exchanges, sensory stimulation from the marketplace.*

Although the above study provided two additional motivations underlying shopping activity, cluster analysis identified only six segments of shoppers. These shoppers are described as *shopping-process involved, choice optimising, apathetic and economic shoppers, together with two further groups that were less clearly defined* (Jarrat, 1996).

Thus, three categories of shoppers were proposed namely *the product oriented, the experiential, and a combination of both product and experiential oriented.*

Ten years later, extending the Westbrook and Black (1985) propositions and through the confirmation of the contribution of motivation to understanding shopping behaviour by Dawson *et al.* (1990), Jarratt (1996) developed another dimension. This time, he identified a set of variables that were relevant and appropriate for shopper segmentation as well as for the strategy of retailers. The study was based on the important aspects of *the shopping offer, service and environment to individuals.* He identified six types of consumers and the findings have been contrasted with the Westbrook and Black (1985) propositions. These are *'have to' shoppers, 'moderate' shoppers, 'service' shoppers, 'experiential' shoppers, 'practical' shoppers and 'product-focused' shoppers.* The apathetic, shopping-processed involved and choice optimisation shopper segments described by Westbrook and Black (1985) align with the have to, experiential, and practical segments introduced by Jarratt (1996).

Piacentini (2001) discovered only five types of shoppers who repeatedly appear in consumer behaviour studies. These are

- **Apathetic shoppers**, shop out of necessity and are described to have little concern for the nature of the stores at which they shop, but simply want to find suitable products in the least possible time (Jarrat, 1996; Westbrook and Black, 1985; Darden and Reynolds, 1971; Stone, 1954).

- **Convenience shoppers**, are not quite as uninvolved, but are primarily concerned with saving time and energy and they normally accept a price-convenience trade-off (Williams *et al.*, 1978).
- **Economic shoppers**, in contrast with apathetic and convenience shoppers, these shoppers according to Stone are unambiguously directed to the purchase of goods, and pay careful attention to merchandise assortment, price, and quality when shopping. In addition, Westbrook and Black (1985) found that achieving value-for-money was important for economic shoppers in their role as homemakers. Hence this kind of shopper spends more time looking for goods and regularly visits a range of stores in order to obtain the range of goods that they desire. Groeppel *et al.* (1999) suggest that these are smart shoppers.
- **Ethical shoppers**, those who feel that they have a moral obligation to patronise certain types of stores because they view their shopping activities in the context of a larger set of values (Stone, 1954). These types of consumer make trade-offs when shopping, but their trade-offs involve paying more for goods or causing themselves some inconvenience in order to shop in a way that is consistent with their values.
- **Recreational shoppers**, who enjoy shopping as a leisure time activity and attribute high value to the pleasurableness of the experiences and the information gathered (Bellenger and Korgaonkar, 1980). The importance of this group for retailers is that they are prone to impulsive buying.

The first four types describe consumers with functional shopping motives, but differ in terms of the amount of search behaviour that they invest in shopping activities and the trade-offs that they are willing to make. Recreational shoppers were considered as non-functional shopping motives consumers.

Research specifically concerning shopping orientations/motives and retail brand products barely offer detailed explanations on how consumers behave or can be categorised. Perhaps, the possible reason for this is that most studies that attempt to associate retail brand consumers and shopping orientations/motives failed to discover the exact shopping orientations/motives that belong to retail brand consumers. Bellizzi *et al* (1981) for instance, failed to find any associations between retail brand and shopping orientations. Kono (1985) discovered three groups of retail brand consumers: the *generic consumers*, the *deal prone consumers* and finally *not economy-minded consumers*. He concluded his study by saying that generic consumers are generally economy minded. Most recently Baltas (1997) in an attempt to look at the determinants of store brand choice from a behavioural point of view, although providing a partial explanation for consumer shopping behaviour (such as descriptors of shopping behaviour, reasons for buying store brands, indicators of consumer relationship with store products and consumer involvement with the category), confirms that generally, retail brand consumers can be classified as price cautious consumers. These price cautious consumers, who purchase and pay careful attention to merchandise assortment, price and quality when shopping, were classified by Stone as '*Economy shoppers*'. The question now is what motivates Malaysians when they shop for retail brand products?

Are the factors similar to the West? Which factors (product offer, services and attractiveness of shopping environment) play the most significant parts in their perceptions of retail brand products?

3.5 Discussions and Summary

Despite the number of studies that directly or indirectly examine the relationship between perceptual variables and the perceptions of retail brands, it is unclear whether we have determined the boundaries of when and under what circumstances, consumers assign importance to each perceptual variable when assessing retail brand products. In addition, the buyers of one brand also buy other brands. This may suggest that there are no specific segments, as the users of one brand also uses other brands, and that there are no differences between the users of one brand and others in the same category. The introduction of retail brand products does not necessarily interest the poor, as these groups often aspire to use branded products and perhaps for them, retail brand products are just a 'tiny' brand in the large market of manufactures' brand options.

Moreover, the study of retail brand perceptions and consumer situations (Rosen and Sheffett, 1983) was mainly undertaken in the first few generations of retail brands. Thus the most recent stage of retail brand development, particularly, the recent increase in quality and image, still remains unexamined (Baltas, 1998). As such, Malaysia provides a suitable opportunity to carry out such a study. This is especially as the country has been exposed only recently (less than four years) to first and third generation retail brands. The success of retail brand products in Malaysia may depend

on how shoppers view these brands. In addition such a neutral environment will prevent consumers from having preconceived ideas on retail brand grocery products. The present study will investigate the perceptions of consumers towards retail brand grocery products from three perspectives: *the situational perspective; consumer shopping motives and the influence of store image.*

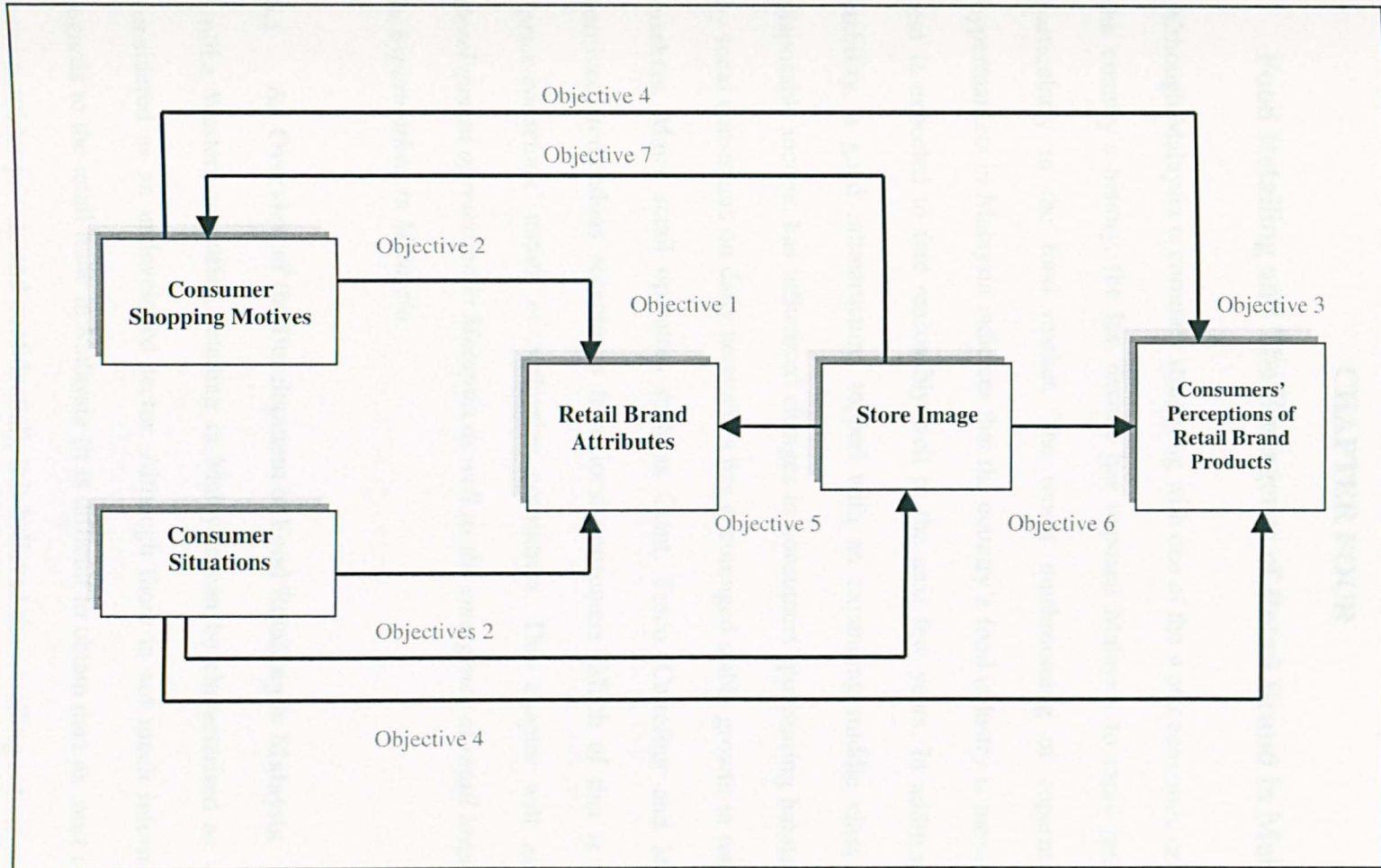
To conclude, the objectives of the present study are

1. To investigate consumer perceptions of retail brand attributes from the Malaysian consumers' point of view.
2. To examine if the consumer-shopping situation (planned purchase of retail brand versus unplanned purchase of retail brand) and consumer motivation affects perceptions of retail brands' attributes.
3. To investigate the overall perceptions of consumers on the development of retail brand ranges in Malaysia.
4. To examine the effects of the situations and motivation for grocery shopping on overall perceptions of retail brand ranges.
5. To examine whether store image affects the perceptions of retail brands' attributes.
6. To examine the effects of store image on overall perceptions of retail brand ranges.
7. To examine the effects of store image on consumer shopping motives.

These objectives and the associated research proposition will be expanded upon in Chapter 5 (Research Methodology). However, to better understand the flow of the

study, Exhibit 3.3 presents a conceptual framework for the study. The next chapter will provide a background to the growth of the Malaysian food market. This will serve as a platform to trace the development of Malaysian supermarkets and hypermarkets. The discussion will concentrate on the major players in this sector and lead to a discussion of the introduction and development of retail brands in Malaysia. Although common to provide a discussion of the background of the country examined, it is not the intention of the present study to provide a detailed account as such information is already available in related literatures (see Sardar, Ziauddin, 2000; Zainal Abidin, 1989; www.hartfordhwp.com/archives/54/indexf.html; www.iexplore.com/dmap/Malaysia/History)

Exhibit 3.3
The Conceptual Framework of the Study



CHAPTER FOUR

Food Retailing and The Emergence of Retail Brand in Malaysia

Although Malaysia is currently struggling with one of the worst economic crises ever in the country's history, the last decade has exposed Malaysia to rapid retail growth, particularly in the food market. The recent mushrooming of supermarkets and hypermarkets in Malaysia indicates that the country's food industry is moving forward and is expected to fare reasonably well in the next few years. In addition, political stability, a good infrastructure, topped with an expanding middle class with high disposable income has influenced changes in consumers' purchasing habits. Spending by local consumers on daily necessities has encouraged stable growth in retail grocery markets. Major retail operators such as Giant, Tesco, Carrefour and Makro have received tremendous acceptance from local consumers. Much of this is due to the 'price-conscious' nature of Malaysian consumers. This chapter will *examine the development of retailing in Malaysia as well as the emergence of retail brand products in hypermarkets in Malaysia.*

4.1 An Overview of the Development of Food Retailing in Malaysia

Unlike Western countries, retailing in Malaysia can be characterised as young thus considered as an undeveloped sector. Although there is not much information with regards to the retail trade in Malaysia (it is difficult to obtain data as most information were consider private and confidential), it is believed that retailing activities developed long before the colonial rule (Kow, 1978). Kow (1978) notes that a small number of local traders, particularly in food retailing, have traditionally conducted business

transactions with foreign traders particularly from the Middle East and India. During this period, mainly the Bumiputra populated Malaysia. Most of these people lived in rural areas and were largely self-sufficient. Communication and transportation systems were regarded as poor, thus there was little scope for retail development. During this period, most consumers preferred to shop in traditional food markets and normally there was only one store available in an area.

Retailing in Malaysia is often related to the food sector, as food is considered as the main product for survival, compared to other products. That is why most retail activities concentrated on various kinds of periodic marketing systems (traditional markets) retailing food, such as '*pasar malam*' (night market), '*pasar tani*' (agri-market) and '*pasar minggu*' (Sunday market) (Zainal Abidin, 1989). Nearly everyone would visit these markets to get their groceries as well as fresh foods and dry foods. These types of markets did not involve fixed retail premises, permanent locations or have fixed operating times. This situation saw retailers being regarded as unproductive members of society, thus making retailing rather unattractive.

However, this phenomenon was not prolonged. The arrival of the British army in the late 19th century saw a massive expansion of both consumer demand and merchandise trades (Zainal Abidin, 1989). This initiated the opening of permanent retail stores, which mainly operated in the urban centers (Zainal Abidin, 1989). During this period, the Chinese were most often associated with food trade activities. The Chinese immigrants entered Malaysia after the First World War and established themselves as

successful middlemen in local business activities, operating wholesale cum retail stores in their homes. During the late 1950s, due to the existence of a significant European population, the way food retailing was set up changed. In most towns, many new food shops opened, but they still maintained the traditional look and were usually organised without cash registers or fixed prices. Often the stores occupied rather flimsy buildings in a row of wooden shop houses. On a smaller scale, local entrepreneurs, mainly Chinese traders, began to innovate by opening stores generally specialising in a limited range of imported tinned foodstuffs (Zainal Abidin, 1989). Historically, it therefore seems that the Chinese played an important role in introducing retail activities to Malaysia.

As the economy developed, consumers became more educated and mobile, and consumers' tastes and preferences changed. If, shopping in Malaysia thirty years ago meant going to the traditional food markets; this situation changed particularly in the late 1990s. Increasing urbanisation and rising incomes throughout Malaysia, led to a change of lifestyle, and influenced consumers' purchases. Subsequently the demand for non-staples, especially perishables, processed foods and household care products increased. According to Euromonitor (2000), between 1993 and 1998 the number of non-food outlets fell by 13,300. This reflects the increasing presence of large mixed retailers established in modern food stores such as supermarkets and hypermarkets. As a result, a growing number of traditional, family-run stores have suffered. This reflects the significant displacement of small retailers in the non-food sector (see Exhibit 4.1).

Exhibit 4.1

Number of Retail Outlet by Food and Non-Food Split 1993-1998

Type (‘000)	1993	1994	1995	1996	1997	1998
Food	117.0	125.0	132.0	138.4	142.6	149.6
Non-food	54.1	50.1	45.1	45.1	45.1	40.8
Total	171.1	175.1	177.1	183.5	187.6	190.4

Source; Euromonitor/Department of Statistics

During this period Malaysian consumers become more sophisticated, and cosmopolitan, as well as westernised. The monthly gross household income rose by 5.2 per cent per annum between the period of 1995 and 2002, an increase from Malaysia Ringgit 2,020 per month in 1995 to Malaysia Ringgit 3,011 per month in 2002 (see Exhibit 4.2) (Malaysia Dept. of Statistics, 2004).

Exhibit 4.2

Malaysia: Average Monthly Household Income from 1995–2002 (RM\$)

Population	1995	1999	2002
Malaysia:	2,020	2,472	3,011
Urban	2,589	3,103	3,652
Rural	1,326	1,718	1,729
Race(s):			
Bumiputra	1,604	1,984	2,376
Chinese	2,890	3,456	4,279
Indian	2,140	2,702	3,044
Others	1,284	1,371	2,165

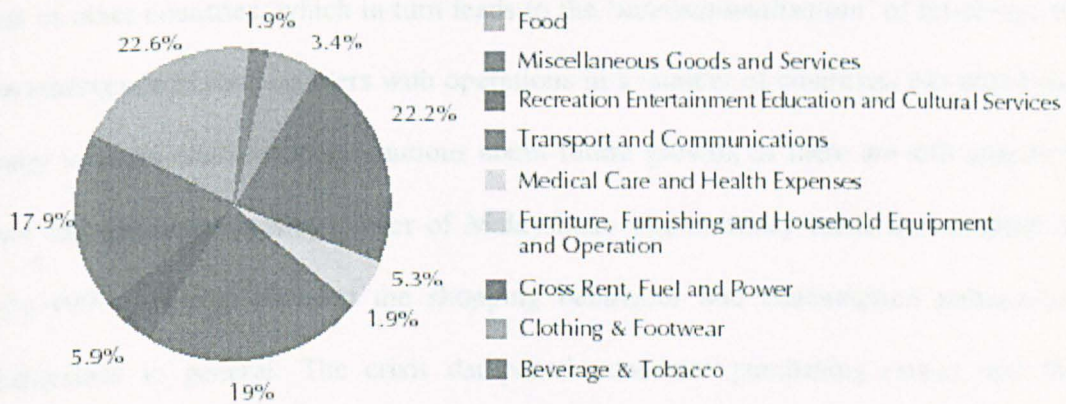
(Source: Malaysia. Dept. of Statistics, 2004).

This increase in income has created a larger middle-income group (earning an average annual income of Malaysia Ringgit 2,850 a head - not vast but more than double the figure of a decade ago). This subsequently increased the demand for food and non-food commodities (see Exhibit 4.3), better shopping environments, together with convenient locations for retail outlets. This growing middle-class population, with high purchasing

power, tended to have less time but more money and a desire to improve their standard of living. These trends were similar to those observed in Europe and the US in the mid to late 20th century.

Consumer foods have been the driving force behind Malaysia's retail revolution (Ahmad, 1999). Per capita food expenditure in Malaysia is estimated around RM17.8 billion in current terms and is considered among the highest in the region (International Trade–Malaysia, 2003). Food, however, is not just the major consumer-product category for Malaysian households. The majority of food retail outlets also offer non-food items, with at least a 70:30 distribution.

Exhibit 4.3
The composition of Malaysian household consumption from 1998–1999



* Based on the average monthly household expenditure of MYR1,631

Source: Department of Statistics, Malaysia

Non-food items such as household care products (laundry care, insecticides, air fresheners, toilet care, chlorine bleach, dishwashing, multi-purpose cleaner, washing detergents, etc) made up 46.2 per cent of total food retailer sales, which in turn

accounted for 74 per cent of total retail sales in Malaysia for 2001 (International Trade–Malaysia, 2003). This share was fairly constant during the review period. It was reported that supermarkets and hypermarkets became the main channel for household care products. This evidence explains the need for more modern retail outlets which supply both food and non-food products via one-stop shopping.

In order to meet to this demand, new stores offering huge product ranges have been growing in the Klang Valley area (centre of the main economic activities in Malaysia). This type of store is known as the hypermarket. As the large retailers grow, they widen the gap between the bigger, more sophisticated food retailers and the smaller, more traditional food retailers, which in turn leads to further growth in the large retailer segment. Increased organisational and store level concentration in Malaysia mirrors that of other countries, which in turn leads to the '*internationalisation*' of retailing and the emergence of food retailers with operations in a number of countries. Nevertheless, many retailers continue to be cautious about future growth, as there are still concerns over the future purchasing power of Malaysians. The currency crisis that erupted in July 1997 has also changed the shopping behaviour and consumption patterns of Malaysians in general. The crisis dampened consumer purchasing power and the demand for imported processed foods (Malaysia Country Report, 2002). People are now increasingly more conscious about value for money. They are now even more discreet in their spending and will shop for cheaper alternatives. It was reported that consumers were moving towards budget brands in many products particularly in

household care such as the laundry detergent, multi-purpose cleaner, chlorine bleach and dishwashing products (International Trade–Malaysia, 2003).

Nevertheless, the prospects for the Malaysian retail industry in the coming years are positive and optimistic (Malaysia Country Report, 2002). As the country's economy continues to improve and consumer disposable income increases, it is believed that consumer confidence levels will increase, thus leading to a higher demand for a sophisticated retail structure (Malaysia Country Report, 2002). In view of this, it is vital to learn and understand Malaysian consumers and how they behave with regard to retail activities. In the next section, the discussion will be based on how retailing interacts with the Malaysian consumer.

4.2 Retailing as a Culture and Family Life in Malaysia

Malaysia, with a labour force of 11.2 million (Eighth Malaysian Plan, 2001), has often been described as a minefield of multicultural sensitivities due to its diverse racial and ethnic composition. Ethnic distribution in Malaysia is Bumiputra (the term used to refer to ethnic Malaysian and other indigenous populations collectively) 50%; Chinese 36% and Indian 13% (see Exhibit 4.4).

Exhibit 4.4
Population by Ethnic Group and Sex for Klang Valley, 2003 ('000)

Sex	Bumiputra	Chinese	Indian	Others
Male	1,240.60	890.9	325.00	29.00
Female	1,192.20	848.2	317.90	32.80
Total	2,432.80	1,739.10	642.90	61.80

(Source: Malaysia Dept. of Statistics, 2004)

Each ethnic group has a rich and distinct culture based on age-old beliefs, traditions and practices that are mainly rooted in the Asian heritage. This racial and cultural diversity has encouraged the evolution of a different retailing environment in Malaysia. It was observed that retailing in Malaysia previously and still plays a central and important role in family affairs and in business relationships. Retailing is considered an important part of cultural and family life. Although large mixed retailers are beginning to displace the small family outlets that have been the core of the Malaysian retail trade, retailing is still and will be an important activity for Malaysians.

Additionally, Malaysia's population is relatively young; 35 per cent are below the age of 15 and about 60 per cent are of working age (between 20 to 44 years old). The median age of the population is 22 years old, which reflects a young citizenry that is apt to be adventurous in many fields. The Malaysian population is estimated to grow to 27 million in 2003. The most populated area in Malaysia is known as Klang Valley. This area consists of five districts namely Kuala Lumpur, Petaling, Klang, Ulu Langat and Gombak (see Exhibit 4.5) and is projected by the Department of Statistics (Malaysia) to contain more than seven million people in year 2005 (see Exhibit 4.6).

Exhibit 4.5
Klang Valley District

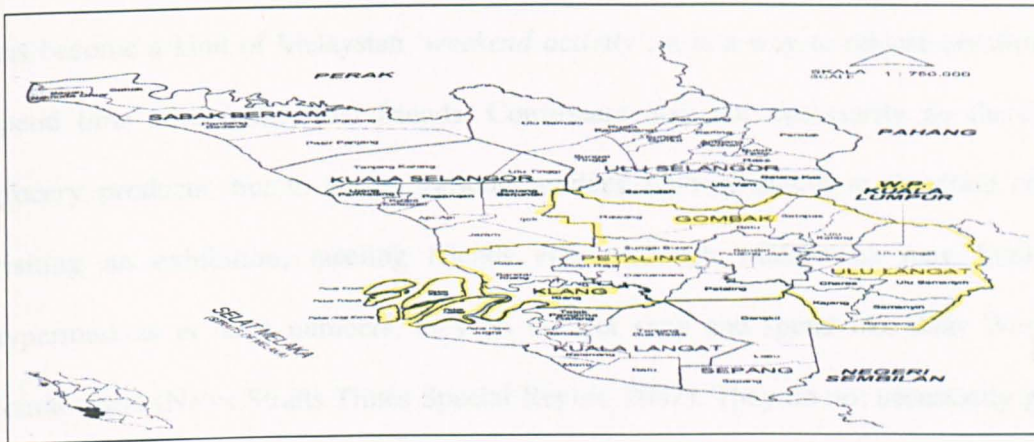


Exhibit 4.6
Projected Population by age, Administrative District of Klang Valley, 2004

Age	Gombak			Kuala Lumpur			Klang			Petaling			Ulu Langat		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
0-4	75.1	38.6	36.5	186.2	96.3	89.9	89.0	47.2	41.8	159.0	81.4	77.6	121.2	62.5	58.7
5-9	62.2	32.2	30.1	153.8	79.4	74.4	72.6	38.0	34.6	129.8	66.7	63.1	100.7	51.8	48.9
10-14	59.4	30.6	28.8	112.7	58.1	54.6	69.2	36.1	33.1	123.8	63.7	60.1	95.6	49.2	46.4
15-19	53.0	27.1	25.9	112.2	57.9	54.4	63.8	33.3	30.5	116.3	59.1	57.2	86.4	44.1	42.3
20-24	53.2	26.4	26.7	121.3	61.5	59.8	66.2	34.2	32.1	125.4	62.4	63.0	89.0	44.3	44.7
25-29	59.6	29.7	29.9	156.0	76.7	79.3	75.7	39.6	36.0	135.9	67.7	68.2	99.1	49.7	49.4
30-34	56.9	28.6	28.4	151.9	74.9	77.0	71.9	37.8	34.0	128.1	63.9	64.2	95.1	47.9	47.2
35-39	50.4	25.2	25.2	123.3	62.2	61.1	61.5	31.9	29.6	112.6	55.8	56.8	84.2	42.4	41.8
40-44	43.4	22.1	21.3	107.6	54.8	52.7	53.3	27.7	25.6	97.8	49.3	48.5	72.7	37.2	35.5
45-49	35.2	18.3	16.9	92.0	46.9	45.1	43.8	23.3	20.6	79.8	41.4	38.4	58.7	30.7	28.0
50-54	26.4	13.9	12.5	72.0	37.4	34.7	33.3	17.7	15.6	60.6	31.7	28.8	44.0	23.2	20.8
55-59	16.6	8.7	7.8	48.8	25.5	23.3	21.2	11.3	9.9	38.6	20.2	18.4	28.0	14.8	13.3
60-64	11.0	5.7	5.3	35.1	18.6	16.5	14.2	7.4	6.8	25.9	13.2	12.6	18.8	9.7	9.1
65-69	7.8	3.8	4.0	24.8	12.4	12.4	10.2	5.0	5.2	18.6	8.9	9.7	13.5	6.5	7.0
70-74	4.7	2.1	2.6	15.3	7.2	8.1	6.3	2.9	3.4	11.4	5.2	6.2	8.1	3.7	4.4
75-79	2.8	1.2	1.6	8.6	3.7	4.9	3.7	1.7	2.0	6.7	2.9	3.8	4.8	2.1	2.7
80+	2.2	0.9	1.3	7.5	3.1	4.4	3.0	1.3	1.8	5.7	2.2	3.5	3.9	1.6	2.4
Total	619.8	315.1	304.7	1,529.0	776.5	752.5	758.9	396.4	362.5	1,376.0	695.8	680.2	1,024.0	521.4	502.5

(Source: Malaysia Dept. of Statistics, 2004)

The biggest challenge that stores, or more specifically the hypermarket operators, face is increasing the average spend of Malaysians. They are generally young and therefore

have different shopping habits, as well as being '*more prudent*' in the aisles (The Star, 2002). Malaysians generally like bricks-and-mortar shopping. A visit to a retail outlet has become a kind of Malaysian '*weekend activity*', it is a way to release pressure or spend time with family and friends. Consumers may not necessarily go there for grocery products; but to access various services such as eating in the food court, visiting an exhibition, meeting friends etc. Although Malaysians may flock to hypermarkets in large numbers, they do not yet shop and spend like their Western counterparts (News Straits Times Special Report, 2002). They do not necessarily get a big shopping trolley and fill it with goods and spend a lot of money. They will browse, take the family round and then may buy a few things. Generally, Malaysian consumers like to shop around and buy one thing cheaper at one store and another item at a cheaper price at another store. They do not buy all their items at just one store (News Strait Times Special Report, 2002).

However, with busier lifestyles and pressure on time, Malaysian consumers are becoming more focused and organised in their shopping habits. Convenience is the essence and consumers increasingly prefer to shop under one roof. Supermarkets and hypermarkets and other shops such as department stores, specialty stores, restaurants etc have extended their business hours. The normal opening hours for supermarkets and hypermarkets in Malaysia is between 10.00 a.m. in the morning till 1.00 a.m. in the morning. Additionally, places such as restaurants are open twenty-four hours a day. This was not the case over the past 50 years. Tesco, the new hypermarket, in Puchong is open for 24 hours to cater for the different lifestyles of shoppers.

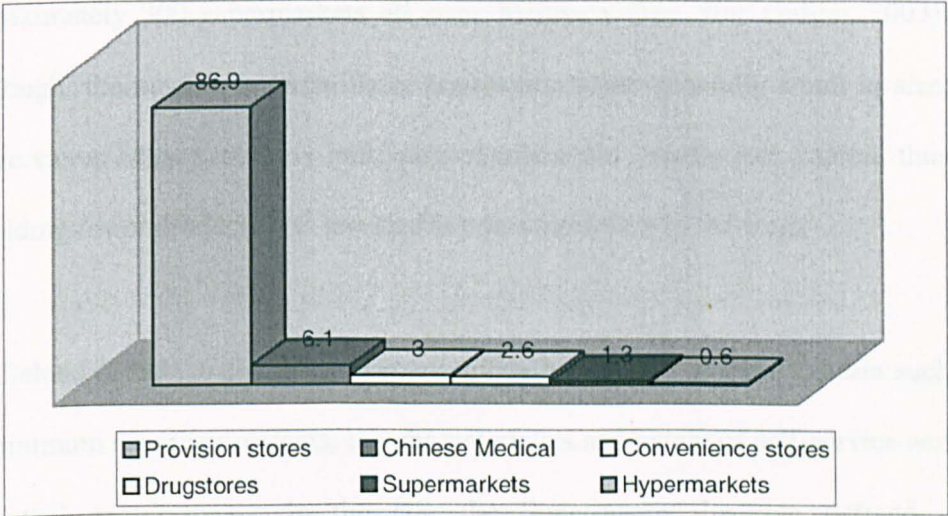
McAlister (2002) argues hypermarkets have to find a way to gain spending loyalty; get customers to spend more by instilling the one-stop shopping concept and persuading them to fill their trolleys. Given this emerging trend, one-stop shopping centres offering a variety of merchandise including food and non-food and entertainment are attracting larger crowds. In the next section, the discussion will be focused on the nature of the supermarkets and hypermarkets that are currently available in Klang Valley, Malaysia.

4.3 Domination of Supermarkets and Hypermarkets

The last 50 years has seen substantial changes in the retail sector in Malaysia. The Malaysian retail industry is made up of traditional stores such as wet markets, dry markets, night markets, sundry or provision shops, convenience stores, discount stores, specialty stores, supermarkets and hypermarkets. These different channels cater for different segments of the Malaysian population. However, provision shops still make up the largest segment of the retail market (Exhibit 4.7). These provision shops, available mostly in the small towns, evolved around the market place some time ago but are beginning to decline with the advent and expansion of modern retail innovations (News Strait Times Special Report, 2002) (see Exhibit 4.8). Retail innovation has occurred increasingly rapidly since the late 1990s particularly in the major urban areas. However it significantly decreases in the more remote outlying regions. It is also recognised that factors such as price disadvantages, limited working capital, stiff competition, inadequate space and capacity to modernise; means that the numbers of provision shops will inevitably decline further in the future (News Strait Times Special Report, 2002). Today, supermarkets and hypermarkets are the two types of store, which

have strengthened their activities and have taken a lead in the retail market, particularly in Klang Valley.

Exhibit 4.7
Types of Store in Malaysia in 2001



(Source: Adapted from Malaysia Country Report, 2002)

Exhibit 4.8
Growth Rate Estimates for the Retail Sector

Growth Rate Estimates for the Retail Sector			
	2001	2002	2003
<i>Supermarkets, Hypermarkets and Department stores</i>	6 – 10 %		
<i>Convenience stores, Petrol station stores</i>	Less than 5 %		
<i>Traditional stores</i>	2 %		

(Source: Adapted from GAIN Report, Foreign Agricultural Service, Global Agricultural Information Network, 2001)

4.3.1 The Supermarkets

Supermarkets began to appear in Malaysia in 1964 (Othman, 1987). The first supermarket, which was called The Weld Supermarket, mainly served Europeans, particularly expatriates, and the local upper income group of

customers (Othman, 1987). Modern, well-structured stores with attractive interior and exterior décor have now transformed the retail sector in Malaysia. Supermarkets, modelled on Western-style supermarkets or grocery shops, were the rising stars in Malaysia's retail sector in the mid-1980s. To date there are approximately 300 supermarkets all over Malaysia (The Star Online, 2003). Although, the number is large, these supermarkets are generally small in size. These stores belong to many individual retailers and usually lack capital, thus providing fewer products and services to consumers than in the west.

McClelland (1963) distinguishes supermarkets by looking at three criteria such as minimum size requirements; the characteristics and extent of self-service and the stock requirements. In the US, the Supermarket Institute defined a supermarket as a self-service departmentalised food store having a minimum sales volume of US\$250,000 per year. However, the expected sales volume has now risen to at least US\$2 million (www.retailmerchandiser.com/images/pdf/rr_guts.pdf). In the UK, the average size of a supermarket was reported to range from 20,000 square feet to 45,000 square feet (Smith, 2002). Although there is no exact definition of a supermarket anywhere in the Malaysian planning code, supermarkets in Malaysia can be characterised as self-service food stores having an average sales area of between 400 and 3,000 sq. metres in size (The Star Online, 2003). The issue of definition is problematic as the nature of products sold by supermarkets and the way in which they are sold, are constantly changing. For example, ten years ago few if

any, supermarkets would have contained in-store bakeries, news agencies or offered financial services for sale. Today all of these items are commonly found in supermarkets. Furthermore, the way in which supermarkets operate is likely to continue to evolve at a fast pace.

What the supermarkets offered to consumers was basically an increase in choice and convenience. The most noteworthy structural advantage they offered shoppers over the old department store format was freedom of access. Products were organised in aisles, displayed on multiple shelves and gondolas and customers, armed with baskets and trolleys, had direct and uninhibited access to all products. They were also cleaner and climate-controlled. As their acceptance grew, they quickly introduced another popular feature of their Western counterparts frozen and chilled foods ranges.

However, it appears that supermarkets in Malaysia rely on less sophisticated purchasing systems than in the West. They work more closely with local distributors, both large and small. Penetration of imported food products is low. Warehousing and store management systems are generally low-tech and less efficient than those of the foreign-invested superstores. Many of the established general distributors who bring in and distribute imported food products work closely with the leading supermarket chains. Hence, the supermarkets could be considered as generally more poorly managed than the 'new' hypermarkets. Their layout is often awkward and the atmosphere chaotic, which makes in-

store promotions more difficult to stage and evaluate (see Appendix 6 for portfolio of the major supermarket chains in Malaysia).

However, it can be observed that the arrival of supermarkets marked the beginning of Malaysia's retail revolution, as traditional consumers adopted the habit of shopping at a single store for a variety of food and non-food items. The growth of modern retailing has also been influenced by an increase in the number of working women who find the opening hours of the supermarkets more suitable to their schedules and the shopping trip often becomes a family outing with elements of entertainment. The supermarkets are seen as offering a greater variety of products and therefore consumers are more likely to find new products to try. However, local and foreign entry into the supermarket sector has been confined mainly to the Klang Valley and secondary cities where many of them are retailers from Japan and Hong Kong, as well as local operators (Malaysia Country Report, 2002). Exhibit 4.9 provides information on the four major retailers involved in the operation of supermarkets in Malaysia.

Exhibit 4.9
Profile of Major Supermarket Chains with Significant Market Presence in Malaysia

<i>Company Name</i>	<i>Format</i>	<i>Ownership</i>	<i>Number of outlets 2004</i>	<i>2000 Sales (US\$ million)</i>	<i>Date Operated in Malaysia</i>	<i>Locations</i>
<i>Giant TMC</i>	Supermarket, superstores and hypermarket	Dairy Farm* International, Hong Kong	54	250	1944	Residential, urban areas
<i>The Store Corporation</i>	Department store-cum-supermarkets	The Store Corp. Bhd	38	306	1968	Secondary cities
<i>Jaya Jusco Stores</i>	Superstore Chain and Shopping Centre Operations	Jaya Jusco Store Bhd, Aeon Group, Japan	11	261	1984	Residential, urban areas
<i>Ocean Capital</i>	Supermarket and Department Store	Ocean Capital Berhad	17	103	1990	Secondary cities
<i>Tops Retail Malaysia (Top supermarket)</i>	Supermarket	Royal Ahold#, The Netherlands	39	79	1996	Residential, urban areas

(Source: Adapted from Malaysia Country Report, 2002)

* Dairy Farm International, Hong Kong took over Giant in 2001 and Tops Retail Malaysia in 2003.

Royal Ahold bought over Looking Good and Parkson Supermarket in 1998 and renamed it as Tops supermarket)

4.3.2 The Hypermarket Phenomenon





A recent trend in the Malaysian food-retailing sector is the establishment of hypermarkets and wholesale and distribution cash-and-carry warehousing centres, which are modern, well-designed outlets with layouts similar to those in the UK and US. This sector has attracted considerable investment from major international retailers, many of which established joint-venture operations throughout the country (News Strait Times Special Report, 2002). The success of the hypermarket format, pioneered by foreign retailers such as the Dutch Makro, the French-based Carrefour, Britain's Tesco and Giant which is owned by Dairy Farm of Hong Kong (see Exhibit 4.10) has been driving the latest phase of Malaysia's retail revolution (News Strait Times

Special Report, 2002). Now Malaysian consumers can get their food and non-food items in the same clean, air-conditioned and professionally managed superstore. According to the State Statistical Bureau, Malaysia's total retail sales rose by 10.4 per cent in 2000 (see Exhibit 4.11) with major foreign chains accounting for the lion's share of the growth.

Hypermarkets, which collectively refer to the group of mass retailers that include superstores, discount retailers and warehouse clubs are increasingly popular among Malaysian consumers. These stores can be defined as very large retail outlets, which cover 4,000–30,000 sq metres (see Exhibit 4.12). While supermarkets focus on food and housekeeping products, hypermarkets attempt to cover just about every need that average customers may have, and this format is now driving the consumer retail revolution. Foreign retailers started their businesses with what then seemed brave experiments by European veterans in the sector, such as Makro and Carrefour, as it was argued that Malaysian consumers never shopped in large quantities and that glitzy foreign-brand shops were immediately associated with high prices. These factors would preclude most consumers from visiting and shopping at the large food stores and/or from cash and carry centres. However, two things made hypermarkets an overnight success in Malaysia; '*convenience or comfort*' and '*low prices*' (News Strait Times Special Report, 2002). They made shopping easier and more pleasant by offering a full range of consumer goods (fresh produce and groceries) under one roof, in a clean, air-conditioned superstore. More importantly, they offered low prices by keeping procurement and warehousing costs down.

Exhibit 4.10

Major Hypermarkets in Malaysia, 2003

Date of Entry into Malaysia	Name	Country of Origin	No. Of Stores (Early 2004)	Store Logo
1944 (2001)*	Giant	Hong Kong	11	
1993	Makro	Netherlands	8	
1994	Carrefour	France	7	
2002	Tesco	UK	5	

*Open first Hypermarket in 2001, while maintaining existing supermarket chain

Exhibit 4.11

Retail Sales and Sales Growth, 1996-2001

Total Retail Market Sales*		
Year	Retail Sales (US\$billion)	Growth (%)
1996	11.2	9.4
1997	12.2	7.0
1998	9.8	-20.0
1999	10.5	7.4
2000	11.6	10.4
2001	11.7	1.7

(Source: Retail Group Malaysia, 2002)

*Figures above excluded wet market, morning market, night market and other non-permanent retail facilities)

Exhibit 4.12

General Information on Hypermarket Chain

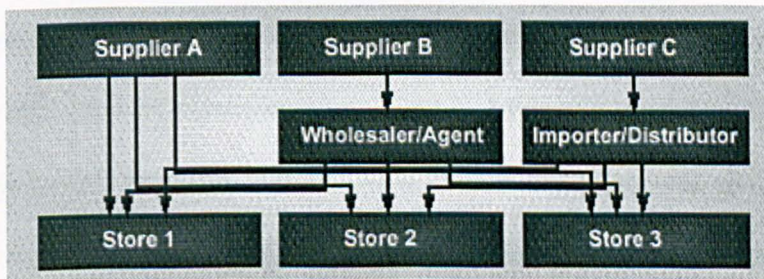
Sales area (sq.m.)	4,000 — 30,000
Storage area (sq.m.)	Up to 4500

Number of cash terminals	25 — 60
Number of items in the range (thousands)	25 — 50
Price level in the market	Special pricing policy
Number of purchases per day	Up to 10000
Turnover per month (min US dollars)	2 — 7
Number of employees	900
Own production sites	Numerous

Source: Researcher's compilation from various books, Internet and news papers

The arrival of foreign-invested hypermarkets, and warehouse clubs, such as Carrefour, Makro, and Tesco has further changed Malaysia's retail sector. Foreign hypermarkets pioneered the concept of nationwide (or region-wide) purchasing centres, bypassing the multi-layered, fragmented, inefficient (and therefore costly) purchasing network of wholesalers and distributors that serviced old-fashioned supermarkets (see Exhibit 4.13). By buying directly from manufacturers and charging them slotting fees, hypermarkets were able to gain the most effective competitive edge in Malaysia.

Exhibit 4.13
Malaysia's Traditional Distribution Structure



Today, hypermarkets are the leading retail format and the trendsetters of the sector (News Strait Times Special Report, 2002). They are increasingly in vogue not just with consumers, but also with top state-owned retailers who have so far been engaged mainly in departmental store or supermarket formats. In

addition to the obvious benefits for consumers, hypermarkets offer manufacturers and suppliers of consumer goods the promise of consistently large sales volumes and nationwide distribution reach (News Strait Times Special Report, 2002). Although Giant hypermarket has more stores than the others, the company has not yet achieved national penetration or distribution (News Strait Times Special Report, 2002). Suppliers still have to negotiate with and deliver to each store individually. Each store is given a large degree of autonomy in procurement and is expected to achieve and maintain its own profitability. Nonetheless, the potential for a centralised nationwide, distribution network in the future has a strong allure for suppliers (Utusan Online, 2003). It is expected that, with the arrival of the British hypermarket Tesco, the system will gradually change to mirror the one found in the West.

The characteristics of hypermarkets in Malaysia are summarised in Exhibit 4.14. The only four hypermarket banners available in Malaysia are Giant, Carrefour, Makro and Tesco. Compared to the others, Giant has larger stores and more product lines per store. Giant in Malaysia started in 1944 in a small village called Segamat, Johore. At that time the store was characterised as a provision store and was run by the Teng family. Later on Giant supermarket operated in shop houses in the main residential areas in the primary city centres. Gradually, the company expanded by increasing in size and number, thus become very popular among the locals, regardless of their income groups. In early 2001, the company moved from supermarkets to hypermarkets. Although

during this transaction, a new owner (Dairy Farm) took over the Giant operations, most Malaysians still shop at this store, thus demonstrating a close attachment, which has been established a long time ago.

Exhibit 4.14
Store Characteristics

Hypermarkets	Average Lines (units in 1000s)	Retail brand (%)	Average Size (sq ft, units in 1000s)	No of Stores (2004)	No of employees (2002)	Sales RM\$ (million) (2000: 2001)
Giant	65 – 85	0.1	102 - 350	11	2,759	546.52: 795.17:
Carrefour	30	1	15	7	1,763	750.00: 825.0:
Makro	25 - 30	0.5	25 - 30	8	541	730.04: n/a
Tesco	50	2	10	5	832	n/a n/a

(Source: Researcher's compilation from various sources)

Another 'hypermarket' available in Malaysia is Makro. However, its operation is different from the normal hypermarket, as only members are allowed to shop at the store. Makro has quickly established itself among Malaysians and was the first foreign grocery store available in Malaysia. The first store opened in 1993 and can be considered to be the first Cash and Carry/warehouse club in Malaysia. Although the company has been in Malaysia for more than ten years, there are only eight stores throughout Malaysia, and only three in Klang Valley (see Exhibit 4.15). During this period, the store type was new to the public. The store was seen as an opportunity for those involved in small and medium businesses to be a member of Makro. Customers must provide details about their businesses. Thus Makro provides very little opportunity for other types of (end user) customers. This opportunity was taken on by Carrefour.

Exhibit 4.15
List of Hypermarkets Available Throughout Malaysia

Name	Klang Valley	Outside Klang Valley	Ownership Status
Giant	i)USJ 1 Subang Jaya ii)Shah Alam Stadium iii)Hulu Klang iv)Klang v)1 Utama	i)Plentong, Johore ii)Tampoi, Johore iii)Leisure Mall, Johore iv)Prangin Mall, Penang v)Senawang, Negeri Sembilan vi)Kuantan, Pahang	Foreign: 100% DFI Mauritius Ltd
Makro*	i)Shah Alam ii)Cheras iii)Selayang	i)Johore Bahru, Johore ii)Seberang Prai, Penang iii) Peringin Mall, Penang iv)Sungai Dua, Penang v)Ipoh, Perak vi)Seremban, Negeri Sembilan	Foreign: 65% Orkam Holding Asia NV 20.7% Selangor State Government (SSG) 14.2% SSG-LFD Sdn Bhd
Carrefour	i)Subang Jaya ii)Mid Valley iii)Wangsa Maju iv)Sri Petaling v)Cheras	i)Johore Bahru, Johore ii)Seberang Jaya, Penang	Foreign: 70% Carrefour Nederland BV 30% Carrefour (M) Sdn Bhd
Tesco	i)Puchong ii)Klang iii)Mutiara Damansara	i)Peringgit Jaya, Melaka ii)Sungai Petani, Kedah	Foreign: 70% Tesco Holdings BV 30% Sime Darby

(Source: Ministry of Domestic Trade and Consumer Affairs, 2004; * Makro considers itself as a warehouse club and not a hypermarket)

Carrefour was established in Malaysia in 1994. In its early operation, the store was popular due to its strategy of promoting European tastes either in the store environment or in its selection of food and non-food items. The store atmosphere was modern thus enhancing the image of the store. It was noted that during this period, those who shopped at Carrefour had an 'up market' status. This was because most of the stores were located in the elite area where shoppers were amongst the middle to higher income groups and products (manufacturers' brands) were priced slightly higher than in other supermarkets and hypermarkets. It was observed that many brands offered by Carrefour came from France with the French language on most of the product packaging.

Therefore, it was difficult for consumers to understand the contents of the products.

The latest hypermarket chain available to Malaysians is Tesco. Although it is new, Tesco has already opened five stores, including three in Klang Valley and one in Melaka and Kedah respectively. All four hypermarkets chains are located in centres within centres on the outskirts of major towns and cities rather than on high streets (Muthaly *et al.*, (1999). In Klang Valley, for example, many growth centres have been developed, namely Wangsa Maju, Cheras, Subang Jaya, Shah Alam, Sri Petaling, Hulu Klang, Selayang, Mutiara Damansara, Klang and Puchong. In each location, there is at least one hypermarket serving the surrounding communities. In some areas such as Subang Jaya, Klang and Shah Alam, two hypermarkets operate successfully. It can therefore be observed that the market is very concentrated in the central area, where the key towns are located. Hypermarkets outside the Klang Valley mostly operate in Johore (South Malaysia) and Penang (North Malaysia) with the exception of Tesco, which has stores in Melaka and Kedah.

Although hypermarkets account for less than 1 per cent of all Malaysia retail sales (Malaysia Country Report, 2002) and draw just 12 per cent of total household expenditure on packaged food, toiletries and household goods in Malaysia, revenues from these stores have been growing on average by RM750mil in 2002 (The Star, 2003). This indicates that there is still potential

for growth since 66 per cent of the population is located in urban areas. It is argued that as long as the retailers continue to develop new concepts and ideas; to be more efficient in terms of distribution and supply, and continue to provide lower prices, they will remain successful as hypermarkets while small stores cater for different consumers with different needs (New Strait Times Special Report, 2002).

In Malaysia, a typical hypermarket consists of a '*marketplace*' and a '*retail court*'. The retail court hosts a variety of shops (fashion, accessories, sporting goods, etc.), fast-food restaurants, video-game arcades, photo shops, jewellers' shops, post office, ATM machines and other specialty shops. The marketplace is divided into food and non-food areas with non-food items ranging from clothing to kitchenware, household goods, electronics, sports goods and toys. The food area is the core and the main attraction of the hypermarket. In addition to an extensive dry-groceries and frozen foods section (which is what supermarkets had to offer in their heyday in the mid-1990s), a hypermarket's food area also hosts a sizeable fresh section, featuring fresh fruits and vegetables, fresh and frozen meat and seafood. In addition, various food-preparation counters, such as delis, bakeries, butchers shops, chicken rotisseries etc., line the sides of the food area. In-store promotions and demonstrations are a common sight in Malaysian hypermarkets.

The hypermarkets have brought in large amounts of direct foreign investment. In the nine years Carrefour has been in the country, it has invested an estimated RM500 million and provided jobs for 2,300 people at its six stores. The recent arrival Tesco promises an investment of RM1.2 billion over the next five years, with the building of 15 hypermarkets and employment for 10,000 people. In addition, since most leading hypermarket chains are foreign-invested ventures with key executives who are either from or were trained abroad, their store management and purchasing mechanisms are modern and sophisticated, and therefore less reliant on or conducive to Malaysian-style business '*connections*'. Hypermarket managers are anything but '*accessible*', particularly to small or medium-sized suppliers keen to penetrate their chains. However their relative operational independence makes some relationship building necessary. The innovative marketing and broader range of choice and services that hypermarkets offer have proved to be a hit with Malaysian consumers (see Appendix 7 for portfolio of the major hypermarkets chains in Malaysia).

4.3.3 The International Strategies in Malaysia

It was observed that the Malaysian market is different and has a different level of opportunity (IGD, 2005). This is due to the fact that there is little pattern in the signs for each retail element. However, it is interesting to note that the Malaysian market was perceived both in terms of 'future growth' prospects and 'perceived potential'. In addition, there are many types of opportunity available with both large and small-scale investments are possible. These factors combine

to make Malaysia one of the most attractive regions for international retailers and suppliers. Below are strategies employed by the major international retailers in Malaysia.

4.3.3.1 Tesco

It was observed that in Malaysia Tesco priority is to build scale and attempt to strengthen its market position. Tesco appears to acknowledge this and in August 2005, the group announced to open twenty stores over the next five years. A number of Tesco's hypermarkets in Malaysia are currently incorporated within larger shopping malls and occupy a site of around 250,000 sq.ft, including a 107,500 sq. ft hypermarket with 88,000 lines, as well as a food court and other retail chains.

Tesco applies a sequential growth strategy, which mean the group sees Malaysia as important to short-and medium-term growth. The group concentration tends to shift from growing scale towards optimisation of process and operating efficiency. It is in this sense that Tesco seeks to develop capability. Being a local player forms an essential part of Tesco's international philosophy and the group believes that retail brand form a key element of Tesco' trading strategy as it helps to reinforce the group's low price image and drive volume sales. In addition, Tesco believed that the role of its retail brand ranges play an important part in building brand strength and fostering customer loyalty to Tesco. It was

reported that in Malaysia, Tesco is currently working with the logistics provider, TNT, from a distribution centre in the Klang Valley. However, Tesco regards this as an interim measure and plans to open its own 18,000 sq.m distribution centre in the Klang Valley by the end of 2004, to handle ambient grocery and fresh produce.

4.3.3.2 Giant

Giant is Dairy Farm's successful hypermarket format, which operates in Malaysia. At the end of 2003, Giant was the market leader in terms of sales in Malaysia (turnover US\$487 million). The Giant format focuses on a clear EDLP strategy and focuses on providing a high level of customer service and innovation (IGD, 2005). The group intends to increase the reach of its Giant format by the purchase of 32 Tops stores allowing the chain to extend its presence to East Malaysia for the first time.

4.3.3.3 Carrefour

Carrefour penetrates approximately three per cent of grocery market share in Malaysia (IGD, 2005). In 2003/04, the fundamental area of focus for Carrefour was the rollout of its No 1 range. Positioned as the cheapest products in the market the range is designed to enhance Carrefour's price image. Retail brand forms a key part of Carrefour's ranging strategy. The benefits of retail brand for Carrefour are that they

enable the Group to strengthen its price positioning, drive loyalty and volume, achieve sourcing scale as well as providing signposts to its assortment. In addition, 89 per cent of Carrefour's retail brand products are contracted with SMEs and the group is committed to keeping a number of SMEs as part of its supplier base. It was reported that the standard contracts for their retail brand last for three to five years.

4.3.3.4 Makro

Makro Cash & Carry is the leading cash-and-carry distributor for food and non-food products in the Asian region. Makro is a high volume, low cost/low price, no frills cash & carry wholesaler, selling a full range of food and non-food products to registered professional customers, with communication solely based on direct mailing. The core customer base is the retailers, caterers, institutions, clubs and professionals in the service sector. The registered customers are informed of new product developments and promotions through their biweekly Makro mail. Makro Asia is a privately owned company and a 100 per cent subsidiary of **▲ SHV**. Their marketing strategy at all times promotes a low cost, low margin, high volume operation.

In Malaysia, although the retail activities of Makro are mainly for the retailers, caterers, institutions, clubs and professionals in the service sector (wholesale and distributor concepts), individual consumers are also seen shopping at Makro. This is the case for those who have

somehow managed to get the ‘*trade card*’, which permits them to purchase products from Makro. The trade card either belongs to them personally through a retail business or is borrowed from the cardholders. Moreover, each of the Makro consumers is allowed to bring one consumer who is a non-trade cardholder while shopping at Makro. As such, individual consumers also have the opportunity to shop for their grocery products at Makro.

4.3.4 Future Directions of Food Retailing

The development of the retail sector in Malaysia is characterised by turbulent growth and fierce rivalry (News Strait Times Special Report, 2002). The trends are pronounced and cyclical, starting with the birth of a great opportunity and ending in over-saturation and competitive competition. For example, department stores experienced a boom in the late 1980s and early 1990s. By the late 1990s, they were driven into a corner by the rising power of modern Western-style supermarket chains. Now, hypermarkets and discount warehouse stores are forcing supermarkets and small stores to cut prices and consolidate to stay in business (News Strait Times Special Report, 2002). Below is a list of the latest trends observed in Malaysia's food retail sector by the researcher.

**Exhibit 4.16
Latest Trends Observed in Malaysia’s Food Retail Sector**

Type of Store	Trends
---------------	--------

Hypermarkets	<ul style="list-style-type: none"> ❖ Are gathering all segments of food (fresh fruit, vegetables, fresh, frozen, chilled meat, seafood and ready-to-eat / pre-prepared foods) and non-food retailing under one roof, in a modern, clean, air-conditioned and user-friendly environment, while managing to keep prices low, thus attracting a growing number of loyal shoppers.
Supermarket chains	<ul style="list-style-type: none"> ❖ Particularly medium and small stores are feeling the heat from hypermarkets, and are consolidating, merging and branching into the hypermarket format in order to stay in business. ❖ Big supermarkets are getting bigger and their per-store sales are rising; while sales at medium and small supermarket chains and independent stores has declined sharply (by as much as 74%) over the past five years (1997–2002) (News Strait Times Special Report, 2002). ❖ Availability of fresh fruit and vegetables; fresh, frozen and chilled meat and seafood; and ready-to-eat/pre-prepared foods, originally pioneered by foreign hypermarkets, is becoming the standard for supermarkets and even some convenience stores. ❖ Hypermarkets and supermarkets will remain an urban phenomenon, with over 80% of all sales occurring in cities, more than half of which are in major city centres.
Outdoor food stalls	<ul style="list-style-type: none"> ❖ Are on their way out, as Council governments push to clean up the streets.
Convenience stores	<ul style="list-style-type: none"> ❖ Seem to thrive even in the vicinity of hypermarkets, as the large stores apparently generate more foot traffic than they take away. ❖ Convenience stores are successfully filling the niche left by hypermarkets on the 'local neighbourhood' level.
Wet markets	<ul style="list-style-type: none"> ❖ The number is slowly being reduced as government tries to relocate and re-arrange in a new location (usually away from the major town area) with better facilities.

4.4 Malaysia as a Manufacturers' Brand Dominated Market

Unlike supermarkets and hypermarkets in the UK, the Malaysian grocery retail market is characterised by an unusual amount of brands, which are controlled by the manufacturers. Retailers offer products that are mostly produced and supplied by manufacturers (see Exhibit 4.17). In many food, beverage, frozen food and household care categories, one particular manufacturer brand accounts for 40-50 per cent market share and the same brand has held this position for many years (News Strait Times Special Report, 2002).

Exhibit 4.17
Malaysia's Top 10 Brands by Sales (RM mill)

No	Brand	Value
----	-------	-------

1	Dunhill	1,000+
2	Marlboro	201-300
3	Carlsberg	500-1000
4	Milo	201-300
5	Guinness	401-500
6	Salem	201-300
7	Tiger	301-400
8	Benson & Hedges	201-300
9	F & N condensed milk	201-300
10	F & N soft drink	101-200

Source: (ACNielsen, 2001)

This situation can be found in almost all categories of products. For example, Kelloggs is the common cereal for breakfast cereal products, Coke is the common drink for soft drinks, and Nescafé and Boh is the common drink for coffee and tea respectively (see Exhibit 4.18). These brands are easily available in all types of stores (supermarkets and hypermarkets) in Malaysia. As such, most stores use price as their retail weapon, in order to gain consumers' attention. As observed by the researcher and reported in the local newspaper, Malaysian consumers are price conscious. Since manufacturers' brands are easily available in stores, consumers are said to be very conscious about the price placed by an individual store on the manufacturers' brands. Typically, Malaysians will scout around from one store to another, and will only buy the cheapest manufacturers' brands in the market and therefore they are not loyal to any single store. Retailers claim that there is no such thing as a loyal Malaysian customer, as shoppers buy on the basis of price, so they go somewhere else if things are cheaper. There may be some truth in this, as in the early days when only local stores were available, local retailers concentrated solely on prices. Factors such as the product itself, the layout and design of the store and the personality or image of the store were certainly not taken

into account. This can be seen in the basic store appearance portrayed by local retailers, before the 1980s, when consumers saw grocery products as a necessity. Choice was considered a secondary matter.

Exhibit 4.18
Example of Manufacturers' Brands Available in Many Stores in Malaysia

Type	Brand
Foods	Kellogg, Nestlé, Hup Seng
Soft Drinks	Coke, Pepsi, F&N
Beverages	Nescafé, Tea Boh, Horlicks, Milo
Household Cares	Ajex, Good Maid, Breeze, Sheltox

(Source: Researcher's Observations, December, 2003)

Some of these manufacturers' brand-dominant situations can be traced back to the pre-war period. What factors might account for this? It is believed that this brand phenomenon can be attributed to Asian cultural values (Robinson, 1996). Hofstede (1980), in an attempt to investigate multi-cultural attitudes across 53 countries, reveals that there are major cultural-based attitudinal differences across countries. The study reveals that Asians are characterised by '*power distance, collectivism, uncertainty avoidance and masculinity cultures*' (Hofstede, 1980). The study also discovered a widely shared set of cultural values across all the Asian countries. These cultural values can be characterised as respect for authority, desire for harmony, reduced competitiveness, contentedness, conservatism and tolerance of others (Robinson, 1996; Hofstede, 1980).

According to Robinson (1996) and Hofstede (1980), one of the key cultural dimensions found in Asia is the concept of '*power distance*'. This is basically the willingness to

accept that those with power (e.g. dominant brands) are entitled to it and those without power ought to accept the way things are and should just go along with it. This is a value not shared too much by Westerners, but is certainly an Asian cultural tendency (Robinson, 1996; Hofstede, 1980). The relevance of these cultural characteristics to the extremes of brand loyalty mentioned above is obvious. That is why Coca Cola and Nescafé have such high and sustained market share. Power brands like these have accumulated so much brand equity that maintaining a market share position is relatively easy. By the same token the upstart new brands have an extremely difficult job to get noticed and more importantly, to instil trust. The power brands have simply engendered increased trust and believability, so that the consumer does not have to think much about a brand choice consideration. There is an underlying belief that the dominant brand has got where it is because it is the '*best and popular*' (Robinson, 1996) among Asian consumers.

According to Robinson, Asian societies are also basically characterised as '*consensual*' rather than individualistic in orientation (1996). Through schooling and the attitudes of parents, and indeed governments in many cases, an individual's beliefs and desires are submerged to fit with the greater good, or what is acceptable in society as a whole. This consensual or collective orientation has huge implications for consumer attitude formation and of course brand loyalty, particularly in food sectors where there is a shared experience, or the brand moment requires socialised interaction (such as for food and beverage markets as examples). According to Triandis (1995) collectivist cultures exhibit more reliance on well-known brands that offer lower levels of social

risk. Products or brands, which communicate status, are valued for their expressive ability and attitudes towards such products will be formed less by an individual's personal beliefs than by the overall image of the product communicated by the brand and the opinions of important referent others (Shannon and Lockshin, 2002). This suggests that well-known brands are believed to offer higher quality and those products or brands with higher prices will definitely have higher quality perceptions. Again, this ensures the survival of the dominant brands, which are the manufacturers' brands.

Another dominant cultural dimension for Asians is '*uncertainty avoidance*' (Hofstede, 1980). Uncertainty avoidance is a reflection of the extent to which societal rules are so established that the need to deal with uncertainty is easily avoided. The best retailing example is the ever-present Rolex and Mercedes Benz ownership mentality one sees all over Asia (Robinson, 1996). Why is it that wealthy Asian consumers do not show a little independence and buy a Porsche car more often? The reason is such a purchase would raise uncertainty amongst other Asians about the buyers - are they reliable? What are their personalities like? Why are they different from us? In such a situation, brands take on roles as symbols that extend well beyond the intrinsic features of the category. One is not buying a car, or even a status brand; one is buying club membership, or an '*I am just like you*' mentality (Robinson, 1996). The same phenomenon applies to the choice of stores. Those supermarkets or hypermarkets with the crowds, those with most customers, must according to Asian values be the best and most popular store. Hence perhaps the success of retail brand products in Asia,

particularly in Malaysia, will depend on how retailers manage to demonstrate to consumers that the product or brand is popular in foreign markets.

The fact that Malaysia is an Asian country, with the consumer characteristics as described by Robinson (1996) and Hofstede (1980), means that retailers who want to penetrate local markets, should develop some culturally based perceptions of '*ideal tactics*'. One example is demonstrating perceptions of being the best or most popular, or to manipulate the strong desire for identification through product status ownership. This suggests strategies for developing a brand's status through linkage to those with power and status. If that is the case, the question now is, will Giant brands be perceived more favourably than Tesco brands, followed by Tesco Value or perhaps the other way round?

4.5 The Development of Retail Brand in Malaysia

Although retail brand products in Malaysia are relatively new compared to those in the West, these innovative strategies have, however, had a significant effect on the development of modern food retailing. The food retailing modernisation process has been primarily initiated and driven by Asian retail companies, led by the Japanese retailers. It was not until the early 1990s that the first Western food retailers sought to establish a presence in Malaysia, in response to the region's accelerating per capita income growth, urbanisation, western cultural and commercial influences, as well as the Asian economic crisis (The Star, 2002). Malaysia's traditional system of the supermarket is being rapidly left behind (but is still available, particularly in the rural

areas), overtaken by a new network of modern food retail outlets which are also creating their own brand, supply chains and distribution systems (e.g. Giant and Tesco). This new phenomenon means grocery shopping in Klang Valley may never be the same again. These days, Malaysian consumers, particularly in the urban areas, choose to do their monthly grocery shopping in the hypermarket, where they are provided with variety of choice and a wider selection of products including retail brand products. It is argued that to compete successfully in a global arena, supermarkets and hypermarkets must not rely so much on manufacturers' brands. They should move on by introducing and increasingly utilising what other foreign retailers do; that is producing and promoting retail brand products. Unlike hypermarkets, not all supermarkets in Malaysia opt for this innovation. Most of them continue to sell manufacturers' brands like before.

4.5.1 Factors Influencing the Growth of Retail Brand Products

As mentioned earlier, in Malaysia it was the hypermarkets that first started to venture into retail brands. Makro and Carrefour were the first stores to introduce retail brands in the middle 1990s. During the early 2000s, almost all major hypermarkets in Malaysia started producing their retail brands although the volume is extremely small. It was often difficult to find a retail brand in a store, and if it was in the store, not many customers were aware of the existence of these brands. Customers might assume that the retail brand was another manufacturers' brand.

However, in late 2003, circumstances changed. Within three years, the number of products which carry the retailer brand name has increased gradually. Hypermarkets started aggressively introducing this brand by offering more products either carrying their store name or another name or sign. The researcher herself noticed this, four observations from the month of January to April 2004.

It would be interesting to find out what makes retailers in Malaysia introduce retail brands. Although the retailers themselves refused to be interviewed, the researcher believed that the best explanation is similar to that in the West. It was believed (from observation) that the introduction of these brands was made possible by joint collaboration with major suppliers. The researcher believes that two main factors have driven the increase in retail brands in Malaysia; the willingness of retailers and manufacturers to work together; and the willingness of consumers to consider buying retail brands.

McGoldrick (1984) and Morris (1979) argue that retailers venture into this market to get better or higher gross margins, more attractive prices, benefits of company image and possibly a quicker stock-turn. The researcher observed that almost all retail brands, with the exception of Makro (this is partly due to the unconventional/ non-comparable size of packs) provide a slightly cheaper price compared to the manufacturers' brand, with an average price variation from the manufacturers' brand of -14% to -51% (see Exhibit 2.19). Obviously, manufacturers' brands carry the higher prices. This supports McGoldrick's (1984) and Morris's (1979) suggestions.

Exhibit 4.19
Product and Price Range of Retail Brands as Compared to Manufacturer Brand

Products	Tesco-V (2 nd)	Tesco (3 rd)	Giant (3 rd)	Carrefour (2 nd)	Carrefour (3 rd)	Makro* (2 nd)	Manufacturer
Detergents:							
Liquid laundry detergent	8.99 (3L)	n/a	9.99 (3L)	7.50 (3L)	n/a	18.99 (5L)	12.99 (3L)
Dish washing liquid	1.49 (1L)	3.49 (1L)	2.59 (1L)	1.90 (1L)	n/a	8.99 (5L)	4.49 (1L)
Bleach	2.88 (1L)	n/a	2.79 (1L)	2.89 (1L)	n/a	7.49 (5L)	5.59 (1L)
Fabric softener	2.59 (2L)	5.50 (2L)	4.29 (2L)	2.90 (2L)	n/a	11.9 (5L)	5.79 (2L)
Bath soap	1.90	n/a	1.00	1.20	n/a	0.99	2.25
Multi-purpose cleaner	2.59 (750ml)	3.20 (500ml)	2.99 (500ml)	2.69 (1L)	n/a	n/a	3.99 (1L)
Household Cares:							
Facial cleaner tissue	4.45	n/a	6.99	8.80	n/a	7.59	8.89
Facial tissue	5.99 (4x100)	n/a	6.79 (4x100)	5.99 (4x100)	n/a	7.99 (6x100)	8.79 (4x100)
Kitchen rolls	4.99	n/a	4.99	4.50	n/a	5.99	6.80
Bathroom tissues	10.99 (4x100)	n/a	10.90 (4x100)	9.99 (4x100)	n/a	9.90 (4x100)	12.99 (4x100)
Baby diapers	25.99 (M72)	n/a	26.89 (M72)	17.60 (M48)	n/a	28.35 (M72)	34.99 (M72)
Grocery:							
Super local white rice	14.59 (10kg)	25.90 (10kg)	16.99 (10kg)	13.68 (10kg)	n/a	14.85 (10kg)	28.99 (10kg)
Fried noodles	1.25	n/a	1.49	1.40	n/a	1.50	2.99
Rice Noodles	1.00	n/a	0.99	1.00	n/a	0.85	1.19
Light soya sauce	2.75	n/a	2.99	2.65	n/a	4.95	5.39
Soya sauce	2.95	n/a	2.99	2.65	n/a	14.7	3.19
Chip potatoes	4.99 (1kg)	n/a	3.99 (1kg)	3.99 (1kg)	5.99 (1kg)	6.99 (2kg)	5.99 (1kg)
Sandwich bread	1.76	n/a	1.79	1.80	n/a	1.49	1.80
Egg (30s)	6.45	n/a	6.69	6.81	n/a	6.75	6.89
Cooking oil	11.29 (5kg)	n/a	11.99 (5kg)	n/a	n/a	n/a	12.59 (5kg)
Coarse sugar	1.49 (1kg)	n/a	1.39 (1kg)	1.35 (1kg)	n/a	n/a	1.59 (1kg)
Breakfast cereal	3.90 (500g)	6.90 (500g)	2.99 (170g)	n/a	13.70 (750g)	n/a	3.39 (150g)
Tea bags (100s)	9.90	12.80	n/a	4.99	10.20	n/a	10.69
Mineral water	0.75 (1L)	n/a	0.99 (1L)	1.09 (1L)	n/a	8.50 (1Lx12)	1.79 (1L)

Source: Personal observation, 2004

Additionally, it was noted that the growth of retail brand products in Malaysia was also due to the increased power of retailers as well as the rise of the concept of partnerships (The Star, 2002). It seems that collaboration between foreign hypermarkets and local organisations has successfully improved retail operations. Local suppliers seem to be very happy to work together with these foreign retailers as it can create a long-term relationship as well as securing earnings thus creating a win-win situation for both groups (The Star, 2002). These situations act as a platform for encouraging the development of retail brand products. As mentioned by Akio Morita from Sony Corporation (2002), *"We don't ask consumers what they want. They don't know. Instead we apply our brain power to what they need, and will want, and make sure we're there, ready."*

Nevertheless, it is argued that without a contribution from the customers themselves, there is no assurance that retail brands can be promoted successfully in Malaysia. Although, until now, Malaysians were never exposed to anything other than the leading manufacturers' brands, it is believed that the availability of retail brands will somehow catch the attention of consumers. Presently, there are no facts or figures to illustrate how Malaysians think of these brands.

4.5.2 Characteristics of Retail Brands

Generally, there are five aspects to look into when discussing retail brands in Malaysia. The first is the product aspect. Most of the hypermarkets offer retail brands that mirror the 2nd and 3rd generations of retail brands found in the West with the exception of Giant (see Exhibit 2.19). Giant offers only the 3rd generation of retail brands. It was observed that 2nd and 3rd (not all) generations of retail brands were concentrated most in commodity products or standard grade products that are basic and simple. These products are just as good as manufacturers' brands, but they may be less aesthetically appealing in terms of size, colour or texture. These products are usually packaged in simple wrappers and carry the name of the product (e.g. 'dishwashing liquid') as well as the brand of the product. This is usual among retailers who are in the early stages of retail brand development (McGrath, 1995). It was observed that most of the 2nd and 3rd (not all) generations of retail brands focus on an inexpensive, easy, low-risk purchase for the consumer; large volume markets; technologically simple markets; high profit margins; low levels of innovation and low levels of national brand advertising. Typical products are multi-purpose cleaner, dish washing liquid, liquid detergent, bleach, fabric softener, toilet rolls etc. that are easily obtainable from all hypermarkets and become a supplementary brand to the manufacturers' brands.

Tesco and Carrefour, also offered 3rd generation retail brands in big category products such as breakfast cereals, which require slightly advanced technology.

Tesco and Carrefour, for instance, offer various types of cereal that contain more innovative ingredients such as dried fruits and nuts. As a result, a direct comparison between products and stores cannot be made, as one cannot tell if Tesco's cereal is better quality than that of Giant and the manufacturer brands, as the products are different either in contents, weight, packaging as well as the technology used. Nonetheless, it was observed that product categories that carry both 2nd and 3rd generations of retail brands in the one store are very few. Perhaps these tactics represent a strategy used by the stores, to control the market as well as to provide a differentiated offer against their competitors.

Tesco has a higher proportion of retail brand products and a more elaborate range. Retail brand products from Tesco stores are grouped into three categories: *Tesco-Value* (2nd); *Tesco* (3rd); and *Tesco Finest* (4th). However, in terms of quantity, Tesco-Value is the most prevalent and Tesco Finest is the least available in the stores. Innovative products such as chilled ready meals and organic products that carry retailer brands are hardly seen in the stores although they are popular in the West.

The second aspect is pricing. Although there are different generations of retail brands in Malaysia, generally retail brands share similar pricing features. They are basically low in price. This suggests that the characteristics of retail brands in Malaysia are similar to those in the West and consequently offer more choice to consumers and thus increase the store's revenue. Price comparisons between

retail and manufacturer brands reveal that Tesco-Value offered the greatest variation from manufacturer brand prices. In average these brands were offered at 51.7 per cent below the manufacturers' price, followed by Carrefour, 48.2 per cent and Giant, 33.7 per cent. However, since Makro considers itself as a warehouse club and not a hypermarket, their price is higher compared to manufacturers' brands as the products are in large sizes and quantities (See Exhibit 4.19 and 4.20).

Exhibit 4.20


Price Comparison Between Manufacturers' Brand and Retail Brands (\$RM)

Products	Makro (2 nd)	Tesco-Value (2 nd)	Tesco (3 rd)	Giant (3 rd)	Carrefour (2 nd)	Manufacturer Brand
(1) Dish washing liquid	8.99	1.49	3.49	2.59	1.90	4.49
(2) Fabric softener	11.9	2.59	5.50	4.29	2.90	5.79
(3) Super local white rice	14.85	14.59	25.90	16.99	13.68	28.99
(4) Multi-purpose cleaner	12.00	2.59	3.20	2.99	2.69	3.99
Average to Manufacturer Brand (%)	N/A*	51.7%	14.4%	33.7%	48.2%	

Source: Personal observation in January, February, March, and April 2004;

*Prices are higher due to nature of operation (sell in bulk)

Note: The above products were chosen as these are the only products that are comparable in all stores.

As for the trade name, observations reveal that Carrefour and Makro used non-store brand name for their 2nd generation of retail brand products; such as  and Aro. According to Sullivan and Adcock (2002), these brands are competing with other brands without the support of the retailer's image. This strategy is vital to protect the retailer's image, as consumers may think that other manufacturers introduce the brand to the store rather than that the store sponsors the brand. However, Carrefour uses their store name (Carrefour) for 3rd generation retail brand products. Similarly, Giant uses its store name for its 3rd

generation retail brands, while Tesco use Tesco Value for 2nd generation, Tesco for 3rd generation and Tesco Finest for 4th generation retail brands.

Given the benefits of having a leadership position in the market, the strength in its store name, as well as its intimate knowledge of the local market (The Star, 2002); it is expected that Giant's retail brand can be considered the most likely to capture the market. Nevertheless, Tesco as a new player (in Malaysia) cannot be under-estimated as the store offers more advanced retail brands as compared to the other stores.

In respect of the display aspect, the researcher also observed that most of the retail brands were placed alongside the manufacturers' brands, thus helping to enhance the brands. Retailers gave their retail brands a large amount of space and advantageous positions on their shelves, where customers could easily see them. This is similar to the UK market as Baltas (1998) also revealed the same phenomenon in the UK. Additionally, it was observed that Tesco sold retail brand items from special temporary displays. Often the retail brands were placed on both sides of an aisle thus offering a greater impact on consumer traffic patterns.

The final aspect is motivational or promotional support slogans such as '*Cheap Gets Cheaper*', '*The Bigger Deal*' and the most popular one '*Shop Where Malaysians Shop*' as well as '*Born in Malaysia*' which really pushed customers

towards retail brands. These were the typical themes of promotion programmes offered by Tesco, Carrefour and Giant. It was observed that among all the hypermarkets, Giant was the most extensive promoter of their retail brand. The store employed both in-store display and adverts in major newspapers. Giant retail brand promotions can be seen almost every day in major newspapers. A description of each retail brand available in Malaysian hypermarkets can be found in Exhibit 4.21.

4.6 Discussions and Summary

Although today Malaysian consumers are more educated and marketing-savvy, the introduction of retail brands in the major hypermarkets offered many uncertainties. This is because, in general, Malaysian consumers depend on the influences that come from society, particularly in the situation where consumers may judge others or themselves based on the brands they use. It is therefore interesting to explore what Malaysians think of these brands, as customer perceptions are critically important. A retail brand product may meet objective performance criteria (i.e. validated by internal laboratory tests), but will only get credit if the consumer recognises (i.e. 'perceives') that the product delivers the benefits. It is difficult to predict how Malaysians perceive the retail brands that are currently available in major hypermarkets. Currently the attitudes and beliefs towards retail brands in Malaysia need to be investigated and this forms the general aim of this study. In the next chapter the *Research Methodology* of the present study will be discussed.

Exhibit 4.21
Retail Brand Products in Malaysia


Retail Brand	Generation	Type of brand	Strategy	Objectives	Technology	Product	Quality/ Image/ Buy due to:	Approximate Pricing	Supplier
	3 rd generation	*Own brand Giant	* Me-too product *Cheapest price	<ul style="list-style-type: none"> *Increase margins * Reduce manufacturers' power by setting the entry price *Provide choice in pricing *Enhance category margins *Expand product assortment i.e. customer choice *Build retailer's image among consumers 	<ul style="list-style-type: none"> *Technology still lagging behind market leaders * Simple production process *Close to the brand leader 	<ul style="list-style-type: none"> * Basic and functional products *Big category products 	<ul style="list-style-type: none"> *Medium quality but still perceived as lower than leading manufacturers' brands *Secondary brand alongside the leading manufacturer's brand * Price is still important for buying * Price is still important for buying *Comparable to the brand leaders 	42.3 % below the manufacturer brand	*National

Exhibit 4.22
Retail Brand Products in Malaysia






	<p>2nd generation</p>  	<p>*Own Label</p> 	<p>* Cheapest price</p>	<p>*Increase margins * Reduce manufacturers' power by setting the entry price *Provide better value product</p>	<p>*Simple production process *Basic technology lagging behind market leader</p>	<p>*Basic and functional products *Big category products</p>	<p>* Medium quality but still perceived as lower than leading manufacturers' brands *Secondary brand alongside the leading manufacturer's brand * Price is still important for buying</p>	<p>*57.7 % below the manufacturer's brand</p>	<p>*National</p>
	<p>3rd generation</p> 	<p>*Own brand Carrefour</p>	<p>*Me-too product</p>	<p>*Enhance category margins *Expand product assortment i.e. customer choice *Build retailer's image among consumers</p>	<p>*Close to the brand leader</p>	<p>*Big category products</p>	<p>*Comparable to the brand leaders * Value for money</p>	<p>4.6 % below the manufacturer's brand</p>	<p>*International</p>

Exhibit 4.22
Retail Brand Products in Malaysia








	<p>2nd generation</p>  	<p>*Own Label</p> <p>Aro</p>	<p>*Product in large sizes</p>	<p>*Increase margins * Reduce manufacturers' power by setting the entry price *Provide better value product</p>	<p>*Simple production process *Basic technology lagging behind market leader</p>	<p>*Basic and functional products * One-off staple lines with a large volume</p>	<p>* Medium quality but still perceived as lower than leading manufacturers' brands *Secondary brand alongside the leading manufacturer's brand * Large size product is the main criterion for buying *Value for money</p>	<p>100.2 % higher than manufacturers' brand</p>	<p>*National</p>
---	--	-------------------------------------	--------------------------------	---	---	---	---	---	------------------

Exhibit 4.21
Retail Brand Products in Malaysia

	<p>2nd generation</p> 	<p>*Own brand</p> <p>Tesco-Value</p>	<p>*Cheapest price</p>	<p>*Increase margins * Reduce manufacturers' power by setting the entry price *Provide choice in pricing</p>	<p>*Technology still lagging behind market leaders</p>	<p>*Basic and functional products</p>	<p>*Medium quality but still perceived as lower than leading manufacturers' brands *Secondary brand alongside the leading manufacturer's brand * Price is still important for buying</p>	<p>66.8 % lower than manufacturers' brand</p>	<p>*National</p>
	<p>3rd generation</p> 	<p>*Own brand</p> <p>Tesco</p>	<p>*Me-too product</p>	<p>*Enhance category margins *Expand product assortment i.e. customer choice *Build retailer's image among consumers</p>	<p>*Close to the brand leader</p>	<p>*Big category products</p>	<p>*Comparable to the brand leaders * Value for money</p>	<p>22.3 % below than manufacturer brand</p>	<p>* International</p>
	<p>4th generation</p> 	<p>*Extended own brand</p> <p>Tesco Finest</p>	<p>* Value-added</p>	<p>*Improve image further *Differentiation * Enhance category margins *Increase and retain the client base</p>	<p>* Innovative technology</p>	<p>*Image-forming product groups * Large number of products with small volume (niche)</p>	<p>* Same or better than brand leader * Innovative and different products from brand leaders * Better and unique products</p>	<p>*19.7 % higher than manufacturers' brand</p>	<p>* International</p>

CHAPTER FIVE

Research Methodology

Choosing a suitable technique for data collection in research is not a simple task. As reported in Chapter One, the main aim of this study is to build an understanding of how Malaysians view retail brand products particularly in the hypermarket sector. This chapter therefore presents the research methodology employed in this study in more detail as well as underlines problems that may occur while conducting the study. It is argued that the most important consideration in this chapter is whether the chosen method of data collection can be operationalised in the preferred environment, that is *consumers in a hypermarket setting*. This implies creating a method that best captures the criteria needed in the study as well as matching the needs of the respondents. For that reason, this chapter will focus on methodologies that aim to explore the Malaysian consumers' *perceptions of retail brand products*. The remainder of the chapter will include issues such as choice of research method, data gathering procedures, sampling techniques, as well as research instruments that the researcher believes suitable for the study. In order to identify the appropriate method for the study, it is important to first understand the objectives of the study.

5.1 The Research Objectives

The aim of this research is to understand and appreciate how consumers view retail brand products in Malaysia. This is important because.....

'...nothing is so powerful as an insight into human nature, what compulsions drive a man, what instincts dominate his actions, even though his language so often camouflages what really motivates him. For if you know these things about a man you can touch him at the core of his being'

*Bill Bernbach,
(Building Brands, 2003)*

If retailers fail to monitor the market, customers will drift away and this will allow competitors to grow stronger. Accordingly, the main objectives of the study as stated in Chapter 3 are

- **Objective One: *To investigate consumer perceptions of retail brand attributes from the Malaysian consumers' point of view.***
 - Which brand attributes have most influence on consumer perceptions of retail brands?

To do this, consumers' attitudes toward retail brand products will be examined for four different brands within two hypermarkets namely; *Giant* brand from Giant hypermarket and *Tesco* and *Tesco Value's* brands from Tesco hypermarket plus a manufacturers' brand. Giant and Tesco are among the top hypermarket chains in terms of local market share and carry retail brands. Therefore they should be representative for this study. It is crucial to find out what consumers think of these brands, as retail brands are new in the local market. Tesco-Value represents the second generation of retail brand development, Giant and Tesco brand represent the third generation of retail brand development. A leading manufacturers' brand will also be included in the study to identify any differences in perceptions that may occur between the three retail brands and the manufacturers' brand. This may affect the overall perceptions of retail brand products, as some claim that Malaysia is a market dominated by manufacturers' brands. In addition, Ailawadi and Keller

(2004) argue that the manufacturers' brands carried by retailers influence consumers' evaluation of retail brands.

The perceptual criteria (brand attributes) to be measured are grouped into six broad areas. These areas emerged as important factors from the literature review. The six broad areas are *quality* (quality, reliability and ingredients), *value* (value for money, worth the money and good bargain), *risk* (financial and social), *extrinsic cues* (price and packaging), *familiarity and popularity*. Although Baltas (1998) reveals that the impact of recent quality and image improvements in retail brand products remains unexplored; this fourth generation of retail brand product cannot be included in the present study, as in Malaysia the third generation of retail brand is considered to be the latest retail brand available.

- **Objective Two:** *To examine if the consumer-shopping situation (planned purchase of retail brand versus unplanned purchase of retail brand) and consumer-shopping motivation affects perceptions of retail brands' attributes.*
 - Do situational factors such as buy brand as planned and buy brand unplanned, as well as consumer motivation affect consumer perceptions of retail brands' attributes?

The literature review suggested that situations and motivation factors would influence consumer behaviour and perceptions. For one specific situation this objective could explore the impact of situation on perceptions of retail brands.

- **Objective Three: *To investigate the overall perceptions of consumers on the development of retail brand ranges in Malaysia.***

- What do Malaysians think of this brand type as a whole?

Do consumers have positive attitudes towards retail brand products as an innovation? The results will act as an indicator of the future or potential market, thus underpinning the retail operators' strategies particularly the hypermarket chains that to date are promoting manufacturer brands.

- **Objective Four: *To examine the effects of the situations and motivation for grocery shopping on overall perceptions of retail brand ranges.***

- Do consumer situation and consumer shopping motives influence consumer overall perceptions of retail brands?

As mentioned in the literature review (Piacentini *et al.*, 2001; Dawson and Sparks, 1985), consumers may shop for several reasons, such as functional and non-functional tasks. These objectives explore whether situation and motivation influence the overall retail brand perceptions.

- **Objective Five: *To examine whether store image affects the perceptions of retail brands' attributes.***

- Does store image affect consumer perceptions of retail brands' attributes?

It is important to examine whether store image offers significant effect on the individual retail brand attributes as revealed by the previous studies (the more

favourable the image of the store, the greater the likelihood that consumers will shop and buy from the store).

- **Objective Six: *To examine the effects of store image on overall perceptions of retail brand ranges.***

- Does store image affect the consumers' overall perceptions of retail brands?

It is important to examine whether store image affects consumer overall perceptions of retail brands particularly in Malaysia where store image and loyalty is considered less important.

- **Objective Seven: *To examine the effects of store image on consumer shopping motives.***

- Does store image affect consumer-shopping motives?

It is important to examine whether store image influences consumer shopping motives. Do the same issues about the role of store image identified in the literature apply in Malaysia as in the West?

Accordingly, the above objectives lead to the following research propositions

- The first proposition is that the different types (stages) of retail brand could influence the perceptions of retail brand attributes. Thus, consumer perceptions of the importance of different retail brand attributes vary depending on the generations of retail brand products. Therefore

P1: Consumers will attach significantly different perceptions to the attributes of different types (generations) of retail brands.

- The second proposition is that consumer situations (planned purchase of retail brand versus unplanned purchase of retail brand) and consumer shopping motivation may affect perceptions of retail brands attributes'.
Consequently;

P2i: Consumers will hold significantly different perceptions of retail brands attributes' depending on the consumer-shopping situation;

P2ii: Consumers will hold significantly different perceptions of retail brands attributes' depending on the consumer-shopping motivation.

- The third proposition deals with how Malaysian consumers perceive retail brands, as a whole; which is critical to the future development of retail brand ranges particularly in hypermarkets in Malaysia. As such;

P3: Malaysians will hold positive attitudes towards the overall perceptions of retail brand ranges, regardless of store brand.

- The fourth proposition is that consumer situations (planned purchase of retail brand versus. unplanned purchase of retail brand) and consumer shopping motives may affect consumers' overall perceptions of retail brand ranges. Thus

P4i: There will be a significant relationship between consumer situations and consumers' overall perceptions of retail brand ranges.

P4ii: There will be a significant relationship between consumer shopping motives and consumers' overall perceptions of retail brand ranges.

- The fifth proposition is that store image may effect perceptions of retail brands attributes'. Consequently

P5: Consumers will hold significantly different perceptions of retail brands' attributes depending on the store image.

- The sixth proposition is that store image may effect the overall perceptions of retail brands. Therefore, how consumers perceive store image will influence the consumers' overall perceptions of retail brand ranges. Thus

P6: There will be a significant relationship between store image and overall perceptions of retail brand ranges.

- Finally, the last proposition of this study is that store image may also influence consumer-shopping motives, as store image is an important aspect in motivating consumers to shop at a store. Therefore

P7: There will be a significant relationship between store image and consumer shopping motives.

In order to achieve the above objectives and explore the research propositions, the approach or design of the study needs to be carefully planned and organised.

For this study, the main concern of the researcher is to decide whether to select a qualitative or quantitative research design. The decision of whether to choose only one approach is also critical. It is argued that although a qualitative research study may be challenging and time-consuming, it is an important option as it gathers specific information about the subject before any conclusions can be drawn. This is particularly important when the study is set up in new surroundings, where the study is considered new to the community, thus established appropriate research method can be very important for any researcher. While a quantitative research design on one hand, offers one-time measurement by describing the answer to the questions being set-up in the study, on the other hand, a large and representative sample size is invaluable in helping a researcher understand the peculiarities of buying behaviour particularly in another country. However, elements of both designs can be used together in a mixed-method (combining method) approach in order to provide more information than what could be obtained by using either one alone (Parasuraman, 1996) (see Exhibit 5.1).

The strength of mixed method analysis is particularly helpful when conducting social research (<http://www.mapnp.org/library/research/research.htm>). It is important to note that the differences between the two methods are not absolute and are often a matter of degree. However, in general, qualitative research generates rich, detailed and valid (process) data that contribute to in-depth understanding of the context in which the phenomenon under study takes place.

Conversely, quantitative research generates reliable population-based and generalisable data. Due to the above reasons, the present study will utilise a combination of qualitative (through mini focus groups) and quantitative (through structured questionnaires) methods in order to facilitate the present study (see Exhibit 5.2).

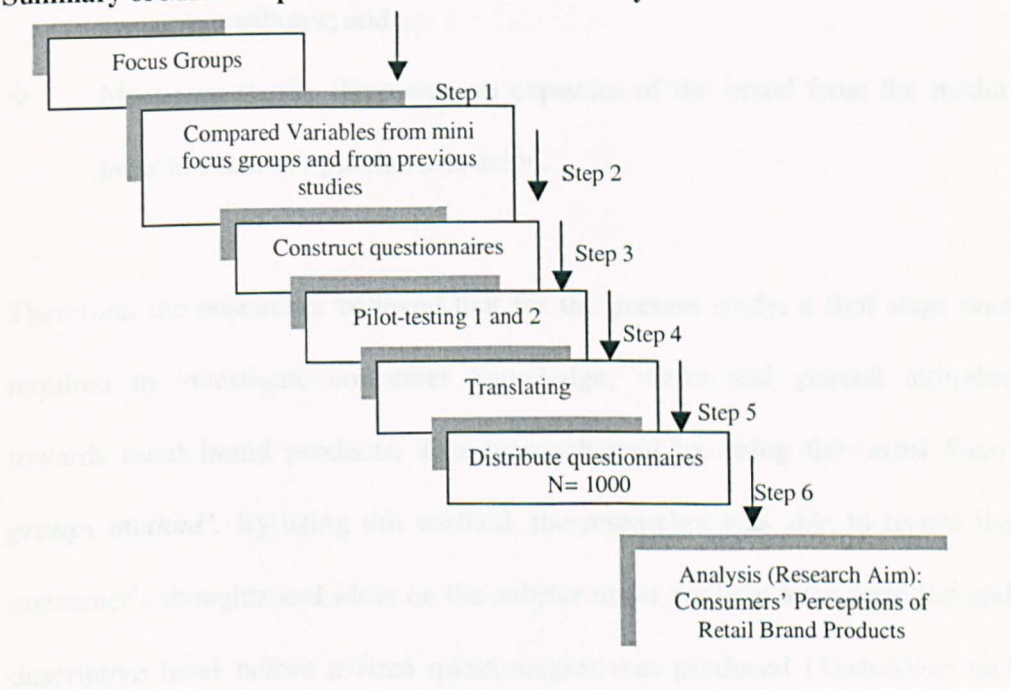
Exhibit 5.1
Type of Research Methods

Method	Overall Purpose	Advantages	Challenges
QUESTIONNAIRES, and SURVEYS,	When needed to quickly and/or easily get lots of information from people in a non threatening way	-can complete anonymously -inexpensive to administer -easy to compare and analyse -administer to many people -can get lots of data -many sample questionnaires already exist	-might not get careful feedback -wording can bias client's responses -are impersonal -in surveys, may need sampling expert -doesn't get full story
INTERVIEWS	When want to fully understand someone's impressions or experiences, or learn more about his/her answers to questionnaires	-get full range and depth of information -develops relationship with client -can be flexible with client	-can take much time -can be hard to analyse and compare -can be costly -interviewer can bias client's responses
DOCUMENTATION REVIEW	When want impression of how operates without interrupting the ; from review of applications, finances, memos, minutes, etc.	-get comprehensive and historical information -doesn't interrupt programme or client's routine in programme -information already exists -few biases about information	-often takes much time -info may be incomplete -need to be quite clear about what looking for -not flexible means to get data; data restricted to what already exists
OBSERVATION	To gather accurate information about how a programme actually operates, particularly about processes	-view operations of a programme as they are actually occurring -can adapt to events as they occur	-can be difficult to interpret seen behaviors -can be complex to categorise observations -can influence behaviours of programme participants -can be expensive
FOCUS GROUPS	Explore a topic in depth through group discussion, e.g., about reactions to an experience or suggestion, understanding common complaints, etc.; useful in evaluation and marketing	-quickly and reliably get common impressions -can be efficient way to get much range and depth of information in short time - can convey key information about programmes	-can be hard to analyse responses -need good facilitator for safety and closure -difficult to schedule 6-8 people together
CASE STUDIES	To fully understand or depict client's experiences in a programme, and conduct comprehensive examination through cross comparison of cases	-fully depicts client's experiences in programme input, process and results -powerful means to portray programme to outsiders	-usually quite time- consuming to collect, organise and describe -represents depth of information, rather than breadth

Method	Overall Purpose	Advantages	Challenges
COMBINING	When intending to complement strength and weaknesses from both methods	<ul style="list-style-type: none"> -research development (one approach is used to inform the other, such as using qualitative -research to develop an instrument to be used in quantitative research) -increased validity -complementary -creating new lines of thinking by the emergence of fresh perspectives or contradictions 	<ul style="list-style-type: none"> -reaching beyond single methods and single studies -posing the right research question (i.e. 'how much' and 'how and why') -developing strategies for comparing/evaluating different data and for reconciling contradictions -extending learning through a programme of combined methods of research

(<http://www.mapnp.org/library/research/research.htm>)

Exhibit 5.2
Summary of Multi-Step Process in Consumer Survey



Additionally, as suggested by Peat *et al.* (2002) and Churchill (1979), such a multi-step process will allow the researcher to develop valid and reliable measures for a market where the study is carried out.

5.1 The Research Design

Examination of previous studies reveals that many research methods, while less directed than the survey and mail interview (methodologies that are usually used in retail brand studies) (see Appendix 4), were considered inappropriate when a study is considered to be in the initial stage of investigation. Most of the previous studies were conducted when

- ❖ Retail brand products were new to the market and consumers;
- ❖ (Although some of the studies were conducted some time after the introduction phase) consumers may have had mixed feelings towards the products attributes; and
- ❖ Most importantly there was no exposure of the brand from the media prior to customer purchase decision.

Therefore, the researcher believed that for the present study, a first stage was required to investigate consumer knowledge, views and general attitudes towards retail brand products. This was achieved by using the '*mini focus groups method*'. By using this method, the researcher was able to record the consumer's thoughts and ideas on the subject under study at a fundamental and descriptive level before a final questionnaire was produced (Tashakkori and Teddlie, 1998). This allowed identification and consideration of the priority issues for consumers before further investigation took place.

5.2.1 Focus Groups Method

Focus groups are a projective method in which a group of individuals is interviewed regarding an area of research interest (Krueger, 2000, 1997; Templeton, 1994). These projective methods are said to work because they provide information that is ‘*gut-level*’, or intuitive in nature. Although the focus group methodology suffers from contextual limitations such as ‘*groupthink*’ and ‘*groupshift*’ (Kjeldal, 2002), that can influence the contribution made by individuals to the discussion, and can affect the group decision process in several ways; focus groups provide information unique to particular consumers, including needs, motivations and self-perceptions, which are relevant to everything they do (Kjeldal, 2002; Green *et al.*, 1988).

When discussing perceptions of retail brand product attributes; the motives behind buying the brand; and the image of the stores where customers buy the brand; attention must be given to the tendencies towards groupthink and groupshift. Both groupthink and groupshift can distort the information obtained so that a representative and accurate dialogue is not achieved. For instance, groupthink is a phenomenon wherein the pressure for group conformity causes individuals to provide responses that will not deviate from the group consensus and, in a focus group discussion, individuals, may not provide information of a critical nature, if this appears to go against information provided by other group

members. Groupshift occurs when the tendency of the overall group to be more or less conservative or risk-taking causes the group to take a position on an issue that is actually more extreme (either conservative or risk-taking) than any one individual in the group would take individually. This may cause focus groups to move the discussion to extreme positions or viewpoints that may not accurately reflect the views of particular individuals in the group.

Given the collective values in Asian societies, where the achievement of an instant group dynamic is very difficult to gain (Robinson, 1996), the current study will utilise mini focus groups. Krueger (2000, 1997) identifies mini-focus groups as containing four to six people per group. For the current study, four mini focus groups consisting of five participants from each of the stores in Malaysia were chosen (four stores x five participants). Furthermore, according to Robinson (1996), a mini focus group is considered the best collective comfort level for Asian participants. The participants chosen for the mini focus groups included both prospective and past purchasers of retail brand products.

Since the study employed an 'on-location focus groups technique' (Krueger, 2000), participants were approached using a purposeful sampling technique. In purposeful sampling, sample size depends on what the researcher wants to know, what is at stake and what can be

done within existing resource constraints. Samples must be judged on the purpose of the study and samples should be pulled for that purpose. In this sense, purposeful sampling can be quite valuable, especially as a device for identifying or initially exploring potential issues or characteristics of interest (Patton, 1990). Purposive sampling is very useful in situations where the researcher needs to reach a targeted sample and get the opinions from the target population quickly (Patton, 1990). There are sixteen types of purposeful sampling but for the present study, '*convenience sampling*' was used. Convenience sampling is used in exploratory research where the researcher is interested in getting an inexpensive approximation of the truth. As the name implies, the sample is selected because they are convenient. This non-probability method is often used during preliminary research efforts to get a gross estimate of the results, without incurring the cost or time required to select a random sample (www.statpac.com/surveys/sampling.htm, 2003).

To reduce the effect of groupthink and groupshift, participants were asked to be as open-minded as possible. Participants were encouraged to act for her or him self and not to be influenced by other members of the group, as the discussions were not intended to please either any of the participants or the stores concerned. Therefore participants were asked to discuss the topic freely without any obligations. Five main issues (related to the objectives) namely: the general attributes of retail brand products; when consumers buy retail brand product; where and why they

shop at the selected store; what image does the selected shop portray and finally their overall attitudes toward retail brand products were discussed in detail.

The study was carried out in the food court inside the respective stores and refreshment was provided. The discussions were tape recorded and transcribed. The transcriptions were carefully analysed and resulting patterns or themes examined thoroughly in order to understand the current topic. The focus groups were scheduled for the first week of December 2003.

Once the subject matter was identified, responses and opinions were compared to the existing scales used by previous researchers (e.g. see Appendix 3, 4, and 5) in order to look at consistency factors. The most frequent attributes were then chosen as survey items.

5.2.2 The Design of the Questionnaire

In general the questionnaire was designed to enhance communications between the researcher and respondents. However, it is noted that there are three major points to be considered in designing questionnaires; *the information being sought, why is it needed and how will the results be analysed*. The questionnaire for this study was structured in such a way that it corresponded with the objectives of the study.

5.2.2.1 Identification of Items

As mentioned earlier, four focus groups consisting of five participants from four stores were invited to the nearest exclusive café to participate in a discussion (see Exhibit 5.3). An introduction and the purpose of the study were explained and then participants were asked to list any attributes/features that they sought from retail brand products. Questions such as *'what do you think of retail brand products'* were used. A few samples of retail brand products from the respective stores were shown to the participants prior to this exercise. Here, the facilitator (the researcher) had to give a few examples such as the "quality" of the product to stimulate conversation. This discussion was then followed by other items such as *'when do you buy retail brand'*, *'what makes you buying retail brand product from this store'*, and finally *'what do you think or believe about the image of the store'* where they normally shop.

Exhibit 5.3
Focus Group Sessions

Stores	Date	Time	Volunteered Participants
Giant, USJ	27/12/2004	12.00pm	4 women and 1 men
Tesco, Klang	28/12/2004	10.00am	3 women and 2 men
Makro, Cheras	29/12/2004	5.00pm	3 women and 2 men
Carrefour, Wangsa Maju	30/12/2004	11.00am	3 women and 2 men

All four groups successfully identified and composed an item pool for the study. The final items chosen were based on the frequency of individual attributes being mentioned in the discussion (Exhibit 5.4). It was observed that most items chosen for store image corresponded with the work of Burt and Carralero-Encinas (2002) particularly on store character and store reputation. Therefore, it was decided to employ only two dimensions of store image namely the concept of store character and store reputation introduced by Burt and Carralero-Encinas (2002). As for shopping motives, it was observed that the items introduced by Jarrat (1996) best corresponded with the focus groups' views. However, a few items from Jarrat (1996) and Burt and Carralero-Encinas (2002) were replaced by items or phrasing produced in the focus groups' discussion. This is essential as the new items/wording reflected the current views of shopping motives and store image expressed by Malaysian consumers (see Exhibit 5.4).

Exhibit 5.4
The Items Obtained from Mini Focus Groups

<p><i>General Attributes of Retail Brand Products:</i></p> <p>Quality:</p> <ul style="list-style-type: none"> ➤ Poor Overall Quality/Excellent Overall Quality ➤ Poor Overall Reliability/Excellent Overall Reliability ➤ Overall Low Grade Ingredients/Overall High Grade Ingredients <p>Value for money:</p> <ul style="list-style-type: none"> ➤ Poor Value For Money/Excellent Value For Money ➤ Not Worth the Money/Worth the money ➤ Does Not Appear to be A Good Bargain/Appears to be a Good Bargain <p>Extrinsic Cues:</p> <ul style="list-style-type: none"> ➤ Expensive/Reasonable Price ➤ Poor Packaging/Attractive Packaging <p>Risks:</p> <ul style="list-style-type: none"> ➤ High Money Risk/ow Money Risk ➤ Not liked Among Friends/Well-Liked Among Friends <p>Familiarity</p> <ul style="list-style-type: none"> ➤ Less Familiar Brand/Most Familiar Brand <p>Popularity</p> <ul style="list-style-type: none"> ➤ Less Popular Brand/Most Popular Brand
<p><i>When do you buy retail brand products?</i></p> <ul style="list-style-type: none"> ➤ I buy brand.during my monthly shopping. ➤ I buy brand.....when I cannot find my regular brand.
<p><i>What motivates you to shop at the selected hypermarket?</i></p> <ul style="list-style-type: none"> ➤ I shop at this hypermarket because the hypermarket carries varieties of products. ➤ I shop at this hypermarket because the hypermarket offers good quality of products. ➤ I shop at this hypermarket because the hypermarket's personnel are friendly. ➤ I shop at this hypermarket because the hypermarket's salespeople are approachable. ➤ I shop at this hypermarket because the hypermarket provides ample parking facility for its customers. ➤ I shop at this hypermarket because the hypermarket always communicates its shopping information to its consumers. ➤ I shop at this hypermarket because the hypermarket is an attractive place to shop for my grocery shopping. ➤ I shop at this hypermarket because the hypermarket is always up to date in its store display. ➤ Shopping for grocery products at this hypermarket is always exciting. ➤ The reason why I shop at this hypermarket is because the hypermarket is clean and tidy ➤ I shop at this hypermarket because the hypermarket décor is attractive. ➤ I shop at this hypermarket because the hypermarket offers excellent atmosphere.

What image does the selected hypermarket portray?

- In my opinion this hypermarket projects a modern image.
- The hypermarket serves the middle class consumers.
- The hypermarkets approach suggests it is a world-class retailer.
- The hypermarket conveys a reliable image.
- I have total confidence in this hypermarket.
- I find the hypermarket portrays a responsible image.
- I believed that the hypermarket would never let me down.

Five items were generated by the focus group sessions for the overall perceptions and attributes of retail brand product ranges. The items produced here were not intended to explore any of these issues in detail, but simply to identify customers' overall perceptions about the introduction of retail brand products in Malaysia (see Exhibit 5.5). It was noted that overall participants agreed that the introduction of retail brands in Malaysia would bring more advantages to consumers, although several participants could not offer an opinion due to their unfamiliarity with retail brand products.

Exhibit 5.5
The Items for Overall View of Retail Brand Products Ranges

Overall Perceptions of Retail Brand Products

- Overall, I am very positive about the introduction of retail brand products in this hypermarket.
- Overall, retail brand products can fulfil my own and family needs.
- Overall, retail brand products offer more choice to customers.
- Overall, I will surely suggest this brand to a friend or family member to check out.
- I will surely buy retail brand products if the store offers more of this brand in this store.

Although studies revealed that demographic variables are an insignificant factor in segmenting the retail brand market (Baltas, 1998; Kono, 1985; Szymanski and Busch, 1987; Murphy and Laczniak, 1979; Zbytniewski *et al.*, 1979; Burger and Schott, 1972; Myers, 1967), it was argued that for the 'new' Malaysian market, explanation of demographic variables was important and six demography questions were employed in the study.

Sex was considered to be a relevant variable on the basis that women and men have been distinguished with regard to their attitudes towards shopping particularly in grocery shopping behaviour (Rafiq and Collins, 1996). Moreover, the social roles of women and men have been suggested to influence their perceptions of different attributes in retail brand products (Mitchell, 1998).

Age was included as a variable following Prendergast and Marr, (1997) and Neidell *et al.* (1985) who illustrated that older age groups were more likely to purchase retail brand products.

Since the Malaysian market is made up of three major races (Malay, Chinese and Indian) it was felt that race might be a significant variable for the study. Furthermore, it was noted that

little empirical research (if any) has directly examined the perceptions of retail brand products specifically by using race.

Marital status, asking respondents for information about the number of people in the household and household income, were chosen as variables as Dick *et al.* (1995) in their study revealed that married and larger households seemed to be more likely to confine their purchases to retail brand products. They also noted that differences in financial pressures might partially determine retail brand proneness.

Finally, education level was included because Omar (1996) in his study of grocery purchase behaviour claimed that retail brand buyers were low in terms of socioeconomic status particularly in education levels, housing patterns and occupation. Housing patterns and occupation were not included in the study for several reasons. First, it was concluded that housing patterns and occupation of respondents could be observed by looking at the respondent's household income as a whole. Secondly, all stores involved in this study were located in the residential areas where three major types of housing; double storey terraces (the majority), flats and semi detached or bungalows were the main types of housing patterns available.

5.2.3 Selection of Product Category

It is not an easy task to decide which product categories are suitable for the study. The researcher had first to list all the potential products before presenting them to the focus groups for further discussion and selection. Several factors must be considered such as the availability of product in every store, the suitability of the product bearing in mind the research method, as well as the objectives of the study. The selected product must also correspond to the various stages of the development of retail brand products in Malaysia. For the present study, the mini focus groups chose dish washing liquid/washing up liquid from two stores (namely Tesco and Giant). These represent the 2nd and 3rd forms of retail brand products respectively (see Appendix 8). This enabled the findings to be evaluated from different perspectives (or stages of retail brand development). Furthermore, most prior research has been conducted with grocery products taking into account this class or type of brand (Hoch, 1996; Richardson., 1994 and Bellizzi., 1981).

A prompt was used during the interview process. Respondents were asked to evaluate the products by looking at the physical aspects of the product: such as the packaging, brand name and the overall presentation of the products. The reason why the study employed such an approach was due to the fact that retail brand purchasing decisions are made mostly at the shelf (Heisley, 2001), where consumers' decisions are

made with reference to the brand's packaging, name and presentation. These three factors endow emotional benefits similar to manufacturers' brands at a lower price (Heisley, 2001). In order to prevent bias, the price tags of each product were taken off during the evaluation period. A dish washing liquid/washing up liquid from a manufacturer brand (Good Maid) was included to provide a reference point. Currently Good Maid brand is the number one washing brand.

5.2.4 Selection of Survey Sites

Initially, it was intended to have four hypermarkets participate in the study using data collected from the '*Big Four*' hypermarkets in the Klang Valley area. The study was confined to the stores located in the four main areas in Klang Valley: USJ Subang Jaya, Wangsa Maju, Cheras and Puchong. These locations were chosen because they offered a high population density and a high degree of competition (Siwar Chamhuri and Kasim, Mohd Yusof, 1997). Each area contained at least two hypermarkets, which trade for 77 hours per week. However, due to difficulties in gaining access to the stores, Carrefour and Makro were withdrawn from the study. The two stores remaining in the study were Giant and Tesco, located at USJ Subang Jaya and Puchong.

5.2.5 Questionnaire Construction

The key issue in the questionnaire structure was interest building. It is believed that questions that may increase a respondent's interest should be asked at the beginning of the questionnaire. The first page of the questionnaire was devoted to a covering letters explaining the purpose of the research. The questionnaires itself contained six sections (A, B, C, D, E, and F).

5.2.5.1 Section A

This section dealt with Objective One of the study, which is, to investigate consumer perceptions of retail brand attributes. This section dealt exclusively with how consumers viewed the brands. Respondents were shown the four brands before they were allowed to answer questions no 1 to 4. Respondents evaluated the brands with respect to the packaging, the brand name and the overall presentation of the brands by means of a 7-point Likert Scale. This procedure was repeated until all four brands (Giant, Tesco, Tesco-Value and manufacturers' brand) were presented.

5.2.5.2 Section B

Consumer situations were assessed using two items which consisted of buying a specified brand as a routine during monthly shopping (planned) and buying the brand during spontaneous and

impromptu, or in other words, emergency situations (unplanned). These two situations were drawn from the focus groups. Respondents were requested to choose the appropriate brand that corresponded to the given situations.

5.2.5.3 Section C

To address partial of Objective Two and Four, which is to determine what factors motivate grocery-shopping behaviour and see if this underlies differences in the perceptions of retail brand grocery products, respondents were requested to indicate their level of agreement with statements about what motivated them to purchase products from their selected store. This was achieved by using a 7-point Likert scale across 16 questions.

5.2.5.4 Section D

Section D was intended to respond to Objective Five, Sixth and Seven, which is to recognise the contribution of store image to the perceptions of retail brand attributes, overall retail brand and consumer shopping motives. Again a 7-point Likert scale was used to measure level of agreement with statements about store image variables relating to store characteristics and store reputation.

5.2.5.5 Section E

This section dealt with overall perceptions of retail brand products. Five questions were constructed to measure how consumers feel about the concept of retail brand as a whole.

5.2.5.6 Section F

Potentially sensitive questions such as a respondent's background information were asked towards the end of the questionnaire. Six demographic-based questions were prepared and presented to the respondents.

5.2.6 Wording of the Questionnaire and Response Format

In order to avoid problems of validity and reliability that can arise from a store-intercept survey technique, the following issues need to be considered: the instructions need to be brief, clear, and easy to understand; the questions need to be concisely, simply worded and should not be ambiguous; and finally the questionnaire must not be too long (Gates and Solomon, 1982). The reason is simple; consumers on shopping trips are usually in something of a hurry. Therefore the time taken for the questionnaires should not be more than 30 minutes.

Attempts were made to tackle the above issues. Careful attention was paid to the phrasing of instructions and questions. Additionally, the

participants from the focus groups were asked to read and check the list of items before leaving the café. The researcher then checked and compiled the final draft of the questionnaire before it was distributed for the pilot test.

The decision to use Likert-type scales throughout (apart from questions pertaining to consumer situations and background information on the respondents) was made because they were an appropriate means of collecting the required data as well as a way of simplifying the questionnaire for respondents. Nevertheless, there was a risk that this advantage might be cancelled out by poor validity arising from a tendency to respond to all questions in a certain direction. To address this issue, most researchers invert some statements from positive to negative or intersperse questions that refer to similar topics of interest. However, it is debatable whether there are good reasons for using such methods, so neither of these techniques was employed in this study. This is because Barnette (2001) revealed that there are negative effects in the use of negatively worded survey stems. He argues that reliability is negatively influenced when such items are used. He then concludes that using response sets that go in bi-directional patterns is a better alternative to the use of negatively worded statements (Barnette, 2001).

5.2.7 Translation

With multiple cultures and languages, the Malaysian market presents special challenges to the researcher. Issues such as questionnaire translation need to be carefully addressed. It is argued that questionnaires need to be administered in the principal national language, and for that reason, should be translated into the Malay language. The use of the appropriate local terms is particularly important when administering an interview, which is conducted directly with customers. The researcher worked closely with the Centre of Language in University Teknologi MARA specifically with Bahasa Malayu Department and provided support to the research assistants involved in data collection to ensure that the appropriate local terms were used.

For the present study, the initial translation of questionnaires into the national language was followed by a back-translation into the English language version so as to check the adequacy of the translation. In this case, a lecturer who teaches English as a Second Language in University Teknologi MARA assisted with the back-translation. It is noted that even good local translations often need to be further modified during pre testing to ensure that questions are asked clearly and consistently. For that reason, pilot tests were carried out.

5.2.8 Pilot-testing

The term *pilot study* is used in two different ways in social science research. It can refer to so-called feasibility studies, which are 'small scale version(s), or trial run(s), done in preparation for the major study' (Polit *et al.*, 2001). The reason why we conducted a pilot test for our instruments was to get feedback from respondents regarding how easy or hard the measure was to understand and complete, and to get information about how the testing environment affected the respondent's performance (Baker, 1994). It also examined whether the questionnaire behaved in the way it should. thus reducing the measurement error whether random or systematic. One of the advantages of conducting a pilot study is that it may give advance warning about where the main research project could fail, where research protocols may not be followed or whether proposed methods or instruments are inappropriate or too complicated. In the words of De Vaus (1993) "Do not take the risk. Pilot test first." There are several important reasons for undertaking a pilot study (see Exhibit 5.6).

Exhibit 5.6

Reasons for conducting pilot studies

- Developing and testing adequacy of research instruments
- Assessing the feasibility of a (full-scale) study/survey
- Designing a research protocol
- Assessing whether the research protocol is realistic and workable

- Establishing whether the sampling frame and technique are effective
- Assessing the likely success of proposed recruitment approaches
- Identifying logistical problems which might occur using proposed methods
- Estimating variability in outcomes to help determining sample size
- Collecting preliminary data
- Determining what resources (finance and staff) are needed for a planned study
- Assessing the proposed data analysis techniques to uncover potential problems
- Developing a research question and research plan
- Training a researcher in as many elements of the research process as possible

Source: De Vaus, D.A, (1993), *Surveys in Social Research* (3rd edn.)
London:UCL Press

To ensure that the questions in the study were understood as intended and to assess the feasibility of the survey approach, the questionnaire was tested twice in two different stores where the general demography differed slightly. This mini pilot testing was conducted on Sunday 28 December 2003 at Giant hypermarket, located at Shah Alam, and secondly on Sunday 4th January 2004, at Tesco, Damansara. The questionnaires were distributed to 10 shoppers to discuss the questions at length and to assess whether the questions were clearly worded and easily understood; which elements needed to be included in order to provide an answer to the specific aspects of the research; and whether the respondents' responses were as intended by the researcher. This is

particularly important when measuring subjective concepts such as attitudes and motivations (www.da-group.co.uk/geoff/research.htm). The mini pilots were carried out in both hypermarkets at 2.30 p.m. on the above dates. Shoppers were approached as they left the store in which they had completed their grocery shopping.

Once corrections had been made, the questionnaires were ready for major pilot-testing. Major pilot studies were carried out using the same procedures as in the mini pilot studies. But this time a larger sample of respondents was used. The corrected questionnaires were then distributed as to test-retest for consistency in response as well as to confirm criterion validity, which will increase the validity of the research instrument. These questionnaires were distributed to 30 respondents from each (total n = 60) store (Giant, Shah Alam and Tesco, Damansara). Should the questions be misunderstood and responded to differently by the respondents, they would be considered to be of low reliability. Conversely, should the questionnaires be understood and record similar responses, this would indicate that the questions were of a high degree of stability and reliability (Kirk and Miller, 1986). For this reason, the researcher herself carried out these pilot interviews.

Apart from the above, pilot testing was also carried out as a means to compute sample size for the study. The sample size was determined by

using the confidence interval approach where three factors are needed in order to come up with a proper sample size for the study. The factors are the amount of variability believed to be in the population, the desired accuracy and finally the level of confidence required in your estimates of the population values (Burns and Bush, 1998). The formula is as follows:-

$$n = \frac{s^2 z^2}{e^2}$$

where

n = the sample size;

z = the level of confidence;

s = variability indicated by an estimated standard deviation; and

e = the amount of precision or allowable error in the sample estimate of the population

The results from the 60 respondents in the pilot testing revealed that the target sample size for the present study was 956. This is based on the calculation below

$$\begin{aligned} n &= \frac{(0.789)^2 (1.96)^2}{0.05^2} \\ &= 956 \text{ respondents} \end{aligned}$$

However, since the study was to be conducted in two hypermarkets, it was decided that 1000 respondents were appropriate, where each store would have 500 respondents (two stores N=1000).

5.2.9 Questionnaire Design–Revised

An analysis of the 10 responses from the mini pilot testing showed that questions 1 to 4 from section A, questions 16 to 19 from section B and questions 22, 26 and 28 from section C should be rephrased to collect responses more meaningfully. One additional question in section C was needed to see whether shopping for grocery was also seen as a family outing. This was essential as in Malaysia all hypermarkets provide huge food courts for their shoppers. The question '*shopping for grocery in this hypermarket also means an outing for my family members*' was therefore created (see Exhibit 5.7).

Following that, the questionnaires were presented to domain experts to check the content validity for the attitude or behaviour of consumers with regard to the study (Carmines and Zeller, 1991). Discussions with knowledgeable individuals from the retailing area allowed final perspectives or opinions to be taken into account before the final questionnaires could be produced and distributed. In this study, the researcher submitted the questionnaires to the researcher's supervisor before distribution to the respondents in Malaysia.

Based on the pilot testing, some questions were re-structured, based on the following (see Exhibit 5.7) and were tested again in the major pilot testing

exercise. The result from the major pilot testing revealed that the questionnaires were understood and responded to according to the research objectives, with an average evaluation index ($\alpha = .84$).

Exhibit 5.7
Questionnaire Design–Revised

Questionnaires	Decision Needed	Action Required
A1- 4	To change the words 'Financial risk'	Modify the words 'Financial risk' to ' <i>Money risk</i> '
A1-4	To change the words 'Social risk'	Modify the words 'Social risk' to ' <i>Well-liked among friends</i> '
A1- 4)	To change the word 'Popular brand'	Modify the words 'Popular brand' to ' <i>Confidence in use</i> '
B6	To change measurement scale from Likert scales to Open ended	Modify the Likert scale to Open ended: Which of the 4 <u>brands</u> (A, B, C and D) would you buy during your monthly shopping and which of the 3 <u>brands</u> would you buy when you cannot find your regular brand?
C12	To change the sentence 'I shop at the store because the store's personnel are friendly'	Modify the sentence to ' I shop at the hypermarket because it provides fast service at checkouts '
C16	To change the sentence 'I shop at the store because the store is attractive place to shop for my grocery shopping'	Modify the sentence to ' I shop at the hypermarket because it is located at a convenient location '
C18	To change the sentence 'Shopping for grocery products at the store is always exciting'	Modify the sentence to ' I shop at the hypermarket because the store always offers special sales '
C22	To add one more question on shopping as leisure for family members.	To add question on ' shopping for grocery in this hypermarket also means an outing for my family members '

5.2.10 Measurements and Scaling

The first determination in any survey design is '*what is to be measured?*' Although research questions will inform what will be investigated, they usually do not say anything about the measurement of that concept. Since the present study is concerned with consumer's perceptions, behavioural attitude measurement should be employed.

Attitudes are enduring patterns of belief, which are believed to be predictive of behaviour. So if someone expresses a generally positive attitude about a certain product, then it might be expected that that person would be highly likely to buy the product or in other words have positive perceptions about the product.

Although attitude scales bear a superficial resemblance to questionnaires, they are actually closer to standardised tests, and as such have undergone more rigorous development and evaluation of reliability and validity (Bryman and Cramer, 1994). There are several types of attitude scales but the most common are the Likert, Semantic Differential and Thurstone scales (Bryman and Cramer, 1994). The present study will employ only the Likert and Semantic Differential scales which are somewhat faster and easier to understand and less time-consuming (Bryman and Cramer, 1994).

Likert (1932) reveals that summated ratings are one of the most widely used methods for measuring attitudes. This approach is commonly called the *Likert*

method (Downey *et al.*, 1998; Anastasi, 1982). A Likert scale enables a number of statements, both positive and negative to be produced. However, in this case rather than asking for simple ‘*agreement*’ or ‘*disagreement*’ with the item (Thurstone scale), the respondent is provided with a range of possible responses, such as;

Overall I am very positive to the introduction of retail brand products in this hypermarket.

<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Somehow Disagree</i>	<i>Neither Agree or Disagree</i>	<i>Somehow Agree</i>	<i>Agree</i>	<i>Strongly Agree</i>
1	2	3	4	5	6	7

This type of scale uses a 7-point scale ranging from *strongly disagree*, *disagree*, *somehow disagree*, *neither agree or disagree*, *somehow agree*, *agree*, *strongly agree* to rate respondent’s attitudes. Respondents will have to indicate their own attitudes by checking how strongly they agree or disagree with the statement given. Variants of the Likert-scale exist that use any number of points between three and ten.

Seven-point Likert scales were used for the majority of questions in the questionnaire. An example is provided in Appendix 9. The 7-point scales were chosen as it was more suitable for multi-variate analysis (the analysis of several variables simultaneously than smaller ranges (e.g. 5 points) (www.bellomyresearch.com/definitions.htm)(www.clrgr.cf.ac.uk/publications/odpm/appendixa.pdf) (Sprott and Shimp 2004; Dodds *et al.*, 1991). Furthermore, 7 -point Likert scales give the study, the ability to make finer distinctions in the measurement of attitudes. Survey researchers have argued that the number of scale points for responses should be able to capture the expected (and real)

distribution of attitudes. Going from five points to seven meaningfully increases the researcher's ability to capture that distribution (www.karlalbrecht.com/articles/smdesign.htm). The most likely difference between 5 and 7-point Likert scales is the capturing of variation. Capturing variation is a significant factor when measuring certain items such as attitudes feelings, beliefs, likes, dislikes, etc. However, the wider the scale (7 -point Likert scales), the more variation that is captured. The more variation that is captured, typically the more accurate, reliable and useful the results will be, assuming the study is actually measuring what the researcher wishes to measure (www.researchinfo.com/oldforum/archive28/messages/2793.html) (Sage books - Quantitative Applications in the Social Sciences).

A Semantic Differential scale is a series of seven-point bipolar rating scales. Bipolar adjectives, such as dull and interesting, anchor both ends of the scale. A weight is assigned to each position on the rating scale; traditionally scores are 7, 6, 5, 4, 3, 2 and 1 (see Section A, questions 1 to 4 in Appendix 9). Both scales are Likert and Semantic Differential ordinal type scales.

The demographic information collected in the present study was in the form of nominal scales, for example, questions under Section F (see Appendix 9). This nominal scale will be considered as a 'true' scale since it only assigns numbers for the purpose of categorising attributes or characteristics. The nominal scale does not express any values or relationships between variables. Labelling men

as '1' and women as '2' (which is one of the most common ways of labelling gender for data entry purposes) does not mean women are '*twice something or other*' compared to men. Nor does it suggest that 1 is somehow '*better*' than 2 (as might be the case in competitive placement).

5.2.11 Person-Administered Store-Intercept Survey

Once the questionnaire was ready for distribution, the researcher needed to identify which of the three common ways of obtaining primary data was most relevant to the present study. These are *survey*, *observation* and *experiment* (Green *et al.*, 1988). The current study employed survey techniques, as this is an important medium for listening to consumer opinions and beliefs (Green *et al.*, 1988) besides there are various benefits offered by this method (see Exhibit 5.8). Surveys are the most widely used method of data collection in academic and commercial marketing research (Green *et al.*, 1988). Moreover, survey research may play a critical role in providing the necessary information for guiding a retailer's development of new retailing strategies. Survey research methods are normally associated with descriptive research, where the primary objective of descriptive survey methods is to provide specific facts and estimates from a large (and therefore potentially '*representative*') sample of respondents. This can help researchers to

- ❖ Make accurate predictions about relationships between market factors and behaviours;
- ❖ Gain meaningful insights in understanding the relationships and differences; and

- ❖ Verify and validate the existing relationships.

Surveys are also sometimes called ‘*cross-sectional*’ studies or surveys of cross-sections of populations.

Exhibit 5.8
Advantages of Surveys

Standardisation	Because questions are preset and organised in a particular arrangement on a questionnaire, survey methods ensure that all respondents are asked the same questions and are exposed to the same response options for each question.
Ease of Administration	The administration of surveys is much simpler than other interviewing methods. Questionnaires may be filled out unattended
Ability to Tap the ‘Unseen’	Survey questions such as what, why, how and who help to uncover ‘unseen’ data. We can inquire about a situation and gain an understanding of the situation.
Suitability to Tabulation and Statistical Analysis	Statistical analysis, both simple and complex, is the preferred means of achieving this goal and large cross-sectional surveys perfectly complement these procedures. Computer software is available for analysing survey data.
Sensitivity to Subgroup Differences	Because surveys involve large numbers of respondents, it is relatively easy to ‘slice’ up the sample into demographic groups or other subgroups and then to compare them for market segmentation implications

(Source: Adapted from various Marketing Research Technique’s books)

A person-administered store-intercept involves what the name implies; intercepting consumers in a store at random and conducting the interview right on the spot (Churchill, 1992; Green *et al.*, 1988). The interviews were conducted outside the store entrance whereby shoppers who are on their way out of the store were approached and asked to take part in the survey. The study was conducted in a ‘*high-traffic*’ environment where crowds of pedestrians passed by. This eliminated travel costs and allowed easy implementation. The most important

advantage of this technique was the presence of an interviewer who could interact with the respondent (see Exhibit 5.9). While the average standard response rate for mail surveys is 50 per cent and for telephone surveys is 60–70 per cent, face-to-face surveys generate over 80 per cent response rates (<http://opal.msu.montana.edu/ghaynes/courses>). Compared to other methods such as in-home (door-to-door) and telephone, person-administered store-intercept surveys offer cost and control advantages (Gates and Solomon, 1982) and yet still expose the study to a large target population. It is also considered the most flexible and versatile method (Bruwer *et al.*, 1996) providing complete and in-depth responses (Bush and Parasuraman, 1985).

Store-intercept techniques permit the use of various types of equipment to initiate response (Gates and Solomon, 1982). In this study the use of retail brand packaging (see Appendix 8) was used to stimulate the context effects of the study as closely as possible. It is argued that if the respondents are presented with the real packaging of the products, more accurate attitudes can be measured in response. For example, would consumer perceptions of retail brand products be affected if the respondents were to think of store image issues when doing their shopping? In addition, the researcher also needs to ensure that all aspects that would be accessible in real shopping behaviour are also accessible

in the survey so as to enhance the quality of response and minimising perceived errors (Wanke, 1997 and Sudman *et al.*, 1996).

Exhibit 5.9
Advantages of Person-Administered Surveys

Feedback	It allows a two-way communication between the interviewer and the respondent. The interviewer is in a position to recognise and react to nonverbal indications of confusion on the part of the respondent.
Rapport	Personal interviewers can build rapport with respondents who are initially distrustful or suspicious.
Quality control	Personal interviewers may be used to ensure respondents are selected correctly.
Adaptability	Personal interviewers can adapt to respondent differences. That is, adapt to respondents' needs and styles.
Use of product prototypes	The respondents can be shown complicated stimuli such as product concepts, product prototypes, video types, storyboards and the like.
Speed or accuracy	Techniques for speeding up the interview or making it less tedious can be employed.

(Source: Adapted from Gates and Solomon, 1982)

Additionally, three main reasons contributed to the researcher's choice of person-administrated store-intercept interviews as the survey method in this study. These included the researcher's resources and objectives, the respondent's characteristics and finally the characteristics of the questions being asked by the researcher (see Exhibit 5.10). The selected respondents were shown three types of retail brand packaging from two hypermarkets and one manufacturers' brand before they responded to the questionnaires given. These were important prompts, as discussed

above. It is also argued that a store-intercept survey is not a random sample of a given trade area, but rather a random sample of customers. As such, it is believed to be a powerful tool in determining the spending patterns of the people in the store (www.thestrategicedge.com/Services/consumer.html). However, Murry *et al.* (1989) argue that, without careful monitoring, the technique is potentially open to selection errors particularly in obtaining a representative sample of the target population. Consumers may refuse to participate in the study for various reasons. To reduce such errors, an incentive was given to each selected respondent once they agreed to participate in the study. It is argued that by using a gift, the selected respondents will be stimulated to respond to the survey. If a selected respondent refused to participate in the study, the researcher had to approach another selected respondent. This was repeated until the desired number of respondents was fulfilled.

Exhibit 5.10
Factors Determining Person-Administrated Store-Intercept Interview as Survey Method

Factors	Effects
Researcher's resources and objectives	Survey data collection time horizon, budget and desired quality of data collected needed
Respondent's characteristics	Incidence rate, willingness to participate, ability to participate, diversity of respondents needed
Characteristics of questions asked by researcher	The use of real packaging

(Source: Adapted from various Marketing Research Techniques books)

5.2.12 Population and Samples

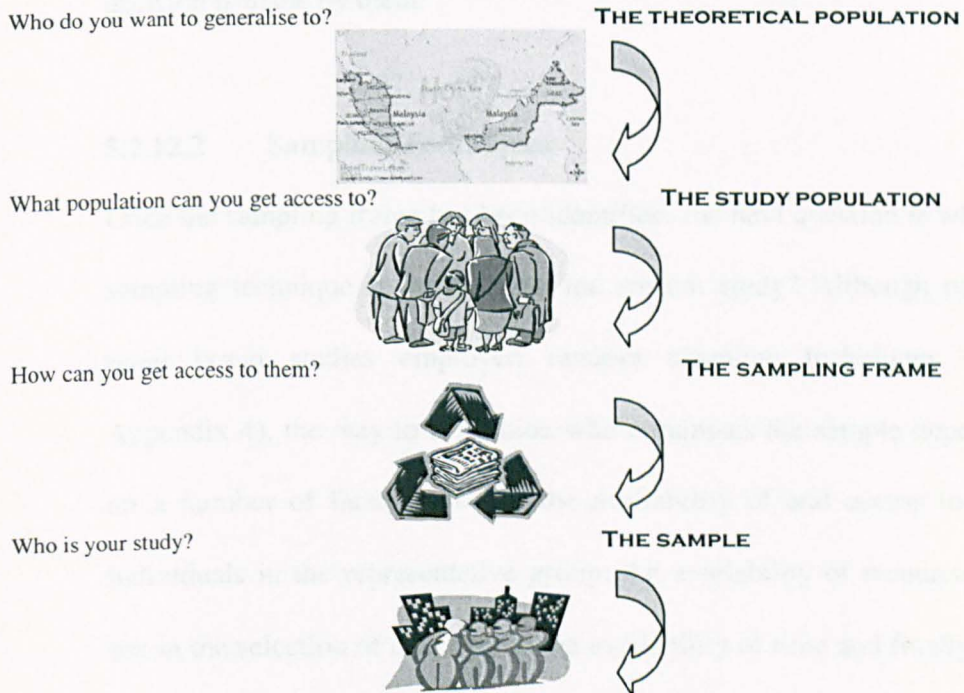
In most social research, the main interest is more than just the people who directly participate in the study. The researcher would like to be able to talk in general terms and not be confined only to the people who are in the study. The researcher is more interested in generalising specific groups. The group where generalisation can be gained is often called the population. For this study, the group where generalisation can be made will be identified as the Malaysian consumer. This is the group that the researcher wishes to sample.

Since one cannot question all the possible sources of information (every person in population), one must sample from the population to estimate what the actual situation of interest is in the population as a whole. The whole purpose of using sampling is to obtain information about the entire population when it is not possible or feasible to measure every element in it. The researcher hopes the items in the sample will give the present study accurate information about the whole population (see Exhibit 5.11).

Sampling is a difficult multi-step process and there are lots of places where the researcher can go wrong. As the researcher moves from each step to the next in identifying a sample, there is the possibility of introducing systematic error or bias. For instance, even if the researcher is able to identify perfectly the population of interest, he or she may not have access to all of the population. Even if the researcher does, he or she may not have a complete and accurate

enumeration or sampling frame from which to select. Following this he or she may not draw the sample correctly or accurately. Finally, should the researcher achieve this, potential respondents may not all participate. Therefore one can say that sampling is a very difficult issue to deal with.

Exhibit 5.11
Sampling Terminology



5.2.12.1 The Sample

Since the present study utilised a person-administered store-intercept survey, the population of interest for this study included individuals who shop at the stores at which the fieldwork was carried out. Therefore, the *store's customers* would be the basis for the sampling frame. Consequently the sample of this study will be defined as *'adult active*

grocery shoppers who are responsible for the final purchase decision'.

It comprised both male and female shoppers who considered themselves as primary purchasers as well as decision makers. Although many past studies have concentrated on females or housewives as respondents (see Appendix 4), it is argued that for the Malaysian market it is useful to have both male and female shoppers as long as the final purchase decision is made by them.

5.2.12.2 Sampling Techniques

Once the sampling frame has been identified, the next question is which sampling technique is the best for the current study? Although many retail brand studies employed random sampling techniques (see Appendix 4), the way to determine who comprises the sample depends on a number of factors such as the availability of and access to the individuals in the representative group; the availability of resources to use in the selection of the sample; the availability of time and finally the technical expertise of those involved in the data collection (see Exhibit 5.12). In this present study, it was decided that systematic sampling corresponded best with the objectives of the study and offered comprehensiveness, probability of selection and efficiency (Fowler, 1993). Systematic sampling is more precise than simple random sampling as it covers a more even spread of the population. Moreover, systematic sampling;

- Offers easier performance than simple random sampling; costs may be lower per unit to sample;
- It is often much easier to train personnel in its use; sampling protocol may be more easily followed;
- Can give more information per unit of cost than simple random sampling as the sample is spread out more uniformly over the population. This is often important when sampling in space or time;
- Can be used when the frame is not known prior to sampling. The frame is constructed as the sample is taken.

(<http://www.stat.lsu.edu/faculty/moser/exst7012/systemat.pdf>).

Exhibit 5.12
Survey Sampling Techniques

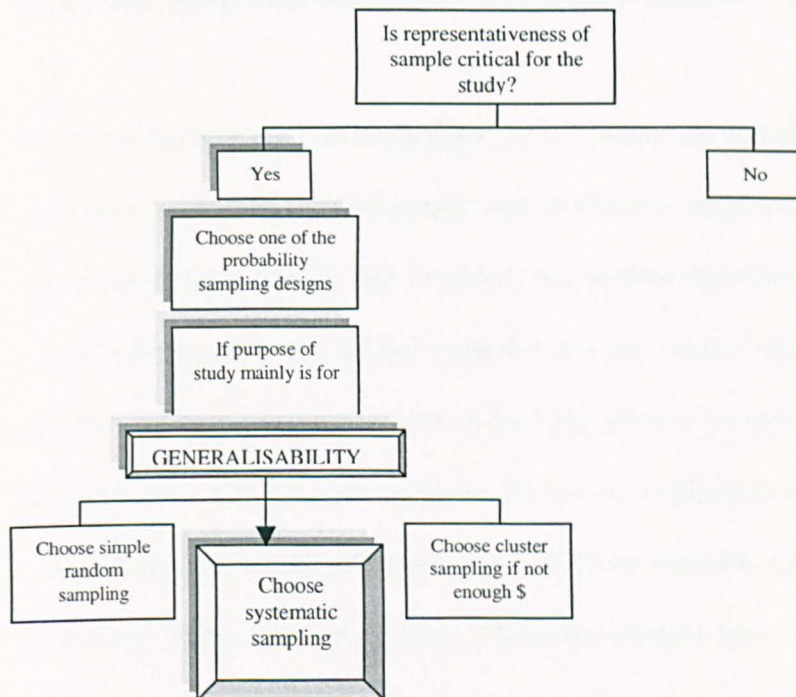
Sampling	How	Advantages	Disadvantages
Systematic Sampling	<ul style="list-style-type: none"> • A list of the members of the target population is compiled. • A name on the list is chosen as a starting point. • Every kth name, depending on the desired sample size, is selected for inclusion in the sample. 	Simple	<ul style="list-style-type: none"> • The sample may not be representative because of the ordering of the original list. Not everyone has an equal chance of being selected.
Simple Random Sampling	<ul style="list-style-type: none"> • A list is compiled of the eligible participants in each group. • Each name is assigned a sequential number, beginning with 0. • The first name is selected by pointing to a number on the random number table and matching the digits to the appropriate name on the list. • Beginning with that chosen number, the names included in the sample until the desired number is satisfied are those whose numbers match the sequential listing of numbers on the random number table. 	Simple, but takes more time and effort than systematic sampling	<ul style="list-style-type: none"> • Subgroups within the target population may not be represented in the simple random sample.
Stratified Random Sampling	<ul style="list-style-type: none"> • Proportional random sampling allows for the sample to be taken using simple random sampling for each of the subgroups (for example, male and female), according to their representation proportionately to the entire group. • Equal allocation stratified sampling is used when the same percent of the group members is selected from each group, using simple random sampling, regardless of the total size of the group. 	Sample represents each subgroup.	<ul style="list-style-type: none"> • May be difficult to determine characteristics of individuals to classify them appropriately in specific strata.
Cluster Sampling	<ul style="list-style-type: none"> • Entire groups, not individuals, are selected to participate in the data collection. • Simple random sampling is applied to the representative 'clusters' to select the clusters in which all members will participate. 	<p>Efficient for large numbers</p> <p>Do not need names of individuals</p>	<ul style="list-style-type: none"> • The increased likelihood over other sampling techniques of risking a less representative sample than desired.

(Source: www.statpac.com/surveys/sampling.htm, 2003)

In a study of bias in shopping mall-intercept surveys, Bruwer *et al.* (1996) argued that systematic sampling techniques provided the ideal

sampling procedures for human populations in store surveys, that included controls for location and time (Sudman, 1980). This technique also allows the results to be applied to the Malaysian population as a whole (see Exhibit 5.13).

Exhibit 5.13
Choice Points in Sampling Design



(Source: Adopted from Sakaran, 2002)

5.2.12.3 Sampling Size

Although research textbooks propose different sample sizes for quantitative research there is still no definite answer to the question: 'how many is enough?' Some say that if the population size is 400-600, about 50 per cent should be chosen through the application of a sampling technique. For larger populations, 20 per cent of the total

number is an appropriate size. However, with 1,500 or more in the population, a sample size of 300 is considered adequate (www.michigan.gov/mdcd, 2003). Lewison (1997) suggested that a sample size of between 400 and 500 was in most cases satisfactory, while Sakaran (2002) reveals that for every million population, a sample size of 384 was considered to be good enough. Crouch (1984) preferred a minimum sample size for a survey to be around 300-500 respondents.

However, sample size can be determined by various constraints (such as cost-basis, arbitrary, conventional and statistical analysis approach) (Burns and Bush, 1998). For example, the funding available may pre-specify the sample size. When research costs are fixed, a useful rule of thumb is to spend about one half of the total amount for data collection and the other half for data analysis. However, inadequate numbers of respondents may result in insignificant effect or outcome for the study (Sakaran, 2002). This constraint influences sample size, as well as sample design and data collection procedures (Salant and Dillman, 1994). Due to the above reasons as well as cost and time constraints, it was decided that only 500 respondents per store would be considered sufficient and adequate for the study. It was believed that using a large number of respondents would enable the results to be more meaningful and significant for the study (see section 5.28).

5.2.12.4 Data Collection

A sample of one thousand respondents was divided between the two hypermarkets. Each hypermarket had around 500 respondents to be interviewed for the study. As neither hypermarket could or would provide a demographic breakdown of customers (sampling frame), a systematic sample of 500 respondents in each hypermarket was generated from customers leaving the stores. The researcher chose respondents by selecting one unit on a random basis and choosing additional elementary units at evenly spaced intervals until the desired number of units was obtained (Salant and Dillman, 1994). Through observation of the stores, in order to get a proportionate number of shoppers, the next selected respondent was fifteen consumers after the first respondent.

In order to have a wide range of respondents to select from as well as to reduce time-based selection error, it was decided that respondents would be chosen equally from 10.10 am till 7.30 pm from Monday to Friday from every hypermarket concerned. During Saturday and Sunday, the number of respondents chosen was higher due to the higher number of customers and longer hours for interviewing (see Exhibit 5.14).

Since sample control has always been the big issue in store-intercept surveys, as the characteristics of consumers visiting the store varies by season, week, month, even time of the day (Bruwer *et al.*, 1996) and

frequent shoppers versus occasional shoppers (Dillon *et al.*, 1990), it is believed that the selection method was be able to counter such occurrences. Additionally, this technique was supported by Dupont (1987), as he reveals that '*...most 'casual' mall samples are fairly self-weighted on the dimension of time sampling, so long as interviewing is carried out over a period of at least a week*'. This technique was employed in the two hypermarkets concurrently until all 1000 respondents had been interviewed. It was estimated that at least one month was required in order to get an adequate number of respondents for the study.

For both the Likert and Thurstone scales, the reliability of the scales tends to increase with the number of items. However as the number of items in a scale increases so the time taken to complete the instruments will also increase and this may demotivate the respondents. There is no hard and fast rule to determine the final number of items in a scale and this will reflect the nature and complexity of the attribute being assessed. Generally fewer than 20 items may reduce reliability unacceptably, but more than 30 will begin to demotivate the respondent (Bryman and Cramer, 1994). Since the present study employed questionnaires, the researcher decided to offer a token that costs approximately RM2.00 to ensure respondents were in a motivated state when answering the

question, as well as providing an appreciation to the respondents who participated in this study.

Exhibit 5.14
The Distribution Schedule

<i>Day Time</i>	<i>10.10am–12.30pm</i>	<i>2.10 –4.30pm</i>	<i>5.10-7.30pm</i>
<i>Monday</i>	5 respondents	5 respondents	5 respondents
<i>Tuesday</i>	5 respondents	5 respondents	5 respondents
<i>Wednesday</i>	5 respondents	5 respondents	5 respondents
<i>Thursday</i>	5 respondents	5 respondents	5 respondents
<i>Friday</i>	5 respondents	5 respondents	5 respondents
<i>Day/Time</i>	<i>9.10am–12.30am</i>	<i>2.10–5.30pm</i>	<i>6.10- 9.30pm</i>
<i>Saturday</i>	8 respondents	9 respondents	8 respondents
<i>Sunday</i>	8 respondents	9 respondents	8 respondents

Four interviewers selected from final year MBA students of University Teknologi MARA were trained to conduct the interviews. They were chosen because they had research and field work knowledge prior to the present study. Subsequently, these four trained interviewers were briefed before the interviews so as to minimise measurement error (interviewers' biases). Two interviewers were stationed at the store exit in the two different stores (Giant and Tesco) concurrently. They approached every fifteenth customer who left the store with grocery bags or a trolley. The customer was first asked to participate in the study. If they agreed to participate, the interviewers ushered them to the nearest food court for the interview session where refreshment was provided. If they declined,

the interviewers concluded the session by expressing appreciation and proceeded to the next fifteenth customer. The participants were presented with a token immediately. This was important to motivate them to participate and thus increase the response rate.

During the interview session, the interviewer's role was to guide the participants by showing them the four sample products, interpreting the questions and filling in the customer's responses (person-administered-questionnaire). This technique was chosen because it enabled the interviewees to develop self-confidence during the interview session (see Exhibit 5.5). One of the problems of person-administered surveys is that the interviewer may be a source of bias (Bruwer *et al.*, 1996). This is particularly problematic when the respondents are in hurry and were with their family or children. In this instance, a copy of the questionnaire was given to respondents during the interview session. This allowed the respondents to respond spontaneously to the questions while the interviewers filled in the questionnaires on behalf of the respondents. After the interview sessions were finished, the interviewers thanked the respondents for their assistance and support; and the copy of the questionnaire was returned back to the interviewers.

The average duration for each interview was approximately 30 to 35 minutes. It is argued that 30 to 35 minutes is considered appropriate in

creating the same level of involvement and the same amount of thinking that is present while respondents engage in their grocery shopping.

Interviewers followed the procedure and approached customers based on the schedule in Exhibit 5.10 until the desired number of 1000 respondents was completed. Although, the interview period is 30 to 35 minutes per respondent, time consideration must also be given to those who refuse to participate in this study. This is because, once they decline to participate, the interviewers have to start the process all over again by choosing the next fifteenth consumer to compensate for the declining respondents. Upon completion, the interviewers were paid with a nominal sum of money for each completed questionnaire.

5.2.12.5 Source of Sampling Error

There are several other possible sources of error in this study, which are probably more crucial than theoretical calculations of sampling error. These include refusal to be interviewed (non-response) due to time constraints or customers being accompanied by young children or older people as well as demographic constraint particularly with regard to race. It is difficult or impossible to quantify the errors that may result from these factors. Nevertheless, these groups of customers are not completely absent from the sample although they are probably under-represented.

5.2.12.6 Survey Schedules

Although most consumer surveys are designed to produce a desired number of interviews usually during month-end or during a three-day interviewing period (Thursday, Friday and/or Saturday) (Blair, 1983); the present study, covered the whole month of February 2004 (see Exhibit 5.14). This permitted both frequent and occasional consumers to participate in this study. Thus the researcher believed that selection bias and time-based selection errors were reduced.

5.3 In-Store Observations

It is believed that in order to facilitate the study as well as to understand how Malaysians behave while shopping in the store with regards to retail brands, several in-store observations need to be carried out. It is believed that the in-store observations offer detailed explanations on how Malaysian respond towards retail brand products. In addition, the researcher will be able to capture the first-hand look at behaviour of Malaysian shoppers and this will allow a close involvement with the group under study as customers activities in the stores were viewed as they are actually occurring. Nevertheless, observations were also being made with regards to store activities. This is important as it gives researchers an overview of how and when the promotional activities of retail brand products take place. Four observations took place from the month of January to April 2004 from three hypermarkets (Tesco, Giant and Carrefour). It was noted that consumers' behaviour towards retail brand products in month of

January, February, March and April 2004 varied. The same was observed with regards to the store activities for all three hypermarkets with regards to retail brand in store promotional activities. Products and price ranges from all hypermarkets were also written down for comparison purposes (see Exhibit 4.19).

It was noted that during the period of observation, consumers not only ignored the existence of retail brands in the stores, but they also did not buy the brands. During the second and third visits to all stores, the researcher noticed that Tesco, Giant and Carrefour were aggressively promoting their retail brands (unlike in the West). Interestingly, in her fourth observation, the researcher noticed that quite a few customers were searching around the stores, looking for retail brands. This was surprising, as this situation had never happened during the earlier observations.

5.4 Limitations of the Methodology

Although the researcher tried her best to provide the study with a suitable methodological approach a number of compromises were needed which, while offering some advantages, may also act as limitations to the study.

The decision to use a quantitative approach to this study was justified earlier in this chapter (section 5.2 and 5.2.1). Nevertheless, the use of a questionnaire implies a number of inherent limitations, specifically where the variables are attempting to measure individual attitude or behavioural concepts. Although all

items were derived from focus groups as well as from the previous studies, individual interpretations of these items are bound to differ to a certain degree.

With regard to the indicators of perceptual attributes, where evaluations were made based on the look, name (brand) and overall presentation (packaging) of the products, this was considered appropriate with the objectives of this study as retail brand in Malaysia is still at an early stage of development and thus not many customers may have noticed the brands. The researcher believed that the use of packaging that included the '*image, visual appearance or look*' of retail brand packaging in the study provided information more easily and thus brought richness to the understanding of the consumer's attitude (Heisley, 2001). It allowed the respondent a lot of interpretation that could be considered important in disseminating a respondent's attitude. It is an instant and constant research technique that has the potential to crystallise data and penetrate respondents in a way that no other method can. This technique is essential particularly in perceptual processes and human culture (www.spinworks.demon.co.uk/pub/visual.htm). In addition, it is believed that the visual memory of packaging can be synonymous with the brand and image that retailers tried to portray (Steiner and Gosse, 2003). Consequently, the use of packaging helped consumers to recognise and differentiate retail brand products from other brands (e.g. manufacturers' brand). This approach allowed the researcher to give guidance and clear direction to respondents to enable to answer the questions according to the objectives of the study.

The decision to carry out the study at only two hypermarkets is also a limitation to this study. It does not mean that this study lacks rigour or that theoretical output cannot be generated. It simply relates to the fact that these two stores granted the researcher the permission to conduct the study outside their premises. Due to the above reasons, it is believed that care must be taken in making wider interpretations from the findings later in the thesis.

Finally, it was observed that the situation in the hypermarket does change very fast with regards to the introduction of retail brand products. The researcher realised that during first month of her observations (December, 2003), there were not many retail brands offered in the store, thus restricting the use of point of sale in the stores to manufacturers' brands. In the second observations (January, 2004), it was noted that many retail brand products were used as display items at the point of sale thus enhancing the brand to the consumers. In February 2004, although not many consumers asked for the brand, at least there were a few consumers who were walking around the store searching and asking for the brand. This situation surprised the researcher. Since the data collection was made during the month of February, 2004; the results are time specific and might change in a few months later, as it is predicted that there will be even more consumers asking, buying and using retail brands.

5.4 Discussions and Summary

This chapter starts out by describing the approach adopted in this study and presents the research objectives. It explains why a consumer survey was chosen and the context in which the survey was carried out. Acknowledging that there are inconsistencies in the findings from the previous studies of retail brand products particularly from a consumer point of view, the '*focus group technique*' has been chosen to underline and confirm the major variables used in this study. To minimise problems arising from the '*store-intercept technique*', a systematic random sample was employed in order to reduce selection error as well as time-based selection error. The remainder of the chapter explained the details involved in the development of sampling techniques, questionnaire design, measurement scales, translating, pilot testing, data analysis as well as the schedule of the study. In the next chapter the **Analyses, Results and Discussion of Findings** will be presented.

CHAPTER SIX

Analyses, Results and Discussion of Findings

The retail brand personality or character tells a story about the brand itself. It tells its target market what to expect. It provides cues about the factors (quality, value, price, risk, etc) that the brand tries to portray. It is accepted that powerful retail brands should create rich pictures in the eyes of consumers. This chapter presents the results of the study, outlining the various forms of analysis used to test the study propositions. The chapter is split into two main sections: Section I is devoted to a descriptive analysis of each set of variables for which data were collected; and Section II presents the analyses for propositions 1 to 7 in turn. It should be noted that the statistical results are analysed with the intent to demonstrate relationships, not prove causality, among the variables.

This study attempts to investigate consumer perceptions of retail brand attributes and the effect of consumer shopping situations (such as planned versus unplanned), of motivation for grocery shopping and of store image on these perceptions. In addition it explores consumer-shopping motives on store image and the overall perceptions held towards the development of retail brands in Malaysia.

6.1 Section I: Descriptive Analysis of the Data

This section serves two key roles. First, it develops a profile of the respondents in terms of background information pertaining to personal characteristics and features of the shopping situation. One thousand face-to-face interviews were carried out in two hypermarkets through a systematic sample of adults who were actively involved in

purchasing groceries for the household. Secondly, it summarises the data collected for each set of variables included in the questionnaire. The degrees of consistency between multiple measurements of a variable (Cronbach's coefficient alpha) are also reported in this section.

6.1.1 The Characteristics of the Respondents

There were no surprises when the results revealed that the typical '*main shopper*' – the person mainly responsible for buying the household's grocery, is an educated, married woman, between the ages of 35 to 44 years old with between one and three children. The results also indicate that the respondents were mostly Malay (50.9%), followed by Chinese (36.8%) and Indian (11.1%), with the majority of incomes belonging to a middle class group (RM2001 to RM6000) (see Table 6.1). This matches the country population profiles stated in the previous chapters.

Table 6.1
The Respondents' Profile

<i>Demographic</i>	<i>Frequency</i>	<i>%</i>
Gender		
<i>Male</i>	134	13.4
<i>Female</i>	866	86.6
Age		
<i>1 - 25</i>	30	3.0
<i>25 - 34</i>	227	22.7
<i>35 - 44</i>	503	50.3
<i>45 - 54</i>	191	19.1
<i>> 55</i>	49	4.9
Race		
<i>Malay</i>	509	50.9
<i>Chinese</i>	368	36.8
<i>Indian</i>	111	11.1
<i>Others</i>	12	1.2
Marital Status		
<i>Single</i>	24	2.4
<i>Married with no child</i>	100	10.0
<i>Married with 1 - 3 children</i>	600	60.0
<i>Married with 4 or more children</i>	276	27.6
Education Level		
<i>Primary</i>	72	7.2
<i>Secondary</i>	424	42.4
<i>Graduate</i>	425	42.5
<i>Post graduate</i>	50	5.0
<i>Others</i>	29	2.9
Household Income per Month		
<i>< RM2000</i>	70	7.0
<i>RM2001 - RM 4000</i>	298	29.8
<i>RM4001 - RM6000</i>	398	39.8
<i>RM6001 - RM8000</i>	144	14.4
<i>RM8001 - RM10, 000</i>	57	5.7
<i>Above RM10, 000</i>	33	3.3

6.1.2 How Often Do They Shop and How Much Do They Spend?

Although, the study was carried out in two different hypermarkets, namely Giant and Tesco, the results indicate that consumers also buy their grocery products in other hypermarkets, such as Makro and Carrefour. Yet not surprisingly given the location of the study, the use of these stores was very low. Half of the respondents claim they visit the hypermarket once or twice a

month (see Table 6.2). This implies that despite the dynamic development of hypermarkets, traditional stores in residential areas remain popular. Many hypermarket shoppers do a big shopping trip once or twice a month. Malaysia is a market in transition where consumers still visit traditional outlets such as wet markets particularly for fresh products on a regular basis. Consumers still purchase products frequently, at traditional markets, in small quantities. Consumers meet their daily need for fresh meat, fruit and vegetables from these outlets. Perhaps, this explains why in general, the respondents 'typical spend' on monthly grocery shopping in the hypermarket is only on average about RM301-RM400 a month.

Table 6.2
Respondents' Shopping Behaviour

<i>Buy monthly grocery products most from</i>	<i>Frequency</i>	<i>%</i>
<i>Makro</i>	44	4.4
<i>Giant</i>	481	48.1
<i>Tesco</i>	466	46.6
<i>Carrefour</i>	9	.9
<i>How frequently do you visit this hypermarket</i>		
<i>Once a week</i>	137	13.7
<i>> Once in a week</i>	138	13.8
<i>1 -2 times a month</i>	506	50.6
<i>> 2 times a month</i>	219	21.9
<i>Average monthly spending in grocery shopping;</i>		
<i>< RM300</i>	300	30.0
<i>RM301 - RM400</i>	426	42.6
<i>RM401 - RM500</i>	219	21.9
<i>> RM501</i>	55	5.5

6.1.3 Descriptive Statistics for Variables Used

This section reports the descriptive statistics for the variables used in this study, and is split into four parts. First, the 12 items relating to manufacturers' and retail brands' attributes are summarised. Secondly, the 13 items measuring shopping motives are presented. Thirdly, the seven items of store image and finally, the five items forming overall perceptions of retail brands are presented.

However, before the above variables can be presented, it is essential to measure the internal consistency for the scale used in each variable. Reliability is an assessment of the degree of consistency between multiple measurements of a variable. The objective is to ensure that responses are not too varied, so that the measurement taken is reliable. The most commonly used measure of reliability is internal consistency (Cronbach's coefficient alpha), which applies to the consistency among the variables in a summated scale. The rationale for internal consistency is that the individual items of the scale should all be measuring the same construct and thus be highly intercorrelated (Hair *et al.*, 1998).

6.1.3.1 Internal Consistency Reliabilities (Cronbach's coefficient alpha)

Cronbach's coefficient alphas for the study reveal that the internal reliability of the variables is fairly high (0.7241 to 0.8228) except for the Tesco brand, where the alpha score is 0.6377. However, Nunally (1978) has argued that reliability estimates of 0.50 to 0.60 are sufficient for

basic research. In addition, Peter (1979) stated that Nunally's guidelines should not be accepted as an absolute standard for market research. Peter has even suggested those reliability levels of less than 0.5 may be acceptable in market research. Overall, the reliability coefficients in this study (Table 6.3) indicate that each of the measures possesses a moderate to high level of internal consistency.

Table 6.3
Reliabilities (Cronbach's Alpha) of the Measures

<i>Group Measures (No of Items)</i>	<i>Coefficient Alpha</i>	<i>Means</i>	<i>Std. Dev.</i>
<i>Manufacturer Brand (12)</i>	<i>0.8012</i>	<i>4.9810</i>	<i>.58686</i>
<i>Giant Brand (12)</i>	<i>0.8062</i>	<i>4.9054</i>	<i>.58616</i>
<i>Tesco Value Brand (12)</i>	<i>0.8228</i>	<i>4.6763</i>	<i>.61235</i>
<i>Tesco Brand (12)</i>	<i>0.6377</i>	<i>4.6634</i>	<i>.46955</i>
<i>Shopping Motives (13)</i>	<i>0.8143</i>	<i>5.5902</i>	<i>.49845</i>
<i>Store Image (7)</i>	<i>0.7758</i>	<i>5.5717</i>	<i>.52281</i>
<i>Overall Perceptions (5)</i>	<i>0.7241</i>	<i>5.5418</i>	<i>.53612</i>

6.1.3.2 Manufacturers' versus Retail Brands' Attributes

The first sets of variables that are summarised are those representing consumers' attitudes towards the manufacturers' and the three retail brand attributes. The mean scores, attained from the 7 point rating scale of *Semantic Differential* scales outlining from twelve attributes are detailed in Table 6.4 below. A *Semantic Differential* scale was chosen for the study, because it allows comparability from one brand to another.

The results show that those items which record the highest mean score for the manufacturers' brand are: good bargain, an item contributing to the value attribute; price, from the extrinsic cues attribute; financial risk from risks attributes and familiarity from familiar attribute – all having a mean score exceeding 5.0 (somehow agree).

Table 6.4:
Descriptive Statistics for Manufacturers' and Retail Brand's Attributes

<i>Retail Brand's Attribute</i>	<i>Items</i>	<i>Manufacturer Brand</i>	<i>Giant Brand</i>	<i>Tesco - Value Brand</i>	<i>Tesco Brand</i>
<i>Quality</i>	<i>Overall quality</i>	4.84	4.83	4.71	5.01
	<i>Overall reliability</i>	4.88	4.85	4.76	4.76
	<i>Overall grade ingredients</i>	4.91	4.88	4.73	4.89
<i>Value</i>	<i>Value for money</i>	4.74	4.83	4.78	5.13
	<i>Worth the money</i>	4.96	4.99	4.71	4.92
	<i>Good bargain</i>	5.20	5.04	4.82	4.59
<i>Extrinsic Cues</i>	<i>Packaging</i>	4.93	5.11	4.51	5.11
	<i>Price</i>	5.28	5.08	4.90	4.91
<i>Risks</i>	<i>Financial risk</i>	5.12	4.93	4.66	4.38
	<i>Social risk</i>	4.94	4.84	4.62	4.18
<i>Familiarity</i>	<i>Familiar</i>	5.10	4.78	4.40	3.99
<i>Confidence</i>	<i>Confidence in use</i>	4.87	4.70	4.53	4.10

Note: The higher the mean, the higher the level of agreement

A *good bargain* is the item found under the attribute of value. This suggests that among the three items concerning value (value for money worth the money and a good bargain) consumers place greater emphasis on good bargain (*mean score of 5.20*). Consumers believed manufacturers' brands provide a good (financial) deal.

Although, in general, manufacturers' brands are slightly higher priced, the finding reveals that consumers believe the *price* imposed by

manufacturers is acceptable (*mean score of 5.28*). Similarly within the attributes of extrinsic cues, consumers give more preference to price, followed by packaging.

The mean rating of 5.12 for the financial risk item clearly indicates that consumers choose to buy manufacturers' brands because they believe that buying these brands offers lower financial risk. This came as no surprise, because it is argued that the higher the price the lower the perceived financial risk involved in the purchasing decisions.

Familiarity (*mean score of 5.10*) was also another main reason why consumers consumed manufacturer brands. This is significant as manufacturers' brands are the longest available brand in the market.

With regard to the three retail brands, it was observed that consumers attached different preferences to each retail brand's attributes. *Good bargain (mean score of 5.04); packaging (mean score of 5.11) and price (mean score of 5.08)* were the most favourable items for Giant brand. Consumers believe that buying the Giant brand appears to be a good deal for them; offering a reasonable price as well as being presented in attractive packaging. This shows that with the exception of packaging, consumers perceived the Giant brand offered similar advantages as buying the manufacturers' brands.

The Tesco brand is depicted with a more favourable outcome comparative to the other two retail brands and the manufacturers' brand with regard to quality (*mean score of 5.01*), value for money (*mean score of 5.13*) and the packaging (*mean score of 5.11*). This indicates that consumers buy the Tesco brand because the brand symbolises distinction, quality and value for money features. The Tesco brand is priced slightly higher than the Giant brand, thus continuing customer belief that the brand is good in quality and offers value for money. In addition, consumers may perceive that the brand is simply another manufacturers' brand. Consumers also concurred that Tesco offered *attractive packaging (mean score 5.11)*, which is the same as Giant's packaging mean score. However, despite the positive views highlighted above, the brand is still hardly known to the consumers (*mean score of 3.99 for familiarity*). This is not a surprise to the researcher, as in-store observation suggests that the store does not currently place much emphasis on this brand. It is hardly seen on the gondolas and even if it is available in the store, the quantity offered is much smaller compared to Tesco-Value and manufacturers' brands.

As for the Tesco-Value brand, consumers evaluated the brand less favourably compared to the Giant and Tesco brands. This may be due to the fact that the primary features (unattractive and inexpensive packaging) of the brand itself were seen as inferior (*mean score 4.51*);

thus making it less appealing compared to Giant and Tesco brands. Consumers believe that the Tesco-Value brand offers cheaper goods that do not provide satisfactory quality as shown with lower mean scores. Amongst all the items, price was the highest mean score. The mean score of 4.90 for price shows that the key attraction to this brand is price and yet, the brand is still not well known (*mean score of 4.40 for familiarity*) to customers. Notably the packaging of Tesco-Value is less appealing (*mean score of 4.51 for packaging*) compared to the other retail brands.

Taken as a whole, the results indicate that consumers perceived that the manufacturers' brand attributes offer a clear distinction as compared to the retail brand attributes.

6.1.3.3 Consumer Situations and Brand Preferences

Exhibit 6.1 and Table 6.5 reveal the frequency and percentage of specific brands bought with respect to consumer shopping situations such as buying the brand as planned and buying the brand as unplanned. The distribution of responses to these questions was very uneven. It was noted that manufacturers' brand is still the most popular choice in both planned and unplanned situations. As for the three retail brands, it was observed that consumers preferred retail brands from Giant in both planned and unplanned situations. Of the two Tesco brands the Tesco

brand was more popular during unplanned situations, while Tesco-Value was chosen during a planned situation.

Exhibit 6.1

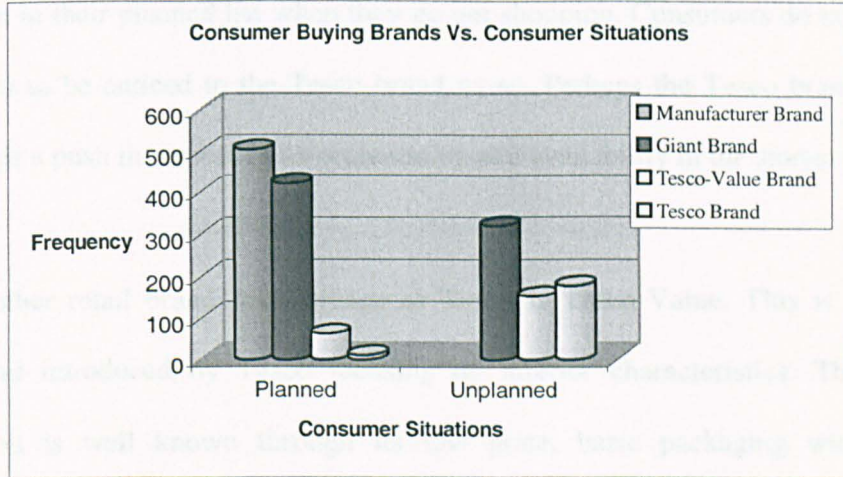


Table 6.5
Descriptive Statistics for Consumer Situations vs. Brands

<i>Situations</i>	<i>Brands</i>	<i>Frequency</i>	<i>%</i>
<i>Buying Brand As Planned</i>	<i>Manufacturer</i>	504	50.4
	<i>Giant</i>	422	42.2
	<i>Tesco-Value</i>	63	6.3
	<i>Tesco</i>	11	1.1
<i>Buying Brand Unplanned</i>	<i>Manufacturer</i>	349	34.9
	<i>Giant</i>	320	32.0
	<i>Tesco-Value</i>	153	15.3
	<i>Tesco</i>	178	17.8

These results were expected as manufacturers' brands have been established longer in Malaysia than retail brands. The Giant brand was chosen among other retail brands in both situations, simply because the brand is easily obtained from the hypermarket itself. This may be the

reason why, in the previous section (Section 6.4.1.2), consumers rank Giant brand's attributes closest to manufacturers' brand's attributes. Despite offering good quality, good value for money with appealing packaging, the Tesco brand is still not popular among consumers; not even in their planned list when they go out shopping. Consumers do not seem to be enticed to the Tesco brand name. Perhaps the Tesco brand needs a push in respect of its presentation and availability in the stores.

Another retail brand that belongs to Tesco is Tesco-Value. This is a brand introduced by Tesco focusing on inferior characteristics. The brand is well known through its low price, basic packaging with acceptable quality and value. Results indicate that although the volume and percentage of consumers bought this brand is small, the brand was consumed more during unplanned situations (15.3%) compared to planned situations (6.3%).

6.1.3.4 The Influence of Shopping Motives on Shopping Behaviour

Since retail brands can only be found in hypermarkets, it is also essential to investigate what motivates Malaysians shopping at the hypermarkets. The measures of an individual's shopping motives consisting of 13 items, representing three underlying dimensions of shopping motives are detailed in Table 6.6. The mean scores are attained from the 7-point rating scale.

The results show a marginal different from each of the items. Amongst the three dimensions of shopping motives, respondents rated store services highest. The average of mean score for store services was 5.63, only + 0.07 higher than store offers and + 0.04 than store environment. A sensible rating from the respondents, as constructive competition amongst hypermarkets has made it difficult for respondents to note any shortcomings. The transition from traditional market to modern hypermarket is believed to have also contributed to these findings.

Although the majority of food and household products are offered in supermarkets and in small retail outlets, hypermarkets offer obvious benefits to their customers. The dominant shopping motive items with a (score of 5.6 and above) that have inspired consumers to shop at the hypermarket are *convenient location, wide selections of goods, providing ample parking facility, offer special sales, products are easily locate as well as clean and pleasant store environment*. These items sum up that with less time and with middle to higher incomes; consumers particularly in Klang Valley favour a total convenience concept. It is noted that wide selection of products, the ability to do *one stop shopping*, free parking and have more streamlined distribution systems help to make hypermarkets competitive.

However, the item of *shopping for grocery also means an outing for my family members* was scored only at 5.39. This reveals that an outing with family members during grocery shopping (i.e. social or entertainment motives) is considered only as a complementary activity. The primary activity for Malaysians is to visit hypermarkets for shopping for the household.

Table 6.6
Descriptive Statistics for Shopping Motives

<i>Shopping Motives</i>	<i>Item(s)</i>	<i>Mean</i>
	<i>I shop at this hypermarket because it carries a wide selection of different kinds of products</i>	5.83
	<i>I shop at this hypermarket because it offers good quality of products</i>	5.59
Store Offer	<i>I shop at this hypermarket because it provides fast service at checkout</i>	5.32
	<i>I shop at this hypermarket because the hypermarket's salesperson are helpful</i>	5.15
	<i>I shop at this hypermarket because it is located at a convenient location</i>	5.93
	Overall Mean of Store Offer	5.56
	<i>I shop at this hypermarket because the hypermarket provides ample parking facility to its customers</i>	5.83
	<i>I shop at this hypermarket because it always communicates its shopping information to its consumers</i>	5.50
Store Service	<i>I shop at this hypermarket because it is always up to date with its in- store display</i>	5.57
	<i>I shop at this hypermarket because it always offer special sales</i>	5.61
	Overall Mean of Store Service	5.63
	<i>I shop at this hypermarket because it is clean and tidy</i>	5.66
	<i>I shop at this hypermarket because I can easily find what I want to buy</i>	5.75
Store Environment	<i>I shop at this hypermarket because it offers excellent atmosphere</i>	5.55
	<i>Shopping for grocery in this hypermarket also means an outing for my family members</i>	5.39
	Overall Mean of Store Environment	5.59
Overall Mean For Shopping Motives		5.59

Note: The higher the mean, the higher the level of agreement

6.1.3.5 The Influence of Store Image on Shopping Behaviour

The visions, feelings and thoughts that come to mind when consumers think of the stores is also important for retailers. This feeling or thought is identified as store image. Store image is the combination of thoughts, feelings, beliefs, opinions and visions that consumers have about the store, its products and its services. Retailers have to create a distinguishable store image relative to their competitors, in order to be recognised.

Table 6.7
Descriptive Statistics for Store Image

<i>Store Image</i>	<i>Item</i>	<i>Mean</i>
<i>Store Character</i>	<i>In my opinion this hypermarket projects a modern image</i>	<i>5.66</i>
	<i>The hypermarket serves the middle class consumers</i>	<i>5.88</i>
	<i>The hypermarket can be considered as world-class retailer</i>	<i>5.39</i>
	<i>Total Mean</i>	<i>5.64</i>
<i>Store Reputation</i>	<i>The hypermarket transmits a reliable image</i>	<i>5.55</i>
	<i>I have total confidence in this hypermarket</i>	<i>5.53</i>
	<i>I find the hypermarket totally trustworthy</i>	<i>5.52</i>
	<i>I believed that the hypermarket would never let me down</i>	<i>5.48</i>
<i>Total Mean</i>	<i>5.52</i>	
<i>Overall Mean</i>		<i>5.57</i>

Note: The higher the mean, the higher the level of agreement

The findings tabulated in Table 6.7 reveal that between the two store image dimensions measured, store character (*mean score of 5.64*) outweighs store reputation (*mean score of 5.52*) by a difference of 0.12 in the mean scores. Nevertheless, the distribution of the responses within these dimensions was relatively similar. For all seven items, the mean scores were within one scale point of each other (*between 5.39 to 5.88*).

One explanation for this is that hypermarkets are a new store concept in Malaysia (an average of five years). So, consumers' expectations from these hypermarkets are still vague. It is believed that consumers are still in the process of identifying as well as distinguishing the differences between other store formats such as supermarkets and hypermarkets.

6.1.3.6 Overall Perceptions of the Development of Retail Brands

The findings from the study of retail brands as perceived by Malaysians in general terms reveals that on the whole the development of a brand in the hypermarkets creates a centre of attention among consumers. An overall mean score of 5.54 as illustrated in Table 6.8 indicates that consumers have positive attitudes towards the development of retail brands. The results show that consumers are willing to consume these brands first before they actually introduce them to other people.

Table 6.8
Descriptive Statistics for Overall Perceptions of Retail Brands

<i>Overall Perceptions</i>	<i>Mean</i>
<i>Overall, I am very positive to the introduction of retail brand grocery products in this hypermarket</i>	5.80
<i>Overall retail brand grocery products fulfil my own and my family needs</i>	5.53
<i>Overall, retail brand grocery products offer more choice to customers</i>	5.57
<i>Overall, I will surely suggest this brand to another people to check out</i>	5.36
<i>I will surely buy retail brand grocery products if the store offers more of this brand in this store</i>	5.45
<i>Total Mean</i>	5.54

Note: The higher the mean, the higher the level of agreement

6.1.4 Do Demographics and Socio-Economic Factors Influence the Perspective of Retail Brand Ranges and Attributes?

Although demographic variables have become an insignificant factor in segmenting the retail brand market (Baltas, 1998; Kono, 1985; and Szymanski and Busch, 1987) in the West, it is essential to find out whether demographics and socio-economic factors influence the attitudes of Malaysians towards retail brands. Demographic variables were broken up into six parts, including the respondents' gender, age, race, marital status and education level as well as their household income.

6.1.4.1 Gender

To understand whether gender has an influence on retail brand perceptions a T-Test was performed (see Appendix 10). The T-Test was carried out both between gender and each retail brand ranges (Giant, Tesco and Tesco-Value) and attributes. The results overall reveal that male consumers perceive the Giant brand to symbolise more desirable quality, as well as offering low financial and social risk compared to female consumers. However, female consumers were more familiar and confident with the Tesco brand. They also believed that buying the Tesco brand offered low financial risks. Nevertheless, male consumers claimed that Tesco Value offered a better deal for all its attributes, compared with female consumers. Taken as a whole, it is argued that

male consumers perceive retail brands more favourably than female consumers.

The results may indicate that male consumers are more prone to being risk takers than the female consumers. They are more innovative and are willing to try new things in the market. Female consumers, however, are more brand loyal. They believe that as frequent buyers, they buy brands that they trust the most. This study shows that word of mouth works well with female customers, as they believe buying Tesco brand provides social approval among their friends. This explains why among all the three brands (Giant, Tesco and Tesco Value) female consumers are more prone to perceive the Tesco brand as offering attractive attributes when compared to the other two retail brands.

6.1.4.2 Age

The survey reveals that consumers aged from 35 to 44 perceive Giant brands as providing good quality, better ingredients and a reliable brand. This group also demonstrates that they are more familiar with Giant brand compared to other age groups of consumers.

In addition, the consumers aged from 35 to 44 believed that buying the Tesco brand involved low financial and social risks. This group agreed that they were more familiar with this brand, compared to other consumer age groups. Nevertheless, those who are aged from 25 to 34

argued that buying Tesco brand is linked to higher risks, compared to consumers aged from 45 to 54. These results come as no surprise, as this is a typical attitude for those who are not familiar with the brands. Consequently, this older group of consumers show less confidence in buying and consuming Tesco brand.

The study also reveals that older consumers (age > 55) believed that the Tesco Value brand offered less value for money, was not worth the money and was not a bargain brand. The older generations are used to the manufacturers' brands and thus they perceived Tesco Value as being less appealing; compared to those in the younger generations (see Appendix 11)

Generally, the results indicates that those who are the middle age categories are more drawn towards retail brands, compared to the younger and the older groups of consumers. The younger age groups normally come from small and younger families, thus buying a well-known brand is far more important for them and their small children. As for the older group, it is argued that with their limited purchasing power; they prefer not to gamble by buying an unrecognised brand. For those aged above 55 years, it is perhaps too late to introduce retail brands to them, as they have been used to manufacturers' brands long before the arrival of any retail brands.

6.1.4.3 Race

Overall, the Chinese perceived the Giant brand to be more attractive than other races. Chinese consumers believed that the Giant brand offered good quality, high value, low risks, was more familiar and therefore perceived the Giant brand to be an appealing brand. The result however, reveals that although Malay consumers perceived the Tesco brand to be good in quality, in reality they believed that Tesco brand offered less value for money, was not a good bargain and was not worth the money. As for Tesco Value; again the Chinese had the most positive attitudes. They believed that Tesco Value offered a reasonable price as well as better packaging (see Appendix 12). These results imply that the Chinese are more positive towards retail brands compared to other races.

6.1.4.4 Marital Status

Those who are married and have more children (>4) believed that the Giant brand offered products that were inferior in both quality and ingredients as well as being unreliable. They also claimed Giant offered low value for money, was not worth it and not a good bargain, compared to those who are single or had a smaller number of children (3 or less).

Similarly, consumers who were childless or had most children (>4) perceived the Tesco brand as offering low quality, poor grade ingredients and thus as less reliable than those who were single or had fewer children (3 or less). Consumers who had smaller households

(single and up to 3 children) claimed that the Tesco brand offered more value for money, was a bargain and worth buying. In terms of packaging and pricing, it was revealed that consumers who were married with one to three children believed that the Tesco brand was attractive and offered reasonable pricing, compared to those who were in bigger households. Consequently, this group of consumers also portrayed a high level of confidence in buying and using Tesco brand.

The results revealed that consumers who were from small households perceived the Tesco Value brand as offering better attributes (quality, value, extrinsic cues, risks, familiarity and confidence in use) than those who are were from larger households (see Appendix 13).

6.1.4.5 Education Level

It was noted that consumers who are well educated (graduate and post graduate level) perceive retail brands as offering good product attributes compared to those who have lower education levels. This type of consumer claimed that the Giant brand offered good quality, good value, attractive packaging, suitable pricing, low risks, was more familiar and deserved confidence in buying and using the brand. This is similar to the Tesco brand, where consumers perceive Tesco brand as offering good quality as well as good value products. In addition, consumers who are educated perceived Tesco Value as offering high quality products,

attractive extrinsic cues and view them as low risk as well as more familiar than those with lower levels of education (see Appendix 14). Consumers who are educated are believed to be risk takers and thus are more willing to spend on retail brands than lower educated customers.

6.1.4.6 Household Income

It was noted that among the three retail brands, the Tesco brand is the only brand that offered statistically significant variations with consumer household income. The results reveal that those consumers whose incomes are in the categories of between RM4000 to RM8000, perceive the Tesco brand as offering low risks and are more familiar than those with incomes less than RM4000, and between RM8000 to RM10000 (See Appendix 15). Again, this finding supports the findings that the educated consumers prefer to buy retail brands as opposed to the less educated consumers.

In summary, the typical consumers for retail brands in Malaysia are:

- Male, Chinese and more inclined to a middle age group; this implies that Chinese consumers are more sensible and realistic when choosing brands. This comes as no surprise, as originally the Chinese that came to Malaysia as immigrants a long time ago used to be the leading edge in improving retailing in Malaysia.

- University educated; retail brand shoppers have at least a bachelor's degree and are in two-career households; married where both partners work;
- Better off economically, earning more money, with their average household income is RM6, 000.00 per month.

6.1.4.7 Summary

In sum, Section I of this chapter has presented descriptive statistics for the background variables used to profile respondents as well as the motivational variables that are essential to the study. Key findings from the analysis identified the individuals who are most attracted or positive to retail brands; the attributes chosen to be the most important factors when consumers perceived retail brands; the situation that best describes when the brand was purchased; the motivational factors behind the reason why consumers shop at the hypermarkets, the influences of store image on consumer behaviour and finally the overall belief that Malaysian have towards the brand. This concludes the first stage of the analysis in which the nature of the responses within each set of variables was considered.

The rest of this chapter, Section II, is devoted to the research objectives as well as testing the research propositions outlined in Chapter Five. The

order in which the testing of research objectives and propositions is presented is as follows

6.2.1 *O1: To investigate consumer perceptions of retail brand attributes from the Malaysia consumers' point of view.*

P1: Consumers will attach significantly different perceptions to the attributes of different types (generations) of retail brands.

6.2.2 *O2: To examine if the consumer-shopping situation (planned purchase of retail brand versus unplanned purchase of retail brand) and consumer-shopping motivation affects perceptions of retail brands' attributes.*

P2i: Consumers will hold significantly different perceptions of retail brands attributes' depending on the consumer shopping situation.

P2ii: Consumers will hold significantly different perceptions of retail brands attributes' depending on the consumer shopping motivation.

6.2.3 *O3: To investigate the overall perceptions of consumers on the development of retail brand ranges in Malaysia.*

P3: Malaysians will hold positive attitudes towards the overall perceptions of retail brand ranges, regardless of store brand

6.2.4 *O4: To examine the effects of the situations and motivation for grocery shopping on overall perceptions of retail brand ranges.*

P4i: There will be a significant relationship between consumer situations and consumers' overall perceptions of retail brand ranges.

P4ii: There will be a significant relationship between consumer shopping motives and consumers' overall perceptions of retail brand ranges.

6.2.5 *O5: To examine whether store image affects the perceptions of retail brands' attributes.*

P5: Consumers will hold significantly different perceptions of retail brands' attributes depending on the store image.

6.2.6 *O6: To examine the effects of store image on overall perceptions of retail brand ranges.*

P6: There will be a significant relationship between store image and overall perceptions of retail brand ranges.

6.2.7 *O7: To examine the effects of store image on consumer shopping motives.*

P7: There will be a significant relationship between store image and consumer shopping motives.

6.2 Section II: Results from Research Objectives and Testing Propositions

This second section of the chapter reports the analyses performed to test the objectives and propositions of the study. The research objectives and propositions regarding consumer attitudes towards retail brand attributes, consumer situations, consumer shopping motives, individual store image and finally overall attitudes towards the development of retail brand; were established from the literature in Chapter Three. Although, all the components were derived from previous studies (also undertaken in a different cultural setting i.e. western) for the present study different techniques for analysing data were employed.

6.2.1 Objective One: Perceptions of Retail Brand Attributes

This section details the analyses performed for the first research objective, and to test the first research proposition. Objective one concentrates on the prospect of retail brands as perceived by consumers, by looking at each attribute offered by the brand. It was explained in the earlier chapters that brand attributes

provide the first impressions from which consumers view the brand as a whole. The proposition that consumers might perceive a retail brand's attributes differently is based on the literature in Chapter Two, which identified retail brand evaluation and development. Further, the proposition also draws on the consumer's perceptual dimensions as attached to retail brands', discussed in Chapter Three. This provided additional detail of differences that may occur in retail brands. The first objective and proposition is, therefore;

O1: To investigate consumer perceptions of retail brand attributes from the Malaysia consumers' point of view.

P1: Consumers will attach significantly different perceptions to the attributes of different types (generations) of retail brands.

Since all 1000 respondents answered the same questions for each of four different brands (once for manufacturer brand, and three times for retail brands) two-way analysis of variance (ANOVA) from the Minitab software was utilised. Minitab ANOVA uses analysis of variance, which accepts a much greater parallelism between , and within,-subject variables, which SPSS does not cover (Davis, 1996). For example, the present study comprised 1000 respondents with four brands. The number of respondents is a fixed factor, but within it we have a random factor, which are the different brands. A fixed factor is one whose value is known exactly, and for which we can say that we have used all the possible values (within a certain range). A random factor is one for which we can only make a random sample from all the possible values it might have. Minitab ANOVA enables cross-examination and comparison within the

subject matter, when repeated measures used for 1000 respondents (persons) from four different brands (manufacturer, Giant, Tesco and Tesco-Value brands) are analysed (1000 person x 4 brands = 4000 times).

6.2.1.1 Overall Quality of Brands

The results reveal that there is a different perception of the overall quality of the manufacturers' brand and retail brands. Consumers perceived the overall quality of manufacturer, Giant, and Tesco brands as different from the overall quality of the Tesco-Value brand. Among the retail brands, the results show that Tesco-Value's overall qualities are seen as inferior compared to Giant and Tesco brands (see Table 6.9). For individual items, the quality of Tesco brand was perceived as superior to the other brands including the manufacturers' brand. However, both the Tesco brand and the Tesco-Value brand were perceived as being less reliable than the manufacturer and Giant brands. In addition, Malaysians perceived the grade of ingredients used by manufacturer, Giant and Tesco brands to be higher than Tesco-Value brand.

Table 6.9
Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison

<i>Attributes</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
<i>Overall Quality</i>	<i>Manufacturer - Giant</i>	0.0223	0.756	0.8740
	<i>Manufacturer - Tesco- Value</i>	0.1443	4.887*	0.0000
	<i>Manufacturer - Tesco</i>	-0.0070	-0.237	0.9953
	<i>Giant - Tesco- Value</i>	0.1220	4.131*	0.0002
	<i>Giant - Tesco</i>	-0.0293	-0.993	0.7533
	<i>Tesco- Value - Tesco</i>	-0.1513	-5.124*	0.0000
<i>Items:</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
<i>a) Excellent Quality</i>	<i>Manufacturer - Giant</i>	0.010	0.276	0.9926
	<i>Manufacturer - Tesco- Value</i>	0.137	3.783*	0.0009
	<i>Manufacturer - Tesco</i>	-0.165	-4.557*	0.0000
	<i>Giant - Tesco- Value</i>	0.127	3.507*	0.0026
	<i>Giant - Tesco</i>	-0.175	-4.833*	0.0000
	<i>Tesco- Value - Tesco</i>	-0.302	-8.340*	0.0000
<i>b) Excellent Reliability</i>	<i>Manufacturer - Giant</i>	0.026	0.730	0.8850
	<i>Manufacturer - Tesco- Value</i>	0.119	3.343*	0.0046
	<i>Manufacturer - Tesco</i>	0.118	3.314*	0.0051
	<i>Giant - Tesco- Value</i>	0.093	2.612*	0.0445
	<i>Giant - Tesco</i>	0.092	2.584*	0.0480
	<i>Tesco- Value - Tesco</i>	-0.001	-0.028	1.0000
<i>c) High Grade Ingredients</i>	<i>Manufacturer - Giant</i>	0.031	0.821	0.8444
	<i>Manufacturer - Tesco- Value</i>	0.177	4.690*	0.0000
	<i>Manufacturer - Tesco</i>	0.026	0.689	0.9014
	<i>Giant - Tesco- Value</i>	0.146	3.869*	0.0006
	<i>Giant - Tesco</i>	-0.005	-0.132	0.9992
	<i>Tesco- Value - Tesco</i>	-0.151	-4.001*	0.0004

*The mean difference is significant at the 0.05 level ($p < 0.05$)

6.2.1.2 Overall Value of Brands

Consumers also perceived the overall value to be different between the four brands. Respondents perceived the manufacturer and Giant brand's overall value to be different than that of Tesco and Tesco-Value brands. Among the retail brands, consumers perceived buying Giant brand worth the money, as well as offering a good bargain, when compared to Tesco and Tesco-Value brands (see Table 6.10).

Although, consumers perceived that the Tesco brand offered more value for money than manufacturer, Giant and Tesco-Value brands; at the same time they perceived manufacturer and Giant brands to be similar to the Tesco brand in terms of being worth the money that they had spent. However, it was noted that each brand was considered to offer a bargain to the customers.

Table 6.10
Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison

<i>Attributes</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
Overall Value	<i>Manufacturer - Giant</i>	0.0130	0.483	0.9628
	<i>Manufacturer - Tesco- Value</i>	0.1980	7.360*	0.0000
	<i>Manufacturer - Tesco</i>	0.0837	3.110*	0.0101
	<i>Giant - Tesco- Value</i>	0.1850	6.877*	0.0000
	<i>Giant - Tesco</i>	0.0707	2.627*	0.0428
	<i>Tesco- Value - Tesco</i>	-0.1143	-4.250*	0.0001
<i>Items:</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
a) Excellent Value for money	<i>Manufacturer - Giant</i>	-0.092	-2.263	0.1069
	<i>Manufacturer - Tesco- Value</i>	-0.036	-0.885	0.8125
	<i>Manufacturer - Tesco</i>	-0.396	-9.739*	0.0000
	<i>Giant - Tesco- Value</i>	0.056	1.377	0.5137
	<i>Giant - Tesco</i>	-0.304	-7.476*	0.0000
	<i>Tesco- Value - Tesco</i>	-0.360	-8.854*	0.0000
b) Worth the money	<i>Manufacturer - Giant</i>	-0.032	-0.712	0.8926
	<i>Manufacturer - Tesco- Value</i>	0.250	5.559*	0.0000
	<i>Manufacturer - Tesco</i>	0.033	0.734	0.8835
	<i>Giant - Tesco- Value</i>	0.282	6.271*	0.0000
	<i>Giant - Tesco</i>	0.065	1.445	0.4709
	<i>Tesco- Value - Tesco</i>	-0.217	-4.825*	0.0000
c) A good bargain	<i>Manufacturer - Giant</i>	0.163	3.71*	0.0012
	<i>Manufacturer - Tesco- Value</i>	0.380	8.65*	0.0000
	<i>Manufacturer - Tesco</i>	0.614	13.98*	0.0000
	<i>Giant - Tesco- Value</i>	0.217	4.94*	0.0000
	<i>Giant - Tesco</i>	0.451	10.27*	0.0000
	<i>Tesco- Value - Tesco</i>	0.234	5.329*	0.0000

*The mean difference is significant at the 0.05 level (p<0.05)

6.2.1.3 Extrinsic Cues of Brands

In terms of pricing and packaging, consumers perceived all brands differently in term of their extrinsic cues. Manufacturer and Giant brands were seen to offer different pricing and packaging when compared to Tesco and Tesco-Value brands. Nevertheless, among the retail brands, consumers felt the Giant brand offered reasonable prices and attractive packaging when compared to Tesco and Tesco-Value brands (see Table 6.11).

Table 6.11
Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison
(Extrinsic Cues)

<i>Attributes</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
<i>Extrinsic Cues</i>	<i>Manufacturer - Giant</i>	<i>0.0110</i>	<i>0.31</i>	<i>0.9900</i>
	<i>Manufacturer - Tesco- Value</i>	<i>0.4030</i>	<i>11.22*</i>	<i>0.0000</i>
	<i>Manufacturer - Tesco</i>	<i>0.0960</i>	<i>2.67*</i>	<i>0.0378</i>
	<i>Giant - Tesco- Value</i>	<i>0.3920</i>	<i>10.91*</i>	<i>0.0000</i>
	<i>Giant - Tesco</i>	<i>0.0850</i>	<i>2.37</i>	<i>0.0838</i>
	<i>Tesco- Value - Tesco</i>	<i>-0.3070</i>	<i>-8.545*</i>	<i>0.0000</i>
<i>Items:</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
<i>a) Attractive Packaging</i>	<i>Manufacturer - Giant</i>	<i>-0.186</i>	<i>-3.794*</i>	<i>0.0009</i>
	<i>Manufacturer - Tesco -Value</i>	<i>0.419</i>	<i>8.547*</i>	<i>0.0000</i>
	<i>Manufacturer - Tesco</i>	<i>-0.187</i>	<i>-3.815*</i>	<i>0.0008</i>
	<i>Giant - Tesco- Value</i>	<i>0.605</i>	<i>12.340*</i>	<i>0.0000</i>
	<i>Giant - Tesco</i>	<i>-0.001</i>	<i>-0.020</i>	<i>1.0000</i>
	<i>Tesco- Value - Tesco</i>	<i>-0.606</i>	<i>-12.360*</i>	<i>0.0000</i>
<i>b) Reasonable Price</i>	<i>Manufacturer - Giant</i>	<i>0.208</i>	<i>4.654*</i>	<i>0.0000</i>
	<i>Manufacturer - Tesco- Value</i>	<i>0.387</i>	<i>8.659*</i>	<i>0.0000</i>
	<i>Manufacturer - Tesco</i>	<i>0.379</i>	<i>8.480*</i>	<i>0.0000</i>
	<i>Giant - Tesco- Value</i>	<i>0.179</i>	<i>4.005*</i>	<i>0.0004</i>
	<i>Giant - Tesco</i>	<i>0.171</i>	<i>3.826*</i>	<i>0.0008</i>
	<i>Tesco- Value - Tesco</i>	<i>-0.008</i>	<i>-0.179</i>	<i>0.9980</i>

*The mean difference is significant at the 0.05 level (p<0.05)

6.2.1.4 Risks, Familiarity and Confidence Level Associated with Brands

Consumers felt all four brands offered different risks, familiarity and confidence in use. Among the retail brands, consumers associated the Tesco brand with higher risks, less familiarity as well as low confidence in use (see Tables 6.12 to 6.14).

Table 6.12
Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison (Risks)

<i>Attributes</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
<i>Risks</i>	<i>Manufacturer - Giant</i>	0.1460	4.10*	0.0002
	<i>Manufacturer - Tesco- Value</i>	0.3895	10.93*	0.0000
	<i>Manufacturer - Tesco</i>	0.7510	21.08*	0.0000
	<i>Giant - Tesco- Value</i>	0.2435	6.84*	0.0000
	<i>Giant - Tesco</i>	0.6050	16.98*	0.0000
	<i>Tesco- Value - Tesco</i>	0.3615	10.15*	0.0000
<i>Items:</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
<i>a) Financial risk (Low money risk)</i>	<i>Manufacturer - Giant</i>	0.188	4.34*	0.0001
	<i>Manufacturer - Tesco -Value</i>	0.457	10.54*	0.0000
	<i>Manufacturer - Tesco</i>	0.741	17.09*	0.0000
	<i>Giant - Tesco- Value</i>	0.269	6.20*	0.0000
	<i>Giant - Tesco</i>	0.553	12.75*	0.0000
	<i>Tesco- Value - Tesco</i>	0.284	6.550*	0.0000
<i>b) Social risk (Well- liked among Friends)</i>	<i>Manufacturer - Giant</i>	0.1040	2.41	0.0761
	<i>Manufacturer - Tesco- Value</i>	0.3220	7.45*	0.0000
	<i>Manufacturer - Tesco</i>	0.7610	17.60*	0.0000
	<i>Giant - Tesco Value-</i>	0.2180	5.04*	0.0000
	<i>Giant - Tesco</i>	0.6570	15.19*	0.0000
	<i>Tesco- Value - Tesco</i>	0.4390	10.15*	0.0000

*The mean difference is significant at the 0.05 level ($p < 0.05$)

Table 6.13
Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison
(Familiarity)

<i>Attributes</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
<i>Familiarity</i> <i>(Most Familiar)</i>	<i>Manufacturer - Giant</i>	0.317	6.01*	0.0000
	<i>Manufacturer - Tesco - Value</i>	0.702	13.31*	0.0000
	<i>Manufacturer - Tesco</i>	1.111	21.07*	0.0000
	<i>Giant - Tesco - Value</i>	0.385	7.30*	0.0000
	<i>Giant - Tesco</i>	0.794	15.06*	0.0000
	<i>Tesco - Value - Tesco</i>	0.409	7.76*	0.0000

*The mean difference is significant at the 0.05 level

Table 6.14:
Two-Way Analysis of Variance (ANOVA) Results on Brand Comparison
(Confidence in use)

<i>Attributes</i>	<i>Brand Comparison</i>	<i>Difference of Means</i>	<i>T-Value</i>	<i>P-Value</i>
<i>Confidence in use</i>	<i>Manufacturer - Giant</i>	0.170	4.03*	0.0003
	<i>Manufacturer - Tesco - Value</i>	0.343	8.14*	0.0000
	<i>Manufacturer - Tesco</i>	0.776	18.41*	0.0000
	<i>Giant - Tesco - Value</i>	0.173	4.11*	0.0002
	<i>Giant - Tesco</i>	0.606	14.38*	0.0000
	<i>Tesco - Value - Tesco</i>	0.433	10.27*	0.0000

*The mean difference is significant at 0.05 level ($p < 0.05$)

An analysis of Giant and Tesco's respondents separately revealed the same findings as above (See Appendix 16). The differences were seen where Giant's respondents perceived Tesco's quality to be higher than Giant's quality. Likewise Tesco's respondents perceived Giant's quality better than Tesco's quality. It was also noted that Tesco respondents rated manufacturer brands from the Tesco store, lower than Giant's respondents rated manufacturer brands from the Giant store. Taken as a whole, this analysis, therefore, confirms Proposition One of the study, which suggests that consumers do perceive retail brand attributes differently. Ultimately, Malaysians perceived that manufacturer brands' and retail brand attributes vary.

6.2.1.5 Discussion of Results from Objective One

The first objective of the study is to identify if any differences exist between consumer perceptions of manufacturers' brand attributes and retail brand attributes. The results provided support the proposition and were consistent with the findings of previous studies (for example Richardson *et al.*, 1994; 1996; Omar, 1996; Harding, 1996; Bellizzi *et al.*, 1982; Cunningham *et al.*, 1982; Rosen, 1984; Rao and Monroe, 1989; Richardson *et al.*, 1994; Dick *et al.*, 1995; and Omar, 1996), who claimed that there are differences in how consumers view the attributes of retail brands and manufacturers' brands. Generally, Malaysians perceived retail brands as inferior to manufacturers' brands particularly in terms of quality and value, as well as the extrinsic cues of the brand. The Giant brand for example, although being the next 'best' brand after the manufacturers' brand, was still perceived as offering risks.

The Giant brand seems to be not well received and is generally disregarded by consumers. The store, although being the longest available in the market, has not created enough prestige for the brand, which is still not sufficiently recognised by the customers.

Correspondingly, although consumers perceived the Tesco brand's quality to be similar to that of both manufacturer and Giant, the brand was perceived to offer lower value. Consumers believed that buying the

Tesco brand was not worthwhile, and it was not considered to be a bargain. The findings also revealed that the extrinsic cues such as the price and the packaging of the brand were perceived slightly lower than manufacturer and Giant brands. This implies that the extrinsic cues derived from Tesco's pricing and packaging are not attractive enough to encourage consumers to buy and consume the brand.

In contrast, it was discovered that although Tesco-Value's attributes such as quality, value and extrinsic cues were perceived inferior to the Tesco brand; the brand was perceived more favourably than the Tesco brand in terms of familiarity, offering low risks, as well giving consumers more confidence in using this brand. It was noted in Chapter Four while Giant offers only the Giant brand, Tesco promotes both its Tesco and Tesco-Value brands simultaneously. In the Malaysian market, Tesco first introduced the Tesco-Value brand and only later introduced the Tesco brand. This suggests that the strategy of promoting first its Tesco-Value brand followed by the Tesco brand over a limited time frame was an unconvincing strategy. This is because while consumers recognise the Tesco-Value brand, by virtue of its unique attributes such its simple packaging and low price proposition, the store has now introduced another brand that is similar to the manufacturers' brand. This seems to have created confusion among consumers, who do not seem to fully appreciate the relative positioning of the 'new' Tesco brand.

Generally, the above findings reveal that perceptions of retail brand attributes in Malaysia are similar to those found in the 1980s in the West.

6.2.1.6 Summary

In sum, consumer perceptions of retail brand attributes varied among the brands concerned. It is therefore possible to accept Proposition One that consumers will attach significantly different perceptions to retail brand attributes. Using the same measure, the proposition is accepted in that there is evidence to suggest that Malaysian consumers clearly distinguish retail brands from manufacturers' brands, as well as distinguishing between different retail brands themselves (see Table 6.15 to 6.17). Table 6.15 summarises the overall brand attribute perceptions of all respondents (N=1000), while Table 6.16 and 6.17 summarise Giant and Tesco respondents (N=500) respectively.

It was also noted that Tesco respondents see Tesco and Tesco-Value in the same way as Giant respondents. In addition, the quality of manufacturers' and Giant brands was perceived higher by the Tesco respondents (Table 6.17)

Table 6.15
Summary of The Overall Brand Attribute Group Comparisons
(N=1000)

<i>Attributes</i>	<i>Giant</i>	<i>Tesco</i>	<i>Tesco-Value</i>	<i>Manufacturer</i>
<i>Quality</i>	2	2	1	2
<i>Value</i>	3	2	1	3
<i>Extrinsic Cues</i>	3	2	1	3
<i>Risks</i>	3	1	2	4
<i>Familiarity</i>	3	1	2	4
<i>Confidence in use</i>	3	1	2	4

Note: The greater the numbers (i.e. 4) the better (more positively) consumers perceived the brand

Table 6.16
Summary of the Giant Respondents Perception of the Overall Brand
Attribute Group Comparisons (n = 500)

<i>Attributes</i>	<i>Giant</i>	<i>Tesco</i>	<i>Tesco-Value</i>	<i>Manufacturer</i>
<i>Quality</i>	1	2	1	3
<i>Value</i>	3	2	1	3
<i>Extrinsic Cues</i>	3	2	1	3
<i>Risks</i>	3	1	2	4
<i>Familiarity</i>	3	1	2	4
<i>Confidence in use</i>	3	1	2	4

Note: The greater the numbers (i.e. 4) the better (more positively) consumers perceived the brand

Table 6.17
Summary of the Tesco Respondents Perceptions of the Overall Brand
Attribute Group Comparisons (n = 500)

<i>Attributes</i>	<i>Giant</i>	<i>Tesco</i>	<i>Tesco-Value</i>	<i>Manufacturer</i>
<i>Quality</i>	3	2	1	3
<i>Value</i>	3	2	1	3
<i>Extrinsic Cues</i>	3	2	1	3
<i>Risks</i>	3	1	2	4
<i>Familiarity</i>	3	1	2	3
<i>Confidence in use</i>	3	1	2	3

Note: The greater the numbers (i.e. 4) the better (more positively) consumers perceived the brand

6.2.2 Objective Two: Consumer-Shopping Situations and Consumer-Shopping Motives Affect Perceptions of Retail Brands' Attributes

Earlier studies argued that research about consumer behaviour that does not use situation-specific effects is likely to provide unreliable results. In understanding Malaysian consumers' attitudes towards retail brands, it is therefore essential to

understand where and when retail brands were purchased. The next objective and proposition was therefore based on the literature that suggests that situational factors affect consumer behaviour and decision-making. For the present study, 'purchase' situations were chosen as the 'situation under study' simply because these provide knowledge about how consumers select brands in given situations, and may therefore affect their perceptions of retail brands as a whole. Additionally, whether consumer-shopping motives affect the perceptions of retail brand attributes will also be investigated. Thus, the objective and proposition in these circumstances was as follows

O2: To examine if the consumer-shopping situation (planned purchase of retail brand versus unplanned purchase of retail brand) and consumer-shopping motivation affects perceptions of retail brands' attributes.

P2i: Consumers will hold significantly different perceptions of retail brands' attributes depending on the consumer-shopping situation.

P2ii: Consumers will hold significantly different perceptions of retail brands' attributes depending on the consumer-shopping motivation.

To test whether consumers hold significantly different perceptions of retail brands' attributes with regards to buying brands as planned and buying brands unplanned; the mean scores of each brands between situations were examined using T-test analysis. T-test analysis is a common statistical tool that calculates the differences in means between two groups (e.g. buying manufacturers' brand as planned versus buying other brands such as Tesco, Giant and Tesco-Value as

planned). Analysis between all four brands and purchase situations were performed and tabulated in Table 6.18.

Table 6.18
Mean Scores Results between Situations and Brand Attributes

<i>Attributes</i>	<i>Situations</i>	<i>Manufacturer</i>		<i>Giant</i>		<i>Tesco</i>		<i>Tesco-Value</i>	
		<i>N</i>	<i>Mean</i>	<i>N</i>	<i>Mean</i>	<i>N</i>	<i>Mean</i>	<i>N</i>	<i>Mean</i>
<i>Quality</i>	<i>Planned</i>	504	4.94*	422	4.82	11	5.03	63	4.94*
	<i>Others</i>	496	4.81	578	4.88	989	4.88	937	4.72
	<i>Unplanned</i>	349	4.81*	320	4.96*	178	4.80*	153	4.76
	<i>Others</i>	651	4.91	680	4.80	822	4.90	847	4.73
<i>Value</i>	<i>Planned</i>	504	5.02*	422	4.89*	11	5.03	63	4.89
	<i>Others</i>	496	4.91	578	5.00	989	4.88	937	4.76
	<i>Unplanned</i>	349	4.90*	320	5.10*	178	4.90	153	4.83
	<i>Others</i>	651	5.00	680	4.88	822	4.88	847	4.76
<i>Extrinsic Cues</i>	<i>Planned</i>	504	5.20*	422	5.08	11	5.09	63	4.92
	<i>Others</i>	496	5.01	578	5.11	989	5.01	937	4.69
	<i>Unplanned</i>	349	5.00*	320	5.19*	178	4.87*	153	4.82
	<i>Others</i>	651	5.16	680	5.05	822	5.04	847	4.68
<i>Risks</i>	<i>Planned</i>	504	4.98	422	5.02*	11	4.14	63	4.91*
	<i>Others</i>	496	5.08	578	4.78	989	4.28	937	4.62
	<i>Unplanned</i>	349	5.07	320	4.85	178	4.67*	153	4.68
	<i>Others</i>	651	5.01	680	4.90	822	4.19	847	4.63
<i>Familiarity</i>	<i>Planned</i>	504	4.97*	422	5.15*	11	4.27	63	4.95*
	<i>Others</i>	496	5.23	578	4.51	989	3.98	937	4.36
	<i>Unplanned</i>	349	5.29*	320	4.53*	178	4.55*	153	4.61*
	<i>Others</i>	651	5.00	680	4.90	822	3.87	847	4.36
<i>Confidence</i>	<i>Planned</i>	504	4.81	422	4.91*	11	4.45	63	5.08*
	<i>Others</i>	496	4.94	578	4.56	989	4.09	937	4.49
	<i>Unplanned</i>	349	4.98*	320	4.68	178	4.35*	153	4.60
	<i>Others</i>	651	4.82	680	4.72	822	4.04	847	4.52

* The mean difference is significant at 0.05 level (p<0.05)

6.2.2.1 Manufacturers' Brand

Results reveal that there is a difference in perceptions of quality, value, extrinsic cues and familiarity of manufacturers' brands in both planned and unplanned situations. For confidence in use, the differences exist only in the case of unplanned situations. Consumers who planned to buy the manufacturers' brand, perceived quality, value and extrinsic cues more positively than those who planned to buy other retail brands. Those who did not plan to buy manufacturers' brands, perceived the quality,

value and extrinsic cues of the manufacturers' brand to be less appealing compared to those who did not plan to buy other brands. For the familiarity attribute, those who planned to buy manufacturers' brands were in fact less positive about familiarity with the manufacturers' brand, compared to those who did not plan to buy any other brands. And those who did not plan to buy the manufacturers' brand perceived familiarity with the manufacturers' brand more positively than those who did not plan to buy any other brands. For confidence in use, those who did not plan to buy manufacturers' brand are seen to have more confidence than those who did not plan to buy any other brands.

6.2.2.2 Giant Brand

There are also differences in perceptions of value and familiarity with the Giant brand in both planned and unplanned situations. For quality and extrinsic cues, the differences exist only in unplanned situations while in the case of risk and confidence in use, the differences occur only in planned situations. For value, those who planned to buy the Giant brand perceived this attribute less positively than those who planned to buy other brands. Those who did not plan to buy Giant brand perceived value more positively than those who did not plan to buy other brands. For familiarity, those who planned to buy Giant brand were more familiar with Giant brand than those who planned to buy other brands. Those who did not plan to buy Giant brand were actually less familiar with the Giant brand than those who did not plan to buy other

brands. For quality and extrinsic cues, those who did not plan to buy Giant brand perceived quality and extrinsic cues more positively than those who did not plan to buy other brands. For risks and confidence in use, those who planned to buy Giant brand perceived risks and high confidence levels less positively than those who planned to buy other brands.

6.2.2.3 Tesco Brand

There are different perceptions of quality, extrinsic cues, risks, familiarity and confidence in use for Tesco brand in unplanned situations. For quality and extrinsic cues, those who did not plan to buy Tesco brand perceived the Tesco brand to provide less quality, as well as to offering an unattractive price and packaging compared to those who did not plan to buy others. For risks, familiarity, and confidence in use, those who did not plan to buy Tesco brand perceived Tesco as offering lower risks and being more familiar as well as having more confidence in using the brand.

6.2.2.4 Tesco-Value Brand

There are different perceptions of quality, risks and confidence in use in unplanned situations. For familiarity, there are different perceptions in both planned and unplanned situations. For quality, risks and confidence, those who planned to buy Tesco-Value brand perceived these attributes more positively than those who planned to buy other

brands. For familiarity, those who planned or did not plan to buy Tesco-Value perceived these attributes more positively than those who planned or did not plan to buy others.

Given these results, the proposition claiming that consumers would hold significantly different perceptions of retail brand attributes depending on consumer-shopping situation could be accepted. The results suggest that consumers perceive retail brand attributes differently with shopping situations.

In order to find out whether consumers-shopping motivation affect the perceptions of retail brand attributes, Correlation analysis for all brands (Giant, Tesco-Value and Tesco) was performed. The results reveal that there is positive relationship between consumer-shopping motivation and the perceptions of retail brand attributes (Appendix 17). Although, there is no specific pattern for consumer shopping motivation and retail brand attributes for all three retail brand products, the results however indicate clearly that the statement "*the hypermarket always communicates its shopping information to its consumers*" (store services) is significant for almost all of Tesco-Value brand's attributes. The results show that consumers were motivated to buy Tesco-Value brand because they believed that Tesco had communicated their retail brand's attributes successfully.

Thus, the proposition claiming that consumers would hold significantly different perceptions of retail brand attributes depending on consumer-shopping motives could be accepted.

6.2.2.5 Discussion of Results from Objective Two

The analyses conducted to test proposition two have detected a relationship between different consumer situations and consumer-shopping motives towards their perceptions of retail brand attributes.

Consumers bought manufacturers' brands because they believed that these brands offered better quality, value for money and offered a reasonable price as well as being presented with attractive packaging. It was noted that consumers did not rely on product familiarity when deciding to buy a manufacturers' brand. In fact, product familiarity was stronger during unplanned situations for brands other than manufacturers' brand. Confidence levels in the manufacturers' brands were higher both during planned and unplanned purchase of manufacturers' brands. This suggests that manufacturers' brands are still the preferred brand for Malaysians.

As far as the influence of a retail brand's attributes is concerned, they did not show any similarity among the retail brand types and between consumer situations. For instance, although it was perceived as

providing less value for money, consumers still deliberately bought the Giant brand. The brand was believed to be associated with low risk thus allowing consumers to purchase the brand more confidently. These views were noted in both buying Giant brand in planned and buying Giant brand in unplanned situations. What contributes to such an attitude? This is probably because of the unusual bond between consumers and the Giant store which creates confidence in the brand. Consumers believe that after years of serving Malaysian customers, the store would not let them down by producing an unreliable retail brand. Here, the term establishment was used to describe the customer's loyalty. However, in the situations where consumers unintentionally bought the Giant brand, the brand was perceived as a quality product, offering a reasonable price as well as providing attractive packaging.

As for the Tesco brand, consumers perceived the brand differently only during unplanned situations. This is perhaps explained by the fact that consumers did not buy the brand during planned situations (1.1%) as illustrated in Exhibit 6.5. Although un intending buyers were familiar with the brand, they perceived the Tesco brand as belonging to another group of brands. This is because consumers associate the Tesco brand with a lower quality of product, unattractive pricing and packaging. Despite this, the brand is associated with lower risk and consequently creates confidence among consumers in using the brand. It must be

noted that although consumers perceived that Tesco brand offered unattractive packaging, the brand's packaging itself can be regarded as comparable to the manufacturers' brands. The price of the brand is slightly higher than the Tesco-Value and Giant brands but still considerably lower than the manufacturers' brand. This mixed attitude concerning the Tesco brand shows that consumers do not know the brand well enough to enable them to judge the brand even on the surface. This may be due to the fact that when the study was carried out, the Tesco brand was hardly seen on the shelves. And if present, the quantity of the brand was very limited. As a result, consumers had hardly seen the brand and therefore believed that it was new and was produced by another manufacturer other than the store itself.

It also emerged that the attitude of consumers to another type of retail brand, Tesco-Value, provided striking results. The term '*value*' on the Tesco-Value brand refers to the personality of the brand which emphasises value for money purchases. This brand was perceived as having lower prices, with the least attractive packaging, as well as offering high risks. The findings for this brand, however, suggest it holds a quite unique position with consumers. Consumers were more familiar with the Value brand than the Tesco brand. Consumers, in particular those who planned to buy Tesco-Value, perceived the quality of the brand as acceptable thus making their confidence in using the

brand stronger. Consumers also believed that the risks associated with the brand were negligible. It is reasonable to assume that these outcomes justify the strategy employed by Tesco to promote the Tesco-Value brand rather than the Tesco brand heavily, as pointed out in Chapter Four. It is, therefore, understandable why consumers who planned to buy the Tesco-Value brand were willing to accept the brand without many obstacles. Perhaps communications strategy employed by Tesco stores for its Tesco-Value brand works well and is understood, thus motivating consumers to buy the brand.

In conclusion, the relationships between a brand's attributes among different retail brand types and different consumer situations and consumer motivation are complicated. What consumers have in mind before they engage with the purchasing decision and what motivates them to buy the brand are difficult to identify. Retailers can assist the consumers purchasing decisions by placing the brand in the most noticeable place in the store and retaining the brands in the store at all times. Always communicating the benefits offered by the brand to the customers may encourage and motivate them to buy the brands. Overall, it can be suggested that those consumers who planned to buy retail brands are those who believe in the brands and that the store will never let them down. They believe that the retail brands offer another opportunity that is not comparable to the manufacturers' brand. If they

are willing to spend '*that much*' (money) on the retail brands, they should also be able to acknowledge the returns that they would receive from the brands. In other words, the challenge for retailers is to recognise the importance of their brands to the customers.

6.2.2.6 Summary

There is no doubt that the arrival of hypermarkets and retail brands on the Malaysian market offers consumers more options than before. This scenario was believed to have changed the attitudes of consumers, from only being fascinated with the manufacturers' brand to also considering other obtainable and accessible brands from the hypermarkets. The results, however, indicate that consumers perceive retail brand attributes to vary in relation to specific purchasing situations. This is not particularly surprising given that it has already been understood that being '*second choice*' usually contributes less favourable attitudes than being first choice. However, this finding has offered a new avenue for retailers particularly for those who are interested in producing and promoting retail brands. The statement that Malaysians are brand conscious is no longer valid. Malaysians now understand that retail brands offer savings on their grocery bills without having to chase from store to store. This proof of the study was not primarily aimed at identifying what brand consumers bought the most, but to see whether or not consumers were willing to buy other brands, such as retail brands, in

the absent of their primary brand. The findings suggest that Malaysians are open and approachable to a new store with new offerings including retail brands as long as the store communicates its brand benefits to the customers.

6.2.3 Objective Three: Overall Perceptions of Consumers on The Development of Retail Brands in Malaysia

This section concerns the overall perceptions of consumers to the development of retail brands ranges in Malaysia. Proposition three suggested that Malaysians will hold positive attitudes to the development of retail brand ranges from both Giant and Tesco stores. This proposition was based on the literature that suggests that retail brands offered benefits such as product differentiation and having specific value to consumers (Davies, 1992). It also drew on consumer attitudinal and behaviour literature arguing that consumers who buy retail brand products normally exhibit a higher level of store loyalty. This suggests that retail brand consumers normally buy their grocery shopping from the same grocery store; thus the objective and proposition proposing these relationships was as follows

O3: To investigate the overall perceptions of consumers on the development of retail brand ranges in Malaysia.

P3: Malaysians will hold positive attitudes towards the overall perceptions of retail brand ranges, regardless of store brand

Table 6.19 shows the overall perceptions of the development of retail brand ranges in Malaysia. The findings indicate that among five items measuring overall perceptions of retail brand development, the item '*overall, I am very positive to the introduction of retail brands in this hypermarket*', scores the highest mean of 5.80.

Table 6.19
Individuals Mean Scores of Overall Perceptions of Retail Brands Development

<i>Overall Perceptions</i>	<i>Mean</i>
<i>Overall, I am very positive to the introduction of retail brands in this hypermarket</i>	5.80
<i>Overall, retail brands can fulfil my own and my family needs</i>	5.53
<i>Overall, retail brands offer more choice to customers</i>	5.57
<i>Overall, I will surely suggest this brand to other people to check out</i>	5.36
<i>I will surely buy retail brands if the store offers more of this brand</i>	5.45
Total Mean	5.54

Note: The higher the mean, the higher the level of agreement

6.2.3.1 Perceptions of Retail Brands by Consumers at Different Stores

To test the relationship specified in proposition six, T-test analysis was used. A T-test was carried out between all respondents' perceptions of retail brand development and those from individual stores (such as Giant and Tesco). The results reveals that the P-value of the overall development of retail brands from Giant and Tesco are similar where $p > 0.05$ ($p = 0.071$); thus indicating that there are no significant relationships between overall perceptions of retail brand development between consumers of both stores. This implies that overall there is no

outstanding distinction towards the overall perceptions of retail brand development either from Giant or Tesco stores, as perceived by their respective respondents.

Respondents from Giant and Tesco stores perceived the development of retail brands in a similar way. They believed that the development of retail brand products in Malaysia is good, thus providing evidence that Malaysians hold positive attitudes to the overall perceptions of retail brand products ranges and therefore suggests that proposition six can be accepted. The results are displayed in Table 6.20.

Nevertheless, respondents held significantly different perceptions over their willingness to suggest (recommend) retail brands to others ($p < 0.003 < 0.05$) and their willingness to buy more of these brands provided that the store offered more of them in the stores ($p < 0.011 < 0.05$). Giant's respondents perceived these two items more positively than the Tesco respondents (Mean score of 5.44 and 5.52 for Giant respondents).

Table 6.20
Mean Scores and Results of Independent Sample T-tests for Overall Perceptions of Retail Brands and Stores

<i>Overall Perceptions</i>	<i>Stores</i>		<i>T-Value</i>	<i>P-Value</i>
	<i>Giant</i>	<i>Tesco</i>		
<i>Overall, I am very positive about the introduction of retail brand grocery products in this hypermarket</i>	5.81	5.80	0.328	0.743
<i>Overall, retail brand grocery products can fulfil my own and my family needs</i>	5.51	5.55	-0.938	0.349
<i>Overall, retail brand grocery products offer more choice to customers</i>	5.59	5.55	0.864	0.388
<i>Overall, I will surely suggest this brand to other people to check out</i>	5.44	5.28	2.982*	0.003
<i>I will surely buy retail brand grocery products if the store offers more of this brand</i>	5.52	5.39	2.557*	0.011
<i>Total Mean</i>	5.57	5.51	1.809	0.071

* The mean difference is significant at the .05 level

6.2.3.2 Discussion of Results From Objective Three

Malaysians believe that the introductions of retail brand products are good for them. The introduction of these brands offers more opportunity and benefits to customers. They claim that the existence of retail brand products in the stores gives more product choice as well as being able to fulfil everybody's needs and wants. Retailers should therefore take this opportunity by supplying more of this brand to the store's shelves. This is crucial as the findings also stated that consumers are always willing to buy this brand if it is available in the store. Nevertheless, the results also indicated that consumers do not have any preferences of stores when it comes to their overall perceptions of the development of retail brand. This indicates that any store that is willing to provide retail brand on their shelves will be guaranteed ready-made customers.

6.2.3.3 Summary

There are positive attitudes to the introduction of retail brand products in the Malaysian markets. As discussed earlier in Chapter Four, Malaysians will buy any of the products that are available in the store. With the combination of prices ranging from low to medium and to the equivalent of other established brands, this brand is able to appeal to consumers. Retail brand retailers should therefore take these opportunities by providing more of this brand in their stores.

6.2.4 Objective Four: The Effects of the Situations and Motivation on Overall Perceptions of Retail Brands

This section analyses the fourth objective of the study, which is to determine the effects of situation and motivation for grocery shopping on perceptions of retail brands. Proposition four, therefore, took the form:

O4: To examine the effects of the situations and motivation for grocery shopping on overall perceptions of retail brand ranges.

P4i: There will be a significant relationship between consumer situations and consumers' overall perceptions of retail brand ranges.

P4ii: There will be a significant relationship between consumer shopping motives and consumers' overall perceptions of retail brand ranges.

6.2.4.1 Consumer Situations and Overall Perceptions of Retail Brands

In order to find out the relationship between consumer situations and consumers' overall perceptions of retail brands, it was necessary for both situations (planned and unplanned) for all retail brands and consumers' overall perceptions of retail brands to be examined. Results indicate that there is significant relationship between consumer situations and consumers' overall perceptions of retail brands (Table 6.21).

In both situations (buying Giant brand as planned and buying Giant brand unplanned), consumers perceived the developments of this brand offered more choice for them. During unplanned situations, consumers however, were willing to introduce Giant brand to other consumers for them to experience the products. As for Tesco-Value brand, consumers perceived buying Tesco-brand during planned situations can actually fulfill both their needs and their family needs and when they are not planning to buy Tesco-Value brand, consumers still feel optimistic about the introduction of this brand in the markets. Finally, consumers feel more certain and positive about the development of Tesco brand either when they planned or unplanned to buy Tesco brand products. Given these results, the proposition stating that there is a significant relationship between consumer situations and consumers' overall

perceptions of retail brands could therefore be accepted. The findings show that in different situations, consumers perceived the overall development of retail brand products differently.

Table 6.21
Comparison of Mean Between Consumer Situations and Overall Perceptions of Retail Brands

<i>Overall Perceptions</i>	Planned Situation	Mean	Std. Dev	t	Sig.
Overall, retail brand grocery products offer more choice to customers.	Giant brand	5.9286	0.4746	2.6669	0.0176*
	Others	5.5779	0.7433		
Overall, retail brand grocery products offer more choice to customers. Overall, I will surely suggest this brand to other people to check out.	Unplanned Situation				
	Giant brand	5.5257	0.7869	-2.1921	0.0289*
	Others	5.6716	0.6621		
	Giant brand	5.3676	0.8268	-2.2835	0.0228*
Overall retail brand grocery products can fulfil my own and my family needs.	Planned Situation				
	Tesco-Value brand	5.3158	0.8896	-2.1635	0.0342
	Others	5.5803	0.7052		
Overall, I am very positive about the introduction of retail brand grocery products in this hypermarket.	Unplanned Situation				
	Tesco-Value brand	5.5455	0.7911	-2.3273	0.0203*
	Others	5.8188	0.7413		
Overall, I am very positive about the introduction of retail brand grocery products in this hypermarket.	Planned Situation				
	Tesco brand	6.0000	0.0000	6.2465	0.0000*
	Others	5.7930	0.7534		
Overall, I am very positive about the introduction of retail brand grocery products in this hypermarket.	Unplanned Situation				
	Tesco brand	5.9184	0.6037	2.1044	0.0367*
	Others	5.7676	0.7761		

* The mean difference is significant at the 0.05 level

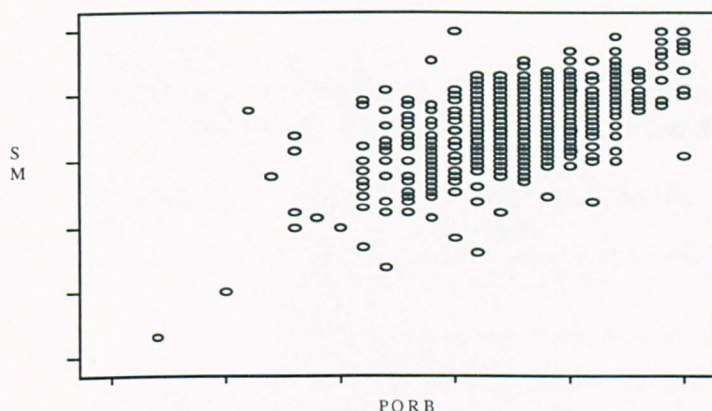
6.2.4.2 Correlation Analysis Between Shopping Motives and Overall Perceptions of Retail Brands

Besides the effects of situations, the effects of shopping motivation on overall perceptions of retail brands were also examined in this study. Shopping motivation attributes were classified into three main sections namely, store offer, store service and store environment. Store offer deals with the overall products offered by the store. Store service deals with any kinds of services offered by the store to their customers while store environment deals with the surroundings elements offered by the store.

It was noted that one of the best tools for studying the association of two variables visually is the scatter plot or scatter diagram (Davis, 1996). It is especially helpful when the data set is large. If the scatter plot follows a straight line and the slope is upwards, the two variables are positively correlated. When two variables are uncorrelated, the confidence ellipse is circular in shape. The ellipse becomes more elongated the stronger the correlation is between two variables. The pattern of the dots therefore gives a rough impression of the size and direction of the correlation. In fact, a line drawn through the dots, or line of best fit, helps to estimate this. The closer the dots lie to a straight line, the stronger the correlation. It should, however, be noted that Correlation is a measure of association and not causation. The relationships of interest in proposition three are

provided in Figure 6.1. For the study, the Scatter Plot reveals that although there is a positive relationship between shopping motives and the perceptions of retail brand, the relationship however is indefinite.

Figure: 6.1
Scatter Plots Illustrating Relationship Between Variables
Scatter Plot of Shopping Motives and Perceptions of Retail Brands



Although, the Scatter Plot indicated that the relationship between shopping motives and perceptions of retail brands was weak, the findings need to be validated with suitable statistical tools. To do so, Pearson's Product-moment Correlation Coefficient (r) was carried out. The Pearson's product-moment correlation coefficient, r , is a measure of the strength of a relationship between two variables. It is a descriptive statistic that describes the linear relationship between two or more variables, each measured for the same collection of individuals. The strength of the relationship is indicated by the correlation coefficient r ; but is actually measured by the coefficient of determination r squared (r^2). r squared is a value that ranges from zero to one and is the fraction

of the variance in the two variables that is shared. Statistically, results from the Correlation Analysis between consumer shopping motives and consumer overall perceptions of retail brands confirmed that there is a minimal association between shopping motives and the perceptions of retail brands (see Table 6.22).

Table 6.22
The Result of Correlation Analysis Between Shopping Motives of All Respondents and Overall Perceptions of Retail Brands

<i>Shopping Motives</i>	<i>Perceptions of Retail Brand Grocery Products</i>	<i>Correlation</i>	<i>P-Value</i>	<i>r²</i>
<i>Store Offer</i>	<i>Overall, I am very positive about the introduction of retail brand grocery products in this hypermarket</i>	<i>0.357**</i>	<i>0.000</i>	
	<i>Overall retail brand grocery products can fulfil my self and my family needs</i>	<i>0.379**</i>	<i>0.000</i>	
	<i>Overall, retail brand grocery products offer more choices to customers</i>	<i>0.315**</i>	<i>0.000</i>	
	<i>Overall, I will surely suggest this brand to another people to check out</i>	<i>0.335**</i>	<i>0.000</i>	
	<i>I will surely buy retail brand grocery products if the store offers more of this brand in this store</i>	<i>0.291**</i>	<i>0.000</i>	
	<i>Overall correlation of Store Offer</i>	<i>0.484**</i>	<i>0.000</i>	<i>23%</i>
<i>Store Service</i>	<i>Overall, I am very positive to the introduction of retail brand grocery products in this hypermarket</i>	<i>0.357**</i>	<i>0.000</i>	
	<i>Overall retail brand grocery products can fulfil my own and my family needs</i>	<i>0.316**</i>	<i>0.000</i>	
	<i>Overall, retail brand grocery products offer more choices to customers</i>	<i>0.302**</i>	<i>0.000</i>	
	<i>Overall, I will surely suggest this brand to another people to check out</i>	<i>0.345**</i>	<i>0.000</i>	
	<i>I will surely buy retail brand grocery products if the store offers more of this brand in this store</i>	<i>0.373**</i>	<i>0.000</i>	
	<i>Overall correlation of Store Service</i>	<i>0.491**</i>	<i>0.000</i>	<i>24%</i>
<i>Store Environment</i>	<i>Overall, I am very positive to the introduction of retail brand grocery products in this hypermarket</i>	<i>0.416**</i>	<i>0.000</i>	
	<i>Overall, retail brand grocery products can fulfil my self and my family needs</i>	<i>0.370**</i>	<i>0.000</i>	
	<i>Overall, retail brand grocery products offer more choice to customers</i>	<i>0.346**</i>	<i>0.000</i>	
	<i>Overall, I will surely suggest this brand to other people to check out</i>	<i>0.348**</i>	<i>0.000</i>	
	<i>I will surely buy retail brand grocery products if the store offers more of this brand</i>	<i>0.389**</i>	<i>0.000</i>	
	<i>Overall correlation of Store Environment</i>	<i>0.540**</i>	<i>0.000</i>	<i>29%</i>

** Correlation is significant at 0.01 level

23% of the variation in perceptions of retail brands among respondents is mainly due to store offes and 24% of the variation in perceptions of retail brands among respondents is mainly due to store service while 29% of the variation in perceptions of retail brands among respondents is mainly due to store environment. The question then is when can a correlation coefficient be regarded as 'high' and when it is considered as 'low'? Although there are no hard and fast rules for describing correlational strength, one classic and typical interpretation of 'r' uses five easy 'rules of thumb' to answer to these questions. 'r' ranging from zero to about 0.20 may be regarded as indicating no or negligible correlation; 'r' ranging from about 0.20 to 0.40 may be regarded as indicating a low degree of correlation; 'r' ranging from about 0.40 to 0.60 may be regarded as indicating a moderate degree of correlation; 'r' ranging from about 0.60 to 0.80 may be regarded as indicating a marked degree of correlation; while 'r' ranging from about 0.80 to 1.00 may be regarded as indicating high correlation. Using these guidelines, the results indicate a low degree of correlation between consumer shopping motives and the overall perceptions of retail brands.

6.2.4.3 Correlation Analysis Between Shopping Motives and Overall Perceptions of Retail Brands by Individual Store

In order to find out whether individual stores influenced consumers' shopping motives on overall perceptions of retail brands, Correlation

analysis between consumers using individual stores (Giant and Tesco) was performed. The results reveal that there is also a positive relationship between shopping motives and overall perceptions of retail brands for individual stores. It was noted that for respondents from Tesco 25% of the variation in perceptions of retail brands was mainly due to Tesco store's offers and service, while for respondents from Giant only 22% and 23% of the variation in perceptions of retail brands was mainly due to the Giant store's offers and store service. However, 32% of the variation in perceptions of retail brands is mainly due to Giant store's environment, while 27% of the variation in perceptions of retail brands is mainly due to Tesco store's environment. Again, it was noted that shopping motives have minimal relationship to the overall perceptions of retail brands for both stores (see Table 6.23). Nevertheless, the above analysis provides evidence that consumer-shopping motives do influence the consumers' overall perceptions of retail brands. However, statistical analysis suggests that the prediction using this relationship is not strong.

Table 6.23
The Result of Correlation Analysis Between Shopping Motives for Specific Store Respondents (Giant and Tesco) and Overall Perceptions of Retail Brands

Shopping Motives	Perceptions of Retail Brand Grocery Products	Giant		Tesco	
		Correlation	P-Value	Correlation	P-Value
Store Offer	Overall, I am very positive about the introduction of retail brand grocery products in this hypermarket	0.301**	0.000	0.403**	0.000
	Overall, retail brand grocery products can fulfil my self and my family needs	0.361**	0.000	0.405**	0.000
	Overall, retail brand grocery products offer more choices to customers	0.357**	0.000	0.279**	0.000
	Overall, I will surely suggest this brand to another people to check out	0.314**	0.000	0.340**	0.000
	I will surely buy retail brand grocery products if the store offers more of this brand in this store	0.303**	0.000	0.270**	0.000
	Overall correlation	0.465**	0.000	0.495**	0.000
	r^2	22%		25%	
Store Service	Overall, I am very positive to the introduction of retail brand grocery products in this hypermarket	0.353**	0.000	0.360**	0.000
	Overall retail brand grocery products can fulfil my self and my family needs	0.315**	0.000	0.318**	0.000
	Overall, retail brand grocery products offer more choices to customers	0.343**	0.000	0.264**	0.000
	Overall, I will surely suggest this brand to another people to check out	0.355**	0.000	0.335**	0.000
	I will surely buy retail brand grocery products if the store offers more of this brand in this store	0.333**	0.000	0.406**	0.000
	Overall correlation	0.484**	0.000	0.497**	0.000
	r^2	23%		25%	
Store Environment	Overall, I am very positive to the introduction of retail brand grocery products in this hypermarket	0.368**	0.000	0.457**	0.000
	Overall retail brand grocery products can fulfil my own and my family needs	0.423**	0.000	0.323**	0.000
	Overall, retail brand grocery products offer more choice to customers	0.364**	0.000	0.329**	0.000
	Overall, I will surely suggest this brand to other people to check out	0.396**	0.000	0.310**	0.000
	I will surely buy retail brand grocery products if the store offers more of this brand	0.422**	0.000	0.363**	0.000
	Overall correlation	0.563**	0.000	0.521**	0.000
	r^2	32%		27%	

** Correlation is significant at the 0.01 level

6.2.4.4 Discussion of Results from Objective Four

The analyses conducted to test proposition four have detected a relationship between different consumer situations and consumer-

shopping motives towards their overall perceptions of retail brand products. An understanding of when and what motivates consumers to visit hypermarkets is essential to understanding the success of retail brand development in Malaysia. It is important as it provides a platform for retailers who wish to produce retail brands continuously. The first part of the findings deals with the effects of consumer situations on consumer overall perceptions of retail brands. The results however, resemble the first part of objective two, which deals with consumers' situations and retail brand attributes. This indicated that consumer situations either for retail brand attributes or for the overall perceptions of the development of retail brands are essential to the prosperity of retail brand in Malaysia. Retail brand retailers should therefore grab hold of these situations by offering more of retail brand products that are best suit at this time to consumers.

In addition, there is substantial evidence in the consumer behaviour literature to suggest that consumers may shop for several reasons, such as functional (routinised) and non-functional tasks (social motives, personal motives). The findings however, found little relationship between Malaysians' shopping motives and their overall perceptions of retail brands. The findings reveal that shopping motives contribute to a small amount of Malaysians' shopping attitude to retail brand products. One explanation for this relates to the transition from small traditional

supermarkets to the innovative hyper supermarkets or the hypermarkets. The Malaysian market could be considered as a market in transition where consumers use hypermarkets in a supplementary role to the traditional markets. Consumers still visit traditional outlets such as the wet markets on a regular basis for fresh foods such as meat, fish, fruit and vegetables and turn to hypermarkets for buying other grocery products. The transformation from traditional wet stores to hypermarkets brings a new era to the development of the retail industry, particularly to store hygiene and the overall shopping experience, as the traditional wet markets do not offer these. Although, consumers were said to be anxious about this new experience of grocery shopping that subsequently enhanced the overall shopping experience for the whole family, consumers still cannot associate their motivation for shopping with the perception of retail brand products. Retail brand retailers should aggressively promote their store by associating the store with the advantage of retail brands offerings. In this way, consumers will be motivated to shop for retail brand products thus increasing the overall perceptions of retail brand products.

With regard to the individual stores, overall, consumers observed no differences between shopping at the Giant or Tesco hypermarkets. Consumers believed shopping at both hypermarkets offered similar advantages with regard to the overall perceptions of retail brand products. Nevertheless, Giant consumers rated their store offers

differently from Tesco consumers. On average, the Giant store offers were perceived higher by customers than the Tesco store offers. The explanation for these findings may be due to the fact that consumers are used to the Giant store and thus are comfortable buying from it. Another explanation may be that the Tesco hypermarket is new to the market so consumers may not know the brand or the store. This directly affects consumers' overall perceptions of retail brand products.

Overall, Malaysians' grocery shopping behaviours can best be described as trust and loyalty oriented. These are the priority elements for choosing and shopping at any particular store. These differences suggest that retail brands will have to go a long way in order to obtain consumer approval. This is because the results barely classified Malaysians as environment-focused customers, service-focused customers or product-focused customers as typically found in the West. Perhaps, this problem may be better addressed in a future study when retail brands are more established in the market. Nevertheless, if retailers can convince consumers that their retail brands are better, can be found only in an aesthetically pleasing store and are better than those of the competition, then retail brands combined with a good store environment may be used as a hook to lure consumers into the store. In sum, there are huge opportunities for grocery retailers in Malaysia for producing, developing and improving their retail brands, which then could be used as a driving force for shopping at the store.

6.2.4.5 Summary

The results show that both consumer-shopping situations and consumer shopping motives affect the overall perceptions of retail brand products. Consumers perceived the overall development of retail brand products different in both planned and unplanned situations. The findings show that although there is a positive relationship between shopping motives and the overall perception of retail brands, the relationship however was imprecise. More work needs to be done if retail brand retailers want to push and promote their brands effectively. Focusing heavily on their store offers, services and environment may be beneficial to the success of retail brands in the future.

6.2.5 Objective Five: Store Image Affects the Perceptions of Retail Brands' Attributes

Objective Five is concerned with the effects of store image on the perceptions of retail brand attributes. This argument supporting this objective was based on the notion that image of the store affects consumers' attitudes on retail brand attributes. Objective and proposition five was

O5: To examine whether store image affects the perceptions of retail brands attributes.

P5: Consumers will hold significantly different perceptions of retail brands attributes depending on the store image.

Store image attributes in this study were classified into two main sections namely, store character and store reputation. Store character deals with how consumers view the personality of the store while store reputation deals with the status consumers associate with the store in general. Pearson's product-moment correlation coefficient was used to test this proposition. The relationships of interest in this proposition are illustrated in Appendix 18.

6.2.5.1 Correlation Analysis Between Store Image and Retail Brand Attributes

Correlation analyses between store image and retail brand attributes reveal that although there is a positive relationship between store image and retail brand attributes for all three brands (Giant, Tesco, and Tesco-Value). The relationships however do not apply to all the retail brand attributes thus indicating that the relationship between store image and the individual brand attributes were blurred. For Giant brand, there are only two attributes (overall quality and worth the money) that are positively significant with the store image. Although there are more attributes for Tesco-Value and Tesco brands, that are positively significant with the store image, there are, however, no specific attributes that can be strongly related to either of the brands.

Nevertheless, the proposition claiming that consumers would hold significantly different perceptions of retail brand attributes depending on

the store image could therefore be accepted. The results suggest that consumers perceive retail brand attributes differently from store image although the relationship is blurred.

6.2.5.2 Discussion of Results from Objective Five

The analyses reported above reveal that overall consumers attached less importance between retail brand attributes and store image. The findings show that consumers link different retail brand attributes for different statements of stores image. Although, in the previous section (6.2.1), consumers perceived clear distinctions between the attributes of the retail brands, the above results reveal that consumers do not associate store image with their retail brand attributes wisely. Perhaps consumers in Malaysia were still new to the concept of the store image. They do not associate the image of the store with the brand attributes of the store products. Nevertheless, given time, it is expected that store image may become an important element of the retail brand attributes in the future. Retail brand retailers need to work harder in order to make sure that their customers are able to relate their image with their retail brand product attributes.

6.2.5.3 Summary

Although the relationship between store image and retail brand attributes was positive, overall recognition of retail brands attributes associated

with store image was less convincing thus requiring retailers to emphasise more of their store image connected to their retail brand attributes in the future.

6.2.6 Objective Six: The Effects of Store Image on Overall Perceptions of Retail Brand Ranges

Some argue that consumers form impressions between stores and brands, and that these impressions provide a major influence on shopping behaviour, as the more favourable the image, the more likely the customers be to shop and buy from the store, and consequently perceive and buy retail brand. Successful store image creates images that are easily described and recognised by their target audience and which transfer to retail brands. This argument is therefore highlighted in Objective and Proposition Six:

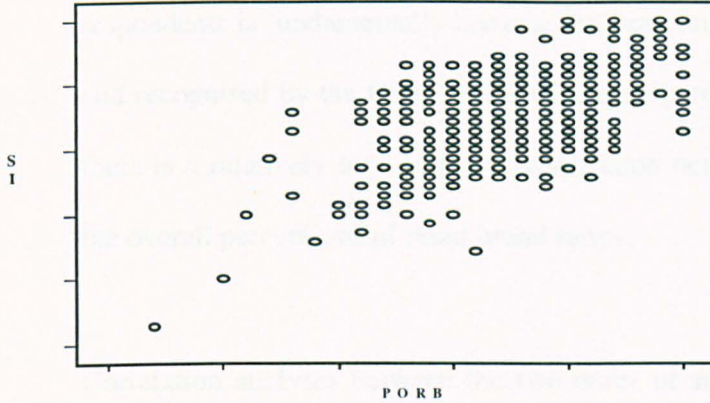
O6: To examine the effects of store image on overall perceptions of retail brand ranges.

P6: There will be a significant relationship between store image and overall perceptions of retail brand ranges.

This objective can be achieved through Correlation analysis where assessment can be made of store image and overall retail brand perceptions for both stores. Figure 6.2 however; reveals that although there is a positive relationship between store image and the overall perceptions of retail brand ranges, the relationship is minimal.

Figure: 6.2
Scatter Plots Illustrating Relationship Between Variables

Scatter Plot of Store Image and Perceptions of Retail Brand Ranges



6.2.6.1 Correlation Analysis Between Store Image and Overall Retail Brand Perceptions

Correlation analysis reveals that there are positive relationships between overall store image and overall perceptions of retail brand ($p=0.00<0.05$). The relationships of interest in this proposition are illustrated in Table 6.24.

Table 6.24
Correlation Analysis Between Store Image and Overall Perception of Retail Brand

	<i>Overall Perception of Retail Brand</i>	
<i>Overall Store Image</i>	<i>Pearson Correlation</i>	<i>0.555</i>
	<i>Significant (2-tailed)</i>	<i>0.000</i>
	<i>r²</i>	<i>31%</i>

Accordingly, the findings suggest that the image of the store and consumer perceptions of retail brand ranges is significantly associated. 31% of the variation in overall perceptions of retail brand ranges among respondents is fundamentally because the store image is easily described and recognised by the target audience. This figure implies however that there is a relatively low degree of correlation between store image and the overall perceptions of retail brand ranges.

Correlation analyses between the two items of store image and overall perceptions of retail brand ranges were carried out. The findings indicate that there is positive relationship for both store character and store reputation (store image) and how consumers perceived retail brand ranges ($p=0.00<0.01$). It was noted that 18% of the variation in perceptions of retail brand ranges is mainly due to store character; while 27% of the variation in perceptions of retail brand ranges is mainly due to store reputation. Although the impact of store character and reputation on the variations in perceptions of retail brand ranges were nominal, the results indicated that in general consumers perceived store reputations as more important than store character in the association of the perceptions of retail brand ranges (see Table 6.25).

Table 6.25
Result of Correlation Analysis Between Store Image and Overall Perceptions of Retail Brands

<i>Store Image</i>	<i>Perceptions of Retail Brand</i>	<i>Correlation</i>	<i>P-Value</i>
<i>Store Character</i>	<i>Overall, I am very positive about the introduction of retail brand grocery products in this hypermarket</i>	<i>0.366**</i>	<i>0.000</i>
	<i>Overall, retail brand grocery products can fulfil my own and my family needs</i>	<i>0.331**</i>	<i>0.000</i>
	<i>Overall, retail brand grocery products offer more choices to customers</i>	<i>0.253**</i>	<i>0.000</i>
	<i>Overall, I will surely suggest this brand to other people to check out</i>	<i>0.236**</i>	<i>0.000</i>
	<i>I will surely buy retail brand grocery products if the store offers more of this brand</i>	<i>0.295**</i>	<i>0.000</i>
	Overall Correlation	0.426**	0.000
	<i>r²</i>	<i>18%</i>	
<i>Store Reputation</i>	<i>Overall, I am very positive to the introduction of retail brand grocery products in this hypermarket</i>	<i>0.383**</i>	<i>0.000</i>
	<i>Overall retail brand grocery products can fulfil my own and my family needs</i>	<i>0.332**</i>	<i>0.000</i>
	<i>Overall, retail brand grocery products offer more choices to customers</i>	<i>0.305**</i>	<i>0.000</i>
	<i>Overall, I will surely suggest this brand to other people to check out</i>	<i>0.363**</i>	<i>0.000</i>
	<i>I will surely buy retail brand grocery products if the store offers more of this brand</i>	<i>0.405**</i>	<i>0.000</i>
	Overall Correlation	0.519**	0.000
	<i>r²</i>	<i>27%</i>	

** Correlation is significant at 0.01 level (p<0.01)

6.2.6.2 Result of Correlation Analysis Between Individual Store Image (Giant and Tesco) and Overall Perceptions of Retail Brand Ranges

For the individual stores, results of the Correlation analysis between individual store image and overall perceptions of retail brands indicate that there is positive relationship between how consumers perceive individual store image and retail brand ranges ($p=0.00<0.01$). However, again, the findings show that the variation in perceptions of store image (store character and store reputation) and perceptions of retail brand

ranges for individual stores are minimal. The correlations are detailed in Table 6.26.

Table 6.26
Result of Correlation Analysis Between Individual Store Image (Giant and Tesco) and Overall Perceptions of Retail Brands

Store Image	Perceptions of Retail Brand Grocery Products	Giant		Tesco	
		Correlation	P-Value	Correlation	P-Value
Store Character	Overall, I am very positive about the introduction of retail brand grocery products in this hypermarket	0.360**	0.000	0.373**	0.000
	Overall retail brand grocery products can fulfil my self and my family needs	0.324**	0.000	0.336**	0.000
	Overall, retail brand grocery products offer more choice to customers	0.316**	0.000	0.199**	0.000
	Overall, I will surely suggest this brand to another people to check out	0.306**	0.000	0.186**	0.000
	I will surely buy retail brand grocery products if the store offers more of this brand in this store	0.336**	0.000	0.269**	0.000
	Overall Correlation	0.466**	0.000	0.396**	0.000
	r^2	22%		16%	
Store Reputation	Overall, I am very positive to the introduction of retail brand grocery products in this hypermarket	0.441**	0.000	0.336**	0.000
	Overall retail brand grocery products can fulfil my own and my family needs	0.367**	0.000	0.316**	0.000
	Overall, retail brand grocery products offer more choices to customers	0.409**	0.000	0.206**	0.000
	Overall, I will surely suggest this brand to other people to check out	0.404**	0.000	0.311**	0.000
	I will surely buy retail brand grocery products if the store offers more of this brand	0.462**	0.000	0.343**	0.000
	Overall Correlation	0.594**	0.000	0.446**	0.000
	r^2	35%		22%	

** Correlation is significant at 0.01 level (p<0.01)

6.2.6.3 Discussion of Results From Objective Six

Past studies argue that store image serves as a factor influencing retail brand development. They claim that retail brand ranges grow and prosper when retailers enhance their store image. The store appears to project not only the image of the store but also the products they carry Omar (1992) and Grewal *et al.* (1998) are some of the researchers who

suggest that those who shop for groceries are motivated by several factors including store image.

The present study again confirmed the above suggestion. It comes as no surprise that the level of explained variance observed was 10% less for the overall perceptions of retail brand ranges ($r^2 = 31\%$) compared to the effect of store image on consumer shopping motivations ($r^2 = 41\%$). This difference was due to the fact that retail brands are new to the market and consumers have had less experience in evaluating the impact of store image on the brand. Given an appropriate time period, when customers have become more familiar with retail brand products, we may see different results.

Again, store reputation is confirmed as a more important element of store image than store character in connection to the overall perceptions of retail brand ranges. The results have implications for retailers who wish to promote their retail brands successfully. The fact that consumers constantly stress the importance of store image and store reputation in particular on both shopping motives and the overall perceptions of retail brand ranges suggests that retailers should focus on these two aspects. Retailers, who wish to engage in retail brand development, should devote more attention to the image of their store.

6.2.6.4 Summary

The findings show that although there is a positive relationship between store image and the overall perception of retail brand ranges, the relationship however was relatively small. This can be observed from the Coefficient of determination (r^2) from all items in store image for all respondents, as well as from individual store respondents respectively. Among the items in store image, the findings observed that the respondent's views of store reputation were more important than store character, either from all respondents or from individual store respondents respectively.

6.2.7 Objective Seven: The Effects of Store Image on Consumer Shopping Motives

Objective seven is concerned with the effects of store image on shopping motives. The argument supporting this objective is based on the notion that maybe consumers shop at a particular store because of the exclusiveness of the image presented by the store. For example, two chains may offer quality retail brands at reasonable prices. However, one chain may not be as clean or brightly lit as another. Its employees may not be as helpful and friendly. Consumers may therefore choose the clean, brightly lit, friendly store because of image attributes alone. Objective and proposition seven therefore, were:

O7: To examine the influences of store image on consumer shopping motives.

P7: *There will be a significant relationship between store image and consumer shopping motives.*

Pearson's product-moment correlation coefficient was used in testing this proposition. Figure 6.3 however; reveal that although there is a positive relationship between store image and consumer shopping motives, the relationship was moderate. The relationships of interest in this proposition are illustrated in Table 6.27.

Figure: 6.3
Scatter Plots Illustrating Relationship Between Variables

Scatter Plot of Shopping Motives and Store Image

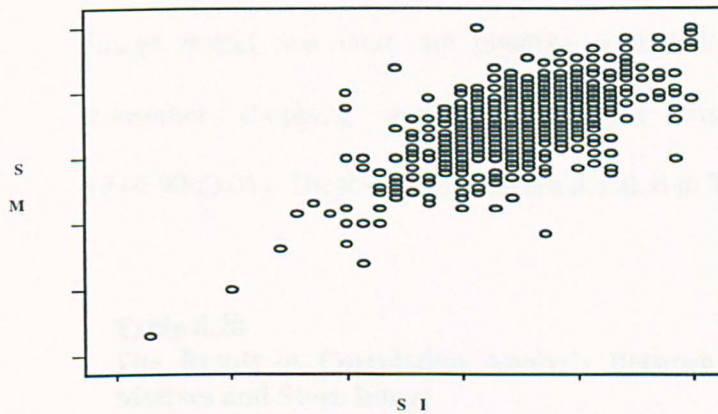


Table 6.27
Correlation Analysis Between Overall Shopping Motives and Overall Store Image

	<i>Overall Store Image</i>	
<i>Overall Shopping Motives</i>	<i>Pearson Correlation</i>	0.644
	<i>Significant (2-tailed)</i>	0.000
	r^2	41%

6.2.7.1 Correlation Analysis Between Overall Shopping Motives and Overall Store Image

The results reveal that there is a positive relationship between store image and consumer shopping motives ($P=0.00<0.05$). They reveal that consumer shopping motives and store image are significantly associated. 41% of the variation in overall perceptions of shopping motives among respondents is fundamentally because of the image of the store. This indicates that store image has a moderate relationship on consumer shopping motives.

Further analysis of individual items from shopping motives and store image reveal that there are positive relationships between different consumer shopping motives and store image for each item ($P=0.00<0.01$). These correlations are detailed in Table 6.28.

Table 6.28
The Result of Correlation Analysis Between Consumer Shopping Motives and Store Image

<i>Shopping Motives</i>	<i>Store Image</i>	<i>Correlation</i>	<i>P-Value</i>
<i>Store Offer</i>	<i>Store Character</i>	0.457**	0.000
	<i>Store Reputation</i>	0.495**	0.000
<i>Store Service</i>	<i>Store Character</i>	0.427**	0.000
	<i>Store Reputation</i>	0.469**	0.000
<i>Store Environment</i>	<i>Store Character</i>	0.457**	0.000
	<i>Store Reputation</i>	0.511**	0.000

** Correlation is significant at 0.01 level ($p<0.01$)

With regards to the individual store, consumers perceived store image offered a moderate relationship to shopping motives for both the Giant and Tesco stores (see Table 6.29). Although the difference is nominal for all items in store image and shopping motives, for both Giant and Tesco hypermarkets, on the whole it can be concluded that the relationship between store image and consumer shopping motives was stronger for the Giant store compared to the Tesco store. The above analysis provides some evidence that store image does influence consumer shopping motives. Although the relationship is statically significant, the r^2 suggests that this relationship is not strong.

Table 6.29
The Result of Correlation Analysis Between Consumer Shopping Motives and Store Image for Stores

<i>Shopping Motives</i>	<i>Store Image</i>	<i>Giant</i>		<i>Tesco</i>	
		<i>Correlation</i>	<i>P-Value</i>	<i>Correlation</i>	<i>P-Value</i>
<i>Store Offer</i>	<i>Store Character</i>	0.470**	0.000	0.461**	0.000
	<i>Store Reputation</i>	0.493**	0.000	0.484**	0.000
<i>Store Service</i>	<i>Store Character</i>	0.462**	0.000	0.397**	0.000
	<i>Store Reputation</i>	0.515**	0.000	0.428**	0.000
<i>Store Environment</i>	<i>Store Character</i>	0.494**	0.000	0.425**	0.000
	<i>Store Reputation</i>	0.578**	0.000	0.457**	0.000

** Correlation is significant at 0.01 level (p<0.01)

6.2.7.2 T-Tests Analysis on Store Image for Individual Stores

In order to be able to analyse the effect of store image on individual stores, again T-test analyses were performed. The results reveal that

there are no significant relationships between store character of both Giant and Tesco stores ($p=0.247>0.05$)., This indicates that the Giant respondents' perception of *Giant's store character* are somehow similar or comparable to Tesco respondents' perceptions of *Tesco's store character*. On the other hand, the p-value of store reputation for both stores are significantly different ($p=0.00<0.05$). This implies that there is a different view of *Giant store's reputation* and *Tesco store's reputations* by their representative respondents; Giant respondents perceived Giant store's reputation better than Tesco respondents perceive the reputation of their store (see Table 6.30).

Table 6.30: Mean Scores and Result of Independent Sample T-tests For Store Image and Stores

Store Image	Item	Stores		T-Value	P-Value
		Giant	Tesco		
Store Character	<i>In my opinion this hypermarket projects a modern image</i>	5.59	5.72	-2.862 ^{a,*}	0.004
	<i>The hypermarket serves the middle class consumers</i>	5.84	5.92	-1.535	0.125
	<i>The hypermarket can be considered as a world-class retailer</i>	5.43	5.35	1.270	0.204
	Total Mean	5.62	5.67	-1.157	0.247
Store Reputation	<i>The hypermarket transmits a reliable image</i>	5.62	5.48	2.977*	0.003
	<i>I have total confidence in this hypermarket</i>	5.61	5.46	3.138*	0.002
	<i>I find the hypermarket totally trustworthy</i>	5.62	5.43	3.993 ^{a,*}	0.000
	<i>I believed that the hypermarket would never let me down</i>	5.58	5.38	3.965*	0.000
	Total Mean	5.61	5.44	4.547*	0.000

^aEqual variances not assumed

* The mean difference is significant at 0.05 level

6.2.7.3 Discussion of Results from Objective Seven

The analyses reported above confirm the notion that consumer-shopping motives are influenced by the image portrayed by the store. Previous studies on grocery shopping behaviour highlighted that consumers differ in their selection of products simply because of store image. Store image provides a tremendous amount of information and cues for consumers and is an important input in the consumers' decision process. These factors consequently, have an effect on consumers' motivation for visiting any particular store.

Although, the level of explained variance (r^2) amongst store image and shopping motives in the present study was nominal, the findings indicated that store reputation has had a greater influence on shopping motives compared to store character. The results are consistent with previous studies that reveal shopping at a well known, highly reputable store, leads to the satisfaction of status or prestige needs, which, in turn increases the chance of consumers becoming loyal to the store. In view of this, a store's reputation can be considered as an important aspect in influencing consumer shopping motivations. A store becomes reputable after it has been in the market for a period of time; it performs as desired and delivers the benefits promised. Store character, although perceived slightly lower, cannot be underestimated. This is because a successful

store requires store character before it can be highly regarded as a reputable store.

It is also emerged in the findings that individual store images were found to be important. This is due to the fact that the relationship between store image and consumer shopping motives was rated stronger by the Giant store consumers than the Tesco store consumers. Again, the word '*establishment*' summarises it all. Although the Giant hypermarket is considered new to the market, the company is an established supermarket trader and has had a long commitment to the Malaysians. For a decade, Giant has been seen as providing and delivering products that can not only be trusted but also provided the first place for Malaysian to do their modern grocery shopping, before other supermarkets or hypermarkets came along. Perhaps, the store's name (Giant) evokes a vivid store image in consumers' minds. However, the results also indicated that Tesco consumers believed Tesco presented a more up to date and modern store than the consumers of Giant did. This is not surprising. Being an excellent store in the UK; Tesco proved that their stores are technologically advanced.

6.2.7.4 Summary

The relationships identified by the analyses performed to test proposition seven suggest that store reputation is a crucial element of

store image in motivating consumers to shop at stores. Although the results pointed to only moderate associations, as time goes by, improving the store with modern equipment may somehow also enhance store character. Retailers should therefore continue to demonstrate that their stores are committed to serve the Malaysians by focusing in this area.

6.3 Concluding Comments

Each objective and research proposition in this study contributed to one main aim, which is to establish an understanding of retail brands from the Malaysians' point of view. The combination of several variables such as consumer shopping situations, consumer shopping motives, as well as the influence of store image on consumers' perceptions of retail brands was intended to assess their impact on the retailing industry in Malaysia. The results not only serve as a guideline to retail brands producers but simultaneously indicate the potential of the brands. The growth of the retail brand in Malaysia needs to be first understood by each and every individual concerned (retailers, suppliers, customers etc.) in order to guarantee the future of the brands in this country. This is because without fully understanding what the brand can offer, it is difficult to develop brand ranges successfully. Nonetheless, too little is currently known about these brands specifically in Malaysia. Although consumers perceived clear differences between manufacturers' brands and retail brands; amongst retail brands consumers perceived the products as identical. In addition, the results show that consumer shopping motives and retailer store image respectively have nominal impact on

perceptions of retail brands. Retail brand retailers need to establish a stronger relationship between these two elements to the customers so that stronger effects can be observed in the future. It is time for retailers to establish their strategy into meaningful concept of retail brands. The findings suggest that Malaysian is a transition market where almost all of the results display minimum associations. *Chapter 7 develops a more precise discussion of the results for retailers implications as well as the limitations offered by the study and concludes by offering some contributions and suggestion for future study.*

CHAPTER SEVEN

Conclusions and Implications for Retailers

Retail brand is new in Malaysia. Providing the right information so that retailers can make better decisions is therefore crucial to the successful development of this brand. Retailers need to understand what Malaysian consumers think and believe about retail brand. This study was conducted among one thousand main household shoppers in two major hypermarkets in Klang Valley, Malaysia. Previous studies of retail brands are concentrated mostly in Western society. This study, however, looks at Asian perspectives. This study builds on existing literature to offer an understanding of how consumers perceive retail brands in a developing Asian retail environment. It further contributes by considering the effects of consumer situations, consumer motivations and consumer views of store image on how consumers evaluate retail brands while doing their grocery shopping.

The purpose of this chapter is to summarise the findings from the study and relate these to highlight suggestions for retailers based from the outcome in order to ensure consumers become more committed towards retail brands. The discussion revolves around the findings of the study, the practical implications for retailers as well as the limitations imparted by the study. In addition, conclusions and future research are also discussed.

7.1 Summary and Conclusions

This study adds to the growing body of literature on retail brand perceptions by examining how Malaysians perceive retail brands by looking at several issues such as the attributes of the brands; the situational factors; consumer-shopping motives and store image perceptions.

7.1.1 Consumer Perceptions of Retail Brand Attributes

The results presented in this study indicate several similarities with previous studies of retail brands, particularly in the early years of their development. While in many studies, women, or working women, perceived retail brands to be acceptable, in Malaysia it was the male consumers who had the strongest perceptions of retail brands. This may be due to the fact that previous research focused solely on female consumers, rather than both genders. However, the results are consistent with the findings of Livesey and Lennon (1978), as the potential buyers of retail brands in Malaysia are more inclined to middle age group; are educated, married, part of two-career households and well paid (average up to MR\$72,000.00 in annual income). This may reflect the study area, which is within the centre of the country's economic activities.

Additionally, the outcomes offer similar findings to the studies of Richardson *et al.* (1994; 1996); Omar (1996); Harding, (1996); Bellizzi *et al.* (1982); Cunningham *et al.* (1982); Rosen (1984); Rao and Monroe (1989); Richardson *et al.* (1994); Dick *et al.* (1995); and Omar (1996) in which, they claimed that

there are differences between consumer perceptions of retail brand and manufacturers' brand attributes. Malaysians perceived the retail brand attributes as different from manufacturers' brand specifically in terms of quality and value, as well as the extrinsic cues. This came to no surprise, as retail brands in Malaysia are new to the market.

When comparing manufacturers' brand attributes with retail brand attributes, the study observed that consumers perceived the overall quality, overall value, pricing and packaging (extrinsic cues) of the manufacturers' brand to be comparable to the Giant brand. Consumers also perceived that all four brands, offered different financial and social risks. Importantly, the level of familiarity was also different for all four brands. Consumers perceived the manufacturers' brands to be the most familiar and the Tesco brand to be the least familiar brand. The same results were also observed for attributes such as '*confidence in using*' the brands.

Among the retail brands, consumers believed that the Giant brand offered superior attributes to the Tesco and the Tesco-Value brands. The Giant brand was perceived as being the most reliable, offering more value for money, being worth the money, as well as offering a good bargain. Consumers, however, perceived that both the Giant and the Tesco brands offered a similar '*worth the money*' attribute. These results were similar to Richardson *et al.* (1996; 1994) who claimed that retail brands might be seen as offering good value for money.

It was also noted that each retail brand offered a different level of bargain to customers. As for the extrinsic cues, the Giant brand was perceived as offering reasonable prices as well as providing attractive packaging when compared to Tesco and Tesco-Value brands. Perhaps the reason behind this outcome is the higher degree of familiarity with Giant as a company thus increasing the familiarity of Giant brand (for example, Sheth *et al.*, 1999; Richardson *et al.*, and 1996; Dick *et al.*, 1995).

The results also indicate that the Malaysian consumer is not familiar with the Tesco brand. They believed that the Tesco brand offered higher financial and social risks. This gives them a low confidence in choosing the brand. This is consistent with the studies carried out by Mitchell (1998), Dick *et al.* (1995) and Livesey and Lennon (1978), who claimed that consumers tend to believe that retail brand purchases may result in both financial and social loss. Despite these weaknesses, consumers still perceived that the Tesco brand offered better overall quality than the Giant and the Tesco-Value brands. These findings are partially similar to those of Garretson *et al.* (2002) and Doods *et al.* (1991) who claimed that higher prices lead to a higher perceived quality and consequently to a greater willingness to buy. Although consumers perceived the Tesco brand as offering better overall quality, they had a low intention to buy the brand. This is because consumers were not used to the brand, thus by buying the brand they might end up paying more than they usually do (i.e. the manufacturers' brands).

Surprisingly, the outcomes also indicate that overall, consumers perceived the Tesco-Value brand as 'better' than the Tesco brand. This is consistent with the study conducted by Omar (1994), which claimed that the low prices of retail brands did not result in an unfavourable attitude towards the brands. What interests consumers is the fact that the brand is cheaper than their usual brand (i.e. the manufacturers' brands) yet the product is similar and comparable too (i.e. washing liquid). In addition, Tesco-Value brand was easily available in the store compared to Tesco brand. This, consequently, influenced consumers' perceptions of the Tesco-Value brand as the major brand of the store thus increasing the level of Tesco-Value brand purchasing.

7.1.2 The Role of Situational Factors

The relationship between perceptions of brand attributes and consumer situations is complicated. Although during planned situations consumers perceived the Giant brand are offering fewer financial and social risks thus making them more confident with the brand, the brand in general was perceived as offering less value for money. In unplanned situations, the brand was perceived as a quality product, offering a reasonable price as well as providing attractive packaging. As for the Tesco brand items, consumers perceived them as significantly different only during unplanned situations. In this situation, consumers regarded the Tesco brand attributes as low in quality, expensive and with unattractive packaging. Consumers perceived the Tesco-Value brand attributes' better only in planned situations. Consumers perceived the quality of

a brand is acceptable thus raising their confidence level in using the brand. They also believed that the risks associated with the brand were negligible. These findings are consistent with the studies by Van Kenhove and De Wulf (2000), and Lai (1991), which claim that despite its importance in consumer behaviour, it is very difficult to deal with the operational definition of 'situation'. Perhaps this is the reason why the study of retail brands with regards to situations such as planned and unplanned was not explored before. Overall, although the results indicate that Malaysian perceived retail brand's attributes varied among retail brands and between consumer situations, the findings, offer possible opportunities for the retailers. The strong bond between consumers and the Giant store as well, as with the Tesco-Value brand, offers enormous prospects for the development of retail brands in both hypermarkets due to the consumer situations and consumers' overall perceptions of retail brands. Overall, consumers believed that during the planned situation, the developments of retail brands offer more product choices, can fulfil both their needs and their family needs as well as making them feel more certain and positive towards the development of retail brands.

7.1.3 The Consumer-Shopping Motives

Although, there is a positive relationship between consumer-shopping motivation and the perceptions of retail brand attributes, the significant results do not apply to all retail brand attributes. The findings concluded that there is no specific pattern for consumer shopping motivation and retail brand attributes for

all three retail brand products, nevertheless, the statement '*the hypermarket always communicates its shopping information to its consumers*' was observed for almost all of Tesco-Value brand's attributes.

With respect to shopping motives and consumers' overall perceptions of retail brand, although Malaysians show less association between shopping motives and overall perceptions of retail brand ranges, consumers did, however, perceive the cleanliness and orderliness of the physical store environment important for the perceptions of retail brand. The studies carried out by Baker *et al.* (2002), Dawson and Sparks (1985), Westbrook and Black (1985) as well as Tauber (1972), reveal that factors such as the physical store environment do attract the consumer's attention to shops, thus affecting perceptions of merchandise. Westbrook and Black (1985) once identified consumers who are inclined to the cleanliness or orderliness of a physical store environment, as '*compulsive shoppers*'. This is no surprise as Giant and Tesco hypermarkets are seen as providing the '*newest and latest*' avenue for Malaysians to shop for groceries. In addition, the transformation from traditional supermarkets to modern hypermarkets brings a new era to the development of the Malaysian retail industry, mainly in respect of store hygiene and the overall shopping experience, as the old supermarkets do not offer this type of surroundings and ambiance. This may be why the findings indicate that Malaysian shopping motives are consistent for both hypermarkets (Giant and Tesco). However, it was observed that consumers perceived the Giant store as offering better deals

than the Tesco store. The explanation for these findings may be due to the fact that most respondents are familiar with the Giant store and thus are more comfortable buying the Giant brand from the Giant store. The Tesco hypermarket is new to the market; consumers may not yet be familiar with the brand and store. The outcomes are consistent with the study of Ailawadi (2001), which claimed that familiarity with a store might improve the perceptions of the retail brand of that store. In addition, the Giant consumers may have thoughts and feelings for the Giant store which influence their shopping motives for retail brand products (Porter and Claycomb, 1997; Keaveney and Hunt, 1992 and Sherman and Smith, 1987).

It was also noted that consumer-shopping motives are also influenced by the image portrayed by the hypermarket. These findings are consistent with the studies of Omar (1992), Grewal *et al.* (1998), Porter and Claycomb (1997), Keaveney and Hunt (1992), Zimmer and Golden (1988) and Sherman and Smith (1987). The results revealed that of the two store image items investigated (store character and store reputation), store reputation has had a greater influence on shopping motives, compared to store character. Although, Giant's store image was rated higher than Tesco's store image, consumers claimed that Tesco offered a more up to date and modern store than Giant.

7.1.4 The Overall Perceptions of Retail Brand Ranges

Overall the study confirmed that Malaysians have a positive attitude towards the introduction of retail brands in hypermarkets. They claimed the development of retail brands offers a variety of choice of product, as well as being appropriate with consumers' needs and wants. Generally, these demonstrate that the previous studies of retail brand development in the West, apply to the hypermarkets of Malaysia.

Taken as a whole, the results suggest that there is still room for improvement for retail brand development, particularly the 2nd and 3rd generations in both hypermarkets. Knowing that Malaysians will only buy retail brands when their primary brands (i.e. manufacturers' brand) are not available, and often buy retail brand from the same store, opens up huge opportunities for hypermarket retailers. Emphasis on store environment and store reputation plays a crucial role in motivating consumers to shop and consequently buying retail brand from the hypermarkets. Hypermarket retailers therefore should consider promoting retail brands in the store more heavily. This is because for Malaysians '*a retail brand by any other name is just another brand*'. Offering this brand in an attractive store environment, as well as at a reputable store, may act as key factors influencing the success of retail brand development in Malaysia.

7.1.5 The Perceptions of Store Image

Although the impact of store image on the variations in perceptions of retail brand ranges was nominal, the results did point out that, in general, consumers perceived store reputations as more important than store character in the association of the perceptions of retail brands. Perhaps, from a consumer point of view, a respectable store reputation provided a strong store personality, which in turn offered the ability to create acceptable retail brand products. This is consistent with Grewal *et al.* (1998) and Omar (1992), who suggest that those who shop for groceries are motivated by the image portrayed by the store.

With regard to the retail brand attributes, although there is a positive relationship between store image and retail brand attributes for all three brands (Giant, Tesco and Tesco-Value), the results reveal that there are no specific attributes that can be strongly related to store image for all of the brands. The same finding was also observed between store image and consumer shopping motives, as the relationship between these two was moderate.

The above findings, therefore, provide several implications for retail brand retailers in Malaysia.

7.2 Practical Implications for Retail Brand Retailers in Malaysia

Grocery consumers in Malaysia are strongly influenced by their long established relationship with the manufacturers' brand. A traditional appeal concerning the

environment and surroundings, is also still important in making purchasing decisions, for grocery products. Retail brand retailers should therefore underline simplicity and straightforward approaches rather than any other methods in introducing their retail brand. This is because Malaysia is an evolutionary market, evolving from a traditional to modern retail structure; hence emphasising that basic methods could be far more convincing and practical. In considering the implications of the study for retailers, the discussion is organised around six main suggestions namely: *Understand Current Retail Brand Strategies; Retail Branding Orientation; Retail Brand Promotion Strategies; Planning the In-Store Environment; Project Store Reputation Clearly and finally Managing Retail Brands' Efficiency.*

7.2.1 Understand Current Retail Brand Strategies

It is necessary for retailers in Malaysia to first understand their current retail brand strategies before looking into other approaches. Knowing what is important to customers and how well retail brand is meeting those demands is important. As the '*collection of perceptions*' that retailers want to build in the minds of their customers, retail brands need to be distinctive from those of the competition and to motivate customers to buy.

Retailers in Malaysia who wish to be involved in retail brand development must first examine their current operating environmental conditions prior to committing to this type of brand development. This is essential as hypermarkets are incredibly complex. Retailers must '*evolve*' to meet this challenge where

each of the specific stores must have unique qualities. They will have to find new ways to compete in the changing retail scenery. A closer look at what motivates shoppers to keep coming back to the retail stores is vital for the hypermarkets. The findings of the study offer two possible aspects that retailers in Malaysia need to consider before implementing their retail brand strategy.

Firstly, if the development of retail brands in Malaysia is made as a defensive response to threats from the manufacturers' brands or other hypermarket retailers, then the approach may be essential. If, however, the developments are made for offensive reasons (for example; because of perceived opportunities for increased sales or market share) the hypermarket retailer in Malaysia should carefully monitor and control his production and retail costs to be able to retain his original competitive advantage of low cost/high margin.

Secondly, hypermarket retailers should remember that the retail brand is never just about price. The results of this study clearly indicate that Tesco-Value brand was perceived more favourably than the Tesco brand. How much should the hypermarkets charge for their retail brand? Charge too much and it may not sell; a problem that can be fixed relatively easily by reducing the price. Charging too little is far more dangerous; a store not only forgoes significant revenues and profits but also fixes the product's market value position at a low level. It is too easy just to say, *price is the only thing that matters to the customers, and there is no reason to think about branding*. This may not be true

as a former Vice President of Marketing at Morton Salt in the USA, once said... *'We found that the successful process of retailing commodities requires value added benefits... and if you are the first to add these benefits, and support them, your chances of success are far greater than if you follow someone else (me- too product)'* (Brand Building, 2003).

For that reason, hypermarket retailers should consider their pricing strategies in relation to broader economic trends. Global trends in value pricing would suggest that, despite possible strategy changes, the average retail brand price could not increase simply because of economic and competitive pressures. Even manufacturers' brands have been forced to keep prices low owing to value pricing. The recession of the late 1990s may have held (manufacturers' brands') prices down, so any price or margin increases may not occur for a while. Price increases are more easily absorbed during prosperous economic periods, but hypermarket retailers may find their competitive advantage lost in the long term if they raise retail brands' prices. Retail brands, therefore, should continue seek to improve the price and/or value advantage they have over manufacturers' brands. Increasing gross margins for retailers may be necessary as well as setting limits on internal costs. The findings perhaps suggest that retail brands in Malaysia need to become *value* conscious as established by the Tesco-Value brand. This suggests that improvements in product quality may be necessary, but not at the expense of rising retail prices as manufacturers' brands are not complacent but are looking for ways to provide better value for the consumer.

7.2.2 Retail Branding Orientation

Although the results revealed that retail brand consumers in Malaysia are more likely to be the male consumers; who are educated; from middle age group; are married and earn more money than non-consumers of retail brands,; retailers should not limit themselves to this group only. Retailers should exercise a consumer-centric attitude by understanding the needs and wants of other customers as well. In addition, the study revealed that although consumers perceived the Giant brand to be comparable with a manufacturers' brand's quality, value, price and packaging; consumers clearly perceived retail brands as generally inferior to manufacturers' brand in terms of the overall quality, value, price, packaging, risks, familiarity and confidence in consuming the brands. Explanations of why this outcome was observed relate to the strategies being implemented by both retailers (Giant and Tesco). As mentioned earlier, Giant and Tesco have different strategies for their retail brands. While Giant offered only one approach (3rd generation) of their retail brand product; Tesco however, offered 2nd, 3rd and 4th generations of retail brand products simultaneously. Although it was suggested in Chapter Two that brand evolution could be overlapping (i.e. 2nd and 3rd generations of retail brands can be employed together), this strategy cannot be operationalised in Malaysia or perhaps it is not the right time yet. Retailers should not have more than one retail brand in their store, as the manufacturers' brands seems to be relatively strong. Focusing first on a strategy of differentiation from the manufacturers' brand, as observed by Pellegrini, (1993) is more convincing.

Consumers seem to be confused by the introduction of these brands. No doubt the brand is cheaper and has simple packaging but with no advertising gimmick to familiarise consumers with the brand, this reduces the attractiveness of retail brands. It is argued that in this early stage of retail brand development, retailers should differentiate retail brands from manufacturers' brands by using the basic functional aspects of the brand: such as what does the product do; how is it offered and why it is needed; plus the evaluative issues such as: how well does the brand perform; how can it be judged and on what evidence.

Hypermarket retailers that are just starting on the branding path in Malaysia should not just use the world's biggest established retail brands as their reference point. Retailers should go for a lower reference point that requires minimal investment in money and time. This is consistent with the study carried out by Dick *et al.* (1995). This study suggests that retailers should first build greater consumer acceptance of retail brands by increasing consumer awareness of retail brands. Hypermarket retailers should therefore make Malaysian consumers feel comfortable and thus become more familiar with the brand first. Once consumers are more familiar with the retail brand concept and have more confidence towards the brand, hypermarket retailers could then develop more extensive strategies for retail brand or line extensions. This allows retailers to introduce new products that offer larger returns and increase retailers' competitiveness vis-à-vis manufacturers' brands. Perhaps introducing one level

of retail brand at a time is far more convincing than having more levels of retail brand at a time.

Having many types of retail brand at a same time under one roof in a premature market, might influence consumers' assessments of retail brands in general. Consumer might end up thinking that the brand actually belongs to another manufacturer and not to the retailer. This may be the case when the study showed that Malaysians perceived the Tesco-Value brand better than the Tesco brand. These results, in the long term, could affect the retailer's goals and thus the future development of retail brand might not be an attractive proposition.

It is therefore, important for hypermarket retailers to understand what their retail brands offer and be able to articulate that both internally and externally. In other words, know what the brand stands for, what its values are and understand the mechanisms by which retailers can implement a retail brand strategy in order to get a consistent deliverable (the brand promise i.e. high/low value/cost conscious consumers). Hypermarket retailers should emphasise their retail brands which are not only cheaper than the branded equivalent but are recognized as being of at least as good a quality and value. Perhaps, retailers are most likely to be successful if they concentrate on enhancing the attributes of a retail brand gradually by having one retail brand at the time.

7.2.3 Retail Brand Promotions Strategies

The survey results show that Malaysians are not brand conscious any more. They readily bought retail brands when they could not find their regular (manufacturers') brand. In fact, the study observed that Malaysians are willing to buy retail brands during their planned-shopping trips to the store. Since Giant consumers perceived that the Giant brand offered less value for money during the planned-shopping situation, Giant might consider several approaches to increase the perceptions of the Giant brand's value for money. Giant can distribute free trial, in-store sampling and introducing festive retail brand. This could increase the perceived value for money of the Giant brand as the retailer himself introduces it. During this stage, the retailer should inform consumers about their brands' benefits by issuing exclusive coupons for purchasing the retail brand (reflecting the money savings), by maintaining a high level of intrinsic product quality, as well as by improving the retail brand packaging through regularly updating the packaging design. The retailer should be able to prove its excellent quality at reasonable price, by using a slightly bigger size of packaging (i.e. increase 10 or 20% of the normal size). This increases the perceived value because consumers feel that they are getting more for their money. In short, the promise of good quality at a reasonable price could lead to a '*smart buy*' impression that may also motivate consumers.

Giving consumers a strong risk reversal guarantee such as a money back guarantee could also attract consumers as it shows that the retailer is standing

behind the brand if anything unpleasant occurs (i.e. damage). This could build a strong image for both brand and store thus reducing the financial and social risks. The Giant retailer might also consider having a copy of testimonials with his retail brand. Experienced retail brand consumers could share their knowledge on retail brands with other consumers. The retailer might also try to get the brand endorsed by a famous person. This might increase the perceived value, improve familiarity as well as boost consumer confidence with the brand.

Being the least favourable retail brand, Tesco should re-examine its Tesco brand strategy. Tesco should make a critical decision in deciding the future of the Tesco brand in Malaysia. This is because a good Tesco brand strategy deals with the consist transfer of the Tesco brand image into the consumer's mind. The consumers must first have a positive assessment, as well as considering Tesco brand in their purchasing decisions. This might be difficult to put into practice knowing that consumers are more inclined to the Tesco-Value brand, which also belongs to the Tesco store. It is urged that Tesco should go for a flexible strategy by focusing more on the traditional value for money approach. This method offers the advantage that it avoids direct competition with the manufacturers' brand. Alternatively, using the Tesco-Value brand strength, Tesco should be able to convince their consumers that the Tesco brand is designed so as to offer a choice of product selection other than the manufacturers' brand. The brand may not be equivalent to the manufacturers' brand but it did offer similar or other benefits or advantages compared to the

manufacturers' brand. One example is by having several huge billboards around the Tesco store so as to project the message that the retailer needs to convey to the consumers (i.e. Have you tried Tesco brand? It's better than you can imagine). Perhaps, placing trial size packages on the shelf could also make this brand stand out. Alternatively, focusing on in-store education, which generates crowds in-store, could make the Tesco brand look more attractive. This can be done through customer-centred cross-promotions. Using mixed displays between the Tesco brand and Tesco Value brand on the shelf and separate displays for the manufacturers' brand might provide better results as it reduces the consumers' ability to use informational cues from the manufacturers' brands. It also helps consumers buy more quickly, pleasantly, frequently and can reach huge numbers of consumers quickly and inexpensively. This also enables the consumer to do less planning (more impulse buying). It is believed that communicating these differences may improve consumers' responses towards this brand in the future, either during planned or unplanned shopping trips.

7.2.4 Planning the In-Store Environment

The Malaysian retail industry is undergoing a revolution and is experiencing a paradigm shift in the way consumers have taken to shopping. Market liberalisation and reformed consumers are contributing to the retail transformation in Malaysia. In planning and making retail brand strategy

decisions, retailers must have some idea about the characteristics of demand for their hypermarket in order to attain these objectives.

The findings from this study concluded that consumer-shopping motives do enhance consumer perceptions of retail brands. Although the influences of shopping motives are modest, it was observed that the physical aspects of the store environment such as the cleanliness and orderliness of the hypermarket impact upon consumers in their overall perceptions of retail brand. Hypermarket retailers in Malaysia are therefore urged to be more innovative and receptive in planning their in-store environment so as to foster effective communication in promoting their retail brands. Providing a comfortable upscale environment for consumers might serve this. Likewise, increasing the influence of the store environment might create dynamic in-store experiences in response to consumers. Developing a dynamic in-store consumer experience by adapting a clean and fresh store layout with optimum space planning might have a higher-impact on retail brand perceptions. The hypermarket retailer who is able to differentiate between the old-style supermarkets through a fresh innovative hypermarket may maximize the appeal of their store. The more attractive the store environment is to customers, the more time consumers will spend in the store and the more product they will buy from it. This may stimulate retail brand perceptions too.

Conversely, using the emotional linkage between the store environment and the retail brand may increase the consumer's commitment to the store. A great store environment may serve as an emotional connection between consumers, stores and retail brands. Environments reach beyond the purely rational and purely economic level to spark feelings of closeness, affection and trust. Consumers live in an emotional world; their emotions influence their decisions. Although the results indicate that Malaysians in general shop at the Giant store more often than any other hypermarket, consumers still buy manufacturers' brands more frequently than Giant brands. Hypermarket retailers should therefore transcend their retail brand's features and benefits so as to penetrate the consumer's emotions. What makes a retail brand strong is the emotional involvement between customers and the store. Hypermarket retailers should therefore connect their customers' emotions, by polishing their retail brands' core values, together with their store environment. In effect, a fresh, clean and attractive store environment, which captures and communicates its retail brand values well, makes customers treasure the brand even more.

7.2.5 Project Store Reputation Clearly

Although wooing and winning customers are critical for retailers, creating loyal customers and holding onto them is tougher than ever. If hypermarket retailers do not project their store image well, it is only a matter of time before customers go to a competitor that can provide a better shopping experience. Smart hypermarket retailers need to understand their target market and store image

well as the latter is what consumers expect to see when shopping and subsequently buying retail brand from the store.

From a retail brand perspective, an attractive store reputation offers much potential in terms of creating a pleasant retail brand attitude. The study reveals that consumers perceived store reputation had the most influence on their shopping motives for retail brand. This is not surprising as consumers perceived a store with a good reputation to be trustworthy. Hypermarket retailers should therefore maximise and building on their reputation by offering consistent policies of retail brand that satisfy their customers.

Hypermarket retailers should continue to grow its retail brand offerings, by enforcing reliable retail brand products. By taking a more active attitude in the development of their retail brand products and by increasing the reliability of these brands, hypermarket retailers can enhance a reliable, confident and trustworthy reputation for their store. This, in the long run, may improve the image of the store thus increasing loyalty to the store. Consumers could become familiar with the retail brand products and their shopping is facilitated by the ability to buy a single brand across a wide range of product categories. As a whole, the investment on store reputation is considered vital to the hypermarket retailers in Malaysia although it may take longer time to achieve. This is because strengthen strong retailer image might improve retail brand strategy.

7.2.6 Managing Retail Brands Efficiency

Finally, it is argued that in general, consumers are seeking credibility from the retail brand that retailers sell. Convincing consumers about the store's credibility requires elements such as knowledge and trust. Giant and Tesco, as hypermarket retailers, should therefore be seen to be knowledgeable about their products by providing expert information on retail brand products. Customers must believe that the store will act with their best interests in mind.

With all the approaches mentioned above, it is argued that retailers need to demonstrate their expertise, trustworthiness and concern for their customers' interests. Credibility and visibility must go hand-in-hand. This includes the ability to continue to find or develop and to offer attractive retail brand products to customers by promising only what you can deliver, organising channels of communication consistency, and ensuring good retail brand experiences. Continued advertising using in-store campaigns for creating retail brand awareness is also recommended. This will improve consumers' awareness as well as reducing the perceived risks from the brand. Retailers should not advertise retail brands as the cheapest brands but alternatively as value for money brands. Successful retail brands partially attribute their success by benchmarking their retail brand products against the category leader in the customer segment and communicating the benefits to consumers.

In sum, whether in the West or in the East, retail brand development needs clarity, consistency and constancy in implementing the approaches preferred. Once this information is gathered, and used responsibly, effectively, and repeatedly, the customers and retailers can work in concert rather than as adversaries. At this point, the relationship transcends retail brand; or, in the optimum situation, the trust factor becomes part of the retail brand products. And that is where the true power of the retail brand products relationship gets put to work. For those who are not quite ready for implementing a retail brand, sooner or later someone will come along and do this, and then the retailer will end up having to create a retail brand against a more well-established player.

7.3 Limitations of the study

Any conclusions drawn from the primary data analysis must be considered in the light of several limitations. *First*, the techniques employed in this study such as the possibility of respondents focused on the product, and not the brand; the questions such as have consumers tried the brand before they answer the questions; and could the perceptions of retail brands derive solely from the packaging, instead of pricing, which is unrelated to customer perceptions need to be considered.

Second, it could be argued that retail brand products were still very few at the time that this study took place, as some respondents might not have been very familiar with retail brand products yet, so responses may have contained misinterpretations. At the same

time, some respondents might not have been able to distinguish clearly between retail brands and manufacturers' brands.

Third, the sample does not allow for consideration of the impact of other consumer behaviour attitudes such as the taste, the aroma and the performance; which have been demonstrated to impact retail brand products attitudes. This is because the study only examined one product category that is dish washing liquid/washing up liquid products from the Giant and Tesco hypermarkets.

It should be noted, however, that the introduction of retail brand products in Malaysia has been an important area of retail expansion and is likely to continue. The goals and strategies of having retail brand products in hypermarkets in this country may differ from each other and therefore lessons from the West, particularly the UK, may be adequate, even necessary, to understand retail brand grocery products issues fully.

7.4 The Prospect of Retail Brand Ranges

Mirror, Mirror on the Wall...Who Has the Strongest Brand in Malaysia? The findings of this study further our understanding of retail brands by shedding light on the specific retail brands available in Malaysia which has never been explored before. Consumer perceptions of retail brands' attributes are important as they can serve as an indicator of the relative ease with which a retail brand may obtain market share.

The results of this study confirm the generalised belief that manufacturers' brands are still perceived to be superior to products made by the retailers. Clearly manufacturer brands are still '*king*' in consumers' eyes. Malaysians clearly identify this and on this basis; there are enormous differentiations on brand characteristics between manufacturers' and retailer brands. Perhaps this is to be expected in a country that is new to the occurrence of retail brands. Among retail brands, however, the findings point out that the Giant brand was rated most highly. It was noted that consumers were content to purchase this brand in the situation when they could not get hold of their regular brand, which in this case would have been the manufacturers' brands.

The relatively low acceptance of Tesco brand during a planned situation was somewhat surprising given the fact that Tesco brand was evaluated higher than the Tesco-Value brand. In addition, it was also discovered that during a planned situation, Tesco shoppers (Tesco's respondents) bought mostly Giant brands (80.4%) while Giant shoppers (Giant's respondents) purchased mostly from the manufacturers' brands (90.4%). During unplanned situations, however, Tesco shoppers (Tesco's respondents) bought mostly from manufacturers' brands (64.2%) while Giant shoppers (Giant's respondents) purchased mostly from the Giant brand (33.8%). Retail brands being new in the market, combined with the unclear positioning of Tesco brand and Tesco-Value brand may at least partially explain this result.

Although, the results were nominal, there was support for the influence of shopping motives as well as the store image on consumers' perceptions of retail brands. In

planning retail brand ranges, store environments and store reputation were the most influential aspects of shopping motives, as well as of store image respectively that retailers need to manage. Again, the Giant store was evaluated well on these two elements. Malaysians rated the store by associating the store more with its cleanliness, along with its structured lay out that allows products to be found easily. Improved store atmosphere may be a way to boost sales of retail brands on the shelves. Investment in the environment by focusing on making the store bright and cheerful, keeping the store clean and making the aisles easy to navigate, can, indeed, help to enhance the overall perceptions of retail brands. Unlike manufacturers' brands, which must advertise each product individually in order for them to remain competitive, an improvement in store environment should increase the attractiveness of each and every retail brand offered by the stores. Interestingly, since shopping for grocery is also considered an outing for the family members, consumers may stay longer in the store. Once they are in the store, they buy not only more retail brands but they also more likely to fill their entire trolley with retail brands. This gives retailers a weapon with which to combat price competition.

Nevertheless, retailers should also persuade and convince consumers that they are serious about their retail brands' development. A favourable store is very crucial for Malaysians to accept the retail brand; hence the store reputation must be prominent. If they promise that their retail brand is value for money, retailers should be prepared to deliver that benefit in order to build in consumer' trust and confidence. Do not promise what cannot be delivered. Retailer brands may possibly be inferior to manufacturer

brands, but the brand can offer great savings for those who are willing to sacrifice quality for the value they want.. This supports the notion that retail brands do not belong to any particular income group.

Looking back from the findings, there is no surprise that Malaysians view the development of retail brands from Giant and Tesco store as similar. This may be due to the fact that consumers may see retail brands from both stores as belonging to other producers who supply inexpensive products to the stores concerned. The weak relationship associated with consumer shopping motives, and store image on the perceptions of retail brands is indicative of the need for research leading to greater understanding of the manner in which this variable may affect consumer belief in retail brands.

In sum, the researcher believes that sufficient exposure to and knowledge of retail brands could improve consumers' attitudes to retail brand attributes and products. The relationship between hypermarket operators and consumers can be characterised by dependency. It is well known that manufacturers build their power through customer loyalty. Loyal consumers are more likely to pay full price for their favourite brands and look for them in any store where they shop. The results indicate that only if consumers cannot locate their regular brands, will they choose retail brands. If enough consumers act in this manner, retailers have no choice but to continually carry the manufacturers' brands as before. For that reason, it is believed that retailers should not only produce retail brands but at the same time, also concentrate on enhancing and building the

image of their store, so as to motivate consumers to shop and purchase more retail brands from their store.

7.5 Summary of Contributions

The present study has provided a general indication of how Malaysians perceive retail brand products. The results provide useful information for both retailers who have just started to promote the brand and those who have already been in the retail brand business. Even if the newness of retail brands impacts on the results they reveal mixed feelings among consumers about retail brands. In addition it was revealed that the whole process of developing retail brand products in immature market such as Malaysia should be introduced once at a time and cannot be overlapping as exposed by the previous researchers (Laaksonen and Reynolds, 1994, Fernie, 1994; Fernie and Pierrel, 1996; Wileman and Jary, 1997; Burt, 2000). Overall these findings are of interest to practitioners and observers of the Malaysian market.

7.6 Future Research

As mentioned earlier, Malaysia is a country where prospects for retailing research are huge. Further research is called for to understand better the specific needs and expectations of Malaysian consumers, particularly involving retail brand products. It would be useful to assess across multiple dimensions of retail brands' attributes other than those considered in the present study. Since retail brand is new in this country, it would be useful to conduct on-going as well as more in-depth basic studies of retail

brand personality. This is crucial as it serves as a starting point to the subject under study.

Changes in the Malaysian retailing marketplace are having an impact on relationships between retailers, suppliers and their manufacturers. The growth of retail brands in Malaysia hypermarkets will also affect the relationships between retailers and their suppliers. It is believed that once the retail brand markets settle down, researchers should be able to access first hand information from the retailers, suppliers as well as the manufacturers with regards to the retail brand development. This is important as retail brand growth can only be achieved through the collaboration from retailer, supplier as well as from the manufacturer. Thus, all components should be committed and responsibility to ensure the success of retail brand products. It is also argued that research association with the manufacturers and suppliers on the development of retail brand is call for, as it is obvious that effective collaboration between these components will become more important in the future in order for retail brand to excel. These pieces of information are valuable especially when we try to understand the relationships that hypermarkets have with their suppliers of retail brand products as well as to understand the factors contributing to the retailer-manufacturer collaboration. Perhaps, research on supplier's and manufacturer's approaches to retail brand development can be carried out in ten to fifteen years time, when retailers, suppliers and manufacturers become more familiar with retail brand products.

Since the associations between store motives and store image of the overall perceptions of retail brands are not strong, there are several avenues that might also be examined in relation to the influences of these variables on specific retail brand evaluations. These are important as they offer further clarification on the subject area, as significant associations need to be confirmed in another set of data before credence can be given (Altman, 1999). First, there is a need to provide more evidence that the shopping situation, shopping motives and store image affect consumer evaluations of retail brands. More specifically, it would be useful to identify what dimensions or items of those variables are relevant and therefore appropriate to be investigated in the Malaysian market. Examining resource availability, perhaps adopting or adapting other measurement tools to examine this issue, might achieve this. Additionally, other research method approaches such as experimental research or diary research design in which consumers are required to furnish detailed explanations of decisions relating to retail brands can also be considered.

Study about a retail brand's characteristics alone is not adequate. Further research is also necessary to understand how retail brand consumers would impact upon the marketing and retailing mix and how to integrate this new technology with conventional retailing activities. Given that retail brands evolve from inferior to superior products, changes in consumer attitudes are expected over time. Continuous research of retail brand consumers and profiling should be done for the Malaysian market in the future as mentioned by Admiral Rickover, "*...good ideas are not adopted*

automatically. They must be driven into practice with courageous patience"
(www.buildingbrands.com, 2003).

It must be noted that the present study focused only on grocery products and hypermarkets. It would be useful if future research could include other types of retail format; such as the speciality store or department store, which also produce retail brand products. The outcome might highlight more specific details of how consumers in different retail formats interact with this element of the retail mix.

This work can be further extended across various consumer markets, particularly in the secondary markets in Malaysia; so that it can be generalised over larger and national populations. This is possible, as retail operators have just started to branch out into these areas. Evaluating and comparing the outcomes from this study might offer some justification that can later be used as a tool to effectively categorise retail brands in Malaysia. It is hoped that this study will stimulate interest in this area, where the potential for making important contributions to our understanding of retailing and marketing are great.

REFERENCES

REFERENCES

- Aaker, D. A., K. V., and Day, G. S., (1998), *Marketing Research*, 6th Edition, John Wiley & Sons.
- ACNielsen Annual Report (2003), www.acnielsen.ca.
- Aggarwal, P., and Cha, T., (1998), 'Asymmetric Price Competition and Store vs National Brand Choice', *Journal of Product and Brand Management* 7, 244-253.
- Ahmad, N., (1999), 'Positive Growth Rates in Retail Sector', *International Market Insight (IMI)*, 6-8.
- Ahmed, Z., Johnson, J. P., Chew, P. L., Tan, W. F., and Ang, K. H., (2002), 'Country-of-Origin and Brand Effects on Consumers', Evaluations of Cruise Lines, *International Marketing Review*, 19, No. 3, 279-302.
- Ailawadi, K.L., Keller, K. Lane., (2004), 'Understanding Retail Branding: Conceptual Insights and Research Priorities', *Journal of Retailing*, 80, 331-42.
- Ailawadi, K.L., Scot, A.N., and Karen, G., (2001), 'Pursuing the Value-Conscious Consumer: Store Brands Versus National Brand Promotion', *Journal of Marketing* 65, 71-104.
- Ailawadi, K. L., (2001), 'The Retail Power-Performance Conundrum: What Have We Learned?', *Journal of Retailing*, (Fall) Vol. 77, Issue 3.
- Ailawadi, K. L., Gedenk, K. and N., Scott, (2001), 'Pursuing the Value Conscious Consumer: Private Labels versus National Brand Promotions', *Journal of Marketing*, 65(1), 71-89.
- Alba, J., and Hutchinson, J.W., (1987), 'Dimensions of Consumer Expertise', *Journal of Consumer Research*, March, 14-25.
- Allenby, G. M., and Ginter, J. L., (1995), 'The Effects of In-Store Displays and Feature Advertising on Consideration Sets', *International Journal of Research In Marketing*, Vol.12, 67-80.
- Allison, R.I., and Kenneth, P.U., (1964), 'Influence of Beer Brand Identification on Taste Perception', *Journal of Marketing Research* 1, 36-39.
- Altman, D. G., (1999), 'Practical Statistics for Medical Research', Boca Raton, FL; London: Chapman and Hall/CRC, 296-299.

- Alvin, M., and Penhirin, J., (2003), 'The McKinsey Quarterly: Hypergrowth for China's Hypermarkets', 4-5.
- Alwin, D. F., (1997), 'Feeling thermometers vs. 7-point scales', *Sociological Methods and Research*, 25 (3), 318-351.
- American Psychological Association, (Ed.), 'Effect of Price Information, Composition Differences, Expertise, and Rating Scales on Product Quality-Rating', 8th edn. (1973).
- Anastasi, A., (1982), 'Psychological Testing' (5th ed.), New York, Macmillan.
- Andaya, B. W., Andaya, L. Y., (2001), 'A History of Malaysia', University of Hawaii Press; 2nd edition.
- Aniza, D., and Sujatani, P., (2002), 'Hypermarkets vs. Sundry Shops', News Strait Times Special Report.
- Anonymous, (1996), National Survey of Lookalike Product, *Eversheds*.
- Anvik, L., and Dub, A., (1979), 'A profile of intentions groups for generic branded grocery products', in *Developments in Marketing Science*, 2, H.S. Gitlow and E.W. Wheatley, eds. Coral Gables, FL: Academy of Marketing Science, 1-4.
- Ashley, S.R., (1998), 'How to Effectively Compete Against Private-Label Brands', *Journal of Advertising Research* 38, 75-82.
- Aylott, R., and Mitchell, V.-W., (1999), 'An Exploratory Study of Grocery Shopping Stressors', *British Food Journal* 101, 683-700.
- Babin, B.J., Darden, W.R., and Griffin, M., (1994), 'Work and/or Fun: Measuring Hedonic and Utilitarian Shop Value', *Journal of Consumer Research* 20, 644-657.
- Baden-Fuller, C., (1985), 'Rising concentration: the UK grocery trade 1970-1980, Tucker', K., Baden-Fuller, C., *Firms and Markets: Essays in Honour of Basil Yamey*, Croom Helm, London.
- Baines, G.,(1990), 'Retail Technology', *Journal of Work Study*, 39, 5.
- Baker, J., Dhruv, G., and Parasuraman, A., (1994), 'The Influence of Store Environment on Quality Inferences and Store Image', *Journal of the Academy of Marketing Science*, 22 (4): 328-339.
- Baker, T.L., (1994), 'Doing Social Research (2nd Edn.)', New York: McGraw-Hill Inc.

- Balabanis, G., and Samantha, C., (1997), 'Consumer Confusion From Own Brand Lookalikes: An Exploratory Investigation', *Journal of Marketing Management* 13, 299-313.
- Baltas, G., (1997), 'Determinants of Store Brand Choice: A Behavioural Analysis', *Journal of Product and Brand Management*, V. 6, 5, 315-324.
- Baltas, G., (1998), 'Understanding and Managing Store Brands', *The Journal of Brand Management*, 6, 3, 175-187.
- Barnette, J. J., (2001), 'Practical Measurement Issues Associated with Data from Likert Scales', American Public Health Association, Atlanta, GA.
- Bearden, W., O. L., Donald, R., and Teel, J. E., (1984). 'Comparison Price, Coupon, and Brand Effects on Consumer Reactions to Retail Newspaper Advertisements', *Journal of Retailing*, 60 (Summer) 11-36.
- Belk, R.W., (1974a), 'An Exploratory Assessment of Situational Effects in Buyer Behaviour', *Journal of Marketing Research* XI, 156-163.
- Belk, R.W., (1974b), 'Application and Analysis of the Behavioural Differential Inventory For Assessing Situational Effects in Buyer Behaviour', *Advances in Consumer Research* 1, 370-380.
- Belk, R.W., (1975), 'Situational Variables and Consumer Behaviour', *Journal of Consumer Research* 2, 157-164.
- Belk, R.W., (1975), 'The Objective Situation As A Determinant of Consumer Behaviour', *Advances in Consumer Research* 2, 427-435.
- Bellizzi, J.A., and Martin, W.S., (1982), 'The Influence of National Versus Generic Branding on Taste Perceptions', *Journal of Business Research* 10, 385-396.
- Bellizzi, J.A., Krueckeberg, H.F., Hamilton, J.R., and Martin, W.S., (1981), 'Consumer Perceptions of National, Private and Generic Products', *Journal of Retailing* 57 (Winter), 56-70.
- Bellizzi, J.A., and Hite, R.E., (1992), 'Environmental Colour, Consumer Feelings and Purchase Likelihood', *Psychology and Marketing*, 9 (5), 347 - 363.
- Bettman, J.R., and Park, C.W., (1980), 'Effects of Prior Knowledge and Experience and Phase of The Choice Process on Consumer Decision Processes: A Protocol Analysis', *Journal of Consumer Research* 7, 234-248.
- Bettman, J.R., (1974), 'Relationship of Information Processing Attitude

- Structures to Private Brand Purchasing Behaviour', *Journal of Applied Psychology* 59, 79-83.
- Bettman, J.R., (1974), 'Perceived risk and its components: a model and empirical test', *Journal of Marketing Research*, 10 May: 184-190.
- Bettman, J.R., (1979), 'An Information Processing Theory of Consumer Choice', Addison-Wesley, Reading, MA.
- Bettman, J.R., (1979). 'Relationship of Information Processing Attitude Structure to Private Brand Purchasing Behaviour', *Journal of Applied Psychology*, 59,1,79-83.
- Bettman, S.M., (1989), 'The Effects of Brand Positioning Strategies on Consumers' Brand and Category Perceptions: Some Insights From Schema Research', *Journal of Marketing Research* 26, 454-467.
- Bhasin, A., Dickinson, R., and Nandan, S., (1995), 'Retailer Brands: A Channel Perspective - The United States', *Journal of Marketing Channels*, 4, 4, 17-37.
- Bilkey, W.J., and Nes, E., (1982), 'Country-of-Origin effects on Product Evaluation', *Journal of International Business Studies*, Spring/Summer, 89-99.
- Bird, L., (1994), 'Coupon-Clipping Craze Seems to be Winning', *Wall Street Journal* 4, 234-237.
- Biswas A., Pullig C.M.I., and Dean, D.H., (2002), 'Consumer Evaluation of Low Price Guarantees: The Moderating Role of Reference Price and Store Image', *Journal of Consumer Psychology* 12, 107-118.
- Blair, E., (1983), 'Sampling Issues in Trade Area Maps Drawn from Shopper Surveys', *Journal of Marketing*, Vol. 47 (Winter) 1983, 98-106.
- Blake, B.F., Perloff, R. Z. R., and Heslin. R., (1973), 'The Effect of Intolerance of Ambiguity Upon Product Perceptions', *Journal of Applied Psychology* 58, 239-43.
- Bloemer, J., and Ruyter, K. D., (1998), 'On the Relationship Between Store Image, Store Satisfaction and Store Loyalty', *European Journal of Marketing* 32, 499-513.
- Bronnenberg, B.J., and Wathieu, L., (1996), 'Asymmetric Promotion Effects and Brand Positioning', *Marketing Science* 15, 379-394.
- Bryman, A., and Cramer, D., (1994), '*Quantitative Data Analysis for Social Scientists*', Routledge.

- Buck, S., (1993), 'Own Label and Branded Goods in FMCG Markets - An Assessment of The Facts', The Trends and The Future Publisher.
- Budner, S., (1962), 'Intolerance of Ambiguity As A Personality Variable', *Journal of Personality and Social Psychology* 30, 29-50.
- Budner, Stanley., (1962), 'Intolerance of Ambiguity as a Personality Variable', *Journal of Personality*, 30, 29-50.
- Burck, C., (1979), 'Plain Labels Challenge the Supermarket Establishment', *Fortune* 99, 70-6.
- Burger, P.C., Schott, B., (1972), 'Can Private Brand Buyers Be Identified?', *Journal of Marketing Research*, IX, 219-222.
- Burt, S. L., and Sparks, L., (1994), 'Structural Change in Grocery Retailing in Great Britain: A Discount Reorientation?', *International Review of Retail, Distribution, and Consumer Research*, 4, 195 – 217.
- Burt, S. L., and Sparks, L., (1995), 'Understanding the Arrival of Limited Line Discount Stores in Britain', *European Management Journal*, 13, 1, 110 – 119.
- Burt, S. L., and Carralero-Encinas, J., (2000), 'The Role of Store Image in Retail Internationalisation', *International Marketing Review* 17, 433-453.
- Burt, S. L., (1992), 'Retailer Brands in British Grocery Retailing: A Review', Institute for Retail Studies, University of Stirling, Stirling, Working Paper 9204.
- Burt, S. L., (2000), 'The Strategic Role of Retail Brands in British Grocery Retailing', *International Journal of Operations and Production Management* 34, 875-890.
- Burt, S. L., and Davies, S., (1999), 'Follow my Leader? Lookalike Retailer Brands in Non-Manufacturer-Dominated Product Markets in the UK', *International Review of Retail, Distribution and Consumer Research* 9, 163-185.
- Bush, A.J., and Parasuraman, A., (1985), 'Mall-intercept versus Telephone Interviewing Environment', *Journal of Advertising Research*, 25(2), 36-43.
- Cagley, J.W., Neidell, L.A., and Boone, L.E., (1980), 'The Wheel of Retailing Squeaks but Turns: Generic Labeling in Supermarkets', *American Marketing Association* 46, 184-187.

- Carmines, E. G., and Zeller, R.A., (1991), 'Reliability and Validity Assessment', Newbury Park, Sage Publications.
- Carsky, M.L., (1994), Unstated, The University of Hartford, Marketing Faculty.
- Chain Store Age Executive,(1993), Kmart Tackles Image, Growth Issues, 69, Special Issue (July 1), 22.
- Chao, P., (1993), 'Partitioning Country-of-Origin Effects: Consumer Evaluations of a Hybrid Product', *Journal of International Business Studies*, 24, No. 2, 291-306.
- Chaplin, J. P., Dictionary of Psychology, 81 Dell Publishing Co. Inc.
- Churchill, G.A., (1979), 'A Paradigm for Developing Better Measures of Marketing Constructs', *Journal of Marketing Research*, 16, 64-73.
- Churchill, G.A., (1992), 'Basic Marketing Research', Orlando, FL, The Dryden Press, 2nd edition.
- Coe, B.D., (1971), 'Private versus National Preference Among Lower and Middle-Income Consumers', *Journal of Retailing* 4, 61-72.
- Connolly, A., and Firth, D., (1999), 'Visual Planning - the Power of Thinking Visually', *The Journal of Brand Management*, Vol.6, No. 5, 161-173.
- Cordell, V.V., (1992), 'Effects of Consumer Preferences for Foreign Sourced Products', *Journal of International Business Studies*, 23, 251-269.
- Corstjens, M., and Lal, R., (2000), 'Building Store Loyalty Through Store Brands', *Journal of Marketing Research* 37, 281-291.
- Costley, C.L., and Brucks, M., (1992), 'Selective Recall and Information Use in Consumer Preferences', *Journal of Consumer Research*, 18, 464-474.
- Cox, D. F., (1967), 'The Sorting Rule Model of the Consumer Product Evaluation Process', Harvard University, In Risk Taking and Information Handling in Consumer Behaviour.
- Crabtree, B.F., and Miller, W.L., (Eds.), (1992), '*Doing Qualitative Research*', (*Research Methods for Primary Care Volume 3*, Newbury Park, California: Sage.

- Crippen, K., Grant, V., Scott, V., (1997), 'Festive Seasons in Asia: A Unique Marketing Opportunity', *Australian Agribusiness Review*, Vol. 5, 4, 6, 223-226.
- Crosswaite, C., and Curtice, L., (1994), 'Disseminating research results-the challenge of bridging the gap between health research and health action', *Health Promotion International* 9, 289-298.
- Crouch, Sunny., (1984), 'Marketing Research for Managers', London, Butterworth, Heinemann.
- Cunningham, I.C., Andrew, P.H., and Imperia, G., (1982), 'Generic Brands Versus National Brands and Store Brands', *Journal of Advertising Research* 22, 25-32.
- Cunningham, R. M., (1961), 'Customer Loyalty to Store and Brand', *Harvard Business Review*, 39, 127-137.
- Cuneco, A. Z., (1997), 'Shakeout Sends Stores Scurrying for a Niche', *Advertising Age*, September, 29, 26 – 28.
- Daly, P., (1976), 'The Response of Consumers to Nutritional Labeling', *Journal of Consumer Affairs*, 10 (Winter): 170-178.
- Dannis, M., (1998), 'Where Next For Own-Label?', *Supermarketing*, December, 11, 29.
- Darden, W., and Babin B.J., (1994), 'Exploring the Concept of Affective Quality-Expanding the Concept of Retail Personality', *Journal of Business Research* 29, 101-109.
- Darden, W.R., and Ashton, D., (1974), 'Psychographic Profiles of Patronage Preference Groups', *Journal of Retailing* 50, 99-202.
- Davies, G., (1991), 'Marketing to Retailers', *Journal of Long Range Planning*, Vol. 23, 6, 101-108.
- Davies, G., (1992), 'The Two Ways in Which Retailers Can Be Brands', *International Journal of Retail and Distribution Management*, 20, 24-34.
- Davies, K.G., Chin. T., S. and Chan.J., (1986), 'The Development of Own Label Product Strategies in Grocery and DIY Retailing in the United Kingdom', *International Journal of Retailing* 1, 6-19.
- Davis, Glyn., (1996), '*Statistical Business Analysis - Minitab Manual*', University of Teesside.

- Dawar, N., and Parker, P., (1994), 'Marketing Universals: Consumers' Use of Brand Name, Price, Physical Appearance, and Retailer Reputation as Signals of Product Quality', *Journal of Marketing*, 58 (April), 81-95.
- Day, G.S., and Brandt, W.K., (1974), 'Consumer Research and the Evaluation of Information Disclosure Requirements', *Journal of Consumer Research*, 1 (June):21.
- Dawson, S., Bloch, P.H., and Ridgway, N.M., (1990), 'Shopping Motives, Emotional States, and Retail Outcomes', *Journal of Retailing*, 66(4): 408 – 427.
- De Chernatony, L., and McWilliam, G., (1988), 'Clarifying the Difference Between Manufacturers' Brands and Distributors' Brands', *Quarterly Review of Marketing*, 1-5.
- De Chernatony, L., (1988), 'The Fallacy of Generics in the UK', *Marketing Intelligence and Planning* 6, 36-8.
- De Chernatony, L., (1989), 'The Impact of Changed Balance of Power from Manufacturer to Retailer in the UK Packaged Grocery Market', *Journal of Retailing*, 66(4): 408 – 427.
- De Chernatony, L., (1989a), 'Marketers' and Consumers' Concurring Perceptions of Market Structure', *European Journal of Marketing*, 25, 7-16.
- De Chernatony, L., (1989b), 'Branding in the Era of Retailer Dominance', *International Journal of Advertising* 8, 245-260.
- De Chernatony, L.,(1991), 'Facilitating Consumer Choice Decisions: The Importance of Branding Cue', *British Food Journal*, Vol. 93, 9.
- De M, S., Fontenelle., (1996), 'Private Labels and Consumer Benefits: The Brazilian Experience', *Advances in Consumer Research* 23, 97-103.
- De Vaus, D.A., (1993), '*Surveys in Social Research* (3rd edition.)', London: UCL Press.
- De W, B., Haydam, J., Norbert, E., (1996), 'Reducing Bias in Shopping Mall-Intercept Surveys: The Time-Based Systematic Sampling Method', *South African Journal of Business Management*, Vol. 27, 1-2, 9.
- Del Vecchio, D., (2001), 'Consumer Perceptions of Private Label quality: The Role of Product Category Characteristics and Consumer Use of Heuristics', *Journal of Retailing and Consumer Services*, 8, 238-249.

- Delener, N., (1995), 'Exploring the Determinants of Country-of-Origin Labels and Demographics on Consumers' Perceptions of Quality: Implications for Marketers', in Kaynak, E. and Eren, T. (Eds.), *Innovation, Technology and Information Management for Global Development and Competitiveness Proceedings*. Istanbul, 179-183.
- Della, B. A., Monroe, K. B., and John M. M., (1981), 'Consumer Perceptions of Comparative Price Advertisements', *Journal of Marketing Research*, 18 (November), 416-427.
- Dennis, M., (1998), 'Where Next For Own Label', *Supermarketing*, December, 11, 29.
- Diamond, W.D., (1988), 'The Effect of Probability and Consequence Levels on the Focus of Consumer Judgements in Risky Situations', *Journal of Consumer Research*, 15, September, 280 -292.
- Dick, A., Dipankar, C., and Gabriel, B., (1990), 'Memory Based Inferences During Consumer Choice', *Journal of Consumer Research* 17, 82-93.
- Dick, A.A.J., and Paul, R., (1995), 'Correlates of Store Brand Proneness: Some Empirical Observations', *Journal of Product and Brand Management*, 4, 15-22.
- Dickinson, R. A., and Bixby, C., (1992), 'The Emergence of Cost-Based Strategies in Retailing', *Journal of Marketing Channels*, (Winter) 29-45.
- Dickson, P.R., (1992), 'Toward a General Theory of Competitive Rationality', *Journal of Marketing*, Vol. 56, 69-83.
- Dickson, P. R., and Sawyer, A. G., (1990), 'The Price Knowledge and Search of Supermarket Shoppers', *Journal of Marketing*, 54(3), 42-53.
- Dietrich, R., (1978), 'A First-Time Look at How Shoppers React to Generic Products', *Progressive Grocer*, 57, 80-4.
- Ditcher, E., (1985), 'What's in an Image?', *Journal of Consumer Marketing*, 2,4, 75 - 81.
- Dodds, W.B., and Dhruv, G., (1991), 'Effects of Price, Brand, and Store Influences on Buyers' Product Evaluations', *Journal of Marketing Research* 28, 307-319.
- Doel, C., (1996), 'Market Development and Organizational Change: The Case of the Food Industry', London, Longman.

- Donovan, R. J., John, R. R., Gilan, M., and Andrew, N., (1995), 'Store Atmosphere and Purchasing Behaviour', Working Paper, University of Western Australia.
- Doods, W.B., and Kent, B.M., (1985), 'The Effect of Brand and Price Information on Subjective Product Evaluations', *Advances in Consumer Research* 12, 85-90.
- Doti, J.L., and Shahrir, S., (1981), 'Households' Grocery Shopping Behaviour in The Short Run: Theory and Evidence', *Economic Inquiry* XIX, 196-208.
- Dowling, G. R., and Staelin, R., (1994), 'A Model of Perceived Risk and Intended Risk-Handling Activity', *Journal of Consumer Research*, 21, June, 119 –134.
- Downey, R.G., King, C. V., (1998), 'Missing Data in Likert Ratings: A Comparison of Replacement Methods', *Journal of General Psychology*, April, Vol. 125 Issue 2.
- Doyle, (1989), 'Building Successful Brands: The Strategic Options', *Journal of Marketing Management*, Vol. 5, No 1, 77 – 95.
- Doyle, P., and Fenwick. I., (1974), 'How Store Image affects shopping habits in grocery chains', *Journal of Retailing*, Vol. 50 No. 4, 39-52.
- Dawson, J.A., and Sparks, L., (1985), 'Issues in Retailing: Trends and Implications for the Planning of Retail Provision in Major Scottish Cities', Scottish Development Department, Edinburgh.
- Dunn, M.G., Murphy, P.E., and Skelly, G.U., (1986), 'The Influence of Perceived Risk on Brand Preference for Supermarket Products', *Journal of Retailing* 62.
- Dunne, D., and Narasimhan, C., (1999), 'The New Appeal of Private Labels', *Harvard Business Review*, May/June, V. 77, 3, 41-48.
- Dupont, T.D., (1987), 'Do Frequent Mall Shoppers Distort Mall-Intercept Survey Results?', *Journal of Advertising Research*, 27(4), 46-52.
- Economist Intelligence Unit, (1968), 'Own Brand Marketing', *Retail Business* 128, 12-19.
- Ellram, L. M., Bernard J., Mary, Mills. W., (1999), 'Retail logistics', *International Journal of Physical Distribution & Logistics Management* Vol. 29, No 7/8, 1999, 477-494.
- Engel, J.F., Kollat, D.T., and Blackwell, R.D., (1969), 'Personality Measures

and Market Segmentation', *Business Horizons* 61-70.

- Enzo, V., and Eldridge, L., 'Effect of Price Information, Composition Differences, Expertise, and Rating Scales on Product-Quality Rating', Proceedings of the 81st Annual Convention, American Psychological Association, 829-30, 73, 8.
- Erdem, O., Oumlil, B., and Tuncalp, S., (1999), 'Consumer Values and the Importance of Store Attributes', *International Journal of Retail and Distribution Management*, 27, 137-144.
- Erickson, G.M., Johansson, J.K., and Chao, P., (1984), 'Images Variables in Multi-Attribute Product Evaluations: Country-of-Origin Effects', *Journal of Consumer Research* (September) 694-699.
- Euromonitor, (1984), 'The Own Brands Report', *Euromonitor*, London.
- Everitt, Brian S., Dunn, G., (2001), 'Applied Multivariate Data Analysis', 2nd ed.
- Faria, A.J., (1979), 'Generics: The New Marketing Revolution', *Akron Business and Economic Review*, 33-38.
- Farris, P.W., Ailawadi, K.L., (1992), 'Retail Power: Monster or Mouse?', *Journal of Retailing*, 68, 4, 351-369.
- Faye, G., and Law, J.E., (1988), 'Picturing Power: Visual Depiction and Social Relations', London, Routledge.
- Fernie, J., (1994), 'Retail Logistics, Cooper, J., Logistics and Distribution Planning', Kogan Page, London, Ch. 18.
- Fernie, J., (1997), 'Retail Change and Retail Logistics in the United Kingdom: Past Trends and Future Prospects', *Service Industries Journal*, 17, 3, 383-396.
- Fernie, J., Pierrel, F., R.A., (1996), 'Own Branding in UK and French Grocery Markets', *Journal of Product and Brand Management*, 5, 3, 48-59.
- Foord *et al.*, (1992), 'The Emergence of New Forms of Retailer-Manufacturer Relations', Ch. 4, Wringley, N., Lowe, M., Retailing, Consumption, and Capital, Longman, London, 90-115.
- Foster, I. R., Olshavsky, R. W., (1989), 'An Exploratory Study of Family Decision Making Using a New Taxonomy of Family Role Structure', *Advances in Consumer Research*, Vol. 16, 1, 665.

- Foxman, E.R., Berger, P.W., and Cote, J.A., (1992), 'Consumer Brand Confusion: A Conceptual Framework', *Psychology and Marketing*, 19, 123 – 141.
- Fowler, F.J., (1993), 'Survey Research Methods', Newbury Park, CA: SAGE Publications, Inc., 2nd Edition.
- Frank, R. E., and Boyd Jr., H.W., (1965), 'Are Private Prone Grocery Customers Really Different?', *Journal of Advertising Research* 5, 27-35.
- Frankland, J., and Bloor, M., (1999), 'Some issues arising in the systematic analysis of focus group material', In: Barbour, R. and Kitzinger, J. (Eds.) *Developing Focus Group Research: Politics, Theory & Practice*. London: Sage.
- Franz, J., (1987), 'Ten Years May Be Generic Life Time', *Advertising Age*, 23 March, 76.
- Franzblau, A., (1958), 'A Primer of Statistics for Non-Statisticians', Harcourt, Brace & World. (Chap. 7), irp.savstate.edu/irp/glossary/correlation.html.
- French, W.A., and Barksdale, H.C., (1974), 'Food Labelling Regulations: Efforts Towards Full Disclosure', *Journal of Marketing*, 38 (July): 14-19.
- Friedman, M., (1977), 'Consumer Use of Information Aids in Supermarkets', *Journal of Consumer Affairs*, 11 (Summer) 80.
- Fugate, D.L., (1986), 'The Effects of Manufacturer Disclosure of Consumer Perceptions of Private Brand Grocery Product Attributes', *The Journal of Consumer Affairs* 20, 118-130.
- Gaedeke, R., (1973), 'Consumer Attitudes Towards Products 'Made-in' Developing Countries', *Journal of Retailing*, 49, 13-24.
- Gardner, M.P., (1985), 'Mood States and Consumer Behaviour: A Critical Review', *Journal of Consumer Research*, 12, December, 281 – 300.
- GAIN Report, (2001), 'Foreign Agricultural Service', Global Agricultural Information Network.
- Gallo, A. E., and John, M. C., (1982), 'Advertising and American Food Consumption Patterns', *National Food Review* (Summer) 2.
- Garretson, J. A., Fisher, D., and Burton, S., (2002), 'Antecedents of private label attitude and NB promotion attitude: Similarities and differences', *Journal of Retailing*, 78(2), 91-99.

- Gates, R., and Paul, J., Solomon., (1982), 'Research Using the Mall Intercept State of the Art', *Journal of Advertising Research*, 22(4), 43-49.
- Gehrt, K.C., and Pinto, M.B., (1993), 'Assessing the Viability of Situationally Driven Segmentation Opportunities in the Health Care Market', *Hospital and Health Services Administration*, 2, 243-265.
- Gehrt, K.C., (2002), 'Situational Influence in The International Marketplace: An Examination of Japanese Gift-Giving', *Journal of Marketing Theory and Practice*, 11-22.
- Gehrt, K.C., Ingram, T.N., and Howe, V., (1991), 'Nonstore versus Store Retailing', *Journal of Direct Marketing* 5, 44-55.
- Gehrt, K. C., and Shim, S., (2002), 'Situational Influence in the International MarketPlace: An Examination of Japanese Gift-Giving', *Journal of Marketing Theory and Practice*, Winter, 21.
- Giges, N., (1988), 'World's Product Parity Perception High', *Advertising Age*, 20, 68.
- Ghosh, A., (1990), 'Retail Management', Dryden Press: Orlando, Florida.
- Glemet, F., Mira, R., (1993), 'Solving the Brand Leader's Dilemma', *The McKinsey Quarterly*, 4, 87-98.
- Gordon, C. B II., Karen, E. J., and Paul, J. H., (1980), 'Marketing Scales Handbook: A Compilation of Multi-Item Measures', Vol. III.
- Gordon, W., (1994), 'Retailer Brands the Value Equation for Success in the 90s', *Journal of Retailing*, 78(2), 91-99.
- Grant, R.M., (1987), 'Manufacturer-retailer relations: the shifting balance of power', Johnson, G, *Business Strategy and Retailing*, Wiley, Chichester, 43-58.
- Granzin, K.L., (1981), 'An Investigation of the Market for Generic Products', *Journal of Retailing* 57, 39-55.
- Greenfield, P., (1997), 'You Can't Take it With You, Why Ability Assessments don't Cross Cultures', *Am. Psychol*, 52: 1115 –1124.
- Green, P. E., Tull, D. S., and Albaum, G., (1988), '*Research for Marketing Decision.*', 5th ed., New Jersey, Prentice Hall.
- Grewal, D., Krishnan, R.,(1998), 'The Effect of Store Name, Brand Name and Price Discounts on Consumers' Evaluations and Purchase Intentions', *Journal of Retailing*, (Fall) 74, Issue 3.

- Groeppel, A., and Bloch, B., (1999), 'An Investigation of Experience-Oriented Consumers in Retailing', *International Review of Retail Distribution and Consumer Research*, 1(1), 101 – 118.
- Guiltinan, J.P., and Monroe, K.B., (1980), 'Identifying and Analysing Consumer Shopping Strategies', *The Journal of Consumer Affairs* 745-748.
- Halstead, D., and Ward, C. B., (1995), 'Assessing the Vulnerability of Private Label Brands', *Journal of Product and Brand Management*, 4, 3, 38-48.
- Han, C.M., and Terpstra, V., (1988), 'Country-of-Origin Effects for Uni-national and Bi-national Products', *Journal of International Business Studies*, 19, No. 2, 235-255.
- Han, C.M., (1989), 'Country Image: Hello or Summary Construct?', *Journal of Marketing Research*, 26, May, 222-229.
- Hansen, F., (1972), 'Consumer Choice Behaviour', New York: The Free Press.
- Hawes, J., and Kiser, G., (1980), 'Using Psychographics to Identify the Generic-Prone Grocery Shopper', *Akron Business and Economic Review* 7-12.
- Hawes, J.M., (1982), 'Retailing Strategies for Generic Brand Grocery Product', UMI Research Press, Michigan Hedonic and Utilitarian Shop Value, *Journal of Consumer Research* 20, 644-57.
- Heisley, D. D., (2001), 'Visual Research: Current Bias and Future Direction', *Advances in Consumer Research*, Vol. 28 Issue 1, 45, 2.
- Hinkle, W., and Jurs., (1988), 'Applied Statistics for the Behavioural Sciences', 2nd ed., Houghton Mifflin Co.
- Hirschman, E. C., and Ronald, S., (1980), 'Roles of Retailing in the Diffusion of Popular Culture: Micro perspectives', *Journal of Retailing*, 56, 16-36.
- Ho, D.Y. F., (1988), 'Asian Psychologies', *Journal of Cross-cultural Psychology*, 29, 88-103.
- Hoch, S. J., and Lodish, L., (1998), 'Store Brands and Category Management', Wharton School.
- Hoch, S.J., (1996), 'How Should National Brands Think About Private Labels?' *Sloan Management Review* 37, 2, 89-102.
- Hoch, S.J., and Banerji, S., (1993), 'When Do Store Brands Succeed?' *Sloan Management Review* 34, 57-68.

- Hoch, S. J., (1996), 'How Should National Brands Think About Private Labels?', *Sloan Management Review* 37, 2, 89-102.
- Hoch, S. J., and Banerji, S., (1993), 'When Do Private Labels Succeed?', *Sloan Management Review*, 34, 57-67.
- Hofstede, G., (1980), 'Motivation, Leadership, and Organization: Do American Theories Apply Abroad?', *Organizational Dynamics*, (Summer).
- Hollander, S., (1960), 'The Wheel of Retailing', *Journal of Marketing*, 25, July, 37-42.
- Holloway, I., (1997), '*Basic Concepts for Qualitative Research*', Oxford: Blackwell Science.
- Holman, R.H., and Wilson, R.D., (1982), 'Temporal Equilibrium as A Basis For Retail Shopping Behaviour', *Journal of Retailing*, 58, 58 – 79.
- Hong, S.T., and Wyer Jr., R.S., (1989), 'Effects of Country-of-Origin and Product Attribute Information on Product Evaluation: Information Processing Perspectives', *Journal of Consumer Research*, 16 (September) 175-87.
- Hong, S.T. and Wyer Jr., R.S., , (1990), 'Determinants of Product Evaluation: Effects on The Time Interval Between Knowledge of a Product's Country-of-Origin and Information About its Special Attributes', *Journal of Consumer Research*, Vol. 17, December, 277-288.
- Howitt, S., (1996), 'Ethnic Foods', Keynote Market Research, 7th edition. Chartered Institute of Marketing.
- Hoyer, Wayne., (1984), 'An Examination of Consumer Decision Making for a Common Repeat Purchase', *Journal of Consumer Research*, 11, December, 822 – 829.
- <http://opal.msu.montana.edu/ghaynes/courses/>
<http://trochim.human.cornell.edu/kb/EXTERVAL.htm>
<http://trochim.human.cornell.edu/kb/introval.htm>
<http://trochim.human.cornell.edu/kb/rel&val.htm>
<http://trochim.human.cornell.edu/kb/reliable.htm>
<http://www.cems.uwe.ac.uk/~pwhite/SURVEY1/node26.html>
<http://www.stat.lsu.edu/faculty/moser/exst7012/systemat.pdf>
- Hughes, A., (1996), 'Retail Restructuring and the Strategic Significance of Food Retailers' Own Labels: A UK – USA Comparison', *Environment and Planning*, 28, 2201-2226.

- IGD Annual Report., (2005), 'Global Retailing', Letchmore Heath Watford WD25 8GD (01923) 857141.
- Jacob, J., Olson, J., and Haddock, R., (1971), 'Price, Brand Name, and Product Composition Characteristics as Determinants of Perceived Quality', *Journal of Applied Psychology*, 55, 570-579.
- Jacob, J., and Olson, J. C., (1985), 'Perceived Quality: How Consumers View Stores and Merchandise', Lexington Books.
- Jacoby, J., and Mazursky, D., (1984), 'Linking Brand and Retailer Images - Do the Potential Risks Outweigh the Potential Benefits?', *Journal of Retailing* 60.
- Jarratt, D., (2000), 'Outshopping Behaviour: An Explanation of Behaviour By Shopper Segment Using Structural Equation Modelling', *International Review of Retail, Distribution and Consumer Research* 10, 287-304.
- Jarratt, D.G., (1996), 'A Shopper Taxonomy for Retail Strategy Development', *International Review of Retail, Distribution and Consumer Research* 6, 196-215.
- Johansson, J.K., (1989), 'Determinants and Effects of the Use of 'Made in' Labels', *International Marketing Review*, 6, No. 1, 47-58.
- Johnson, S. L., Sommer, R. M.L., (1985), 'Prices of Unpackaged and Packaged Foods', *Journal of Consumer Affairs*, (Winter), 19 Issue 2, 305, 11.
- Joyce, M.L., and Lambert, D.R., (1996), 'Memories of the Way Stores Were and Retail Store Image', *International Journal of Retail and Distribution Management* 24, 24-34.
- Kapferer, J.-N., (1995), 'Brand Confusion: Empirical Study of a Legal Concept', *Psychology and Marketing*, 12, 551-568.
- Kapferer, J.N., (1996), 'Stealing Brand Equity: Measuring Perceptual Confusion Between National Brand and Copycat Own-Label Products in Researching Brands', *Marketing and Research Today* 96-103.
- Kaplan, L.B., (1974), 'Components of Perceived Risk in Product Purchase: A Cross Validation', *Journal of Applied Psychology* 59, 287-291.
- Karolefski, J., (1990), 'Recession is a Growth Opportunity, Supermarket News', (October)22, 25, 44.
- Karolefski, J., (1990), 'Recession is Growth Opportunity', *Supermarket News* 28 Edn. 23, 25-28.

- Karolefski, J., (1991), 'Recession and Store Brands: Perfect Together. *Supermarket*', (October) 28, 23, 25.
- Kass, P., (1994), 'The Rise of Discount - How to Survive the Profit Squeeze', *British Food Journal*, 96, 2, 18-23.
- Kakkar, P., and Lutz, R. J., (1975), 'Toward a Taxonomy of Consumption Situations, Los Angeles: Center for Marketing Studies', University of California.
- Kakkar, P., and Lutz, R.J., (1981), 'Situational Influence in Consumer Behaviour : A Review', in Kassarian, H.H. and Robertson, T.S. (Eds), *Perspectives in Consumer Behaviour*, Scott, Foresman, Glenview, IL, 204 – 214.
- Kaynak, E., and Cavusgil, S.T., (1983), 'Consumer Attitudes Towards Products of Foreign Origin: Do They Vary Across Product Classes?', *International Journal of Advertising*, 2, 147-157.
- Kaynak, E., Karar, A., and Nakip, M., (1995), 'Life-Styles, Household Decision-Making, Ethnocentrism and Country-of-Origin Perceptions of Azerbaijani Consumers', in Kaynak, E. and Eren, T. (Eds), *Innovation, Technology and Information Management for Global Development and Competitiveness Proceedings*, Istanbul, 356-368.
- Keaveney, S. M., and Hunt, K. A.,(1992), 'Conceptualization and Operationalization of Retail Store Image: A Case of Rival Middle-Level Theories', *Journal of the Academy of Marketing Science*, 20 (2): 165-175.
- Keith, K.,(2002), 'Achieving Operational Excellence', *Food Logistics*, 10/15/2002, Issue 54.
- Kenhove, P. V., and De, W. K., (2000), 'Income and Time Pressure: A Person-Situation Grocery Retail Typology', *International Review of Retail, Distribution and Consumer Research* 10, 149-166.
- Kenhove, P. V., De, W. K., and Waterscot, W.V., (1999), 'The Impact of Task Definition on Store-Attribute Salience and Store Choice', *Journal of Retailing* 75, 125-137.
- Khachaturian, J.L., and Morganosky, M.A., (1990), 'Quality Perceptions by Country-of-Origin', *International Journal of Retail & Distribution Management*, 18, No. 5, 21-30.
- Kirk, J., and Miller, M.M., (1986), 'Reliability and Validity in Qualitative Research', Beverly Hills, Sage Publications.

- Kjeldal, S., (2002), 'Back to Basics: The Sequencing of Inductive and Deductive', *Research Methodologies in Fresh Fruit and Vegetables Research*, Forum Qualitative Sozialforschung/Forum: Qualitative Social Research {On-line Journal}, 3(3).
- Knapp, D. E., (2000), 'The Brand Mindset', McGraw-Hill.
- Knox, S., and de. C. L., (1990), 'A Buyer Behaviour Approach to Merchandising and Product Policy', *International Journal of Retail and Distribution Management* 18, 21-30.
- Kohli, C., (1997), 'Branding Consumer Goods: Insight from Theory and Practice', *Journal of Consumer Marketing*, Vol. 14, no 3, 206-219.
- Kono, K., (1985), 'Are Generic Buyers Deal-Prone? On a Relationship Between Generics Purchase and Deal-Proneness', *Journal of the Academy of Marketing Science* 13, 62-74.
- Kono, K., and Bernacchi, M.D., (1980), 'Are Generic Products a Fad or a Long Lasting Marketing Phenomenon: The Future of Generic Products', *American Marketing Association* 46, 191-4.
- Kotler, P., (1973), 'Atmospherics as a Marketing Tool', *Journal of Retailing*, 49 (4), 48-64.
- Kow, L. H., (1978), 'The Evolution of the Urban System in Malaya', Penerbit Universiti Malaya, Kuala Lumpur.
- Krishnan, T.V., and Soni, H., (1997), 'Guaranteed Profit Margins: A Demonstration of Retailer Power', *International Journal of Research in Marketing* 14, 35-36.
- Krueger, R.A., (1997), 'Analyzing and Reporting Focus Group Results', Sage Publications.
- Krueger, R. A., (2000), 'Focus Groups: A Practical Guide for Applied Research', Sage Publications.
- Kunkel, J.H., and Berry, L., (1968), 'A Behaviour Conception of Retail Image', *Journal of Marketing*, 32, October, 21 – 27.
- Laaksonen, H., and Reynolds, J., (1994), 'Own Brands in Food Retailing Across Europe', *Journal of Brand Management* 2(1), 37-46.
- Laaksonen, H., (1994), 'Oxford Reports on Retailing', *Oxford Institute of Retail Management*, Templeton College Oxford, 85.

- Lacity, M., and Jansen, M. A., (1994), 'Understanding qualitative data: A framework of text analysis methods', *Journal of Management Information System*, 11, 137-160.
- Lai, A. W., (1991), 'Consumption Situation and Product Knowledge in the Adoption of a New Product information?', *Journal of Marketing Research*, 23, 241 – 253.
- Landler, M., (1991), 'Advertising: What Happened?' *Business Week* 23, 66-72.
- Lapin, L.L., (1987), 'Statistics for Modern Business Decisions', Harcourt Brace Jovanovich, Inc.
- Lascu, D.N., and Babb, H.W., (1995), 'Market Preferences in Poland: Importance of Product Country-of-Origin', in Kaynak, E. and Eren, T. (Eds.), *Innovation, Technology and Information Management for Global Development and Competitiveness Proceedings*, Istanbul, 216-222.
- Laurent, G., and Kapferer, J.N., (1985), 'Measuring Consumer Involvement Profiles', *Journal of Marketing Research*, 22, 41 – 53.
- Leahy, T., (1987), 'Branding – The retailer's viewpoint', Chapter 11, 116-24 in Murphy J M (Ed.), *Branding: A Key Marketing Tool*, Macmillan.
- Leavitt, H.J., (1954), 'A Note on Some Experimental Findings About the Meaning of Price', *Journal of Business* 27, 205-210.
- Lewis, D., (1997), 'Retailing', 6th Edition, Upper Saddle River, Prentice-Hall.
- Lichtenstein, D., Ridgway, N., Netemeyer, R., (1993), 'Price perceptions and consumer shopping behaviour: a field study', *Journal of Marketing Research*, 113-118.
- Likert, R., (1932), 'A technique for the measurement of attitude scales', *Archives of Psychology*, 140, 44-53.
- Lillis, C.M., and Narayana, C.L., (1974), 'Analysis of 'Made-in' Product Images: An Exploratory Study', *Journal of International Business Studies*, 5, 119-127.
- Lindquist, R., (1991), 'Don't forget the pilot work!', *Heart Lung* 20: 91-92.
- Livesey, F., and Lennon, P., (1978), 'Factors Affecting Consumers' Choice Between Manufacturer Brands and Retailer Own Labels', *European Journal of Marketing* 12, 158-170.
- Lloyd, S. J., (2003), 'Tesco prospers in Asian adventure', *Evening Standard*.

- Loken, B., Ross, I., and Hinkle, R.L., (1986), 'Consumer 'Confusion' of Origin and Brand Similarity Perceptions', *Journal of Public Policy and Marketing* 5, 195-211.
- Louvière, J.J., Schroeder, H., and Louvière, C.H., (1987), 'Do the Parameters of Choice Models Depend on Differences in Stimulus-Presentation – Visual versus Verbal Presentation', *Advances in Consumer Research*, 14, 79-82.
- Lutz, R.J., and Kakkar, P., (1975), 'Situational Influence in Interpersonal Persuasion', 370-378.
- Lutz, R.J., and Kakkar, P., (1975), 'The Psychological Situations As A Determinant of Consumer Behaviour', 439-453.
- Lutz, R.J., (1980), 'On Getting Situated: The Role of Situational Factors in Consumer Research', 659-663.
- Makota, L., (1995), 'Price and Advertising Strategy of a National Brand Against its Private-Label Clone', *International Journal of Advertising*, 2, 177-197.
- Malaysia Country Report, (2002), 'Retail and Consumers From New Delhi to New Zealand', Price Water House Coopers, 83-91.
- Malaysia Food Market Reports, (1996), 'Annual Marketing Plan', 1-12.
- Malaysia, (2001), 'Eighth Malaysian Plan, Kuala Lumpur', Government Printers.
- Marketing News, (1995), 'Chain Store Age Executive With Shopping Center Age', March, V. 71, 3, 44.
- Martell, D., (1986), 'Own Labels: Problem Child or Infant Prodigy', *Quarterly Review of Marketing* 7-12.
- Martineau, P., (1958), 'The Personality of the Retail Store', *Harvard Business Review*, 36, 47-55.
- Mason, D.J., and Zuercher, S.L., (1995), 'Pilot studies in clinical nursing research', *Journal of the New York State Nursing Association* 26, 11.
- Mattson, B.E., (1982), 'Situational Influences on Store Choice', *Journal of Retailing* 58, 46-58.

- Maxwell, J.A., (1996), '*Qualitative Research Design: An Interactive Approach*', (*Applied Social Research Methods Series, Vol. 41*), Thousand Oaks, California: Sage.
- Mazursky, D., and Jacoby, J., (1986), 'Exploring the Development of Store Images', *Journal of Retailing* 62, 145.
- McAlister, M., (2002), 'The Star Online, (2003), Room For Hypermarket-Supermarket Co-Existence', thestar.com.my:Business News.
- McClelland, W.G., (1963), 'Studies in Retailing', Oxford, Basil Blackwell.
- McDaniel, C., and Baker, R.C., (1977), 'Convenience Food Packaging and the Perception of Product Quality', *Journal of Marketing* 41, 57-58.
- McEnally, M.R., and Hawes, J.M., (1984), 'The Market for Generic Brand Grocery Products: A Review and Extension', *Journal of Marketing* 48, 75-83.
- McGoldrick, P., (1984), 'Grocery Generic - An Extension of the Private Label Concept', *European Journal of Marketing* 18, 5-24.
- McGoldrick, P., (1990), 'Retail Marketing', McGraw-Hill.
- McGoldrick, P., and Sandy, L. Ho., (1992), 'International Positioning: Japanese Department Stores in Hong Kong', *European Journal of Marketing*, 26, 8/9, 65 – 73.
- McGrath, M., (1995), 'The Changing Face of Retail Brands', UK.
- McIlveen, H., Chestnutt, S., (1999), 'The Northern Ireland retailing environment and its effect on ethnic food consumption', *Journal of Nutrition and Food Science*, 99, 5, 237-43.
- McKinnon, A. C., (1990), 'Electronic Data Interchange in the Retail Supply Chain: The Distribution Contractor's Role', *International Journal of Retail and Distribution Management*; Volume 18 No. 2; 1990.
- McMaster, D., (1987), 'Own Brands and the Cookware Market', *European Journal of Marketing*, 21 (1), 83-94.
- McNair, M.P., (1958), 'Significant Trends and Developments in the Post-war Period', *Competitive Distribution in a Free, High-Level Economy and Its Implications for the University*, 1-25.
- Mehrabian, A., and Russell, J. A., (1974), 'An Approach to Environmental Psychology', Cambridge: M.I.T. Press.

- Mela, C.F., Gupta, S., and Jedidi, K., (1998), 'Assessing Long-Term Promotional Influences on Market Structure', *International Journal of Research in Marketing* 15, 89-107.
- Michel, L., Chankon, K., and Lianxi, Z., (1996), 'Brand Familiarity and Confidence as Determinants of Purchase Intention: An Empirical Test in a Multiple Brand Context information', *Journal of Retailing* 60, 34-38.
- Miles, M.B., and Huberman, A.M., (1994), 'Qualitative Data Analysis: An Expanded Sourcebook 2nd Edn', Thousand Oaks, California, Sage.
- Miller, K.E., and Ginter, J.L., (1979), 'An Investigation of Situational Variation in Brand Choice Behaviour and Attitude', *Journal of Marketing Research* XVI, 111-23.
- Mills, David. E., (1995), 'Why Do Retailers Sell Private Labels?', *Journal of Economics and Management Strategy*, 4, 3, 509-528.
- Mitchell, V. W., and Greatorex, M., (1990), 'Consumer Purchasing in Foreign Countries: A Perceived Risk Perspective', *International Journal of Advertising*, Vol. 9 Issue 4, 295 – 308.
- Mintel, (1973), 'Own Labels', *Market Intelligent Reports* 4, 4-15.
- Miquel, S., Caplliure, E.M., and Aldas-Manzano, J., (2002), 'The Effect of Personal Involvement on the Decision to Buy Store Brands', *Journal of Product and Management* 11, 6-18.
- Mirabel, Eric., (2003), 'Commodities: Branding the Basics', <http://www.gmr-online.com/>.
- Mitchell, V.W., (1998), 'A Role For Consumer Risk Perceptions in Grocery Retailing', *British Food Journal* 100, 171-183.
- Monroe, K.B., and William, B.D., (1988), 'A Research Program for Establishing the Validity of the Price-Quality Relationship', *Journal of the Academy of Marketing Science* 16, 151-168.
- Monroe, K.B., (1973), 'Buyers' Subjective Perceptions of Price', *Journal of Marketing Research* X, 70-80.
- Monroe, K. B., Grewal, D. and Compeau, L. D., (1991), 'The Concept of Reference Prices: Theoretical Justifications and Research Issues', working paper, University of Illinois, Champaign Urbana, IL.
- Moore, E. J., (1991), 'Grocery distribution in the UK: Recent changes and future prospects', *International Journal of Retail & Distribution Management*, Volume: 19 Number. 7.

- Morris, D., (1979), 'The Strategy of Own Labels', *European Journal of Marketing*, 13, 55-78.
- Moschis, G.P., (1976), 'Shopping Orientations and Consumer Uses of Information', *Journal of Retailing*, 52: 61 – 70.
- Moye, L.N., and Kincade, D.H., (2002), 'Influence of Usage Situations and Consumer Shopping Orientations on the Importance of the Retail Store Environment', *International Review of Retail, Distribution and Consumer Research* 12, 59-79.
- Muoio, R., Wolcott, L., and Seigel, H., (1995), 'A win-win situation: The pilot program', *Journal of Continuing Education in Nursing*. 26: 230-233.
- Murphy, P., and Lacznik, G., (1979), 'Generic Supermarket Items: A Product and Consumer Analysis', *Journal of Retailing* 55, 3-14.
- Murphy, P., (1978), 'The Effect of Social Class on Brand and Price Consciousness for Supermarket Products', *Journal of Retailing* 54, 33-42.
- Murry, J.P.Jr., Lastovicka, J.L., and Bhalla, G., (1989), 'Demographic and Lifestyle Selection Error in Mall-Intercept Data', *Journal of Advertising Research*, 29(1), 46-52.
- Muthaly, S.K.K., (1993), 'Australia's export potential of prepared Malaysian meals to Malaysia', Asian Food Strategic Planning Workshop, RIRDC, Canberra, Australia.
- Muthaly, S R., Janek, S. W., (1999), 'Venturing Overseas; Strategic Approaches Adopted by Foreign Food Companies in Malaysia', *British Food Journal*, Vol. 101, 2, 108-131.
- Myers, J.G., (1967), 'Determinants of Private Label Attitude', *Journal of Marketing Research* 4, 73-81.
- Nagashima, A., (1970), 'A Comparison of Japanese and US Attitudes Towards Foreign Products', *Journal of Marketing*, 34, 68-74.
- Nagashima, A., (1977), 'A Comparative 'Made-in' Product Image Survey Among Japanese Businessmen', *Journal of Marketing*, 41, 95-100.
- Nandan, S., and Dickinson, R., (1994), 'Private Brands - Major Brand Perspectives', *Journal of Consumer Marketing* 11, 18-28.

- Neidell, L. A., Boone, L. E., Cagley, J. W., (1985), 'Consumer Responses to Generic Products', *Academy of Marketing Science, Journal of the Academy of Marketing Science*, (Fall) Vol. 12, 4, 161-176.
- Neidell, L. A., Boone, L. E., Cagley, J. W., (1984), 'Consumer Responses to Generic Products', *Journal of the Academy of Marketing Science*, Vol. 12 Issue 4, 161.
- Nevin, J.R., and Houston, M.J., (1980), 'Image as a Component of Attraction to Intra-urban Shopping Areas', *Journal of Retailing*, 56, 77-93.
- Newman, D., and Becknell, J., (1970), 'The Price-Quality Relationship as a Tool in Consumer Research', *Proceedings, 78th Annual Conference, American Psychological Association*, 729 – 730.
- Nicholls, J.A.F., Roslow, S., Dubish, S., and Comer, L.B., (1996), 'Relationship between Situational Variables and Purchasing in India and the USA', *International Marketing Review* 13, 6-21.
- Nicholson, M., Clarke, I., and Blakemore, M., (2002), 'One Brand, Three Ways to Shop: Situational Variables and Multichannel Consumer Behaviour', *International Review of Retail, Distribution and Consumer Research* 12, 131-148.
- Norton, R. W., (1975), 'Measurement of Ambiguity Tolerance', *Journal of Personality Assessment*, 39, 6.
- Nunnally, J. C., 'Psychometric Theory', 78, New York, McGraw-Hill.
- O'Carroll, P., (1997), 'Trends in Ready Meal Design, The World of Ingredients', *Journal of the Practising Food Technologist*, C and S Publishers, The Netherlands.
- Ody, P., and Newman, S., (1993), 'Speeding Up the Supply Chain', *International Journal of Retail & Distribution Management*, Volume: 19 Number: 5.
- Olson, J.C., (1977), 'Price as an Informational Cue: Effects on Product Evaluations in: Anonymous *Consumer and Industrial Buying Behaviour*', 267-86, New York, North Holland.
- Olson, J. C., and Jacob J., (1972), 'Cue Utilization in the Quality Perceptions Process', Edn. *3rd Annual Conference, Association for Consumer Research*, Iowa City, Iowa.
- Olshavsky, R.W., and Grandbois, D. H., (1979), 'Consumer Decision Making – Fact or Fiction?', *Journal of Consumer Research*, 6, September, 93 – 100.

- Omar, O.E., (1992), 'Grocery Shopper Behaviour and Retailer's Own Label Food Brands', PhD Thesis submitted to the Manchester Metropolitan University, 152-167.
- Omar, O.E., (1994), 'Comparative Product Testing of Own-Label Marketing', *International Journal of Retail and Distribution Management* 22, 12-17.
- Omar, O.E., (1995), 'Retail influence on food technology and innovation', *International Journal of Retail & Distribution Management*, Vol. 23 Number: 3, 11,16.
- Omar, O.E., (1996), 'Grocery Purchase Behaviour for National and Own-Label Brands', *Service Industries Journal* 16, 58-67.
- Orlando, B., and Kenneth, S. L., (2000), 'Translating questionnaires and other Research instruments: Problems and Solutions', A sage university paper.
- Ostrow, R and Smith, S., (1985), 'The Dictionary of Retailing'. Fairchild Publications, NY, 170-1, POPAI (1995), 'Establishing POP Advertising as a Measured Medium', Pilot Survey Report.
- Othman, K., (1987), 'Patterns of Supermarket Use in Malaysia', Unpublished Ph.D Thesis, University of Stirling.
- Oxenfeldt, A., (1974), 'Developing A Favorable Price-Quality Image', *Journal of Retailing*, 50, 8 – 14.
- Parasuraman, A., (1996), 'Marketing Research', Addison Wesley.
- Park, C. W., and Winter, F. W., (1979), 'Product Quality Judgement: Information Processing Approach', *Journal of the Market Research Society*, 21, 211-217.
- Park, C.W., and Winter, F. W., (1979), 'Product Quality Judgment: Information Processing Approach', *Journal of Marketing Research Society* 12, 211-217.
- Park, C.W., Iyer, E.S., and Daniel, S., (1989), 'The Effects of Situational Factors on In-Store Grocery Shopping Behaviour: The Role of Store Environment and Time Available for Shopping', *Journal of Consumer Research* 15, 422-433.
- Parker, P., and Kim, N., (1997), 'National Brands versus Private Label: An Empirical Study of Competition, Advertising, and Collusion', *European Management Journal* 15, 220-235.
- Pascale, G.Q., and Smart, J., (1998), 'The Influence of Consumption Situation

- and Product Involvement Over Consumers' Use of Product Attribute', *The Journal of Consumer Marketing* 15, 220-238.
- Patton, M.Q., (1990), 'Qualitative evaluation and research methods', SAGE Publications, Newbury Park, London, New Delhi.
- Peacock, M., (1998), 'Branded Outlets in the Hospitality Industry: The Rise and Fall of the Multiple', <http://www.mcb.co.uk/services/conferen/liblink/ijchm/peacock.htm>.
- Peat, J., Mellis, C., Williams, K., and Xuan W., (2002), 'Health Science Research: A Handbook of Quantitative Methods', London: Sage.
- Pellegrini, L., (1993), Retailer Brands: 'A State of the Art Review. 7th International Conference on Research in the Distributive Trades', 348-63, 93, University of Stirling, Institute for Retail Studies.
- Pellegrini, L., (1994), 'Carrefour: Development of the Retailer Brand', McGoldrick, P., Cases in Retailing Management, Pitman, London, Case 21.
- Peterson, R.A., (1977), 'Consumer Perceptions as a Function of Product Colour, Price and Nutrition Labelling', *Advances in Consumer Research* 4, 61-63.
- Peter, J.P., and Lawrence X.T.Sr., (1979), 'A Comparative Analysis of Three Consumer Decision Strategies', *Journal of Consumer Research*, 2 (June), 29-37.
- Piacentini, M., Hibbert, S., and Al-Dajani, H., (2001), 'Diversity in Deprivation: Exploring The Grocery Shopping Behaviour of Disadvantaged Consumers', *International Review of Retail, Distribution and Consumer Research* 11, 141-158.
- Polit, D.F., Beck, C.T., and Hungler, B.P., (2001), '*Essentials of Nursing Research: Methods, Appraisal and Utilization*', 5th Ed., Philadelphia: Lippincott Williams & Wilkins.
- Polkinghorne, D. E., (1988), 'Narrative knowing and the human sciences', Albany: State University of New York Press.
- Porter, M., (1995), 'Inter-Brand Choice, Strategy and Bilateral Market Power', Harvard University Press, Cambridge, MA.
- Porter, M.E., (1980), 'Competitive Strategy: Techniques for Analyzing Industries and Competitors', New York, The Free Press.

- Porter, S.S., and Claycomb, C., (1997), 'The Influence of Brand Recognition on Retail Store Image', *Journal of Product and Brand Management*, 6, 373-87.
- Prendergast and Marr., (1997), 'Generic Products: Who Buys Them and How Do They Perform Relative to Each Other?', *European Journal of Marketing*, Vol. 31, 2, 94-109.
- Prescott, P.A., and Soeken, K.L., (1989), 'The potential uses of pilot work', *Nursing Research* 38, 60-62.
- Purwar, P.C., (1982), 'The Role of Price Cue in Product Quality Perception: A Comprehensive Model and an Empirical Investigation', State University of New York, Buffalo.
- Quelch, J.A., and Harding, D., (1996), 'Brands versus Private Label: Fighting to Win', *Harvard Business Review* 75, 99-109.
- Rackoff, N., Wiseman, C., and Ullrich, W.A., (1985), 'Information systems for competitive advantage: implementation of a planning process', *MIS Quarterly* (December).
- Rafiq, M., and Collins, R., (1996), 'Lookalikes and Customer Confusion in the Grocery Sector: An Exploratory Survey', *International Journal of Retail, Distribution and Consumer Research* 6, 329-350.
- Raju, J., Sethuraman, R., and Dhar, S.K., (1995), 'The Introduction and Performance of Store Brands', *Management Science*, 41 (June) 957-978.
- Raju, P.S., (1977), 'Familiarity, Brand Name, and Price Influences on Product Evaluation', *Advances in Consumer Research* 4, 64-71.
- Rao, A. R., and Monroe, K. B., (1989), 'The Effect of Price, Brand Name, and Store Name on Buyers' Perceptions of Product Quality: An Integrative Review', *Journal of Marketing Research*, 26 (August): 351-357.
- Rao, T.R., (1969), 'Are Some Consumers More Prone to Purchase Private Brands?', *Journal of Marketing Research* 6, 447-450.
- Ratneshwar, S., and Shocker, A.D., (1991), 'Substitution in Use and the Role of Usage Context in Product Category Structures', *Journal of Marketing Research* XXVIII, 281-295.
- Reidenbach, R.E, Harrison, M.C., and Cooper, M.B., (1983), 'Generic Products: Low Price and Low Quality and What This Means to the Shopper', *Akron Business and Economic Review*, 27-30.

- Reiersen, C., (1966), 'Are Foreign Products Seen as National Stereotypes?', *Journal of Retailing*, 42, 33-40.
- Richardson, P.S., (1997), 'Are Store Brands Perceived to be Just Another Brand?', *Journal of Product and Brand Management*, 6, 388-404.
- Richardson, P.S., Jain, A.K., and Dick, A.S., (1996), 'Household Store Brand Proneness: A Framework', *Journal of Retailing* 72, 159-185.
- Richardson, P. S., Dick, A. S., and Jain, A. K., (1994), 'Extrinsic and Intrinsic Cue Effects on Perceptions of Store Brand Quality', *Journal of Marketing*, 58 (October), 28-30.
- Riesz, P.C., (1978), 'Price versus Quality in the Market Place 1961-1975', *Journal of Retailing* 54, 15-28.
- Roach, L., (1994), 'Tracing the growth of private labels', *Discount Merchandiser*, 34 (January) 16.
- Robinson, C., (1996), 'Asian Culture: The Marketing Consequences', *Journal of the Market Research Society*, (January) 38, 1, 55, 8.
- Rosen, D.L., (1984), 'Consumer Perceptions of Quality for Generic Grocery Products: A Comparison Across Product Categories', *Journal of Retailing* 60, 64-80.
- Rosen, D. L., and Sheffet, M.J., (1983), 'The Effect of Situation on the Use of Generic Grocery Products', Proceedings of the American Marketing Educators Conference, Chicago.
- Rosenberg, M., (1979), 'Conceiving the Self, Basic Books', New York, NY.
- Roslow, S., Tiger, L., and Nicholls, J.A.F., (2000), 'Impact of Situational Variables and Demographic Attributes in Two Seasons on Purchase Behaviour', *European Journal of Marketing* 34.
- Rothe, J. T., and Lamont, L. M., (1973), 'Purchase Behaviour and Brand Choice Determinants For National and Private Brands Major Appliances', *Journal of Retailing*, 49 (Fall) 19-33.
- Sakaran, U., (2002), 'Research Methods for Business: A Skill-Building Approach', 4th Edition, New York, John Wiley and Son, Inc.
- Salant, P., and Dillman, D. A., (1994), 'How To Conduct Your Own Survey', John Wiley & Sons, Inc.

- Saleh, F. A., (1989), 'The Impact of Scanners and Customers Self-Bagging on Supermarket Productivity', *International Journal of Retail and Distribution Management*; Vol. 17 No. 1.
- Salmon, W.J., and Cmar, K.A., (1987), 'Private Labels are Back in Fashion', *Journal of International Business Studies*, 4, 80-87.
- Sandell, R.G., (1968), 'Effects of Attitudinal and Situational Factors on Reported Choice Behaviour', *Journal of Marketing Research*, 4, August, 405 – 408.
- Sardar, Z., (2000), 'The Consumption of Kuala Lumpur', Reaktion Books Ltd.
- Sarel, D., and Sewall, M. A., (1980), 'An Exploratory Investigation of the Managerial Implications of Generic Brands', *American Marketing Association* 46, 188-90.
- Schellinck, D.A., (1983), 'Cue Choice as a Function of Time Pressure and Perceived Risk', *Advances in Consumer Research*, 10, Association for Consumer Research, Ann Arbor, MI, 470-475.
- Schiffman, L.G., and Kanuk, L.L., (1997), 'Consumer Behaviour', Englewood Cliffs, N.J.:Prentice-Hall, Inc.
- Schooler, R.D., (1965), 'Bias Phenomena Attendant to the Marketing of Foreign Goods in the US', *Journal of International Business Studies*, 2, 71-80.
- Schutte, J.F., (1969), 'The Semantic of Branding', *Journal of Marketing* 33, 5-11.
- Scitovsky, T., (1945), 'Some Consequences of the Habit of Judging Quality by Price', *The Review of Economic Studies* 12, 100-5.
- Senker, J., (1989), 'The Development of Private Brands and the Balance of Power Between Food Manufacturers and Retailers, the case of the UK', Forum Provencor Management Seminar, Malmo, 19 April.
- Serdar, S., and Raju, J. S., (2004), 'How Category Characteristics Affect the Number of Store Brands Offered by the Retailer: A Model and Empirical Analysis', *Journal of Retailing*, 80, 279-287.
- Sethuraman, R., (1995), 'A Meta-Analysis of National Brand and Store Brand Cross-Promotional Price Elasticities', *Marketing Letters*, 6, 4, 275-286.
- Shaffer, D.R., and Hendrick, C., (1974), 'Dogmatism and Tolerance for Ambiguity as Determinants of Differential Reactions to Cognitive Inconsistency', *Journal of Personality and Social Psychology* 29, 601-608.

- Shannon, R., and Lockshin, L., (2002), 'Exploring Consumer Trial of Private Label Brands in Thailand', /WWW/ANZMAC2001/anzmac/AUTHORS-S.htm.
- Shapiro, B. P., (1972), 'The Pricing of Consumer Goods: Theory and Practice', Marketing Science Institute, Cambridge, Mass.
- Shaw, S.A., Dawson, J.A., and Blair, L.M., (1992), 'The Sourcing of Retailer Brand Food Products by a UK Retailer', *Journal of Marketing Management*, 8, 127-146.
- Sherman, E., and Smith, R.B., (1987), 'Mood States of Shoppers and Store Image: Promising Interactions and Possible Behavioural Effects', *Advances in Consumer Research* 14, 251-254.
- Sheth, J.N., Mittal, B., and Newman, B.I., (1999), 'Customer Behavior: Consumer Behavior and Beyond', Harcourt Brace and Co, Orlando, Florida, USA.
- Simmons, M., and Meredith, B., (1984), 'Own Label Profile and Purpose', *Journal of Marketing Research Society* 26, 3-27.
- Simonson, I., (1989), 'Choice Based on Reasons: The Case of Attraction and Compromise Effects', *Journal of Consumer Research* 17, 158-174.
- Sinha, I. and Rajeev, B., (1999), 'The Effect of Consumer Price Consciousness on Private Label Purchase', *International Journal of Research in Marketing* 16, 237-251.
- Sinha, I., (1994), 'A Conceptual Model of the Role of Situational Type on Consumer Choice Behaviour and Consideration Sets', *Advances in Consumer Research* 21, 477-482.
- Sirdeshmukh, D., Unnava, H.R., (1992), 'The Effects of Missing Information on Consumer Product Evaluation', *Advances in Consumer Research*, 19.
- Siwar, C., and Kasim, M. Y., (1997), 'Urban Development and Urban Poverty in Malaysia', *International Journal of Social Economics*, Vol. 24, 12, 1524-1535.
- Smith, D.L.G., and Sparks. L., (1993), 'The Transformation of Physical Distribution in Retailing: The example of Tesco PLC', *International Review of Retail and Consumer Research*, 3, 35-64.
- Smith, H., (2002), 'Supermarket Choice and Supermarket Competition in Market Equilibrium', (www.restud.com/pdf/smith.pdf).

- Smock, C.D., (1955), 'The Influence of Psychological Stress on the Intolerance of Ambiguity', *Journal of Personality and Social Psychology* 50, 177-182.
- Sohal, A. S., Power, D. J., and Mile, T., (2002), 'Integrated Supply Chain Management from the Wholesaler's Perspective: Two Australian case studies', *International Journal of Physical Distribution & Logistics Management*, Volume: 32 Number 2, 96-109.
- Sprott, D. E., and Shimp, T. A., (2004), 'Using Product Sampling to Augment the Perceived Quality of Store Brands', *Journal of Retailing*, 80, 305-315
- Srivastava, R.K., (1980), 'Usage-Situational Influences on Perceptions of Product Markets: Response Homogeneity and Its Implications For Consumer Research', *Advances in Consumer Research* VII, 644-649.
- Srivastava, R.K., Alpert, M.I. and Shocker, A.D., (1984), 'A Customer Oriented Approach For Determining Market Structures', *Journal of Marketing* 48, 32-45.
- Srivastava, R.K., Leone, R.P., and Shocker, A.D., (1981), 'Market Structure Analysis: Hierarchical Clustering of Products Based on Substitution-in-Use', *Journal of Marketing* 38-47.
- Srivastava, R.K., Shocker, A.D., and Day, G.S., (1978), 'An Exploratory Study of The Influences of Usage Situation on Perceptions of Product-markets', *Advances in Consumer Research* 32-8.
- Stayman, D.M., and Deshpande, R., (1989), 'Situational Ethnicity and Consumer Behaviour', *Journal of Consumer Research* 16, 361-372.
- Steenkamp, J.B. E. M., and Dekimpe, M. G., (1997), 'The Increasing Power of Store Brands: Building Loyalty and Market Share', *Long Range Planning* 30(6), 917-930.
- Steiner, M. A., Gosse, E. R., (2003), 'A New Frontier in Brand Protection', *Marketing Management*, 10613846, Nov/Dec, Vol. 12, Issue 6.
- Stephenson, P. R., and Willet, R. P., (1969), 'Analysis of Consumers' Retail Patronage Strategies in P.R., McDonald (ed)', *Marketing Involvement in Society and the Economy*, Chicago, American Marketing Association, 316 – 322.
- Stone, G.P., (1954), 'City Shoppers and Urban Identification: Observations on the Social Psychology of City Life', *The American Journal of Sociology*, 60, 36 – 45.

- Stoltman, J.J., Gentry, J.W., Anglin, K.A., and Burns, A.C., (1990), 'Situational Influences on the Consumer Decision Sequence', *Journal of Business Research* 21, 195-207.
- Sudman, S., 1980, 'Improving the Quality of Shopping Center Sampling', *Journal of Marketing Research*, 17, 423-431.
- Sudman, S., Bradburn, N, M., and Schwarz, N., (1996), 'Thinking About Answers: The Application of Cognitive Processes to Survey Methodology', San Francisco, CA, Jossey-Bass.
- Sullivan, M., and Adcock, D., (2002), 'Retail Marketing', Thompson, First Edition.
- Sullivan, S., (1979), 'Generic Products in Supermarkets', Some New Perspectives, unstated.
- Sussams, J. E., (1991), 'The Impact of Logistics on Retailing and Physical Distribution', *International Journal of Retail and Distribution Management*; Volume 19 No 7; 1991.
- Sweeney, J.C., and Soutar, G.N., (2001), 'Consumer Perceived Value: The Development of A Multiple Item Scale', *Journal of Retailing* 77, 203-220.
- Swinyard, W.R., (1997), 'Retailing trends in the USA: competition, consumers, technology and the economy', *International Journal of Retail & Distribution Management*, Vol. 25 Number 8 1997, 244-255.
- Szybillo, G.J., and Jacoby, J., (1974), 'Intrinsic vs Extrinsic Cues as Determinants of Perceived Product Quality', *Journal of Applied Psychology* 59, 74-8.
- Szymanski, D.M., and Busch, P.S., (1987), 'Identifying the Generic-Prone Consumer: A Meta-Analysis', *Journal of Marketing Research* 24, 425-431.
- Tashakkori, A., and Teddlie, C., (1998), 'Mixed Methodology: Combining Qualitative & Quantitative Approaches', Sage.
- Tauber, E.M., (1972), 'Why Do People Shop?' *Journal of Marketing* 36, 46-59.
- Teijlingen, V. E., Rennie, A.M., Hundley, V., and Graham, W., (2001), 'The importance of conducting and reporting pilot studies: The example of the Scottish Births Survey', *Journal of Advanced Nursing* 34: 289-295.

- Templeton, J. F., (1994), 'The Focus Group; A Strategic Guide to Organizing, Conducting and Analyzing the Focus Group Interview', ProbusPublishing Co.
- Tesch, R., (1990), 'Qualitative Research: Analysis Types and Software Tools', New York: The Falmer Press.
- The Mckinsey Quarterly Report, (1993), 4, 80.
- The Star Online, (2003), 'Room for Hypermarket-Supermarket Co-Existence', thestar.com.my:Business News.
- Thompson, K.E., and Chen, Y.L., (1998), 'Retail Store Image: A Means-End Approach', *Journal of Marketing Practice: Applied Marketing Science* 4, 161-173.
- Thorelli, H.B., Lim, J.S., and Ye, J., (1989), 'Relative Importance of Country-of-Origin, Warranty and Retail Store Image on Product Evaluations', *International Marketing Review*, Vol. 6, 1, 35-46.
- Toh, R., and Heeren, S.G., (1982), 'Perceived Risk of Generic Grocery Products and Risk Reduction Strategies of Consumers', *Akron Business and Economic Review* 13, 43-8.
- Triandis, H. C., (1994), 'Culture and Social Behaviour', New York, Mc Graw Hill.
- Triandis, H. C., (1995), 'Individualism and Collectivism', Boulder, CO, West view Press.
- Triandis, H. C., (2000), 'Culture and Conflict', *International Journal of Psychology*, Vol. 35 Issue 2.
- Triandis, H.C. and Suh, Eunkook M., (2002), 'Cultural Influences on Personality', *Annu. Rev. Psychol*, 53: 133 – 160.
- Tull, D.S., Boring R.A., and Gonsoir, M.H., (1964), 'A Note on the Relationship of Price and Imputed Quality', *Journal of Business* 37, 186-191.
- Uncles, Mark D., Ellis, K., (1987), 'The Buying of Own Labels', *European Journal of Marketing*, 23, 3.
- Utusan Online, 18.8.2003, 'Malaysia Mampu Jadi Pusat Serantau Makanan Halal', Md Derom Kamaruddin.
- Vakratsas, D., and Bass, F.M., (2002), 'The Relationship Between Purchase

- Regularity and Propensity to Accelerate', *Journal of Retailing* 78, 119-129.
- Venkatesan, M., Ed. C.A.f.C.R., (1973), 'Cue Utilization in the Quality Process', Edn.
- Vincent, M., and Zikmund, W.G., (1976), 'An Experimental Investigation of Situational Effects on Risk Perceptions', *Advances in Consumer Research* 125-129.
- Walker, R., and Cude, B., (1983), 'In-Store Shopping Strategies: Time and Money Costs in the Supermarket', *The Journal of Consumer Affairs* 17, 356-369.
- Walters, D., and Knee, D., (1989), 'Competitive Strategies in Retailing', *Long Range Planning*, 22, 6, 74-84.
- Wanke, M., (1997), 'Making Context Effects Work For You: Suggestions for Improving Data Quality From A Construal Perspective', *International Journal of Public Opinion Research*, 9, 3.
- Warshaw, P.R., (1980), 'Predicting Purchase and Other Behaviours from General and Contextually Specific Intentions', *Journal of Marketing Research* XVII, 26-33.
- Webster, J., (1993), 'Loyalty is The Key in The Battle of The Brands, Target Group Index', TGI Grocery Survey, Super Marketing, 29 October.
- Westbrook, R.A., and Black, W.C., (1985), 'A Motivation-Based Shopper Typology', *Journal of Retailing* 61, 78-103.
- Wheatley, J.J., (1980), 'The Effect of Generic Products on Consumer perceptions and Brand Choice', *Advances in Consumer Research* VIII, 166-169.
- Wheatley, J.J., and Chiu, J.S.Y., (1977), 'The Effects of Price, Store Image, and Product and Respondent Characteristics on Perceptions of Quality', *Journal of Marketing Research*, May77, 14 Issue 2, 181-186.
- Wheatley, J.J., (1980), 'The Effect of Generic Products on Consumer Perceptions and Brand Choice', *Advances in Consumer Research* VIII, 166-1669.
- Wheatley, J.J., Chiu, J.S.Y., and Goldman, A., (1981), 'Physical Quality, Price, and Perceptions of Product Quality: Implications for Retailers', *Journal of Retailing* 57, 100-116.
- Wileman, A., and Jary, M., (1997), 'The Growth of Retail Power and the Brand-

Building Challenge Investing in Store Brands', Wileman, A. and Jary, M., (Eds.) *Retail Power Plays from Trading to Brand Leadership*, 11-54//134-52, Great Britain, Creative Print and Design (Wales) Ebbw Vale.

Wilkes, R.E., and Valencia, H., (1985), 'A Note on Generic Purchaser Generalizations and Sub-Cultural Variations', *Journal of Marketing* 49, 114-120.

Wilkie, W.L., (1994), 'Consumer Behaviour', 3rd Edition, New York, Wiley.

Williams, R.H., Painter, J.J., and Nicholas, H.R., (1978), 'A Policy-Oriented Typology of Grocery Shoppers', *Journal of Retailing* 54, 27-42.

Wold, M., (1992), 'Bottled Water: A Truckload A Week', *Progressive Grocer*.

Wu, B.T.W., Holmes, J.H., and Alexander, J.L., (1984), 'Risk Taking: Its Effect on Selection of Branded and Generic Grocery Items', *Akron Business and Economic Review* 15, 12-17.

www.hartford-hwp.com/archives/54/index-f.html

www.iexplore.com/dmap/Malaysia/History

www.retail-merchandiser.com/images/pdf/rr_guts.pdf

www.statpac.com/surveys/sampling.htm, (2003), Survey Sampling Methods

www.thisislondon.co.uk/news/business/articles

www2.uta.edu/ssw/scannapieco/5322/handouts/default.htm

Yucelt, U., (1987), 'Consumer Perceptions of Generic Grocery Products: User vs. Non-Users', *Marketing Intelligence and Planning* 5, 24-27.

Zainal, A. M. S., (1989), 'Retailing in Peninsular Malaysia', Arenabuku Sdn Bhd, Kuala Lumpur.

Zbytniewski, J., and Heller, W., (1979), 'Rich Shopper, Poor Shopper, They're All Trying Generic', *Progressive Grocer* 58, 92-106.

Zeithaml, V. A., (1988), 'Consumer Perceptions of Price, Quality and Value: A Means-End Model and Synthesis of Evidence', *Journal of Marketing*, 52 (July) 2-22.

Zikmund, W.G., (1977), 'A Taxonomy of Black Shopping Behaviour', *Journal of Retailing* 53, 61-72.

Zimmer, M. R., and Golden, L. L., (1988), 'Impressions of Retail Stores: A Content Analysis of Consumer Images', *Journal of Retailing*, 64 (Fall) 265-293.

APPENDICES

Appendix 1: Past studies on the Characteristics of Retail Brand Buyers

Year of Studies	Name of Author(s)	Title of Study	Sample	Research Instruments (Methodology)	Variable (s)	Findings
1965	Frank RE & Boyd Jr HW	Are private prone grocery customers really different?	<ul style="list-style-type: none"> ▪ The purchasing histories of 491 households 44 grocery product categories 	<ul style="list-style-type: none"> ▪ Diary panel data (calculate the percentage of grocery expenditures devoted to private label lines). ▪ Multiple regression analysis 	<ul style="list-style-type: none"> ▪ Socio-economic ▪ Consumption ▪ Store shopping habits 	<ul style="list-style-type: none"> ▪ Store brand buyers are better educated, older and have lower incomes than national brand buyers. ▪ Households with virtually identical characteristics consume both manufacturer and store brands.
1969	Rao, TR	Are some consumers more prone to purchase private brands?	<ul style="list-style-type: none"> • Diary panel (cover three years) 	<ul style="list-style-type: none"> • Store interview and observations 	<ul style="list-style-type: none"> • Store loyalty through <ul style="list-style-type: none"> • purchase rate and • the proportionate number of times a housewife has visited the same store consecutively to purchase a product. 	<ul style="list-style-type: none"> ▪ Retail brand proneness in supermarket products fits into the housewives' price consciousness consumers ▪ Upper class women are much more prone to select retail brands. ▪ The success of one retail brand product seems to be positively associated with the success of other retail brands product.
1971	Coe, BD	Private vs national preference among lower and middle-income consumers	<ul style="list-style-type: none"> ▪ 100 women respondents (50 low income, 50 middle-income group). 	<ul style="list-style-type: none"> ▪ twice personal interview on brand preferences (2nd time after 3 months). 	<ul style="list-style-type: none"> ▪ Frequency ▪ Quantity purchase ▪ Place of purchase ▪ Geographic location ▪ Occupation of husband and wife. 	<ul style="list-style-type: none"> ▪ Store brand buyer belongs to higher rather than lower income classes. ▪ Users of retail brands fell in the younger age brackets. ▪ MIG-Price is the prime factor

			<ul style="list-style-type: none"> ▪ 25 staple food items 	<ul style="list-style-type: none"> ▪ Random sampling. 	<ul style="list-style-type: none"> ▪ Income. ▪ Race. ▪ Age. 	<p>of buying retail brands, high in price does not means good quality but rather than high cost in promotional activities, lower degree of brand loyalty (switch from one retail brands to another retail brand).</p> <ul style="list-style-type: none"> ▪ LIG-Price = quality, aware of price differential but were not familiar with extent of the difference, depends on advertising as a source of information, loyal to manufacturer brands.
1973	Rothe and Lamont	Purchase behaviour and brand choice determinants	<ul style="list-style-type: none"> • 1,400 major appliance purchasers. • Consumer durables products. 	<ul style="list-style-type: none"> • Mailed survey (46% rate) • A questionnaire was developed after in-store interviews with sales personnel, prospective and past purchasers and a pilot test. • Questionnaires were based on consumer recent purchase of major appliances. 	<ul style="list-style-type: none"> • Shopping behaviour <ul style="list-style-type: none"> • Recognition of need • Sources of information • Brand selection factors • Number of stores shopped (patronage factors) • Store choice factors • Length of shopping time • Relative importance of brand considerations and store considerations (Brand vs store) • Socioeconomic and demographic characteristics <ul style="list-style-type: none"> • Occupation of head of household • Family size • Annual family income • Age of head of household • Formal education of head of household • Housing patterns 	<ul style="list-style-type: none"> • Purchaser characteristics (4 significant). <ul style="list-style-type: none"> • Occupation of head of household • Annual family income • Formal education of head of household • Housing patterns

1978	Livesey & Lennon	Factors affecting consumers' choice between manufacturer brands and retailer own labels	<ul style="list-style-type: none"> • 387 respondents • 5 grocery items 	<ul style="list-style-type: none"> • Interview survey • Random sampling 	<ul style="list-style-type: none"> • Brand choice decisions • Family preferences • Attitudes and perceptions behaviour 	<ul style="list-style-type: none"> • Store brand buyer belong to higher rather than lower income classes • Perceived risks association with using store brands are important determinants of consumer evaluations and purchasing behaviour – the association between social risks and usage situation • Marketing activities such as advertising may differentiate brands from store brands. • Manufacturer brands tend to be seen as being better quality than store brands. • Possible reasons for perception differences are degree of experience with store brands.
1978	Dietrich R	A first-time look at how shoppers react to generic products	400 customers	Telephone survey	Buyers vs non-buyers of generics	<ul style="list-style-type: none"> ▪ Purchase of retail brand products is negatively related to household income. <p>Retail brand proneness are</p> <ul style="list-style-type: none"> ▪ Larger household, full time house makers 35-65 age category. ▪ Less than US\$15, 000 annual income. ▪ Quality of retail brand products to be of equal value to manufacturer brands. ▪ Buyers claimed to achieve saving between 16-20% from not purchasing manufacturer brands.

1978	Murphy	The effect of social class on brand and price consciousness for supermarket products	<ul style="list-style-type: none"> • 309 women ((primary purchasers/ • decision makers/prior research on RB examined exclusively female consumers) ▪ 3 grocery items (paper towel, soft drinks, laundry detergent) 	<ul style="list-style-type: none"> ▪ judgement and quota sampling (varies in racial, ethnic and religious background) 	<ul style="list-style-type: none"> ▪ Socio economic (lower, middle, upper class) ▪ Attitudinal ▪ Behavioural characteristics ▪ Buyers' sensitivity towards price and brand name 	<ul style="list-style-type: none"> ▪ Price consciousness was not related to income level. ▪ Upper social class women are much more prone to select retail brands. ▪ Suburban shoppers are more prone to purchase retail brands.
1979	Sullivan	Generic products in supermarket. some new perspectives	1000 national random sample	Telephone survey	Purchase vs non-purchase	<ul style="list-style-type: none"> ▪ Larger family, higher weekly grocery shopping expenditure, above average income, more educated, 35-44 age bracket
1979	Anvik <i>et al</i>	A profile of intentions groups for generic branded grocery products	336 customers of Denver supermarket	Mail return questionnaires	High vs low intentions to purchase generics	<ul style="list-style-type: none"> ▪ More innovative, higher thrift orientation, lower brand loyalty, female
1979	Murphy & Laczniak	Generic supermarket items: a product and consumer analysis	429 supermarket shoppers	<ul style="list-style-type: none"> ▪ Telephone survey ▪ Structured questionnaires ▪ Systematic random sampling ▪ The sample was composed 	<ul style="list-style-type: none"> ▪ Purchase frequency (regularity, prior brand preferences) ▪ Price perceptions ▪ Quality perceptions ▪ Satisfaction ▪ Demographics (age, marital status, family income, occupation, number of 	<ul style="list-style-type: none"> ▪ Consumers' price perceptions, quality evaluation, and purchase intentions consistent with previous study. ▪ Seem to be attracting more former buyers of manufacturer brands than the retail brands itself. ▪ 27% buyers revealed that the

				of households residing within a 2 mile radius of a leading store which sold retail brands.	persons living in the household, education)	<p>prices were very much lower than manufactures' r brands.</p> <ul style="list-style-type: none"> ▪ The quality of retail brand is comparable with other brands. ▪ Customers are satisfied with the retail brands. ▪ Well-educated and large families are likely to purchase retail brands. ▪ Age shown insignificant factor to retail brand proneness. ▪ Concluded that since retail brand products were served in a wide range of product categories, consumers of all ages, occupation, incomes of the buyers and non-buyers, educated or less educated, could consume and therefore demographics variable had become an insignificant factor in segmenting the retail brand market.
1979	Zbythiewski J, Heller, WH	Rich shopper, poor shopper, they're all trying generic	<ul style="list-style-type: none"> ▪ 595 shoppers ▪ 12 stores 	<ul style="list-style-type: none"> ▪ Interview survey ▪ 3 week period 	<ul style="list-style-type: none"> ▪ Demographics ▪ Attitude 	<ul style="list-style-type: none"> • 35-49 years old, working women, better educated, often buying during the major grocery trip, larger grocery bills, shop longer, shopping after five, showed above average patronage, use shopping aids, inspect all items closely, perceived better value than other brands, equal quality, believed absence of advertising make low retail brand's price possible, large families of > five, young and growing family, middle

						income group, popular for paper based products.
1982	Cunningham <i>et al</i>	Generic brands vs national brands and store brands	<p>A survey of 637 residents of a medium sized southwestern city.</p> <ul style="list-style-type: none"> Using canned food products 	<ul style="list-style-type: none"> Telephone survey generated through a random digit, using attributes ratings 	<ul style="list-style-type: none"> Using purchase patterns and attitude toward one product. Each consumer group was compared based on their education, age, and family income. National, store, generic, or no brand preference. Classification based on household inventory 	<ul style="list-style-type: none"> Consumer perceived store brands to be inferior to national brand but superior to generic grocery items on attributes such as overall quality, appearance, reliability, label information, taste and other characteristics. Younger, greater education as compared to national brand users. Show no significance to family income. Generic brand users are price conscious. National brand users are quality conscious. No brand loyalty consumers tend to be more quality conscious than generic and national brand users.
1984	McEnally and Hawes	The market for generic brand grocery products: a review and extension	<ul style="list-style-type: none"> 1442 households. 4 grocery items (toilet tissue, paper towels, salad oil, dry mix dinner) 	Used panel data	<ul style="list-style-type: none"> Shopping frequency Product usage rate Regular unit price selection Dealing Store loyalty Brand loyalty characteristics 	<ul style="list-style-type: none"> Non buyer and buyer act differently in their purchase behaviour. Shopping frequency, Product usage rate, Regular unit price selection and store loyalty were important variable in distinguishing between buyers and non-buyers of retail brands. Shopped more frequently, had a higher product usage rate, generally purchased lower

						<p>priced products and exhibited a higher level of store loyalty.</p> <ul style="list-style-type: none"> ▪ Normally came from middle income bracket.
1985	Neidell <i>et al.</i>	Consumer Responses to Generic Products	<ul style="list-style-type: none"> • 187 randomly sampled obtained from Cole's Directory 	<ul style="list-style-type: none"> • Personal interviews 	<ul style="list-style-type: none"> • Demographic and Socioeconomic characteristics • Family Life cycle categories • AIO measurements 	<ul style="list-style-type: none"> • 57% of respondents were aware about the brand (consistent with previous studies). • The users of these brands do not match the demographic characteristics found in the past studies. <ul style="list-style-type: none"> • The user is a member of a low to moderate-income household, and less educated. • 3 or 4 members. • Annual income more than US\$25,000 annually (less sensitive to price). • Older age consumers, no dependent children households, and fixed income. • Non-users tend to put interest in non-food retail brands such as paper based product, laundry items, and pet foods. • Quality of the brand seems to be acceptable.
1985	Wilkes and Valencia	A note on generic purchaser generalisations and sub-cultural variations	<ul style="list-style-type: none"> • 502 respondents (Black, White and Mexican-Americans) 	<ul style="list-style-type: none"> ▪ 5 points scale of 5 shopping lifestyle dimensions. <ul style="list-style-type: none"> ▪ Coupon 	<ul style="list-style-type: none"> ▪ Perceptual variables <ul style="list-style-type: none"> ▪ Quality ▪ Price ▪ Value ▪ Dependability 	<ul style="list-style-type: none"> ▪ Black perceived retail brands more favourable. ▪ Black customers tend to be younger, low-income group, larger households and rent

			<p>from 1980 census data for the SMSA on household size, income, age and education.</p>	<p>proneness</p> <ul style="list-style-type: none"> ▪ Trading stamp proneness ▪ Shopping for special ? ▪ Brand loyalty ▪ National brand preferences ▪ Demographic <ul style="list-style-type: none"> ▪ Income ▪ Marital status ▪ Own home or rent ▪ Presence of child under age of six ▪ Education ▪ Number of persons in household ▪ Ethnicity ▪ Dependent variables <p>Amount spent on retail brands.</p>	<ul style="list-style-type: none"> ▪ Prestige ▪ Quality ▪ Packaging ▪ Popular ▪ Overall superior 	<p>homes.</p> <ul style="list-style-type: none"> ▪ Whites and Mexican-Americans no relationship between demographics and retail brands purchasing were detected. ▪ White customers tend to be positively related to manufacturers' brands orientation.
1985	Kono, Ken	Are Generics Buyer Deal-Prone? On a Relationship Between Generics Purchase and Deal-Proneness	<ul style="list-style-type: none"> • 510 respondents 	<ul style="list-style-type: none"> • Stratified random sampling (based on income) • Mail survey • 2 page questionnaires 	<ul style="list-style-type: none"> • deal proneness • 20 (Likert-type) questions concerning attitudes toward grocery shopping, generics and coupon redemption • Factor analysis • 62 psychographic questions • Demographic profiles 	<p>3 distinct groups of shoppers:</p> <ul style="list-style-type: none"> • Generic consumers – economy minded, go for the best value for price regardless of brand names • Deal prone shoppers – economy minded, but risk-averting • Those who are not

						<p>economy-minded</p> <ul style="list-style-type: none"> • Generic buyers (economy minded) are better educated, active information seeker (Thorelli's Information seeker - the active information seekers are better educated (Thorelli, 1975)) • Concluded that since generic products were served in a wide range of product categories, consumer of all ages, occupation, incomes of the buyers and non-buyers, educated or less educated, could consume them
1987	Szymanski DM & Busch PS	Identifying the generic-prone consumer: a meta-analysis'	<ul style="list-style-type: none"> • Previous research data 	<ul style="list-style-type: none"> • Previous research data 	<ul style="list-style-type: none"> • Used Meta analysis of the previous research findings on characteristics associated with the retail brands prone consumers 	<ul style="list-style-type: none"> ▪ The demographic, psychological and shopping behaviour variables are weekly correlated with the purchasing of retail brand products. ▪ Strong relationships of perceived product quality and price to the propensity to buy retail brands. ▪ Positioning retail brands as a solid value in comparison to manufacturers' brands may be the effective tool for retailers to promote retail brand products. ▪ Suggested the determinants of quality perceptions and their role in the consumer decision-making process for retail brand products proneness. ▪

1995	Dick <i>et al.</i>	Correlates of store brand proneness: some empirical observations	<ul style="list-style-type: none"> • 1325 (46%) shoppers randomly intercepted at shopping mall • 28 grocery items 	<ul style="list-style-type: none"> • interviewing • consumer attitudes • interest • opinion • household characteristics 	<ul style="list-style-type: none"> • Perceptions of store brand quality • perceived risk • perceived value for money • familiarity with retail brands 	<p>Retail brand characteristics;</p> <ul style="list-style-type: none"> • Under 45 years old, lower - middle income, married with <five children. • Positively related to favourable quality perceptions. • Offer great value for money • Greater familiarity <p>Non buyers perceived RB as</p> <ul style="list-style-type: none"> • Lower quality • Less reliable ingredients • Lower nutritional value • Offer poor value for money • Risk in purchase • The buyers are 'cheap'. • Less familiarity
1996	Omar	Grocery purchase behaviour for national and own-label brands	<ul style="list-style-type: none"> • 1360 respondents • randomly intercepted 	<ul style="list-style-type: none"> • Personal interview 	<ul style="list-style-type: none"> • Shopper's personal characteristics • Shopping behaviour patterns • Choice factors: <ul style="list-style-type: none"> • Quality • Price • Taste • Packaging • Experience • Value for money 	<ul style="list-style-type: none"> ▪ Manufacturers' brands were perceived to be superior to store brands in terms of quality, packaging, consistency and image. ▪ Store brands were perceived as offered good value for money. ▪ Found few characteristics to be useful in identifying manufacturers' and store brands buyers, such as; <ul style="list-style-type: none"> ▪ Use in-store information highly. ▪ Shop frequently and longer. ▪ Always look for the best price and value for money. ▪ Socioeconomic status low based on housing patterns,

						occupation and education.
1997	Prendergast and Marr	Generic products: who buys them and how do they perform relative to each other?	<ul style="list-style-type: none"> • 677 randomly selected from Shoppers Bonus Club database • 8 grocery items, such as rice, shampoo, coffee, tissue, washing powder, soup and cereal. 	<ul style="list-style-type: none"> • Semantic differential scales 	<ul style="list-style-type: none"> • Use 5 variables, <ul style="list-style-type: none"> • Value for money • Quality • Freshness • Safety • Convenient package size 	<ul style="list-style-type: none"> • Higher household income groups were less likely to purchase retail brands than the lower household income groups. • No relations between age, occupation and weekly household grocery expenditure. • High rate of penetration in retail brand products. <p>Rice - was perceived by lower income group as good value for money and higher in quality</p> <ul style="list-style-type: none"> • Others buying rice because of value for money, quality, safety, freshness and convenient packaging. <p>Shampoo – the results were less clear (small in variances).</p> <p>Coffee – safe, fresh and packaged convenience. Lower bracket income consider better value, older age group tended to consider retail brand coffee as being fresher and convenience of package than those in younger groups.</p> <p>Tissue – value for money, safety, convenience of package, quality and freshness.</p>

						<p>Washing powder – did not demonstrate strength on value for money or quality aspects. Regards well in safety and package convenience (the older age bracket).</p> <p>Soup – quality, freshness and convenience package (older age group).</p> <p>Cereals – value for money, safety,(older age bracket), convenience of package, quality and freshness.</p> <ul style="list-style-type: none"> • Purchases of retail brand products were negatively related to household income. • Older consumers more likely to purchase retail brand products. • Consumer who regards retail brand, as low value will also regard low in quality. <p>Have dubious quality perceptions in more processed retail brand products (coffee and shampoo) than the standardised products (rice and tissue).</p>
1998	Baltas	Understanding and managing store brands	-	-	-	<p>Many researches focuson</p> <ul style="list-style-type: none"> ▪ The strategic importance of store brands ▪ Market factors affecting performance ▪ Perception differences between manufacturers’ and retailer brands

					<ul style="list-style-type: none">▪ Issues of market segmentation <p>The marketing of store brands serves various strategic objectives to both retailer and manufacturer. Several market factors has been discussed, such as;</p> <ul style="list-style-type: none">▪ Cross-category▪ Cross-country▪ Inter-temporal variance in the performance of store brands can be attributed to specific factors. <p>Argues that;</p> <ul style="list-style-type: none">▪ Heavy advertising▪ Image building▪ Packaging <p>have been important differentiating dimensions.</p> <p>Argues that;</p> <ul style="list-style-type: none">▪ The impact of recent quality and image improvements remains unexplored.▪ General socio-economic variables are poorer predictors of store brand proneness than attitudinal and behavioural.
--	--	--	--	--	---

Appendix 2: Previous Study on Quality, Price and Value of Retail Brand Products

Year of Studies	Name of Author(s)	Title of Study	Sample	Research Instruments (Methodology)	Variable(s)	Findings
1967	Myers	Determinants of private label attitude	<ul style="list-style-type: none"> • 347 working and non working housewives • 29 grocery items from both retail and manufacturer brands. 	<ul style="list-style-type: none"> • Self-evaluative questionnaire 	<ul style="list-style-type: none"> • Used psychological and sociological characteristics. • Measuring perceptions in terms of price and quality 	<ul style="list-style-type: none"> ▪ Consumers are best classified by their perceptions towards store brands rather than their individual characteristics. ▪ 23% of the sample felt that store brands saved money without any sacrifice of quality (mostly low income group). ▪ Perceptions of quality are the more important determinants of purchasing behavior. ▪ Brands' advertising can create an impression of higher quality that serves to induce consumers to think of store brand as a lower quality product.
1971	Jacob <i>et al.</i>	Price, brand name, and product composition characteristics as determinants of perceived quality	<ul style="list-style-type: none"> • 136 adult male 	<ul style="list-style-type: none"> • Experiment 	<ul style="list-style-type: none"> • Price • Brand name • Composition 	<ul style="list-style-type: none"> • Price was found to serve as an indicant of product quality when it was the only cue available, but not when embedded in a multicue setting. • Brand image has a stronger effect upon quality perception, particularly for brands with strong positive images. • Neither price nor brand name has significant effects on

						<p>perceived quality except when product composition characteristics were allowed to vary between product samples.</p> <ul style="list-style-type: none"> • Contrast to earlier findings, the data suggest that beer drinkers possess at least some ability to distinguish among different brands of beer on the basis of composition cues alone, e.g. taste and aroma.
1971	Coe, BD	Private vs national preference among lower and middle-income consumers	<ul style="list-style-type: none"> ▪ 100 women respondents (50 low income, 50 middle-income group). ▪ 25 staple food items 	<ul style="list-style-type: none"> ▪ twice personal interview on brand preferences (2nd time – after 3 months). ▪ Random sampling. 	<ul style="list-style-type: none"> ▪ Frequency ▪ Quantity purchase ▪ Place of purchase ▪ Geographic location ▪ Occupation of husband and wife. ▪ Income. ▪ Race. ▪ Age. 	<ul style="list-style-type: none"> ▪ Store brand buyer belongs to higher rather than lower income classes. ▪ Users of retail brands fell in the younger age brackets. ▪ MIG-Price is the prime factor of buying retail brands, high in price does not mean good quality but rather than high cost in promotional activities, lower degree of brand loyalty (switch from one retail brand to another retail brand). ▪ LIG-Price = quality, aware of price differential but were not familiar with extent of the difference, depends on advertising as a source of information, loyal to manufacturers' brands.
1972	Burger and Schott	Can private brand buyer be identified?	<p>540 housewives.</p> <ul style="list-style-type: none"> ▪ 136 buyers of jams and jellies 	<ul style="list-style-type: none"> ▪ Rely on consumers' self reports regarding the extent to 	<ul style="list-style-type: none"> ▪ Using a model of consumer behaviour including demographic, product class salience, product use and 	<ul style="list-style-type: none"> ▪ Demographic variables did not discriminate between private brand and non-private brand consumers.

			<ul style="list-style-type: none"> ▪ 111 buyers of iron 	<p>which private label brands are selected.</p> <ul style="list-style-type: none"> ▪ Consumption goods (jams and jellies) and durable goods (iron) 	<p>marketing attitude variables.</p> <ul style="list-style-type: none"> ▪ 155 questions relating to general attitude, interest, and opinion using 6 points Likert scale. ▪ Using factor analysis, multiple discriminant analysis, and cross-tabulation to test the model. 	<ul style="list-style-type: none"> ▪ They noticed that private label buyers were spread across all socio- economic groups and that differences in attitudinal and behavioral variables were better predictors. ▪ Private brand buyers are more price conscious and tend to have a stronger store brand loyalty. ▪ Advertising attitude and careful shopping were not important variables differentiating the private-manufacturer's brand segment.
1973	Mintel	Own Labels	700 housewives	-	Measuring perceptions in terms of price and quality	<ul style="list-style-type: none"> ▪ The study suggests that propensity to buy own labels is associated with the perceptions rather than the characteristics of consumers. ▪ Consumers considered own labels to be the same as well known brands.
1973	Valenzi, Enzo and Eldridge Larry	Effect of Price Information, Composition Differences, Expertise, and Rating Scales on Product Quality-Rating	<ul style="list-style-type: none"> • 52respondents • Beers 	• Experimental	<ul style="list-style-type: none"> • Price information • Actual purchase price • Overall taste quality ratings 	<ul style="list-style-type: none"> • Lack of familiarity with the product disposes, will force consumers to rely on cues such as price to evaluate product quality
1973	Bettman	Perceived Price and Product Perceptual Variables	<ul style="list-style-type: none"> • 97 housewives • 9 grocery 	• Multiple regression	<ul style="list-style-type: none"> • Perceived price • Years shopped 	<ul style="list-style-type: none"> • Higher perceived prices are most strongly associated with decreased certainty and a

			items		<ul style="list-style-type: none"> • Perceived product quality • Certainty measures • Danger in the severity of the consequences of trying an unknown brand • Perceived usefulness • Acceptable brand • Perceived risk 	smaller percentage of acceptable brands.
1974	Bettman JR	Relationship of information processing attitude structures to private brand purchasing behaviour	<ul style="list-style-type: none"> ▪ 123 housewives ▪ 9 types of grocery products 	Rely on consumers' self reports regarding the extent to which private label brands are selected	<ul style="list-style-type: none"> ▪ Demographic ▪ Perceived risk (10 point scale) ▪ Perceived quality (20 point scale) ▪ Information related (familiarity – 10 point scale, confidence in information – 10 point scale) 	<ul style="list-style-type: none"> ▪ Perceived risk, quality and informational variables are more suited to analysing consumer behaviour than demographic or general personality trait approaches. Store brand buyer can be distinguished from the national brand buyer on the basis of <ul style="list-style-type: none"> • Perceived quality of the respective brands (for example uncertainty in the quality of store brand represent danger in purchasing store brand products) • Perceived risk associated with store brand purchase, and • Familiarity with store brands will increase private brand proneness by decreasing the perceived risk and perceived quality variation.
1977	Wheatley and Chiu	The effects of price, store image and product and respondent	<ul style="list-style-type: none"> • 157 housewives • Carpet 	<ul style="list-style-type: none"> • Experimental design 	<ul style="list-style-type: none"> • Price • Store image • Product • Income 	<ul style="list-style-type: none"> • Perceived quality appears to be associated consistently with high prestige stores, high prices and physical attributes

		characteristics on perceptions of quality			• education	of products such as colour • Consumer income and educational level also affect perceptions of quality.
1977	Raju,	Product familiarity, brand name and price influence on product evaluation	<ul style="list-style-type: none"> ▪ 83 respondents ▪ Stereo receivers ▪ 3 brand name (Pioneer, Kenwood, Onkyo) 	<ul style="list-style-type: none"> ▪ Self administrated questionnaires. ▪ Conducted 2 studies on product familiarity. 	<ul style="list-style-type: none"> ▪ Familiarity based on; ▪ Past experience ▪ Knowledge ▪ Word of mouth communication ▪ Price based on max and min acceptable price. ▪ Confident in product purchased ▪ Brands choice was based on familiarity 	<ul style="list-style-type: none"> ▪ Familiarity was found to create greater discrimination among brands in post-purchase service evaluation. ▪ The effect of price on overall quality evaluation was found to be greatest in the acceptable price range and less in the unacceptable low and unacceptable high Product familiarity did not significantly influence the range of acceptable prices. However, results were in the expected direction (narrower range associated with higher product familiarity). Product familiarity consumers did not significantly influence the upper and lower price limits. ▪ Product familiarity consumers were related positively to the degree of confidence in brand selection in a purchase situation. ▪ Price and brand name were positively related to evaluation, as price was found to be important in overall quality evaluation than in post-purchase service evaluation. <ul style="list-style-type: none"> ▪ Higher product price ranges.

						<ul style="list-style-type: none"> ▪ Brand name was found to have a greater effect on overall quality evaluation at higher prices than at lower prices.
1979	Murphy & Laczniaak	Generic supermarket items: a product and consumer analysis	429 supermarket shoppers	<ul style="list-style-type: none"> ▪ Telephone survey ▪ Structured questionnaires ▪ Systematic random sampling ▪ The sample was composed of households residing within a 2 mile radius of a leading store which sold retail brands. 	<ul style="list-style-type: none"> ▪ Purchase frequency (regularity, prior brand preferences) ▪ Price perceptions ▪ Quality perceptions ▪ Satisfaction ▪ Demographics (age, marital status, family income, occupational, number of persons living in the household, education) 	<ul style="list-style-type: none"> ▪ Consumers' price perceptions, quality evaluation and purchase intentions consistent with previous study. ▪ Seem to be attracting more former buyers of manufacturer brands than the retail brands ▪ 27% buyers revealed that the prices were very much lower than manufacturers' brands. ▪ The quality of retail brand is comparable with other brands. ▪ Customers are satisfied with the retail brands. ▪ Well-educated and large families are likely to purchase retail brands. ▪ Age shown insignificant factor to retail brand proneness. ▪ Concluded that since retail brand products were served in a wide range of product categories, consumers of all ages, occupations, incomes of the buyers and non-buyers, educated or less educated, could consume and therefore demographics variable had become an insignificant factor in segmenting the retail brand market.

1979	Burck	Plain Labels Challenge the supermarket establishment	-	-	-	<ul style="list-style-type: none"> • less popular among low-income shoppers, whom one would expect to be most interested in them • Consumers could not tear themselves away from heavily advertised branded products. • Consumer regard retail brand as forthrightness as refreshingly honest. • Inflation having seemingly reduced everyone's standard of living- saving money. • Trade off between price and quality for each product. • Attract new price customers as they are eye-catching and stylish. • Low priced, less prestige, risky but easy to spot by the consumer in a hurry to finish shopping. • Need more control on quality for retail brand products. • Are really a manufacturers' revolution.
1980	Hawes JM & Kiser GE	Using psychographics to identify the generic-prone grocery shopper	<ul style="list-style-type: none"> • 455 members of the Arkansas Household Research Panel (53% response rate from 500). • 11 	Mailed survey	<ul style="list-style-type: none"> • Scale was developed to measure the tendency of buyers to purchase retail brands rather than the actual purchase of retail brand products due to the low level of awareness and interest of buying retail brand products. • Respondents were asked to 	<ul style="list-style-type: none"> • 6 lifestyle variables were significantly associated. • These are: <ul style="list-style-type: none"> • Shopper spends considerable time discussing products and brands • Very conscious of price while shopping • Not likely be greatly

			manufacturers' brands, 11 private brands, 11 retail brands		<p>indicate on a 5 point scale of their probability of purchase for a series of 33 products 'if a new grocery store opened near their home and they decided to shop there'.</p> <ul style="list-style-type: none"> • AIO questions were included • Factor analysed using the principal components method to verify the construct validity of the variables. 	<p>influenced in product selection by advertisement</p> <ul style="list-style-type: none"> • Generally very active and does not like to spend much time shopping for groceries • Not very loyal to particular brands or store. • Suggested that the best promotion of retail brand products is by word-of-mouth. • Provide more choices (verities) of retail brand products in supermarket shelves.
1980	Cagley, Neidell and Boone	The Wheel of Retailing Squeaks but turns: Generic Labelling in Supermarkets	-	Comparing previous study results	-	<ul style="list-style-type: none"> • Argue that retail innovation tend to occur as low-priced, frill-free products and services (Wheel of Retailing).The affluent decade of the 'soaring sixties' seemed to debunk this theory in that many retailing variations stressed convenience and luxury, consumer responded less to price than to these and other product/service features.
1980	Wheatley JJ	The effect of generic products on consumer perceptions and brand choice	<ul style="list-style-type: none"> • 150 randomly respondents • 6 grocery items 	-	<ul style="list-style-type: none"> • Perceived quality • Purchasing 	<ul style="list-style-type: none"> • Positive correlation was found to exist between price and the perceived difference in quality. • Major incentive to retail brand products as it offered low price.
1981	Bellizzi <i>et al</i>	Consumer perceptions of	125 randomly subject using	<ul style="list-style-type: none"> • Personal interview, 		<ul style="list-style-type: none"> ▪ Consumer perceived store brands to be inferior to

		national, private and generic products	random sample of grocery shoppers	Attributes rating using 33 of 5-point Likert-type scales <ul style="list-style-type: none"> • Survey, administered questionnaire 		national brand but superior to generic grocery items on attributes such as quality, appearance and attractiveness. <ul style="list-style-type: none"> ▪ Lower agreement to “I stick to name brands” and to “I am influenced by advertising” (manufacturer brand prone consumers found to be more brand loyal and influenced by advertising).
1982	Bellizi and Martin	The influence of national versus generic branding on taste perceptions	<ul style="list-style-type: none"> • 119 respondents 	<ul style="list-style-type: none"> • Taste experiments • 5 point Likert scales 	<ul style="list-style-type: none"> • Age • Sex 	<ul style="list-style-type: none"> • Consumer perceived generic and manufacturer brands differently. • Manufacturer brand received higher ratings. • Generic brand received lower ratings. • It is believed that taste judgments were carried out on the basis of the psychological differences associated with long-developed brand images that might result from past purchase experience. • Women rated manufacturers’ brands better tasting than generic brands, but not men shoppers.
1982	Cunningham <i>et al</i>	Generic brands versus national brands and store brands	A survey of 637 residents of a medium sized southwestern city.	<ul style="list-style-type: none"> ▪ Telephone survey generated through a random digit, 	<ul style="list-style-type: none"> ▪ Using purchase patterns and attitude toward one product. ▪ Each consumer group was compared based on their – education, age and family 	<ul style="list-style-type: none"> ▪ Consumers perceived store brands to be inferior to national brand but superior to generic grocery items on attributes such as overall

			<ul style="list-style-type: none"> ▪ Using canned food products 	<ul style="list-style-type: none"> ▪ using attributes ratings 	<p>income.</p> <ul style="list-style-type: none"> ▪ National, store, generic, or no brand preference. Classification based on household inventory 	<p>quality, appearance, reliability, label information, taste and other characteristics.</p> <ul style="list-style-type: none"> ▪ Younger, greater education as compared to national brand users. ▪ Show not significant to family income. ▪ Generic brand users are price conscious. ▪ National brand users are quality conscious. ▪ No brand loyalty consumers tend to be more quality conscious than generic and national brand users.
1983	Reidenbach, Harrison, and Cooper	Generic Products: Low price and low quality and what this means to the shopper	<ul style="list-style-type: none"> • 156 female shoppers at large regional supermarket (initially from 600 – 26% response rate) 	<ul style="list-style-type: none"> • Interview survey (interview times were staggered) • Random sampling • Shoppers were asked to take the questionnaire home and fill in than mail it in the postage paid envelope. • Employed 4 different questionnaires (each contained a 	<ul style="list-style-type: none"> • Use 16 bipolar scales such as <ul style="list-style-type: none"> • Innovative • Frugal • Family oriented • Takes risks • Conservative • Modern • Quality conscious • Intelligent • Good cook • Easily persuadable • Wealthy • Status seeking • Confident in themselves • Concerned parent • Leader • Good housekeeper 	<ul style="list-style-type: none"> • Retail brand buyers are not quality conscious (perceived as more risk taking), less wealthy, no status seeking, old fashioned, intelligent. • Suggested unbranded products to be branded so that buying retail brands will not be perceive as being less wealthy. • Suggested that the retail brand buyers are not mainly depending on price but rather that the market for retail brands is not overly large.

				<p>different shopping list)</p> <ul style="list-style-type: none"> • Use Scheffe test in order to test the different perceptual variables from retail brand and manufacturer buyers. 		
1984	Rosen	Consumer perceptions of quality for generic grocery products: a comparison across product categories	<ul style="list-style-type: none"> • 195 household grocery purchasers • ratings obtained from generic, private and national brand grocery products (adapted from Murphy and Laczniak, 1979). 	<ul style="list-style-type: none"> • Telephone survey • Random digit dialling method 	<ul style="list-style-type: none"> • 3 quality perceptions <ul style="list-style-type: none"> • overall quality • quality consistency over repeat purchase • quality similarity across stores • Demographic characteristics 	<ul style="list-style-type: none"> • Generics are perceived as poorer than the others in terms of quality consistency and quality is similar across stores. • Willing to trade reduction in perceived quality for the cost savings they obtained.
1984	McGoldrick	Grocery generics – An extension of the private label concept	<ul style="list-style-type: none"> • Series of interviews with senior marketing personnel in a major retail companies. • 200 potential 	<ul style="list-style-type: none"> • Qualitative approach for 5 years • Survey • Quasi-random sampling • One major outlet - 	<ul style="list-style-type: none"> • Purchasing behaviour and attitudes such as; <ul style="list-style-type: none"> • Had ever bought • How many times • Would they continue to buy • If not what brand would be bought next 	<ul style="list-style-type: none"> • States that consumer perceived risk associated in buying retail brand products especially in the early stages of development. • Claims that consumers obviously used their confidence in the integrity or

			<p>generic purchasers</p> <ul style="list-style-type: none"> • 10 grocery items 	hypermarket	<ul style="list-style-type: none"> • What brand had been bought previously • Why they did/did not intend to purchase the product. • Awareness • Basic details shopping habits. • Social-economic data. 	<p>reliability of the retailer.</p> <ul style="list-style-type: none"> ▪ Value for money is an integral part for many retailer promotion efforts.
1985	Neidell <i>et al.</i>	Consumer Responses to Generic Products	<ul style="list-style-type: none"> • 187 randomly sample obtained from Cole's Directory 	<ul style="list-style-type: none"> • Personal interviews 	<ul style="list-style-type: none"> • Demographic and Socioeconomic characteristics • Family Life cycle categories • AIO measurements 	<ul style="list-style-type: none"> • 57% of respondents were aware about the brand (consistent with previous studies). • The users of these brands do not match the demographic characteristics found in the past studies. <ul style="list-style-type: none"> • The user is a member of a low to moderate-income households and less educated. • 3 or 4 members. • Annual income more than U\$25,000 annually (less sensitive to price). • Older age consumers, no dependent children households and fixed income. • Non-users tend to put interest in non-food retail brand such as paper base product, laundry item and pet foods. • Quality of the brand seems to be acceptable.

1986	Martell, D	Own labels: problem child or infant prodigy	<ul style="list-style-type: none"> • 6 grocery items 	<ul style="list-style-type: none"> • Actual observations • Management opinion 	<ul style="list-style-type: none"> • Management opinions on the <ul style="list-style-type: none"> • Purpose • Penetration • Development of retail brands within the particular outlet 	<p>Main aim of having retail brands are</p> <ul style="list-style-type: none"> • To offer better value for money, a lower price to the consumer and giving retailer additional benefits. • To swing customer loyalty away from manufacturer brands. <p>Why retail brand products selling well Provide what the consumers wants, which manufacturers' brands cannot or will not provide.</p> <p>Argued the importance of</p> <ul style="list-style-type: none"> • Consumer interest in price • Consumer interest in choice • Retailer interest in profitability • Retailer interest in consumer loyalty • Manufacturer interest in ancillary retail brand production.
1986	Fugate	The effects of manufacturer disclosure of consumer perceptions of private brand grocery product attributes	<ul style="list-style-type: none"> ▪ 272 female respondents 	<ul style="list-style-type: none"> ▪ Experiment 	<ul style="list-style-type: none"> ▪ Used 2 photographs from 2 food items. ▪ Demographic and Behavioural Characteristics include; <ul style="list-style-type: none"> ▪ Age ▪ Shopping trips ▪ Grocery expenditures ▪ Purchase retail brands ▪ Annual household 	<ul style="list-style-type: none"> ▪ Familiar manufacturers' names are noticeable by consumers and positively associated. However, lack of assurance that the quality of the product associated with the familiar manufacturer may result in poorer purchase decision. ▪ Consumers had poorer perceptions and purchasing

					income	decisions when the products were associated with unfamiliar manufacturers.
1987	Yucelt, U	Consumer perceptions of generic grocery products: user vs. non-user	<ul style="list-style-type: none"> • 113 respondents • 5 grocery items 	<ul style="list-style-type: none"> • Hand distributed to a convenience sample 	<ul style="list-style-type: none"> • Demographic • Attitudinal characteristics 	<p>Main reasons to purchase retail brand are</p> <ul style="list-style-type: none"> • Low in price • Quality • Availability • Package size <p>Retail brand products are purchased by</p> <ul style="list-style-type: none"> • Price-conscious • Careful shoppers <p>Low retail brand proneness is due to;</p> <ul style="list-style-type: none"> • Lower in quality and • Not many choices <p>Male shoppers do not search for a retail brand because of</p> <ul style="list-style-type: none"> • Unavailability of the brands in the supermarkets and not because of low price.
1987	Szymanski DM & Busch PS	Identifying the generic-prone consumer: a meta-analysis'	<ul style="list-style-type: none"> • Previous research data 	<ul style="list-style-type: none"> • Previous research data 	<ul style="list-style-type: none"> • Used Meta analysis of the previous research findings on characteristics associated with the retail brands prone consumers 	<ul style="list-style-type: none"> ▪ The demographic, psychological and shopping behaviour variables are weekly correlated with the purchasing of retail brand products. ▪ Strong relationships of perceived product quality and price to the propensity to buy

						<ul style="list-style-type: none"> ▪ retail brands. ▪ Positioning retail brands as a solid value in comparison to manufacturers' brand may be the effective tool for retailers to promote retail brand products. ▪ Suggested the determinants of quality perceptions and their role in the consumer decision-making process for retail brand products proneness.
1989	Rao and Monroe	The effect of price, brand name and store name on buyers perceptions of product quality: An Integrative Review	<ul style="list-style-type: none"> • Used 36 studies that collectively report 85. 	-	<ul style="list-style-type: none"> • price • brand name or • store name • perceptions of quality 	<ul style="list-style-type: none"> ▪ Price gives a significant effect on perceived quality and brand name.
1993	Hoch and Banerji	When do store brands succeed?	<ul style="list-style-type: none"> • Used SAMI database • 210 categories 	<ul style="list-style-type: none"> • Proposed a framework 	<ul style="list-style-type: none"> • Total retail sales dollars and gross profit margins • Product variety • Advertising expenditures by manufacturer brands • Pricing and promotion • Retail brand product quality 	<ul style="list-style-type: none"> ▪ Retail brand perform best in large categories, which offering high margins; competing against fewer national brands penetration who spend less on national advertising. ▪ High quality is much more important than lower price ▪ A negative association between the advertising activity of the manufacturer brands and retail brand penetration.

1995	Dick et al	Correlates of store brand proneness: some empirical observations	<ul style="list-style-type: none"> • 1325 (46%) shoppers randomly intercepted at shopping mall • 28 grocery items 	<ul style="list-style-type: none"> • interviewing • consumer attitudes • interest • opinion • household characteristics 	<ul style="list-style-type: none"> • perceptions of store brand quality • perceived risk • perceived value for money • familiarity with retail brands 	<p>Retail brand characteristics;</p> <ul style="list-style-type: none"> • Under 45 years old, lower - middle income, married with five or more. • Positively related to favorable quality perceptions. • Offer great value for money • Greater familiarity <p>Non buyers perceived RB as;</p> <ul style="list-style-type: none"> • Lower quality • Less reliable ingredients • Lower nutritional value • Offer poor value for money • Risk in purchase • The buyers are 'cheap'. • Less familiarity
1996	Richardson et al	Household Store brand proneness: a framework	582 supermarket shoppers	Field investigation, shoppers in mall was randomly chosen, respondents were ask to complete the questionnaires and return within a week in attached business reply envelope, provide cash rewards to those	Using 7 main Independent variables; <ul style="list-style-type: none"> - Perceived value for money offered by store brand - Perceived quality variation between national and store brand grocery items (using statement indicated the level of agreement and disagreement) - Perceived risk associated with store brand purchase (using 2 type of indicators, functional risk and perceived value for money) - The degree to which 	Identified; <ul style="list-style-type: none"> ▪ Familiarity with store brands ▪ Extrinsic cues usage in product evaluation ▪ Perceived quality variation ▪ Perceived risk ▪ Perceived value for money, income, and family size As factor influencing store brand proneness.

				successful respondents.	<p>consumers rely on extrinsic cues such as price and brand name in quality assessment(using Likerrt-type questions)</p> <ul style="list-style-type: none"> - Consumer familiarity with private label brands (using Likert scales) - Intolerance of ambiguity (16 item scales using Budner 1962) - Variety of socioeconomic (household income, education, age of the primary grocery shopper of the household, size of the household) <p>For the dependent variables, respondents were asked whether they regularly bought each product and the frequency of buying retail brand items. Using 6 point Likert scale.</p>	
1996	Quelch and Harding	Brands versus private label: fighting to win	-	-	-	<ul style="list-style-type: none"> ▪ Lack of advertising and the absence of a brand name linked to the product class may also effects consumer perceptions especially in terms of quality (signal inferior or unreliable ingredients). ▪ Consumers find it hard to believe that retailer somehow manage to produce so many products in so many categories with differ in production and consumption processes.

1996	Quelch and Harding	Brands versus private label: fighting to win	-	-	-	<ul style="list-style-type: none"> ▪ Lack of advertising and the absence of a brand name linked to the product class may also effects consumer perceptions especially in terms of quality (signal inferior or unreliable ingredients). ▪ Consumers find it hard to believe that retailer somehow manage to produce so many products in so many categories with differ in production and consumption processes.
1996	Hoch	How should national brands think about private labels?	<ul style="list-style-type: none"> • 14 grocery items • 86 store 	<ul style="list-style-type: none"> • Compare 	<ul style="list-style-type: none"> • Elderly • Education • Ethnic • House value • Income • Family size • Working women • Competitors distance • Competitors size • Price sensitivity 	<ul style="list-style-type: none"> • Three (3) major determinants of retail brand successful; <ul style="list-style-type: none"> • the consumer, • the retailer and • the manufacturer • There are several crucial differences that a manufacturer brand must consider in order to compete more effectively such as; <ul style="list-style-type: none"> • To consider retail brands to be just another manufacturer brands, • Price sensitivity and retail brand demand, and • How should manufacturer brands react.
1997	Baltas <i>et al</i>	A model of consumer choice for national vs private label brands	nested logit model	<ul style="list-style-type: none"> ▪ Used a nested logit model, which explicitly 	The utility of a brand is decomposed into two parts; <ul style="list-style-type: none"> ▪ A deterministic component specified as a 	The coefficient of the explanatory variables has the expected sign and is highly significant. They next check the result using non-

				<p>incorporates the differences between national and store brand as well as permits patterns of non-independence of alternatives.</p> <ul style="list-style-type: none"> ▪ The model then, was applied to panel data for a frequently bought food product (perceived similarities). 	<p>function of the attributes of the brands, and</p> <ul style="list-style-type: none"> ▪ A random component (represents the inability of the modeller to include exhaustively and accurately all the factors affecting preferences, such as unobserved attributes, taste variations, functional misspecification and measurement errors. 	<p>nested model. An asymptotic t-test and chi square test were used, coefficient equal to one, against it being less than one. Argue that change in any manufacturer's price has an equal impact on all other competitors. Therefore the nested model suggested that individual consumers respond differently to changes in a brand's attributes depending on whether it is branded or private label.</p> <p>Regular consumers of a branded product are much more likely to switch to another brand rather than to a private label if the regular brand's price increases. From the managerial perspectives they argue that action aimed at improving the perceived value of a branded product, such as advertising or price reductions, tend to draw relatively more share to the other branded products than from private label products.</p> <p>The result suggests some interesting managerial implications. In product categories where own label has a high share, it will be difficult for branded goods companies to pursue successfully share-building strategies thus will force the branded producer to defend their current sales and make sure that their customers are happy. This finding obviously will give a</p>
--	--	--	--	--	--	--

						<p>significantly difficult effect to the small brand players. They suggest the only way to sustain in the market or attract loyalty is by using extensive product differentiation and acquisition of exceptional niche properties.</p> <ul style="list-style-type: none"> ▪ Also emphasis on the importance attached to a brand image. They reveal that due to the differences in brand attributes and because of customers' heterogeneity, two-market segments exist namely, ▪ Quality seeker (primarily interested in national brands) ▪ Economy seeker (primarily interested in private label) ▪ Brand awareness is important and therefore both operators have to consider the role of advertising in establishing brand awareness and brand familiarity that can be created through previous consumption, exposure to advertising, or word-of-mouth.
1997	Baltas	Determinants of store brand choice: a behavioural analysis	750 British consumers	Highly structured questionnaires	<p>13 independent variables divided into 4 main types</p> <ul style="list-style-type: none"> - Descriptors of shopping behaviour - Reasons for buying store brands - Indicators of consumer relationship with store products 	<ul style="list-style-type: none"> ▪ Both national and private brand prone consumers can be targeted by in-store promotions, special displays etc.; ▪ Consumers who usually search for price cuts and special offers were not private brand prone,

					<p>- Consumer involvement with the category</p> <p>The framework is based on;</p> <ul style="list-style-type: none"> - Shopping behaviour (decide about the brand before get to the shop, look for price promotion, go for the cheapest brand, buy the same brands, try new/different things) - Reasons for buying private labels (low price, higher preference) - Store brand relationship (familiarity with store brands, proximity between consumer and brand personality) - Category involvement (importance of getting the right brand, number of brands tried, frequency of shopping category, satisfaction with available brands). 	<p>they are likely to be the brand switcher;</p> <ul style="list-style-type: none"> ▪ The familiarity variables reflect perceived risk and amount of information available to the consumer about private brands; ▪ Heavy users and other consumers with high quantity requirements are more likely to shop for an economical alternative, which results in significant savings. ▪ Store brand buyer is identified as a price cautious but not promotion sensitive consumer who shops frequently and attaches relatively little importance to getting the right product.
1997	Paul S. Richardson	Are store brands perceived to be just another brand?	<ul style="list-style-type: none"> • 338 respondents • 5 grocery items 	<ul style="list-style-type: none"> • field experiments • familiar versus unfamiliar 	<ul style="list-style-type: none"> • store patronage behavior • brand choice 	<ul style="list-style-type: none"> • It was found that presentation and sampling of the two store brands resulted in no significant differences in either quality perceptions or purchase willingness between subjects. • It appears that store brands are regarded as comparable in terms of quality. In this sense, store brands may be perceived to be just another brand in the

						<p>market.</p> <ul style="list-style-type: none"> • It was found that store brand prone consumers tend to buy store brand items at the chain at which they usually shop.
1997	Prendergast and Marr	Generic products: who buys them and how do they perform relative to each other?	<ul style="list-style-type: none"> • 677 randomly selected from Shoppers Bonus Club database • 8 grocery items, such as rice, shampoo, coffee, tissue, washing powder, soup and cereal. 	<ul style="list-style-type: none"> • Semantic differential scales 	<ul style="list-style-type: none"> • Use 5 variables <ul style="list-style-type: none"> • Value for money • Quality • Freshness • Safety • Convenient package size 	<ul style="list-style-type: none"> • Higher household income groups were less likely to purchase retail brands than lower household income groups. • No relations between age, occupation and weekly household grocery expenditure. • High rate of penetration in retail brand products. <p>Rice - was perceived by lower income group as good value for money and higher in quality</p> <ul style="list-style-type: none"> • Others buying rice because of value for money, quality, safety, freshness and convenient packaging. <p>Shampoo – the results were less clear (small in variances).</p> <p>Coffee – safe, fresh and packaged convenience. Lower bracket income consider better value, older age group tended to consider retail brand coffee as being fresher and convenient packaging than those in younger</p>

						<p>groups.</p> <p>Tissue – value for money, safety, convenience of package, quality and freshness.</p> <p>Washing powder – did not demonstrate strength on value for money or quality aspects. Regards well in safety and package convenience (the older age bracket).</p> <p>Soup – quality, freshness and convenient package (older age group).</p> <p>Cereals – value for money, safety (older age bracket), convenience of package, quality and freshness.</p> <ul style="list-style-type: none">• Purchased of retail brand products were negatively related to household income.• Older consumers more likely to purchase retail brand products.• Consumer who regards retail brand as low value also regards as low in quality. <p>Have dubious quality perceptions in more processed retail brand products (coffee and shampoo) than the standardised products (rice and tissue).</p>
--	--	--	--	--	--	---

1997	Richardson	Are Store Brands Perceived to be Just Another Brand?	<ul style="list-style-type: none"> • 338 randomly shoppers • 923 take-home questionnaires • 5 grocery items 	<ul style="list-style-type: none"> • The brands were not familiar to the respondents • Both personal interview and mail survey 	<ul style="list-style-type: none"> • Familiar versus unfamiliar • Chain penetration • Brand proneness 	<ul style="list-style-type: none"> • Store brands are regarded to be similar in terms of quality. Therefore store brands may be perceived to be just another brand in the market. • Lack of differentiation implies that store brand market share is consistent with chain penetration.
1998	Baltas	Understanding and managing store brands	-	-	-	<p>Many researches focus on</p> <ul style="list-style-type: none"> ▪ The strategic importance of store brands ▪ Market factors affecting performance ▪ Perception differences between manufacturer and retailer brands ▪ Issues of market segmentation <p>The marketing of store brands serves various strategic objectives to both retailer and manufacturer. Several market factors has been discussed, such as</p> <ul style="list-style-type: none"> ▪ Cross-category ▪ Cross-country ▪ Inter-temporal variance in the performance of store brands can be attributed to specific factors. <p>Argues that</p> <ul style="list-style-type: none"> • Heavy advertising ▪ Image building ▪ Packaging <p>Have been important differentiating dimensions.</p> <p>Argues that</p>

						<p>The impact of recent quality and image improvements remains unexplored.</p> <ul style="list-style-type: none"> ▪ General socio-economic variables are poor predictors of store brand proneness than attitudinal and behavioural.
1998	Aggarwal and Cha	Asymmetric Price Competition and Store vs National Brand Choice	<ul style="list-style-type: none"> • A.C. Nielsen Scanner panel data 	<ul style="list-style-type: none"> • Binomial logit model 	<ul style="list-style-type: none"> • Reference Threshold Price (absolute price threshold refers to the range of prices that a consumer finds acceptable) 	<ul style="list-style-type: none"> • If buyers find the price of manufacturer brand is below RTP, they tended to purchase manufacturer brands. • If buyer finds the price of manufacturer brand above RTP, they tended to choose retail brand products.
1998	Thompson and Chen	Retail Store Image: A Means-End Approach	<ul style="list-style-type: none"> • 30 female respondents • Fashion retailing 	<ul style="list-style-type: none"> • Means-End Theory • One to one interview technique (Laddering procedures) 	<ul style="list-style-type: none"> • Demographic • Store image attributes 	<ul style="list-style-type: none"> • Store images were identified as the hedonic values of 'enjoyment and happiness' and 'quality of life'. • Key attributes were price, reputation and quality. • Location contributed, small influences on store image. • Store image perceptions give significantly to the age-related buyers. • Differences in socioeconomic perceived store differently.
1999	Sinha and Batra	The Effect of Consumer Price Consciousness on Private Label	<ul style="list-style-type: none"> • 404 Mall intercept survey. • 8 grocery 	<ul style="list-style-type: none"> • Randomly 	<ul style="list-style-type: none"> • Category level risk • Perceived-price-quality association • Perceived price fairness 	<ul style="list-style-type: none"> • Perceived category risk and perceived price unfairness of manufacturer brands in that category are significant

		Purchase	items		<ul style="list-style-type: none">• Purchasing of retail brand	<p>antecedents of consumer price consciousness.</p> <ul style="list-style-type: none">• The findings also reveal that such price consciousness across categories is a significant reason why consumers buy retail brand products more in some categories than in others.• Perceived price-quality association has a significant effect on retail brand purchases in risky categories.
--	--	----------	-------	--	--	--

Appendix 3: Research on Situational Influence

Authors	Variables	Situations
Sandell (1968)	Product Choice	Various appropriate scenarios with unequal amounts of information
Belk (1974)		Various appropriate scenarios with unequal amounts of information
Lutz and Kakkar (1975)		Various appropriate scenarios with unequal amount of information
Srivastava <i>et al</i> (1981)		Usage (in/out of town, expected/unexpected, large/small dollar amount, retail credit available/unavailable)
Pascale and Smart (1998)		Product involvement
Knox and de Chernatony (1999)		Number, frequency, trial, familiarity, uncertainty, unplanned, advice and variety
Warshaw (1980)	Brand Choice	Antecedent (location and number of brands purchased)
Rosen and Sheffett (1983)		Usage (Formal/informal dinner, guest/no guest attending)
Srivastava <i>et al.</i> (1984)		Consumption/use (Financial banking services)
Sinha (1994)		Ad hoc situations
Vincent and Zikmund (1976)	Store Choice	Personal use/gift
Miller and Ginter (1979)		Various appropriate scenarios with unequal amounts of information
Mattson (1982)		Personal use/gift, time pressure/no time pressure
Gehrt <i>et al.</i> (1991)		Task and product situations
Van Kenhove <i>et al.</i> (1999)		Urgent, large quantities, difficult job, regular purchase, get ideas
Moye and Kincade (2002)		Formal vs family, work vs community
Dawson <i>et al</i> (1990)	Purchasing	Task situations (intention to purchase)
Nicholls <i>et al</i> (1996)		Frequency, time of the day, travel time, time spent, number of companions
Bishop and Watt (1970)	Leisure	Various appropriate scenarios with unequal amounts of information on leisure activities
Hornik (1982)		Various appropriate scenarios with unequal amounts of information on leisure activities
Stayman and Deshpnde (1989)	Ethnicity	Social and Antecedent
Gehrt and Pinto (1993)	Health Care Market	At home/away from home, major/minor, myself/my family
Roslow <i>et al.</i> (2000)	Seasonal Choice	Winter vs summer
Gehrt and Shim (2002)	Other Culture Choice	Older vs younger, formal vs informal, ordinary visit vs gift giving season

(Source: Adopted from Gehrt *et al.*, 1991)

Appendix 4: Store Image and Store Attributes Studies

Store Image Definitions	Retail Store Attributes
Pierre Martineau (1958)	Lindquist (1974)
Kunkel and Berry (1968)	Doyle and Fenwick (1974)
Oxenfeldt (1974)	Bearden (1977)
Doyle and Fenwick (1974)	Mazursky and Jacoby (1986)
James <i>et al.</i> (1976)	Ghosh (1990)
Engel and Blackwell (1982)	McGoldrick and Sandy (1992)
Hirschman (1981)	Burt and Carralero-Encinas (2002)
Ditcher (1985)	
Mazursky and Jacoby (1986)	
Baker <i>et al.</i> (1994)	
Porter and Claycomb, (1997)	

Appendix 5: Previous Studies on Consumer Shopping Motives, Orientations and Strategies

Author	Year	Shopper Population	Sample	Measurement	Shopper types
Stone	1954	Female department store shoppers	124	Depth interview	<ul style="list-style-type: none"> • Economic • Personalising • Ethical • Apathetic
Chicago Tribune	1955	Female department store shoppers	50	Depth interview	<ul style="list-style-type: none"> • Dependent • Compulsive • Individualistic
Stephenson and Willett	1969	Adult buyers of apparel, shoes and toys	315	Number of stores shopped and patronised	<ul style="list-style-type: none"> • Store loyal • Compulsive/recreational • Convenience • Price/bargain conscious
Darden and Reynolds	1971	Female heads of households	167	AIO statements	<ul style="list-style-type: none"> • Economic* • Personalising • Moralistic • Apathetic
Darden and Ashton	1975	Female supermarket shoppers	116	Store attributes preferences	<ul style="list-style-type: none"> • Quality oriented • Fastidious • Convenience • Demanding • Stamp collectors • Stamp avoiders • Apathetic
Moschis	1976	Cosmetic buyers	206	AIO statements	<ul style="list-style-type: none"> • Store loyal • Brand loyal • Specials shopper • Psycho-socialising • Name conscious • Problem solving
Williams <i>et al.</i>	1978	Adult grocery shoppers	298	Store image semantic differentials	<ul style="list-style-type: none"> • Low price • Convenience • Involved • Apathetic
Bellenger and Korgaonkar	1980	Adult shoppers	324	Single item shopping enjoyment	<ul style="list-style-type: none"> • Recreational • Economic
Guiltinan and Monroe	1980	Adult supermarket shoppers	169	Mail survey AIO statements	<ul style="list-style-type: none"> • In-store economy # • Apathetic mechanistic • Involved traditional • Economy planners • House makers • Convenience

Note:

* Shopping orientations rather than discrete shopper types

Shopping strategies rather than discrete shopper types

Appendix 5: Previous Studies on Consumer Shopping Motives, Orientations, and Strategies

Author	Year	Shopper Population	Sample	Measurement	Shopper types
Westbrook and Black	1985	Female department store shoppers	203	Personal interviews on personal shopping habits and experiences	<ul style="list-style-type: none"> • Shopping process involved • Choice optimizing • Apathetic • Economic • Power and authority • Non-descript
Jarrat	1996	Adult shoppers	931	Both in-depth interviews and telephone interview on importance aspect of shopping	<ul style="list-style-type: none"> • Have to shoppers • Moderate • Service • Experiential • Practical • Product focused

Note:

* Shopping orientations rather than discrete shopper types

Shopping strategies rather than discrete shopper types

Appendix 6:

Brief Profiles of the Major Supermarket Chains in Malaysia

To date, there are four major supermarket chains that have operated in Malaysia since 1944. The stores are Giant, Jaya Jusco, Ocean, and The Store supermarkets. Below are some details of the store operations in Malaysia.

1. Giant TMC

The Malaysian roots of Giant supermarket can be traced back to 1944 when its founder, Mr Teng Sek How started Giant as a humble provision shop. In 57 years, the Teng family grew the business into a giant, which is now among the top food retailers in Malaysia, offering the lowest price with the widest product range and excellent customer service. The stores are quickly becoming well liked among Malaysia's consumers, especially those in the city centre. It can be seen that almost everybody shops for groceries in Giant supermarkets. However, despite of its popularity, the group was bought over by Dairy Farm International in 2001, for an undisclosed sum. Since then, the Hong Kong based Company has embarked on an upgrading and expansion programmed.

Currently, Giant supermarket has twenty supermarkets, which are located in Klang Valley (Kajang, Maju Junction, Pusat Bandar Damansara, Sungai Wang Plaza, The Weld, Setiawangsa, TMC Bangsar, AMCorp Mall, Atria Damansara, Komplek Desa Kepong, Pandamaran Klang, Paramount Garden, Section 9 Shah Alam, Kelana Jaya, Wisma Thrifty, Rawang, Belakong, Cheras Leisure Mall, Ampang Point, Taman Dagang); one in Penang, Melacca, and Kedah respectively; two in Negeri Sembilan and six in Johore. The average size of the stores is approximately 11,000 sq. ft. Giant supermarket is very well known for its leadership positioning, the strength of its brand name (**Giant**) and its intimate knowledge of the local market.

2. The Store Corporation Berhad

The Store Corporation Berhad is the largest and the oldest existing supermarket cum departmental store chain in Malaysia. The Store is considered the only retailer with outlets in every state of Peninsular Malaysia. The Store's first outlet located at Jalan Besar in Bukit Mertajam was established on 28-11-1968 under the name of Bukit Mertajam Supermarket Sdn Bhd. Thereafter, additional outlets were established in various states in Peninsular Malaysia with different names such as Pahang Supermarket Sdn Bhd, Taiping Jaya Shopping Centre Sdn Bhd, Bumi Supermarket Sdn Bhd and Gold Shopping Centre Sdn Bhd etc. All of these have paved the way over the years for expansion into other states in Peninsular Malaysia.

The Store acquired Pacific Hypermarket Group Sdn Bhd in 2000. Pacific Hypermarket Group Sdn Bhd owned two hypermarkets cum departmental store outlets, one located in The Star Parade in Alor Setar and the other situated at Megamall Pinang, Seberang Prai Tengah, Prai. Currently, the total number of The Store outlets stands at 37.

3. Jaya Jusco Stores

Jaya Jusco Stores Bhd was incorporated on 15 September 1984. Jaya Jusco Stores was set up in response to the Malaysian Government's invitation to Jusco Japan to help modernise the retailing industry in Malaysia. The '**JUSCO**' name is well established among Malaysians as well as foreigners, partly due to its association with the international AEON Group of Japan. The AEON Group, of which JUSCO Co., Ltd. is the core company, consists of general merchandise stores, supermarkets, discount stores, home centres, specialty stores and convenience stores. The Group's wide-ranging involvement also extends to financial services, restaurant operations and shopping centre

development. The Group's activities, which are primarily related to the retail business, are not limited to Japan, but cover a broad geographical area throughout the world. The name AEON comes from a Latin word which means '*eternity*' and symbolises the Group's desire to sustain continued growth as a sound business group in to the 21st century and beyond. Jaya Jusco Stores outlets are situated in suburban residential areas tapping the vast middle-income group; project an image that will satisfy the demands of a population with ever-changing needs and wants. Jaya Jusco have 11 stores, of which seven are located at Klang Valley and two in Johore, with one in Perak and Melacca respectively. The sizes of the stores are r between 200,000 sq ft and 1,900,000 sq ft.

4. Ocean Capital

Ocean Capital commenced its principal activity of the operation of supermarkets and departmental stores in January 1990 with the opening of its first supermarket cum departmental store in Klang. In June 1992, Ocean entered into a JVA with the Urban Development Authority (UDA) for the establishment of UDA-Ocean, a JVC engaged in the operation of supermarkets and departmental stores.

The Group has expanded its number of outlets to 17 in Peninsular Malaysia under four different business trademarks, with nine Ocean retail outlets, four UDA-Ocean retail outlets, two Hugo retail outlets and two Samudra retail outlets. In June 2000, the Company ceased its operation of supermarket cum departmental stores in Klang, Selayang and Seremban, via the sale to subsidiaries.

5. Tops Retail Malaysia

TOPS Retail (M) Sdn Bhd, the owner and operator of TOPS Supermarket, Malaysia's leading supermarket chain is fully owned by Dutch retail giant Royal Ahold, a leading

global food provider who owns over 20 retail chains worldwide. As a retail organisation specialising in distributing fresh food, groceries and other consumer goods, the company serves its customers directly through their TOPS chain of modern supermarkets. In 1996, Ahold entered into a joint venture with one of Asia's most diversified multinational conglomerates, the PPB Group Bhd (a member of the Kuok Group), to establish RA-PPB (TOPS) Retail Sdn Bhd. In December 2000, Ahold became the 100 per cent owner of TOPS Malaysia with the acquisition of PPB Group Bhd's 35 per cent shareholding. Following the restructuring of the company that then took place, the company was renamed Tops Retail (Malaysia) Sdn Bhd.

The first TOPS store opened in Taman Perling, Johor Bahru in September 1996 and it continues in a developing stage as a supermarket company. In May 1998, RA-PPB acquired the assets of seven Looking Good supermarkets in the Northern region. Looking Good was the leading retail chain in the Northern region. These supermarkets now operate under the TOPS banner. In July of the same year, the company signed an agreement with Parkson Corporation to further expand the supermarket chain in Malaysia making TOPS the leading supermarket chain in Peninsular and East Malaysia.

Today this company operates over 39 stores nationwide. TOPS Malaysia is managed by a team of well-trained professionals and has a total of 1,700 employees in the country. It is also supported by a fully functional distribution warehouse; fully integrated IT system and a well laid out HQ structure. Store merchandising and layout is managed centrally at the company head office in Kuala Lumpur, using Category Management through the support of a fully integrated IT system, which was introduced in 2001. TOPS has remodelled all of its supermarkets to its own high standards and its brand style, introducing a more customer focused layout, providing greater ease of shopping and a

more comfortable shopping experience. During the same year, TOPS established a Fresh Distribution Centre focused on improving the supply chain and providing better value in terms of both price and quality to the customers. TOPS' commitment to its customers to provide better value and service in line with its express promise, '***TOPS - serving you better***'. However, TOPS supermarket was taken over by Dairy Farm in 2003 and consequently has further strengthened Giant supermarket.

Appendix 7:

Brief Profiles of the Major Hypermarket Chains in Malaysia

Currently there are four major hypermarket chains that have operated in Malaysia since 1944. The stores are Giant, Carrefour, Tesco hypermarkets and Makro Cash and Carry. Below are some details of the store operations in Malaysia.

1. Giant Hypermarkets

Although the development of Giant hypermarkets is considered as new (2001) in the hypermarket sector, the stores easily promote themselves to customers due to the popularity of its supermarket format. As a market leader in the Malaysian food retail business, the new concepts have been successfully adopted by Giant's consumers. Up to today (March 2004), the group has eleven hypermarkets, of which six are located in Klang Valley (USJ 1 Subang Jaya, Klang, 1 Utama, Ulu Klang, South City Plaza and Shah Alam), three in Johore – the South of Malaysia (Plentong, Tampoi, and Pelangi Leisure Mall) and one in Seremban (Senawang) and Kuantan, Pahang.

The same retail operator as the Giant TMC supermarkets operates Giant hypermarkets. Giant hypermarkets offer everything under one roof from food (both perishable and non-perishable) to non-food items such as sports goods, apparel, furniture and electrical and electronic items. Each store stocks a range of between 65,000 to 85,000 products. As for perishable items such as milk, fish, poultry, meat and bread, the store receives fresh supplies on a daily basis to maintain its position as the fresh food leader. Giant sources 95 per cent of its

products locally and only a small portion is imported. The stores typically cover about 102,000 to 350,000 sq ft of floor space with 48 checkout counters.

With its extensive ethnic range of foodstuffs and a novel wet market concept, Giant Hypermarkets has become a major player in the Malaysian food industry. With the hypermarket positioning itself as a provider of good quality, great value products at low cost, grocery shopping has never looked better. The formula for the success of Giant Hypermarkets is lies in its *positioning as an ethnic hypermarket, marketing strategies, sourcing synergy and operational contacts.*

Giant Hypermarkets differentiated itself from its competitors by catering to the needs of different ethnic groups in Malaysia. Extensive lines of local products can be found on the shelves at Giant Hypermarket. *'The best range of foodstuffs that you can get at places like Pangkor, Penang (Northern area) or Malacca (Southern area), for example, can be found on our shelves'*. This is due to the sourcing synergy and operational contacts with local suppliers and the sheer fact that the Giant Hypermarkets is significantly bigger, in terms of breadth and depth of range, so Giant Hypermarkets offer many more products than typical supermarkets.

Another feature that draws the crowds to Giant Hypermarket is its *'fresh market'* area, which offers a wet market-shopping ambience in a clean air-conditioned environment. With a large Muslim clientele, the *'halal'* meat section is another heavily frequented section. Other popular sections include its *'yong tau foo'*

(*Chinese delicatessen*) and '*roasted meat*' sections as well as its bakery, which offers a range of freshly baked bread and cakes and local desserts like Malay, Chinese and Indian '*kueh*'.

Another one of Giant Hypermarket's critical success factors is its ability to cater to customer demand. An advantage of operating a hypermarket is that apart from selling groceries and fresh products, the stores also sell general merchandise ranging from apparel to do-it-yourself knockdown furniture and electronic products. Giant Hypermarket organises fairs selling television sets, refrigerators and even cookware that it has purchased in bulk. These goods are sold at monthly or bi-monthly theme promotions.

Giant Hypermarket benefits from the sourcing synergies derived from its association with Dairy Farm International, which has operations in the Asia-Pacific region, including China, India, Indonesia and Taiwan. Examples include buying meat from consolidators in Australia or ethnic foodstuffs from consolidators or local suppliers. A consolidated buying structure results in a reduction in the overall cost structure of products, translating into lower prices for customers. The overall cost benefit is shared by everyone in the Dairy Farm International Group as a result of bulk buying.

With a wide network of operational contacts under the Dairy Farm International Group, Giant Hypermarket benefits from being able to learn from other retail

outfits in the group. This is done through group procurement forums that are held regularly. Organised on a regional basis, such forums enable merchandising and operational staff to come together to discuss operational successes and failures and procurement issues.

2. Makro Hypermarket

Makro Cash & Carry is the leading cash-and-carry distributor for food and non-food products in the Asian region. Makro is a high volume, low cost/low price, no frills cash & carry wholesaler, selling to registered professional customers a full range of food and non-food products, with communication solely based on direct mailing. The core customer base is the retailers, caterers, institutions, clubs and professionals in the service sector. The registered customers are informed of new product developments and promotions through their biweekly Makro mail. Makro Asia is a privately owned company and a 100 per cent subsidiary of ▲ SHV. Their marketing strategy at all times promotes a low cost, low margin, high volume operation.

In Malaysia, although the retail activities of Makro are mainly for the retailers, caterers, institutions, clubs and professionals in the service sector (wholesale and distributor concepts), individual consumers are also seen shopping at Makro. This is the case for those who have somehow managed to get the '*trade card*', which permits them to purchase products from Makro. The trade card either belongs to them personally through a retail business or is borrowed from the cardholders.

Moreover, each of the Makro consumers is allowed to bring one consumer who is a non-trade cardholder while shopping at Makro. As such, individual consumers also have the opportunity to shop for their grocery products at Makro.

3. Carrefour Hypermarket

Carrefour hypermarket was the pioneer of the hypermarket concept in Malaysia. In Malaysia, Carrefour has successfully developed four stores in the Klang Valley (Subang Jaya, Wangsa Maju, Mid Valley and Sri Petaling) as well as one in the Southern area, Johore (The Star, 1999). In 1998, Carrefour opened its first store in the Northern region, in Seberang Jaya. Carrefour claims that the concept that they use in Malaysia is based on a lowest price guarantee, merchandise of the highest quality and user-friendly shopping services. The stores cover on average about 15,000 square metres in terms of sales and storage area. Customers have a choice of approximately 30,000 products ranging from fresh fruit and vegetables, quality meat and poultry products, fresh fish and bakery products to clothes, quality home appliances and furniture (Sunday Mail, 1999).

4. Tesco Hypermarket

The most recent hypermarket in Malaysia is Tesco. Tesco PLC formed a joint venture with Sime Darby Berhad, which is one of the most respected companies in Malaysia (they are a blue chip multi-national conglomerate with interests in many industries including property development, plantations, general trading and services) to develop hypermarkets in Malaysia in 2002. Malaysia is the 4th

country in Asia for Tesco group after Thailand, South Korea and Taiwan (Adnan, 2001). Tesco PLC was known as the most admired company in Britain three times in the last four years, and in 2000 was awarded retailer of the year in the UK. Tesco is believed to offers its customers in Malaysia a wide selection of fresh and pre-prepared food products, household goods and excellent customer services. Tesco Stores Malaysia is 70 per cent owned by Tesco Plc and 30 per cent by local conglomerate Sime Darby Bhd. Up till now they operate 5 hypermarkets (three in Klang Valley – Bandar Puchong, Klang and Mutiara Damansara and one in the South region; Peringgit, Melaka and North region; Sungai Petani, Kedah respectively).

The stores have over 10,000 sq ft of trading space, a 50,000 sq ft shopping mall (food court, smaller retail shops and food outlets) about 1,000 parking bays and employ 1,500 Malaysians. There are 50,000 product lines, including more than 1,000 Tesco-owned branded products available in the store. Although foreign-owned, most of the products in Tesco hypermarket are sourced locally to keep costs down (Siam Future Development Limited, 2001). Additionally, this allows Malaysian suppliers to have the opportunity to work in partnership with Tesco.

Compared to the early strategies of its rivals such as Giant, Makro and Carrefour; who concentrated their hypermarket stores in Kuala Lumpur area, Tesco stores are targeting housing estates away from the city centre. *'You don't want to build in the city centre anymore; it is too expensive'*. Tesco built its stores in Pusat

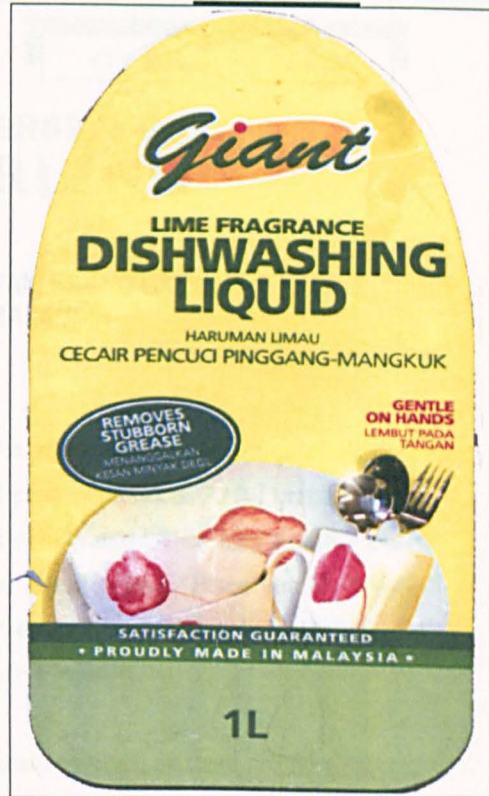
Bandar Puchong in Selangor and Bandar Peringgit, in Melaka; and was described as being in the '*boondocks*'.

Appendix 8: Retail Brands Packaging

BRAND A



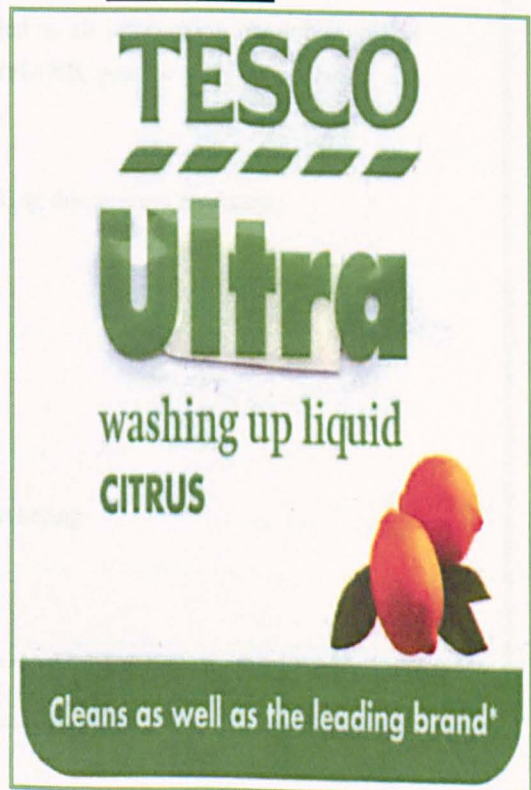
BRAND B



BRAND C



BRAND D



Appendix 9: Consumer Survey

G / T

No:



**UNIVERSITY OF
STIRLING**

CONSUMER SURVEY ON RETAIL BRAND GROCERY PRODUCTS IN MALAYSIA

Dear Respondents,

This is a study that attempts to identify the main beliefs and attitudes of how Malaysian's consumers perceived retail brand grocery products. Retail brand grocery products are the products retailers sell as their own brands. They may bear the name of the retailer selling them, such as **'Giant' for Giant brand, 'Tesco' and/or 'Tesco Value' for Tesco brand, Carrefour for Carrefour brand** or may be sold under an entirely different name such as **'Aro' for Makro brand**.

Please do not spend too much time on the questions given as there are no right and wrong answers and therefore your **FIRST** response is important. The information contributed in this study will be very important in the understanding on how confidence Malaysian consumers on this brand. We ensure that respondents who participating in this study will not be identified as all information obtains from this study will be kept strictly confidential. We **THANK** you for your co-operation and ask you to answer as **HONESTLY** as possible.

Thank You for your valuable assistance in making this surveys a success.

Sincerely,

The Committee Survey Project
Institute for Retail Studies
Marketing Department
Stirling University
United Kingdom

Dr. B. Steve, Professor of Retail Marketing, Marketing
Dr. D. Keri, Senior Lecturer, Marketing
Z. Anizah, Student, Marketing

Section A: Retail Brand Grocery Products / Barangan Runcit Berjenama Peruncit

For questions no 1 - 4, please see appropriate pictures before you answer the questions. Your responses will remain confidential and anonymous. Circle the appropriate score on each line.

Untuk soalan 1 - 4, sila lihat gambar yang disertakan sebelum anda memilih kenyataan yang paling sesuai dengan pendirian anda. Bulatkan pada kenyataan yang paling sesuai.

1. All things considered I would say brand A has
Secara keseluruhannya jenama A mempunyai

Poor Overall Quality
Qualiti yang Rendah

Excellent Overall Quality
Qualiti yang Tinggi

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Poor Overall Reliability
Tidak boleh Dipercayai

Excellent Overall Reliability
Boleh Di percayai

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Overall Low Grade Ingredients
Bahan Mentah Yang Rendah Mutunya

Overall High Grade Ingredients
Bahan Mentah Yang Tinggi Mutunya

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Poor Value For Money
Nilai Wang Yang Rendah

Excellent Value For Money
Nilai Wang Yang Tinggi

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Expensive
Mahal

Reasonable Price
Berpatutan

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Poor Packaging
Bungkusan Yang Tidak Menarik

Attractive Packaging
Bungkusan Yang Menarik

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Not Worth the Money
Harga dan Nilai yang tidak Setimpal

Worth the money
Harga dan Nilai yang Setimpal

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Not Appears to be A Good Bargain
Tidak Menggambarkan Tawaran yang Hebat

Appears to be a Good Bargain
Menggambarkan Tawaran yang Hebat

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

High Money Risk
Risiko Wang Yang Tinggi

Low Money Risk
Risiko Wang Yang Rendah

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Not liked Among Friends
Tidak Mudah Diterima dikalangan rakan taulan

Well-Liked Among Friends
Mudah Diterima dikalangan rakan taulan

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Less Familiar Brand
Jenama Yang Biasa Dilihat

Most Familiar Brand
Jenama Yang Tidak Biasa Dilihat

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Not Confidence in use
Tidak yakin apabila menggunakannya

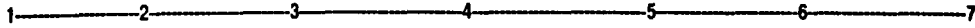
Confidence in use
Yakin apabila menggunakannya

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

2. All things considered I would say brand B has
 Secara keseluruhannya jenama B mempunyai

Poor Overall Quality
 Kualiti yang Rendah

Excellent Overall Quality
 Kualiti yang Tinggi



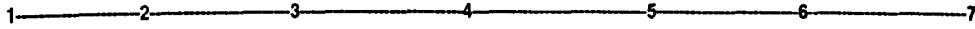
Poor Overall Reliability
 Tidak boleh Dipercayai

Excellent Overall Reliability
 Boleh Di percayai



Overall Low Grade Ingredients
 Bahan Mentah Yang Rendah Mutunya

Overall High Grade Ingredients
 Bahan Mentah Yang Tinggi Mutunya



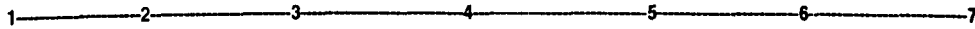
Poor Value For Money
 Nilai Wang Yang Rendah

Excellent Value For Money
 Nilai Wang Yang Tinggi



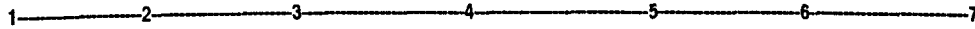
Expensive
 Mahal

Reasonable Price
 Berpatutan



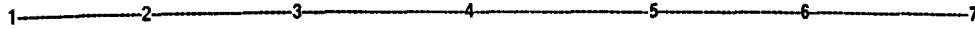
Poor Packaging
 Bungkusannya Yang Tidak Menarik

Attractive Packaging
 Bungkusannya Yang Menarik



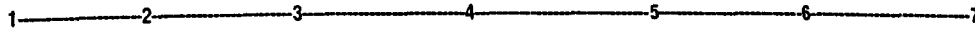
Not Worth the Money
 Harga dan Nilai yang tidak Setimpal

Worth the money
 Harga dan Nilai yang Setimpal



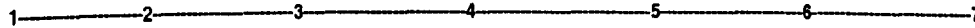
Not Appears to be A Good Bargain
 Tidak Menggambarkan Tawaran yang Hebat

Appears to be a Good Bargain
 Menggambarkan Tawaran yang Hebat



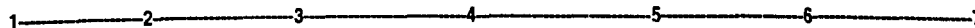
High Money Risk
 Risiko Wang Yang Tinggi

Low Money Risk
 Risiko Wang Yang Rendah



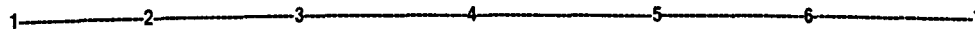
Not liked Among Friends
 Tidak Mudah Diterima dikalangan rakan taulan

Well-Liked Among Friends
 Mudah Diterima dikalangan rakan taulan



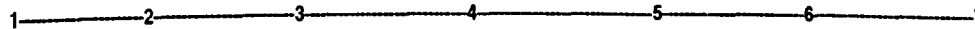
Less Familiar Brand
 Jenama Yang Biasa Dilihat

Most Familiar Brand
 Jenama Yang Tidak Biasa Dilihat



Not Confidence in use
 Tidak yakin apabila menggunakannya

Confidence in use
 Yakin apabila menggunakannya



3. All things considered I would say brand C has
Secara keseluruhannya jenama C mempunyai

Poor Overall Quality
Qualiti yang Rendah

Excellent Overall Quality
Qualiti yang Tinggi

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Poor Overall Reliability
Tidak boleh Dipercayai

Excellent Overall Reliability
Boleh Di percayai

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Overall Low Grade Ingredients
Bahan Mentah Yang Rendah Mutunya

Overall High Grade Ingredients
Bahan Mentah Yang Tinggi Mutunya

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Poor Value For Money
Nilai Wang Yang Rendah

Excellent Value For Money
Nilai Wang Yang Tinggi

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Expensive
Mahal

Reasonable Price
Berpatutan

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Poor Packaging
Bungkusan Yang Tidak Menarik

Attractive Packaging
Bungkusan Yang Menarik

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Not Worth the Money
Harga dan Nilai yang tidak Setimpal

Worth the money
Harga dan Nilai yang Setimpal

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Not Appears to be A Good Bargain
Tidak Menggambarkan Tawaran yang Hebat

Appears to be a Good Bargain
Menggambarkan Tawaran yang Hebat

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

High Money Risk
Risiko Wang Yang Tinggi

Low Money Risk
Risiko Wang Yang Rendah

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Not liked Among Friends
Tidak Mudah Diterima dikalangan rakan taulan

Well-Liked Among Friends
Mudah Diterima dikalangan rakan taulan

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Less Familiar Brand
Jenama Yang Biasa Dilihat

Most Familiar Brand
Jenama Yang Tidak Biasa Dilihat

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

Not Confidence in use
Tidak yakin apabila menggunakannya

Confidence in use
Yakin apabila menggunakannya

1 ————— 2 ————— 3 ————— 4 ————— 5 ————— 6 ————— 7

4. All things considered I would say brand D has
Secara keseluruhannya jenama D mempunyai

Poor Overall Quality
Qualiti yang Rendah

Excellent Overall Quality
Qualiti yang Tinggi

1 — 2 — 3 — 4 — 5 — 6 — 7

Poor Overall Reliability
Tidak boleh Dipercayai

Excellent Overall Reliability
Boleh Di percayai

1 — 2 — 3 — 4 — 5 — 6 — 7

Overall Low Grade Ingredients
Bahan Mentah Yang Rendah Mutunya

Overall High Grade Ingredients
Bahan Mentah Yang Tinggi Mutunya

1 — 2 — 3 — 4 — 5 — 6 — 7

Poor Value For Money
Nilai Wang Yang Rendah

Excellent Value For Money
Nilai Wang Yang Tinggi

1 — 2 — 3 — 4 — 5 — 6 — 7

Expensive
Mahal

Reasonable Price
Berpatutan

1 — 2 — 3 — 4 — 5 — 6 — 7

Poor Packaging
Bungkusan Yang Tidak Menarik

Attractive Packaging
Bungkusan Yang Menarik

1 — 2 — 3 — 4 — 5 — 6 — 7

Not Worth the Money
Harga dan Nilai yang tidak Setimpal

Worth the money
Harga dan Nilai yang Setimpal

1 — 2 — 3 — 4 — 5 — 6 — 7

Not Appears to be A Good Bargain
Tidak Menggambarkan Tawaran yang Hebat

Appears to be a Good Bargain
Menggambarkan Tawaran yang Hebat

1 — 2 — 3 — 4 — 5 — 6 — 7

High Money Risk
Risiko Wang Yang Tinggi

Low Money Risk
Risiko Wang Yang Rendah

1 — 2 — 3 — 4 — 5 — 6 — 7

Not liked Among Friends
Tidak Mudah Diterima dikalangan rakan taulan

Well-Liked Among Friends
Mudah Diterima dikalangan rakan taulan

1 — 2 — 3 — 4 — 5 — 6 — 7

Less Familiar Brand
Jenama Yang Biasa Dilihat

Most Familiar Brand
Jenama Yang Tidak Biasa Dilihat

1 — 2 — 3 — 4 — 5 — 6 — 7

Not Confidence in use
Tidak yakin apabila menggunakannya

Confidence in use
Yakin apabila menggunakannya

1 — 2 — 3 — 4 — 5 — 6 — 7

Section B: Consumer Situations / Situasi Pelanggan

For questions 5 - 6, please see appropriate pictures (A, B, C and D) before you answer the questions.
 Bagi Soalan 5 - 6, sila lihat gambar yang telah di tandakan (A, B, C and D) sebelum anda menjawab soalan tersebut.

Almost Never.....Seldom...Occasionally...Frequently...Almost Always
 1 2 3 4 5

5. How frequent do you buy this Brand:

- A.....
- B.....
- C.....
- D.....

6. Which of the 4 brands (A, B, C and D) would you buy during your monthly grocery shopping and which of the 3 brands would you buy when you cannot find your regular brand?
 Brandand Brand

Section C: Consumer Shopping Motives / Motiv Bagi Membeli Belah

For questions 7 – 9 please circle your appropriate answer by choosing the closeness personal answer.
 Bagi soalan 7 – 9 sila bulatkan jawapan yang anda rasa paling tepat dengan pendirian anda.

7. Which hypermarkets do you buy most of your grocery shopping?

Pasaraya besar manakah yang selalu anda kunjungi bagi membeli barangan runcit anda?

Giant (1)	Tesco (2)	Makro (3)	Carrefour (4)
--------------	--------------	--------------	------------------

8. How frequent you visit to the hypermarket?

Berapa kerapkah anda kunjungi pasaraya besar tersebut?

Once a week Seminggu sekali (1)	More than once in a week Lebih dari sekali dalam seminggu (2)	1-2 times a month 1 - 2 kali sebulan (3)	More than 2 times a month Lebih dari 2 kali dalam sebulan (4)
---------------------------------------	--	--	--

9. How much do you spend on average for your monthly grocery shopping?

Berapakah jumlah ringgit yang anda belanjakan bagi membeli barangan runcit anda dalam sebulan?

Less than RM300 Kurang dari RM300 (1)	RM301-RM400 RM301 - RM400 (2)	RM401-RM500 RM401 - RM500 (3)	Above RM501 Lebih dari RM501 (4)
---	-------------------------------------	-------------------------------------	--

For question from 10 – 22 please read each statement and respond by choosing your personal level of agreement or disagreement and then circle the appropriate score.

Bagi soalan 10 – 22 sila baca setiap kenyataan dengan teliti dan bulatkan pada kotak yang anda fikir paling sesuai dengan tahap persetujuan atau tidak persetujuan anda.

		Strongly Disagree	Disagree	Slightly Disagree	Neither Disagree or Disagree	Slightly Agree	Agree	Strongly Agree
10.	I shop at this hypermarket because the hypermarket carries a wide selection of different kinds of products. Saya membeli barangan runcit saya di sini kerana pasaraya besar ini memuatkan pelbagai jenis pilihan barangan.	1	2	3	4	5	6	7
11.	I shop at this hypermarket because the hypermarket offers good quality of products. Saya membeli barangan runcit saya disini kerana pasaraya besar ini menawarkan barangan yang berkualiti.	1	2	3	4	5	6	7
12.	I shop at this hypermarket because it provides fast service at checkout. Saya membeli barangan runcit saya disini kerana perkhidmatannya yang cepat semasa di check out.	1	2	3	4	5	6	7

13.	I shop at this hypermarket because the hypermarket's salespeople are helpful.	1	2	3	4	5	6	7
	Saya membeli barangan runcit saya disini kerana sikap kakitangan pasaraya ini yang sering membantu saya dalam apa jua keadaan.	1	2	3	4	5	6	7
14.	I shop at this hypermarket because the hypermarket provides ample parking facility for its customers.	1	2	3	4	5	6	7
	Saya membeli barangan runcit saya disini kerana pasaraya besar ini menyediakan kemudahan letak kereta yang mencukupi.	1	2	3	4	5	6	7
15.	I shop at this hypermarket because the hypermarket always communicates its shopping information's to its consumers.	1	2	3	4	5	6	7
	Saya membeli barangan runcit saya disini kerana pasaraya besar ini sering menyediakan informasi-informasi yang berguna kepada setiap pelanggannya.	1	2	3	4	5	6	7
16.	I shop at this hypermarket because it is located at a convenience location.	1	2	3	4	5	6	7
	Saya membeli barangan runcit saya disini kerana lokasinya yang mudah dikunjungi.	1	2	3	4	5	6	7
17.	I shop at this hypermarket because the hypermarket is always up to date in it store display.	1	2	3	4	5	6	7
	Saya membeli barangan runcit saya disini kerana susun atur dalamannya yang sering mengikut peredaran masa.	1	2	3	4	5	6	7
18.	I shop at this hypermarket because the hypermarket always offers special sales.	1	2	3	4	5	6	7
	Saya membeli barangan runcit saya disini kerana ia sering menyediakan jualan istimewa.	1	2	3	4	5	6	7
19.	The reason why I shop at this hypermarket is because the hypermarket is clean and tidy	1	2	3	4	5	6	7
	Faktor yang menyebabkan saya membeli barangan runcit saya disini adalah disebabkan oleh keadaan persekitarannya yang bersih dan kemas.	1	2	3	4	5	6	7
20.	I shop at this hypermarket because I can easily find what I want to buy.	1	2	3	4	5	6	7
	Saya membeli barangan runcit saya disini kerana ia memudahkan saya untuk mencari barangan yang hendak saya beli.	1	2	3	4	5	6	7
21.	I shop at this hypermarket because the hypermarket offer excellent atmosphere.	1	2	3	4	5	6	7
	Saya membeli barangan runcit saya disini kerana keadaan persekitarannya yang amat selesa.	1	2	3	4	5	6	7
22.	Shopping for grocery in this hypermarket also mean an outing for my family members.	1	2	3	4	5	6	7
	Membeli barangan runcit di pasaraya besar ini, juga merupakan satu aktiviti keluarga bagi saya.	1	2	3	4	5	6	7

Section D: Image of the Hypermarket / Image Pasaraya Besar

For question from 23 – 29 please read each statement and respond by choosing your personal level of agreement or disagreement and then circle the appropriate score.
 Bagi soalan 23 – 29 sila baca setiap kenyataan dengan teliti dan bulatkan pada kotak yang anda fikir paling sesuai dengan tahap persetujuan atau tidak persetujuan anda.

		Strongly Disagree	Disagree	Slightly Disagree	Neither Agree or Disagree	Slightly Agree	Agree	Strongly Agree
23.	In my opinion this hypermarket projects a modern image.	1	2	3	4	5	6	7
	Pada pandangan saya pasaraya besar ini menggambarkan ciri-ciri pasaraya yang moden.	1	2	3	4	5	6	7
24.	The hypermarket serves the middle class consumers.	1	2	3	4	5	6	7
	Pasaraya besar ini menawarkan barangan yang mampu dimiliki oleh golongan penengahan.	1	2	3	4	5	6	7
25.	The hypermarket can be considered as world-class retailer.	1	2	3	4	5	6	7
	Pasaraya besar ini boleh dikategorikan sebagai pasaraya besar yang bertarafkan antarabangsa.	1	2	3	4	5	6	7
26.	The hypermarket transmits a reliable image.	1	2	3	4	5	6	7
	Pasaraya besar ini menggambarkan sebuah pasaraya yang boleh dipercayai.	1	2	3	4	5	6	7
27.	I have total confidence in this hypermarket.	1	2	3	4	5	6	7
	Saya amat yakin dengan pasaraya besar ini.	1	2	3	4	5	6	7
28.	I find the hypermarket totally trustworthy.	1	2	3	4	5	6	7
	Saya rasa saya boleh mempercayai pasaraya besar ini.	1	2	3	4	5	6	7
29.	I believed that the hypermarket would never let me down.	1	2	3	4	5	6	7
	Saya percaya bahawasanya pasaraya besar ini tidak akan mengecewakan saya.	1	2	3	4	5	6	7

Section E: Overall Perceptions of Retail Brand Grocery Products / Pandangan Keseluruhan Terhadap Barangan Runcit Berjenama Peruncit

For question from 30 – 34 please read each statement and respond by choosing your personal level of agreement or disagreement and then circle the appropriate score.
 Bagi soalan 30 – 34 sila baca setiap kenyataan dengan teliti dan bulatkan pada kotak yang anda fikir paling sesuai dengan tahap persetujuan atau tidak persetujuan anda.

		Strongly Disagree	Disagree	Slightly Disagree	Neither Agree or Disagree	Slightly Agree	Agree	Strongly Agree
30.	Overall, I am very positive to the introduction of retail brand grocery products in this hypermarket.	1	2	3	4	5	6	7
	Secara keseluruhannya saya amat positif dengan adanya barangan runcit berjenama peruncit di pasaraya besar ini.	1	2	3	4	5	6	7

31.	Overall retail brand grocery products can fulfill my self and family needs.	1	2	3	4	5	6	7
	Secara keseluruhannya barangan runcit berjenama peruncit ini dapat memenuhi kehendak saya sekeluarga.	1	2	3	4	5	6	7
32.	Overall, retail brand grocery products offer more choices to customers.	1	2	3	4	5	6	7
	Secara keseluruhannya barangan runcit berjenama peruncit ini dapat memberi pengguna lebih pilihan semasa memilih untuk membeli barangan runcit.	1	2	3	4	5	6	7
33.	Overall, I will surely suggest this brand to a friend or family member to check out..	1	2	3	4	5	6	7
	Secara keseluruhannya, saya pasti akan mencadangkan jenama ini kepada rakan mahu pun kaum keluarga untuk mencubanya...	1	2	3	4	5	6	7
34.	I will surely buy retail brand grocery products if the store offers more of this brand in this store.	1	2	3	4	5	6	7
	Saya pasti membeli barangan runcit berjenama peruncit ini jika jumlah barangannya ditawarkan dengan lebih banyak sekali.	1	2	3	4	5	6	7

Section F: Demography / Demografi

For question from 35 – 40 please circle your appropriate answer.

Bagi soalan 35 – 40 sila bulatkan pada kotak yang anda fikir paling sesuai dengan jawapan anda.

35.	You are Anda adalah	Male Lelaki (1)	Female Wanita (2)					
36.	Your age Umur anda	18 – 24 (1)	25 – 34 (2)	35 – 44 (3)	45 – 54 (4)	Above 55 (5)		
37.	Your race Anda berbangsa	Malay Melayu (1)	Chinese China (2)	Indian India (3)	Others Lain-lain (4)			
38.	Your marital status Status perkahwinan anda	Single Bujang (1)	Married with no child Berkahwin tetapi tidak mempunyai anak (2)	Married with 1 – 3 children Berkahwin dan mempunyai 1 - 3 orang anak (3)	Married with more than 4 children Berkahwin dan mempunyai lebih dari 4 orang anak (4)			
39.	Your education level Taraf pendidikan anda	Primary (1)	Secondary (2)	Graduate (3)	Post Graduate (4)	Others (5)		
40.	Your household income per month Pendapatan isi rumah sebulan	Below RM1500 (1)	RM1501- RM2500 (2)	RM2501- RM3500 (3)	RM3501- RM4500 (4)	RM4501- RM5500 (5)	Above RM5501 (6)	

THANK YOU VERY MUCH FOR YOUR PRECIOUS TIME

**Appendix 10 :
Mean Scores and T-test Results For Retail Brand Attributes Between Gender**

Retail Brand's Attributes	Giant				Tesco				Tesco-Value			
	Male	Female	T-Value	P-Value	Male	Female	T-Value	P-Value	Male	Female	T-Value	P-Value
Quality	5.00	4.83	2.418*	0.016	4.88	4.88	-0.016	0.987	4.96	4.70	3.616*	0.000
Value	5.03	4.94	1.421	0.156	4.93	4.88	0.804	0.422	4.89	4.75	2.034*	0.042
Extrinsic cue	5.22	5.08	1.769	0.077	5.24	4.97	3.452*	0.001	5.01	4.65	4.186*	0.000
Risk	5.04	4.86	2.320*	0.021	4.10	4.31	-2.628*	0.009	4.99	4.59	5.096*	0.000
Familiarity	4.80	4.78	0.166	0.868	3.53	4.06	-4.380*	0.000	4.83	4.33	4.553**	0.000
Confidence	4.82	4.69	1.349	0.178	3.73	4.15	-4.406*	0.000	4.75	4.50	2.702*	0.007

^aEqual variances not assumed

* The mean difference is significant at the 0.05 level ($p < 0.05$)

**Appendix 11:
Mean Score and ANOVA Results On Retail Brand Attributes And Age**

Retail Brand's Attributes	Giant							Tesco							Tesco-Value						
	18 - 25	25 - 34	35 - 44	45 - 54	> 55	F-Value	P-Value	18 - 25	25 - 34	35 - 44	45 - 54	> 55	F-Value	P-Value	18 - 25	25 - 34	35 - 44	45 - 54	> 55	F-Value	P-Value
Quality	5.00	4.80	4.93	4.76	4.64	3.864*	0.004	5.02	4.88	4.91	4.83	4.72	1.420	0.225	4.87	4.76	4.76	4.68	4.46	2.06	0.08
Value	4.98	4.98	4.97	4.89	4.91	0.559	0.692	4.92	4.91	4.90	4.82	4.84	0.577	0.679	4.57	4.85	4.78	4.74	4.48	3.21*	0.01
Extrinsic cue	5.20	5.10	5.13	5.01	5.00	0.865	0.485	4.93	5.10	5.01	4.95	4.81	1.635	0.163	5.03	4.78	4.64	4.74	4.62	2.00	0.09
Risk	4.85	4.88	4.91	4.87	4.72	0.579	0.678	4.02	4.06	4.41	4.28	4.12	7.516*	0.000	4.65	4.68	4.65	4.58	4.62	0.32	0.86
Familiarity	5.00	4.60	4.88	4.75	4.61	2.530*	0.039	3.60	3.65	4.13	4.07	4.00	6.155*	0.000	5.00	4.52	4.34	4.39	4.10	3.46*	0.01
Confidence	5.03	4.62	4.72	4.75	4.55	1.391	0.235	3.97	3.81	4.17	4.28	4.12	6.487*	0.000	4.67	4.61	4.50	4.51	4.47	0.71	0.58

* The mean difference is significant at the 0.05 level ($p < 0.05$)

Appendix 12
Mean Score and ANOVA Results On Retail Brand Attributes And Race

Retail Brand's Attributes	Giant						Tesco						Tesco-Value					
	Malay	Chinese	Indian	Others	F-Value	P-Value	Malay	Chinese	Indian	Others	F-Value	P-Value	Malay	Chinese	Indian	Others	F-Value	P-Value
Quality	4.75	5.04	4.72	5.17	13.499*	0.000	4.90	4.88	4.84	4.94	0.216	0.885	4.69	4.84	4.59	4.67	3.930	0.008
Value	4.89	5.05	4.93	5.08	4.138*	0.006	4.82	4.95	4.87	5.25	3.557*	0.014	4.71	4.90	4.59	4.92	7.536*	0.000
Extrinsic cue	5.08	5.16	4.94	5.21	2.181	0.089	4.95	5.08	5.03	4.96	1.760	0.153	4.59	4.84	4.76	4.79	5.213*	0.001
Risk	4.87	4.96	4.63	5.21	5.108*	0.002	4.27	4.31	4.27	3.83	1.162	0.323	4.54	4.79	4.56	4.88	6.904*	0.000
Familiarity	4.71	4.92	4.63	5.00	2.669*	0.046	4.02	3.96	3.95	3.67	0.427	0.734	4.24	4.57	4.51	4.67	5.780*	0.001
Confidence	4.67	4.82	4.46	5.00	3.881*	0.009	4.19	4.04	3.92	3.50	4.195*	0.006	4.53	4.60	4.32	4.33	2.322	0.074

* The mean difference is significant at the 0.05 level (p<0.05)

**Appendix 13:
Mean Score and ANOVA Results On Retail Brand Attributes And Marital Status**

Retail Brand's Attributes	Giant						Tesco						Tesco-Value					
	Single	Married with no child	Married with 1-3 children	Married with 4 or more children	F-Value	P-Value	Single	Married with no child	Married with 1-3 children	Married with 4 or more children	F-Value	P-Value	Single	Married with no child	Married with 1-3 children	Married with 4 or more children	F-Value	P-Value
Quality	5.18	4.95	4.86	4.78	3.069*	0.027	5.13	4.70	4.94	4.81	5.566*	0.001	4.89	4.89	4.76	4.61	4.057*	0.007
Value	5.24	5.02	4.99	4.81	6.133*	0.000	5.15	4.82	4.95	4.74	7.042*	0.000	4.61	4.98	4.79	4.65	5.955*	0.001
Extrinsic cue	5.54	5.10	5.08	5.08	2.240	0.082	4.83	4.93	5.08	4.91	3.106*	0.026	5.04	4.99	4.68	4.62	5.008*	0.002
Risk	5.25	4.89	4.87	4.89	1.583	0.192	4.25	4.06	4.32	4.28	2.412	0.065	4.60	4.89	4.62	4.59	3.311*	0.020
Familiarity	5.13	4.73	4.82	4.70	1.289	0.277	4.13	3.76	4.02	3.99	1.201	0.308	4.67	4.81	4.42	4.18	7.396*	0.000
Confidence	5.08	4.80	4.71	4.62	1.780	0.149	4.04	3.73	4.17	4.09	5.047*	0.002	4.50	4.81	4.49	4.52	2.980*	0.031

* The mean difference is significant at the 0.05 level ($p < 0.05$)

**Appendix 14:
Mean Score and ANOVA Results On Retail Brand Attributes And Education Level**

Retail Brand's Attributes	Giant							Tesco							Tesco-Value						
	Prim.	Secon.	Grad.	Post gr.	Oth.	F-Value	P-Value	Prim.	Secon.	Grad.	Post gr.	Oth.	F-Value	P-Value	Prim.	Secon.	Grad.	Post gr.	Oth.	F-Value	P-Value
Quality	4.55	4.85	4.91	5.12	4.46	7.607*	0.000	4.66	4.89	4.93	4.85	4.66	3.265*	0.011	4.54	4.75	4.79	4.59	4.45	3.099*	0.015
Value	4.68	4.93	5.02	4.95	5.09	4.120*	0.003	4.71	4.82	4.97	4.91	4.87	3.386*	0.009	4.66	4.72	4.84	4.80	4.62	2.040	0.087
Extrinsic cue	4.85	5.07	5.14	5.37	4.97	3.213*	0.012	4.92	4.99	5.07	4.93	4.81	1.229	0.297	4.65	4.60	4.82	4.88	4.24	5.395*	0.000
Risk	4.79	4.82	4.95	5.17	4.60	3.795*	0.005	4.19	4.25	4.31	4.38	4.29	0.552	0.697	4.67	4.55	4.70	4.87	4.57	2.877*	0.022
Familiarity	4.60	4.81	4.78	5.22	4.14	4.061*	0.003	4.06	3.92	4.04	4.02	3.97	0.456	0.768	4.24	4.28	4.57	4.44	3.97	4.467*	0.001
Confidence	4.54	4.75	4.68	5.18	3.93	6.963*	0.000	4.11	4.17	4.05	3.94	4.00	1.029	0.391	4.44	4.54	4.56	4.64	4.03	2.184	0.069

* The mean difference is significant at the 0.05 level (p<0.05)

A. GIANT'S RESPONDENTS

Quality

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Overall Quality</i>	Manufacturer - Giant	0.0525	1.127	0.6730
	Manufacturer - Tesco Value	0.1464	3.140*	0.0092
	Manufacturer - Tesco	-0.0469	-1.007	0.7456
	Giant - Tesco Value	0.09384	2.013	0.1830
	Giant - Tesco	-0.09944	-2.133	0.1425
	Tesco Value - Tesco	-0.1933	-4.147*	0.0002
<i>Items:</i>				
a) Quality	Manufacturer - Giant	0.01891	0.347	0.9857
	Manufacturer - Tesco Value	0.09244	1.395	0.3261
	Manufacturer - Tesco	-0.15126	-2.774*	0.0283
	Giant - Tesco Value	0.07353	1.349	0.5319
	Giant - Tesco	-0.17017	-3.121*	0.0098
	Tesco Value - Tesco	-0.2437	-4.469*	0.0000
b) Reliability	Manufacturer - Giant	0.0924	1.787	0.2798
	Manufacturer - Tesco Value	0.1303	2.517	0.0573
	Manufacturer - Tesco	0.2521	4.872*	0.0000
	Giant - Tesco Value	0.0378	0.731	0.8847
	Giant - Tesco	0.1597	3.086*	0.0109
	Tesco Value - Tesco	0.1218	2.355	0.0860
c) Grade Ingredients	Manufacturer - Giant	0.0462	0.831	0.8397
	Manufacturer - Tesco Value	0.2164	3.891*	0.0006
	Manufacturer - Tesco	0.0840	1.511	0.4308
	Giant - Tesco Value	0.1702	3.060*	0.0119
	Giant - Tesco	0.0378	0.680	0.9047
	Tesco Value - Tesco	-0.1324	-2.380	0.0809

*The mean difference is significant at the 0.05 level

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Overall Values</i>	Manufacturer - Giant	0.0280	0.727	0.8863
	Manufacturer - Tesco Value	0.2038	5.289*	0.0000
	Manufacturer - Tesco	0.0609	1.581	0.3894
	Giant - Tesco Value	0.1758	4.562*	0.0000
	Giant - Tesco	0.0329	0.854	0.8284
	Tesco Value - Tesco	-0.1429	-3.708*	0.0012
Items:				
a) Value for money	Manufacturer - Giant	-0.10924	-1.9255	0.2173
	Manufacturer - Tesco Value	-0.01681	-0.2962	0.9910
	Manufacturer - Tesco	-0.42017	-7.4059*	0.0000
	Giant - Tesco Value	0.09244	1.629	0.3620
	Giant - Tesco	-0.31092	-5.480*	0.0000
	Tesco Value - Tesco	-0.4034	-7.110*	0.0000
b) Worth the money	Manufacturer - Giant	-0.0693	-1.017	0.7393
	Manufacturer - Tesco Value	0.2290	3.360*	0.0043
	Manufacturer - Tesco	-0.1786	-2.621*	0.0436
	Giant - Tesco Value	0.2983	4.378*	0.0001
	Giant - Tesco	-0.1092	-1.603	0.3768
	Tesco Value - Tesco	-0.4076	-5.981*	0.0000
c) A bargain	Manufacturer - Giant	0.2626	3.85*	0.0007
	Manufacturer - Tesco Value	0.3992	5.85*	0.0000
	Manufacturer - Tesco	0.7815	11.46*	0.0000
	Giant - Tesco Value	0.1366	2.003	0.1869
	Giant - Tesco	0.5189	7.610*	0.0000
	Tesco Value - Tesco	0.3824	5.608*	0.0000

*The mean difference is significant at the 0.05 level

Extrinsic Cues

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Extrinsic Cues</i>	Manufacturer - Giant	0.0788	1.525	0.4223
	Manufacturer - Tesco Value	0.2994	5.7996*	0.0000
	Manufacturer - Tesco	-0.0000	-0.000	1.0000
	Giant - Tesco Value	0.2206	4.270*	0.0001
	Giant - Tesco	-0.0788	-1.525	0.4223
	Tesco Value - Tesco	-0.2994	-5.796*	0.0000
Items:				
a) Packaging	Manufacturer - Giant	-0.0861	-1.203	0.6250
	Manufacturer - Tesco Value	0.3424	4.782*	0.0000
	Manufacturer - Tesco	-0.1681	-2.347	0.0877
	Giant - Tesco Value	0.4286	5.985*	0.000
	Giant - Tesco	-0.0819	-1.144	0.6621
	Tesco Value - Tesco	-0.5105	-7.129*	0.0000
b) Price	Manufacturer - Giant	0.2437	3.84*	0.0007
	Manufacturer - Tesco Value	0.2563	4.038*	0.0003
	Manufacturer - Tesco	0.1681	2.648*	0.0404
	Giant - Tesco Value	0.01261	0.1986	0.9972
	Giant - Tesco	-0.07563	-1.1916	0.6321
	Tesco Value - Tesco	-0.08824	-1.390	0.5055

*The mean difference is significant at the 0.05 level

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Risks</i>	Manufacturer - Giant	0.1891	3.54*	0.0023
	Manufacturer - Tesco Value	0.3172	5.93*	0.0000
	Manufacturer - Tesco	0.7416	13.87*	0.0000
	Giant - Tesco Value	0.1282	2.40	0.0778
	Giant - Tesco	0.5525	10.33*	0.0000
	Tesco Value - Tesco	0.4244	7.935*	0.0000
Items:				
a) Financial risk	Manufacturer - Giant	0.2500	3.96*	0.0004
	Manufacturer - Tesco Value	0.3613	5.72*	0.0000
	Manufacturer - Tesco	0.6849	10.85*	0.0000
	Giant - Tesco Value	0.1113	1.763	0.2913
	Giant - Tesco	0.4349	6.886*	0.0000
	Tesco Value - Tesco	0.3235	5.123*	0.0000
b) Social risk	Manufacturer - Giant	0.1282	2.00	0.1868
	Manufacturer - Tesco Value	0.2731	4.27*	0.0001
	Manufacturer - Tesco	0.7983	12.48*	0.0000
	Giant - Tesco Value	0.1450	2.27	0.1061
	Giant - Tesco	0.6702	10.47*	0.0000
	Tesco Value - Tesco	0.5252	8.209*	0.0000

*The mean difference is significant at the 0.05 level

Familiarity

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Familiarity</i>	Manufacturer - Giant	0.420	5.50*	0.0000
	Manufacturer - Tesco Value	0.489	6.41*	0.0000
	Manufacturer - Tesco	1.347	17.62*	0.0000
	Giant - Tesco Value	0.0693	0.91	0.8010
	Giant - Tesco	0.9265	12.13*	0.0000
	Tesco Value - Tesco	0.8571	11.22*	0.0000

*The mean difference is significant at the 0.05 level

Confidence in use:

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Confidence in use</i>	Manufacturer - Giant	0.284	4.43*	0.0001
	Manufacturer - Tesco Value	0.353	5.51*	0.0000
	Manufacturer - Tesco	1.036	16.16*	0.0000
	Giant - Tesco Value	0.0693	1.08	0.7007
	Giant - Tesco	0.7521	11.73*	0.0000
	Tesco Value - Tesco	0.6828	10.65*	0.0000

*The mean difference is significant at the 0.05 level

value

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Overall Values</i>	Manufacturer - Giant	-0.006	-0.017	1.0000
	Manufacturer - Tesco Value	0.1927	5.130*	0.0000
	Manufacturer - Tesco	0.1043	2.777*	0.0281
	Giant - Tesco Value	0.1934	5.147*	0.0000
	Giant - Tesco	0.1050	2.794*	0.0268
	Tesco Value - Tesco	-0.08842	-2.354	0.0863
<i>Items:</i>				
a) Value for money	Manufacturer - Giant	-0.07634	-1.3152	0.5532
	Manufacturer - Tesco Value	-0.05344	-0.9206	0.7938
	Manufacturer - Tesco	-0.37405	-6.4444*	0.0000
	Giant - Tesco Value	0.02290	0.3946	0.9792
	Giant - Tesco	-0.29771	-5.1292*	0.0000
	Tesco Value - Tesco	-0.3206	-5.524*	0.0000
b) Worth the money	Manufacturer - Giant	0.0019	0.032	1.0000
	Manufacturer - Tesco Value	0.2691	4.563*	0.0000
	Manufacturer - Tesco	0.2252	3.818*	0.0008
	Giant - Tesco Value	0.2672	4.530*	0.0000
	Giant - Tesco	0.2233	3.786*	0.0009
	Tesco Value - Tesco	-0.04389	-0.7443	0.8791
c) A bargain	Manufacturer - Giant	0.0725	1.291	0.5684
	Manufacturer - Tesco Value	0.3626	6.457*	0.0000
	Manufacturer - Tesco	0.4618	8.224*	0.0000
	Giant - Tesco Value	0.2901	5.165*	0.0000
	Giant - Tesco	0.3893	6.932*	0.0000
	Tesco Value - Tesco	0.09924	1.767	0.2893

*The mean difference is significant at the 0.05 level

EXTRINSIC CUES

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Extrinsic Cues</i>	Manufacturer - Giant	-0.00506	-1.02	0.7379
	Manufacturer - Tesco Value	0.4971	10.02*	0.0000
	Manufacturer - Tesco	0.1832	3.69*	0.0013
	Giant - Tesco Value	0.5477	11.04*	0.0000
	Giant - Tesco	0.2338	4.71*	0.0000
	Tesco Value - Tesco	-0.3139	-6.33*	0.0000
Items:				
a) Packaging	Manufacturer - Giant	-0.2767	-4.128*	0.0002
	Manufacturer - Tesco Value	0.4885	7.288*	0.0000
	Manufacturer - Tesco	-0.2042	-3.046*	0.0124
	Giant - Tesco Value	0.7653	11.42*	0.0000
	Giant - Tesco	0.0725	1.08	0.7007
	Tesco Value - Tesco	-0.6927	-10.33*	0.0000
b) Price	Manufacturer - Giant	0.1756	2.822*	0.0247
	Manufacturer - Tesco Value	0.5057	8.128*	0.0000
	Manufacturer - Tesco	0.5706	9.171*	0.0000
	Giant - Tesco Value	0.3302	5.306*	0.0000
	Giant - Tesco	0.3950	6.349*	0.0000
	Tesco Value - Tesco	0.06489	1.043	0.7242

*The mean difference is significant at the 0.05 level

Risks

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Risks</i>	Manufacturer - Giant	0.1069	2.25	0.1094
	Manufacturer - Tesco Value	0.4552	9.59*	0.0000
	Manufacturer - Tesco	0.7595	16.01*	0.0000
	Giant - Tesco Value	0.3483	7.34*	0.0000
	Giant - Tesco	0.6527	13.76*	0.0000
	Tesco Value - Tesco	0.3044	6.416*	0.0000
Items:				
a) Financial risk	Manufacturer - Giant	0.1317	2.22	0.1190
	Manufacturer - Tesco Value	0.5439	9.15*	0.0000
	Manufacturer - Tesco	0.7920	13.33*	0.0000
	Giant - Tesco Value	0.4122	6.94*	0.0000
	Giant - Tesco	0.6603	11.11*	0.0000
	Tesco Value - Tesco	0.2481	4.174*	0.0002
b) Social risk	Manufacturer - Giant	0.0821	1.40	0.4984
	Manufacturer - Tesco Value	0.3664	6.26*	0.0000
	Manufacturer - Tesco	0.7271	12.42*	0.0000
	Giant - Tesco Value	0.2844	4.86*	0.0000
	Giant - Tesco	0.6450	11.02*	0.0000
	Tesco Value - Tesco	0.3607	6.159*	0.0000

*The mean difference is significant at the 0.05 level

Familiarity

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Familiarity</i>	Manufacturer - Giant	0.2233	3.13*	0.0094
	Manufacturer - Tesco Value	0.8950	12.55*	0.0000
	Manufacturer - Tesco	0.8969	12.58*	0.0000
	Giant - Tesco Value	0.6718	9.421*	0.0000
	Giant - Tesco	0.6737	9.448*	0.0000
	Tesco Value - Tesco	0.001908	0.02676	1.000

*The mean difference is significant at the 0.05 level

Confidence in use

<i>Attributes</i>	Brand Comparison	Difference of Means	T-Value	P-Value
<i>Confidence in use</i>	Manufacturer - Giant	0.0668	1.222	0.6129
	Manufacturer - Tesco Value	0.3340	6.109*	0.0000
	Manufacturer - Tesco	0.5401	9.879*	0.0000
	Giant - Tesco Value	0.2672	4.887*	0.0000
	Giant - Tesco	0.4733	8.657*	0.0000
	Tesco Value - Tesco	0.2061	3.770*	0.0009

*The mean difference is significant at the 0.05 level

**Appendix 17:
Correlation Analysis between consumer motivation and retail brand attributes (Giant Brand)**

Consumer Motivation		Overall quality	Overall reliability	Overall grade ingredients	Value for money	Price	Packaging	Worth the money	Good bargain	Financial risk	Social risk	Familiar	Confidence in use
I shop at this hypermarket because:													
The hypermarket carries a wide selection of different kinds of products	r	0.120	0.143	0.156	0.008	0.039	0.109	0.138	0.060	0.010	0.093	0.075	0.080
	p-value	0.009**	0.002**	0.001**	0.858	0.397	0.018*	0.003*	0.192	0.821	0.043*	0.103	0.081
The hypermarket offers good quality of products	r	0.078	0.079	0.134	0.082	0.035	0.143	0.101	-0.051	-0.085	-0.025	-0.018	-0.038
	p-value	0.089	0.084	0.003**	0.075	0.451	0.002**	0.028*	0.265	0.064	0.580	0.692	0.403
It provides fast service at checkout	r	-0.087	-0.060	0.062	0.103	-0.016	0.030	0.022	-0.041	-0.039	0.015	0.029	-0.034
	p-value	0.058	0.194	0.176	0.024*	0.721	0.519	0.634	0.374	0.393	0.737	0.524	0.457
The hypermarket's salespersons are helpful	r	-0.065	0.034	0.030	0.078	0.049	-0.004	-0.036	-0.035	-0.045	0.034	-0.017	-0.056
	p-value	0.155	0.455	0.514	0.089	0.287	0.928	0.427	0.446	0.326	0.466	0.704	0.225
The hypermarket provides ample parking facilities for its customers	r	-0.069	0.002	0.072	0.052	-0.008	0.044	0.084	0.061	-0.007	-0.003	0.079	0.001
	p-value	0.130	0.964	0.116	0.257	0.857	0.341	0.066	0.185	0.878	0.949	0.086	0.978
The hypermarket always communicates its shopping information to its consumers	r	-0.048	-0.066	-0.031	0.038	-0.082	-0.039	0.057	0.076	-0.042	-0.018	-0.097	-0.063
	p-value	0.297	0.148	0.504	0.402	0.076	0.392	0.212	0.096	0.361	0.702	0.034*	0.170
It is located at a convenient location	r	0.092	0.064	0.137	0.079	0.007	0.097	0.092	0.056	0.034	0.012	0.013	0.026
	p-value	0.046*	0.164	0.003**	0.083	0.885	0.034*	0.044*	0.225	0.462	0.794	0.771	0.567
The hypermarket is always up to date with its in store display	r	0.071	0.081	0.121	0.061	-0.017	0.068	0.172	-0.013	0.003	0.086	0.034	0.097
	p-value	0.121	0.077	0.008**	0.182	0.717	0.140	0.000**	0.781	0.946	0.060	0.456	0.035
The hypermarket always offers special sales	r	0.000	0.014	0.126	0.071	-0.009	0.012	0.108	-0.041	-0.018	0.041	-0.019	-0.003
	p-value	0.993	0.758	0.006**	0.120	0.849	0.795	0.018*	0.373	0.696	0.373	0.678	0.947
The hypermarket is clean and tidy	r	0.002	0.039	0.079	0.040	0.073	0.117	0.109	0.018	-0.074	0.012	0.004	-0.032
	p-value	0.971	0.401	0.084	0.387	0.110	0.011*	0.017*	0.698	0.107	0.787	0.923	0.490
I can easily find what I want to buy	r	0.013	0.038	0.078	0.060	-0.066	0.085	0.032	-0.030	-0.014	0.048	0.023	-0.020
	p-value	0.771	0.413	0.087	0.194	0.152	0.064	0.487	0.514	0.754	0.300	0.615	0.657
The hypermarket offers excellent atmosphere	r	0.110	0.115	0.167	-0.023	0.049	0.162	0.148	0.061	0.098	0.140	0.057	0.156
	p-value	0.017*	0.012*	0.000**	0.611	0.284	0.000**	0.001**	0.184	0.033*	0.002**	0.218	0.001**
Shopping for grocery in this hypermarket also means an outing for my family members	r	0.034	0.014	0.072	0.088	0.028	0.048	-0.019	-0.026	-0.079	0.028	-0.088	-0.051
	p-value	0.461	0.769	0.118	0.055	0.548	0.298	0.679	0.578	0.085	0.537	0.055	0.264

**Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).

Correlation Analysis between consumer motivation and retail brand attributes (Tesco-Value Brand)

Consumer Motivation		Overall quality	Overall reliability	Overall grade ingredients	Value for money	Price	Packaging	Worth the money	Good bargain	Financial risk	Social risk	Familiar	Confidence in use
I shop at this hypermarket because:													
The hypermarket carries a wide selection of different kinds of products	r	0.049	0.043	0.024	0.098	-0.021	-0.010	0.050	0.071	-0.034	0.029	0.008	0.002
	p-value	0.259	0.325	0.579	0.024*	0.636	0.813	0.249	0.107	0.432	0.502	0.856	0.958
The hypermarket offers good quality of products	r	0.110	0.122	0.082	0.128	-0.080	-0.025	0.061	0.060	-0.092	0.022	0.014	-0.056
	p-value	0.012*	0.005**	0.061	0.003**	0.067	0.576	0.165	0.167	0.036*	0.617	0.743	0.198
It provides fast service at checkout	r	0.191	0.118	0.216	0.199	-0.053	0.035	0.108	0.130	0.036	0.158	0.007	0.102
	p-value	0.000**	0.007**	0.000**	0.000**	0.224	0.428	0.013*	0.003*	0.410	0.000**	0.868	0.020*
The hypermarket's salespersons are helpful	r	0.225	0.139	0.212	0.132	0.041	0.103	0.147	0.154	0.029	0.165	0.065	0.114
	p-value	0.000**	0.001**	0.000**	0.002**	0.352	0.019*	0.001**	0.000**	0.507	0.000**	0.140	0.009**
The hypermarket provides ample parking facilities for its customers	r	0.090	0.001	0.081	0.083	-0.063	-0.071	-0.022	0.038	-0.020	-0.018	-0.169	-0.044
	p-value	0.039*	0.982	0.063	0.058	0.152	0.103	0.616	0.382	0.654	0.675	0.000**	0.312
The hypermarket always communicates its shopping information to its consumers	r	0.134	0.103	0.213	0.109	0.129	0.147	0.214	0.151	0.090	0.088	0.052	0.055
	p-value	0.002**	0.018*	0.000**	0.012*	0.003**	0.001**	0.000**	0.001**	0.040*	0.043*	0.238	0.205
It is located at a convenient location	r	-0.080	0.032	-0.076	0.053	-0.036	-0.064	-0.092	-0.002	-0.041	-0.032	-0.124	-0.044
	p-value	0.069	0.468	0.081	0.224	0.411	0.141	0.035*	0.965	0.347	0.461	0.004**	0.313
The hypermarket is always up to date with its in store display	r	0.069	0.127	0.161	0.163	0.014	0.072	0.079	0.042	-0.021	0.053	-0.022	0.025
	p-value	0.116	0.003**	0.000**	0.000**	0.741	0.099	0.073	0.339	0.639	0.224	0.613	0.568
The hypermarket always offers specials sales	r	0.139	0.075	0.167	0.142	0.070	0.096	0.087	0.086	0.004	0.061	-0.046	-0.001
	p-value	0.001**	0.087	0.000**	0.001**	0.110	0.029*	0.048*	0.050	0.925	0.161	0.289	0.973
The hypermarket is clean and tidy	r	0.145	0.145	0.182	0.121	0.091	-0.008	0.112	0.092	0.027	0.004	-0.046	-0.012
	p-value	0.001**	0.001**	0.000**	0.005**	0.037*	0.847	0.010*	0.035*	0.537	0.932	0.292	0.778
I can easily find what I want to buy	r	0.029	0.039	0.037	0.099	-0.052	-0.027	-0.014	0.090	-0.060	-0.033	-0.029	-0.040
	p-value	0.501	0.373	0.400	0.023*	0.231	0.533	0.741	0.038*	0.170	0.457	0.502	0.365
The hypermarket offers excellent atmosphere	r	0.054	0.127	-0.018	0.005	0.012	-0.056	-0.006	-0.008	-0.075	-0.005	-0.089	-0.049
	p-value	0.219	0.004**	0.673	0.912	0.778	0.199	0.887	0.859	0.085	0.910	0.043*	0.268
Shopping for grocery in this hypermarket also means an outing for my family members	r	0.015	-0.010	0.076	0.100	0.051	0.107	0.087	0.074	0.012	0.000	0.065	0.005
	p-value	0.724	0.828	0.083	0.022*	0.244	0.014*	0.046*	0.090	0.778	0.999	0.139	0.902

**Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).

Correlation Analysis between consumer motivation and retail brand attributes (Tesco Brand)

Consumer Motivation		Overall quality	Overall reliability	Overall grade ingredients	Value for money	Price	Packaging	Worth the money	Good bargain	Financial risk	Social risk	Familiar	Confidence in use
I shop at this hypermarket because:													
The hypermarket carries a wide selection of different kinds of products	r	0.160	0.098	0.135	0.146	-0.108	0.113	0.095	0.056	-0.071	0.087	0.091	0.136
	p-value	0.000**	0.025*	0.002**	0.001**	0.013*	0.010*	0.030*	0.205	0.107	0.046*	0.037*	0.002**
The hypermarket offers good quality of products	r	0.099	0.030	0.073	0.027	-0.042	0.034	0.145	0.084	-0.071	0.031	0.048	0.052
	p-value	0.023*	0.500	0.097	0.537	0.342	0.438	0.001**	0.055	0.103	0.477	0.271	0.232
It provides fast service at checkout	r	0.053	-0.036	-0.022	0.027	-0.024	-0.095	0.065	0.014	-0.069	0.041	-0.022	0.067
	p-value	0.227	0.406	0.619	0.541	0.577	0.030*	0.139	0.747	0.116	0.354	0.618	0.125
The hypermarket's salespersons are helpful	r	0.049	0.010	0.035	-0.017	0.024	-0.014	0.102	0.008	-0.015	-0.005	-0.063	0.015
	p-value	0.261	0.819	0.418	0.703	0.578	0.748	0.020*	0.864	0.736	0.905	0.148	0.726
The hypermarket provides ample parking facilities for its customers	r	0.021	-0.077	-0.017	0.046	-0.054	-0.073	0.033	0.038	-0.021	0.082	0.057	0.125
	p-value	0.629	0.078	0.702	0.294	0.213	0.097	0.454	0.385	0.632	0.060	0.189	0.004**
The hypermarket always communicates its shopping information to its consumers	r	0.098	-0.021	0.100	0.017	0.008	0.061	0.108	0.031	-0.003	0.001	-0.031	0.066
	p-value	0.024*	0.631	0.022*	0.700	0.846	0.164	0.014*	0.473	0.937	0.976	0.483	0.128
It is located at a convenient location	r	0.095	0.060	0.082	0.082	-0.045	0.076	0.014	0.069	0.000	0.085	0.152	0.167
	p-value	0.030*	0.167	0.061	0.061*	0.302	0.083	0.754	0.113	0.997	0.051	0.000**	0.000**
The hypermarket is always up to date with its in store display	r	0.017	0.003	0.034	0.034	-0.042	0.037	0.060	0.048	-0.020	0.122	0.142	0.123
	p-value	0.697	0.937	0.439	0.431	0.343	0.403	0.168	0.269	0.646	0.005**	0.001**	0.005**
The hypermarket always offers special sales	r	0.115	-0.017	0.077	0.067	-0.067	0.088	0.031	0.047	-0.092	0.057	0.053	0.060
	p-value	0.008**	0.699	0.077	0.128	0.124	0.044*	0.485	0.278	0.036*	0.190	0.224	0.171
The hypermarket is clean and tidy	r	0.060	-0.022	0.049	0.110	-0.055	0.071	0.063	0.089	-0.030	0.017	0.041	0.042
	p-value	0.171	0.616	0.266	0.012*	0.207	0.103	0.150	0.041*	0.499	0.698	0.349	0.335
I can easily find what I want to buy	r	0.097	0.067	0.113	0.007	0.012	0.072	0.089	0.055	0.046	0.067	0.047	0.047
	p-value	0.027*	0.124	0.009*	0.880	0.780	0.101	0.042*	0.210	0.293	0.123	0.288	0.281
The hypermarket offers excellent atmosphere	r	0.105	0.044	0.046	0.106	-0.103	0.039	-0.038	0.046	-0.042	0.031	0.085	0.042
	p-value	0.016*	0.315	0.292	0.015*	0.019*	0.379	0.379	0.294	0.343	0.476	0.053	0.334
Shopping for grocery in this hypermarket also means an outing for my family members	r	-0.010	-0.076	-0.017	-0.007	0.120	-0.050	0.093	0.060	-0.023	0.014	-0.053	-0.073
	p-value	0.820	0.081	0.699	0.868	0.006**	0.250	0.033*	0.173	0.596	0.751	0.229	0.096

**Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).

Appendix 18:

Correlation Analysis between store image and retail brand attributes (Giant Brand)

Store Image		Overall quality	Overall reliability	Overall grade ingredients	Value for money	Price	Packaging	Worth the money	Good bargain	Financial risk	Social risk	Familiar	Confidence in use
In my opinion this hypermarket projects a modern image	r	0.026	-0.087	-0.051	-0.010	-0.047	-0.011	0.026	-0.087	-0.051	-0.010	-0.047	-0.011
	p-value	0.576	0.059	0.272	0.828	0.308	0.817	0.576	0.059	0.272	0.828	0.308	0.817
The hypermarket serves the middle class consumers	r	0.117	0.059	0.012	0.040	-0.024	-0.016	0.117	0.059	0.012	0.040	-0.024	-0.016
	p-value	0.011*	0.196	0.788	0.383	0.600	0.731	0.011*	0.196	0.788	0.383	0.600	0.731
The hypermarket can be considered as world-class retailer	r	0.013	-0.003	-0.005	0.005	0.006	-0.065	0.013	-0.003	-0.005	0.005	0.006	-0.065
	p-value	0.776	0.941	0.911	0.916	0.893	0.157	0.776	0.941	0.911	0.916	0.893	0.157
The hypermarket transmits a reliable image	r	0.112	0.000	0.027	0.054	-0.034	-0.049	0.112	0.000	0.027	0.054	-0.034	-0.049
	p-value	0.014*	0.994	0.554	0.241	0.460	0.284	0.014*	0.994	0.554	0.241	0.460	0.284
I have total confidence in this hypermarket	r	0.146	0.025	0.031	0.060	-0.074	0.069	0.146	0.025	0.031	0.060	-0.074	0.069
	p-value	0.001**	0.593	0.504	0.195	0.105	0.132	0.001**	0.593	0.504	0.195	0.105	0.132
I find the hypermarket totally trustworthy	r	0.114	0.000	-0.008	0.050	-0.074	0.024	0.114	0.000	-0.008	0.050	-0.074	0.024
	p-value	0.013*	0.997	0.859	0.274	0.105	0.598	0.013*	0.997	0.859	0.274	0.105	0.598
I believed that the hypermarket would never let me down	r	0.089	-0.060	-0.019	0.002	-0.038	0.027	0.089	-0.060	-0.019	0.002	-0.038	0.027
	p-value	0.052	0.192	0.682	0.962	0.407	0.564	0.052	0.192	0.682	0.962	0.407	0.564

**Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).

Correlation Analysis between store image and retail brand attributes (Tesco-Value Brand)

Store Image		Overall quality	Overall reliability	Overall grade ingredients	Value for money	Price	Packaging	Worth the money	Good bargain	Financial risk	Social risk	Familiar	Confidence in use
In my opinion this hypermarket projects a modern image	r	0.117	0.065	0.025	0.019	0.030	0.046	0.043	0.009	-0.130	-0.035	-0.047	-0.051
	p-value	0.008**	0.140	0.569	0.669	0.500	0.294	0.332	0.837	0.003*	0.427	0.285	0.247
The hypermarket serves the middle class consumers	r	-0.042	0.021	-0.007	0.022	-0.036	-0.027	-0.023	-0.007	-0.060	-0.056	-0.108	-0.042
	p-value	0.335	0.627	0.873	0.608	0.412	0.536	0.595	0.875	0.168	0.198	0.013*	0.337
The hypermarket can be considered as world-class retailer	r	0.170	0.140	0.168	0.181	-0.058	0.028	0.051	0.089	0.057	0.043	-0.010	0.074
	p-value	0.000**	0.001**	0.000**	0.000**	0.181	0.515	0.239	0.043*	0.193	0.326	0.815	0.093
The hypermarket transmits a reliable image	r	0.119	0.046	0.062	0.111	-0.002	0.008	-0.001	0.061	-0.004	0.046	-0.005	0.043
	p-value	0.006*	0.291	0.157	0.011*	0.971	0.857	0.988	0.160	0.932	0.296	0.904	0.325
I have total confidence in this hypermarket	r	0.111	0.063	0.090	0.171	0.030	0.010	0.115	0.136	0.046	0.011	0.002	0.037
	p-value	0.011*	0.149	0.039*	0.000**	0.497	0.814	0.009**	0.002**	0.293	0.801	0.961	0.399
I find the hypermarket totally trustworthy	r	0.037	0.068	0.027	0.135	0.005	-0.004	0.084	0.070	0.014	0.020	0.070	0.003
	p-value	0.394	0.121	0.535	0.002**	0.909	0.920	0.054	0.109	0.741	0.651	0.110	0.953
I believed that the hypermarket would never let me down	r	0.044	0.082	0.095	0.179	0.080	0.069	0.129	0.164	0.036	0.137	0.086	0.082
	p-value	0.315	0.059	0.030*	0.000**	0.067	0.115	0.003**	0.000**	0.406	0.002**	0.049*	0.062

**Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).

Correlation Analysis between store image and retail brand attributes (Tesco Brand)

Store Image		Overall quality	Overall reliability	Overall grade ingredients	Value for money	Price	Packaging	Worth the money	Good bargain	Financial risk	Social risk	Familiar	Confidence in use
In my opinion this hypermarket projects a modern image	r	-0.044	-0.059	0.003	0.021	-0.054	-0.029	-0.012	-0.043	-0.005	0.121	0.095	0.054
	p-value	0.316	0.176	0.945	0.635	0.217	0.505	0.776	0.325	0.902	0.005**	0.030*	0.217
The hypermarket serves the middle class consumers	r	0.022	0.016	0.029	0.034	-0.042	0.052	0.072	-0.010	0.045	0.048	0.065	-0.019
	p-value	0.608	0.710	0.512	0.435	0.336	0.231	0.099	0.815	0.302	0.276	0.137	0.666
The hypermarket can be considered as world-class retailer	r	0.026	0.015	-0.001	0.076	-0.035	-0.054	0.051	0.008	-0.015	0.100	0.092	0.035
	p-value	0.550	0.730	0.974	0.083	0.419	0.215	0.245	0.864	0.732	0.022*	0.034*	0.429
The hypermarket transmits a reliable image	r	0.084	-0.004	0.095	0.105	-0.020	0.007	-0.014	-0.024	-0.039	0.034	0.075	0.080
	p-value	0.056	0.936	0.031*	0.016*	0.647	0.867	0.744	0.578	0.379	0.435	0.085	0.066
I have total confidence in this hypermarket	r	0.126	0.084	0.104	0.066	0.045	0.096	0.130	0.056	-0.016	0.045	0.032	0.077
	p-value	0.004**	0.053	0.017*	0.130	0.300	0.027*	0.003**	0.203	0.715	0.304	0.463	0.080
I find the hypermarket totally trustworthy	r	0.146	0.132	0.127	0.080	-0.056	0.116	0.148	0.099	0.022	0.083	0.110	0.074
	p-value	0.001**	0.002**	0.003**	0.067	0.198	0.008**	0.001**	0.024*	0.617	0.057	0.012*	0.090
I believed that the hypermarket would never let me down	r	0.117	0.056	0.055	0.089	0.033	0.087	0.093	0.033	-0.018	0.010	-0.042	0.004
	p-value	0.007**	0.199	0.208	0.042*	0.455	0.047*	0.033*	0.444	0.679	0.826	0.332	0.926

**Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).