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Article

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Store brands' purchase intention: Examining the role of perceived quality

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A B S T R A C T

Considering the increase of the store brand’s market share globally, the present study addresses the following question: “Does the consumer product perceived quality influence store brands’ proneness?”; or in other words “Does product perceived quality influence store brands’ purchase intention?”, since perceived quality is a customer-based undertaken variable. The present study proposes and empirically tests a conceptual model of the influence of perceived product quality of store brands relative to perceived value and purchase intention. Structural Equation Modelling (SEM) was developed on a sample of 439 consumers, distinguishing between consumers with high perceived quality (HPQ) and low perceived quality (LPQ). Our findings highlight that store brands’ purchase intention is strongly influenced by confidence for both HPQ and LPQ customers, followed by product price. Additionally, our results suggest the moderating role of perceived quality on some of the proposed relationships. Store brand managers and retailers could develop market segmentation and perform marketing strategies based on customers’ perceived quality.

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1. Introduction

Store brands, also known as retailer brands or private brands generally refer to products sold under a retailer store’s private label displaying either the store’s own name or a brand name created by the retailer (Kumar & Steenkamp, 2007). Originally, store brands had a clear orientation to price, being the main motivation for their purchase (Kumar & Steenkamp, 2007), and today, the relatively low and affordable price continues to be the primary benefit that consumers seek in store brands. However, numerous studies have suggested that the quality gap between manufacturer and store brands is decreasing constantly as store brands have made important efforts to improve their quality (Apelbaum, Gerstner, & Naik, 2003). Thus, the improved quality of store brands together with their affordable prices are the main drivers for the growing acceptance of store brands among consumers (Baltas & Argougli, 2007).

In this context, one major question that arises is whether the consumer product perceived quality plays a key role in store brands’ proneness. That is, it seems plausible that the variables influencing store brands’ purchase intention may differ between consumers with high perceived quality and those consumers with low perceived quality. So, perceived quality could be used as a segmentation variable in the store brands’ marketplace. More precisely, we propose that retailer-based image factors, such as store image and store brand price, as well as customer-based factors, such as the confidence on store brands, are determinants of customer perceived value and store brands’ purchase intention.

The purpose of the present study is twofold. In the first place, we aim to analyze the creation of perceived value and purchase intention of store brands considering a customer-based variable – the perceived quality –, examining the differences on store brands’ proneness depending on perceived quality. Second, we aim to test the moderating role of customer perceived quality on purchase intention. For this purpose, we propose and empirically test a conceptual model for store brand products, performing a multi-group analysis of consumers with high perceived quality (thereafter HPQ) and low perceived quality (thereafter LPQ).

2. Literature review

2.1. Determinants of store brand proneness

2.1.1. Price

Among the numerous consumer perceptual variables, the price-related factors appear to be the most common determinants of store
brands’ purchase decisions (Jin & Suh, 2005). The perceived price is conceptualized as the subjective interpretation of the product’s monetary value, considering the product as cheap or expensive (Dickson & Sawyer, 1983); and Diallo (2012) defined the store brand perceived price as the overall representation of the relative level of store brands’ prices for a given retailer. So, in the present study, we refer to perceived price as the consumers’ judgement of the affordability of store brand products. However, there has been a clear evolution of store brands’ positioning from focusing on price to quality-based value propositions (Kumar & Steenkamp, 2007). Likewise, previous research highlights product price as one key driver that influences the perceived value of store brands (Beneke, Brito, & Garvey, 2013; Snoj, Korda, & Mumel, 2004). It is therefore posited that:

\[ H_0 \]: The store brand price has a positive influence on perceived value.

According to Diallo (2012), the perceived price has a prominent place in the consumer purchase behaviour towards store brands, being a key factor in purchase intent. Prior research suggests that store brands are conceived as good value for money options (Kumar & Steenkamp, 2007); and therefore, a low and affordable price is one key factor attracting consumers towards store brands’ products, leading to an increase in their purchase intention (Wu, Lin, & Hsu, 2011). So, the following hypothesis is presented:

\[ H_1 \]: The store brand price has a positive influence on purchase intention.

2.1.2. Store image

Martineau (1958) first introduced the concept of store image as the way in which the consumer mind pictures a store, consequence of its functional and psychological attributes. Following Wu et al. (2011), the store image could be defined as the perception of consumers based on the multi-attributes of a store. Among the multiple attributes influencing the overall store image we could include the merchandise quality, the store atmosphere, the product layout, the services offered, the price level and the product assortment (Bao, Bao, & Sheng, 2011; Diallo, 2012; Vahie & Paswan, 2006). In the present study, we define store image as the assessment derived from the evaluation of the main attributes of the store. In this vein, previous literature highlights that the store associations can be generalized to the store brands carried, and that consumers infer the store brand image from the image of the store (Vahie & Paswan, 2006). So, the inclusion of store image as a dimension in the conceptual model stemmed from evidence that store image has a positive impact on the consumer evaluation of store brands (Collins-Dodd & Lindley, 2003; Wu et al., 2011) and on store brands’ perceived value (Vahie & Paswan, 2006). In addition, prior research shows that there is a direct relationship between store image and consumers’ purchase intention for store brands, since the more positive the store image, the higher store brands’ purchase intention (Collins-Dodd & Lindley, 2003; Diallo, 2012). Consequently, we pose the following research hypotheses:

\[ H_2 \]: The store image has a positive influence on perceived value of store brands.

\[ H_3 \]: The store image has a positive influence on store brands’ purchase intention.

2.1.3. Confidence

According to Lassoued and Hobbs (2015), when a consumer is satisfied with a store brand and trusts a particular retailer, this trust may evolve into confidence, which involves a specific knowledge about the store brand resulting from positive consumption experiences. So, brand trust and brand confidence are related concepts. Brand trust is defined as the willingness to rely on the ability of the brand to perform its stated function (Chaudhuri & Holbrook, 2001). Similarly, a trustworthy reliable brand is a brand that continuously delivers what is promised to consumers (Erdem, Swait, & Valenzuela, 2006). Regarding store brand products, brand trust becomes relevant because the purchase of these brands is associated with a greater uncertainty and perceived risk than manufacturer brands (Matzler, Grabner-Kräuter, & Bidmon, 2009).

The confidence derived from the consumers’ trust is expected to be a combination of specific attitudes about the brand, including perceived performance and competence (Li, Zou, Kashyap, & Yang, 2008). It is important to remark that store brands have traditionally followed a low cost strategy and were mainly positioned as alternative cheap products compared to manufacturer brands; and in turn, consumers often perceived them as lower quality products and more risky product alternatives (González-Mieres, Díaz-Martín, & Trespalacios-Gutierrez, 2006). Even though the store brands’ quality has improved considerably, this perception is still present in numerous consumers’ minds (Diallo, 2012; Rubio, Oubiña, & Villaseñor, 2014). Likewise, prior research highlights that brand confidence derived from a positive consumption experience would lead to higher consumer value (Lassoued & Hobbs, 2015). So, we pose the following research hypothesis:

\[ H_4 \]: Confidence on store brands has a positive influence on perceived value.

Baltas (1997) suggested that store brand purchase is more likely when the consumer is confident that he or she would obtain a satisfactory performance. In addition, previous studies have shown that the more confident consumers are with a store brand, the stronger their intention to purchase store brand products (Castaldo, Perrini, Misani, & Tencati, 2009). Thus, we present the following hypothesis:

\[ H_5 \]: Confidence on store brands has a positive influence on purchase intention.

2.2. Consequences of store brand proneness

2.2.1. Customer loyalty and purchase intention

According to Oliver (1980) loyalty is defined as a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future; thus, causing a repetitive same brand or product purchase despite marketing efforts or situational influences (Chaudhuri & Holbrook, 2001). Hence, we pose the following hypothesis:

\[ H_6 \]: Consumer perceived value has a positive influence on store brands’ loyalty.

The purchase intention represents the possibility that consumers will plan to purchase a certain product or service in the future (Wu et al., 2011), and also refers to the consumer tendency to purchase a brand routinely (Diallo, 2012). Likewise, consumers’ purchase intentions arise when they perceive the value of a product or brand (Collins-Dodd & Lindley, 2003), being a reflection of what consumers’ stand to gain from their purchase. In the present study, we assume the key role of the perceived value in the consumer decision-making process (Beneke et al., 2013; Snoj et al., 2004), being an important variable influencing purchase intention:

\[ H_7 \]: Consumer perceived value has a positive influence on store brands’ purchase intention.

2.3. The moderating role of store brands’ perceived quality

According to Zeithaml (1988) the perceived quality is conceptualized as the consumer’s judgement about a product’s overall
excellence or superiority; and following Snoj et al. (2004) perceived quality results from the comparison of consumer expectations with the actual performance of a brand or product. The role of perceived quality in influencing consumer purchase decision in the store brands’ context is well supported, being considered as one of the most relevant factors in explaining the store brand prominence and purchase intention (Baltas & Argouslidis, 2007; Bao et al., 2011). Moreover, recent studies find that the store brands’ perceived quality continues to be significantly lower than the manufacturer brands (Richardson, Jain, & Dick, 1996). From the consumers’ standpoint the store brands’ competitive prices have positively contributed to their value; but their perceived quality has been questioned and perceived differently (Rubio et al., 2014). However, the influence of perceptual factors on store brands’ prominence has been largely ignored as potential moderators (Walsh, Evanschitzky, & Wunderlich, 2008); and therefore, a closer look to store brand products’ perceived quality is needed.

Considering that consumers differ substantially in their quality consciousness and that store brands’ perceived quality affects their perceived value (Rubio et al., 2014), a further analysis could be developed based on consumers’ quality perception. So, in the present study, we propose that the consumers’ perceived quality of store brand products would play a moderating role. The main reason is the positive relationship that has traditionally existed between store brand perceived quality and purchase intention (Bao et al., 2011). Consequently, we assume that consumers with HPQ of store brands would show higher purchase intention; while, on the other hand, consumers with a LPQ would tend to dismiss their purchase intention. Our objective is to determine whether the store brand perceived quality acts as a moderating influence upon the links between price, store image, confidence and purchase intention (Figure 1).

H$_{81}$. The store brand product perceived quality moderates the influence of price on purchase intention.

H$_{82}$. The store brand product perceived quality moderates the influence of store image on purchase intention.

H$_{83}$. The store brand product perceived quality moderates the influence of confidence on purchase intention.

3. Methodology

3.1. Variables and scale development

In order to select variables and indicators, we considered previous literature on the topic. The variables measurement was developed using a 5-point Likert-type scale (1 = “strongly disagree”; 5 = “strongly agree”). In order to measure store brands’ price we used the scale proposed by Yoo, Donthu, and Lee (2000), and for measuring store image we included the two items proposed by Berquist and Zorrilla (2011). The confidence on store brands was measured adapting the items proposed by Berquist and Zorrilla (2011). To measure perceived value, we adopted a 2-item scale adapted from Sweeney and Soutar (2001); and we used items proposed by Diallo (2012) to measure the consumers’ purchase intention. Finally, for measuring consumers’ loyalty, we adopted items previously used by Oliver (1980).

3.2. Sampling and fieldwork

In the present study, we selected the Spanish major retailers that commercialize store brands. This way, we chose five leading retailers operating in the Spanish marketplace, namely Mercadona, Carrefour, Eroski, DIA and El Corte Inglés; and finally, five store brands were included in our study – Hacendado, Carrefour, Eroski, DIA and Aliada. Then, five questionnaires were prepared – corresponding to each one of the store brands – and were randomly assigned to the participants. More precisely, participants were asked about the products of one single store brand in general terms, without mentioning a specific product category. The store brands selected are popular and frequently purchased in the Spanish market, so we assume that participants will have perceptions and associations related to them, even if they have never purchased them. The survey and fieldwork were conducted in June 2014, gathering a total sample of 469 respondents, while obtaining 439 valid responses. Responses were recruited in a random basis through an online questionnaire sent to consumers residing in Spain. The random error was a 4.77% and the confidence level up to 95.5%. The final part of the questionnaire collected socio-demographic data of the participants.

4. Results discussion

4.1. Measurement model

In relation with the analyses of the internal consistency and reliability, Cronbach Alpha, composite reliability coefficients and analysis of the extracted variance exceeded were calculated (Table 1). First, we obtained Cronbach Alpha values ranging from 0.689 to 0.925, which are acceptable (Hair, Anderson, Tatham, & Black, 1999). The indicators presented significant standardized lambda coefficients exceeding the threshold of 0.50, verifying the convergent validity of the scale (Fornell & Larcker, 1981). Likewise, regarding the analyses of internal consistency and reliability, composite reliability coefficients and analysis of the average variance exceeded (AVE) were calculated. Composite reliability coefficients that exceed a value of 0.5 confirm the internal reliability of the

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Cronbach Alpha</th>
<th>HPQ customers</th>
<th>LPQ customers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Lambda</td>
<td>CR</td>
<td>AVE</td>
</tr>
<tr>
<td>Price</td>
<td>Pre1</td>
<td>0.802</td>
<td>0.832</td>
<td>0.842</td>
</tr>
<tr>
<td></td>
<td>Pre2</td>
<td></td>
<td>0.874</td>
<td></td>
</tr>
<tr>
<td>Store</td>
<td>Stoin1</td>
<td>0.689</td>
<td>0.695</td>
<td>0.611</td>
</tr>
<tr>
<td>image</td>
<td>Stoin2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confidence</td>
<td>Conf1</td>
<td>0.765</td>
<td>0.657</td>
<td>0.719</td>
</tr>
<tr>
<td></td>
<td>Conf2</td>
<td></td>
<td>0.877</td>
<td></td>
</tr>
<tr>
<td>Perceived</td>
<td>Pvl1</td>
<td>0.766</td>
<td>0.669</td>
<td>0.712</td>
</tr>
<tr>
<td>value</td>
<td>Pvl2</td>
<td></td>
<td>0.702</td>
<td></td>
</tr>
<tr>
<td>Purchase</td>
<td>Int1</td>
<td>0.925</td>
<td>0.882</td>
<td>0.912</td>
</tr>
<tr>
<td>intention</td>
<td>Int2</td>
<td></td>
<td>0.949</td>
<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td>Loy1</td>
<td>0.868</td>
<td>0.837</td>
<td>0.833</td>
</tr>
<tr>
<td></td>
<td>Loy2</td>
<td></td>
<td>0.853</td>
<td></td>
</tr>
</tbody>
</table>
construct considered (Bagozzi & Yi, 1989). In relation with the analysis of extracted variance exceeded (AVE), values should exceed the threshold of 0.5 (Hair et al., 1999).

Then, we confirm the discriminant validity in both sub-samples, using the method of variance extracted (Fornell & Larcker, 1981). Our results show that the square root of the variance extracted (AVE) for each construct is in all cases greater than the absolute value of the correlation between each pair of variables. Then, we examine the measurement invariance between the two groups. First, we confirm the configural invariance by evaluating the model’s fit considering the two groups of customers simultaneously without imposing restrictions. The goodness of fit indices of the configural invariance model shows a satisfactory fit ($\chi^2 = 197.482$; $df = 86$; $CFI = 0.949$; $NFI = 0.915$; $IFI = 0.869$; $GFI = 0.934$; $AGFI = 0.881$; $RMSEA = 0.054$). These results confirm that both groups share the factor structure of the constructs considered. Secondly, we impose the restriction of equality of factor loadings across the two samples, and compare the results for this restricted model with the results obtained from the unrestricted model ($\Delta \chi^2 = 17.347$; $\Delta df = 6$; $p < 0.001$). The model does not worsen, showing that the measurement model invariance is fulfilled.

4.2. Structural model

Regarding the results obtained for the structural modelling adjustment, Chi-Square shows a significant value ($\chi^2 = 183.150$, $p < 0.000$), so it could be considered a reliable indicator of the model fit (Hair et al., 1999). Other absolute measures of the modelling adjustment such as the Goodness of Fit Index (GFI = 0.942) and the Root Mean Square Error of Approximation (RMSEA = 0.044) show appropriate values. The measure of the Incremental Fit Index (IFI = 0.961), Tucker–Lewis Index (TLI = 0.961) and the Comparative Fit Index (CFI = 0.960) also show adequate values higher than 0.9 (Hair et al., 1999).

4.3. The moderating role of store brand products’ perceived quality

In order to test the moderating role of the store brand products’ perceived quality, a multi-group analysis was performed. For this purpose one specific question regarding the product perceived quality of store brands was included in the questionnaire: “Products of store brand X have excellent quality”. Then, the sample was divided into two groups of consumers, according to whether they have HPQ or LPQ. First, a cross validation of the specified model was performed by examining the model fit for the total sample separately, indicating that the multi-group analysis could be performed (Hair et al., 1999). Next, a $\chi^2$ difference test was assessed for the moderating variable, and model comparisons were conducted between the general model whereby the structural paths were freed across both groups and a model whereby the specified paths were constrained to remain equal across the groups. A significant $\chi^2$ difference between the constrained and unconstrained model implies that the models for the two-groups are dissimilar, indicating a moderating effect (Hair et al., 1999). The proposed model was estimated with all hypothesized parameters allowed to be estimated freely within each sub-sample ($\chi^2 = 268.316$; $p < 0.001$; $CFI = 0.959$). Next, each link was constrained separately to be equal across the two sub-groups and $\chi^2$ differences were calculated with respect to the general model. So, in a series of constrained models, the path coefficients corresponding to the relationships between price ($H_8$), store image ($H_6$), confidence ($H_3$) and purchase intention were constrained to remain invariant across the two sub-samples, and the model was re-estimated. The significantly $\chi^2$ higher values for the constrained models did not improve model fit in any of the cases. This supports the hypothesized moderating role of the store brand products’ perceived quality on the relationships between price and purchase intention ($\Delta \chi^2 = 5.987$; $df = 1$, $p < 0.001$), and between store image and purchase intention ($\Delta \chi^2 = 7.728$; $df = 1$, $p < 0.001$). However, no significant values were found for the $\Delta \chi^2$ – as indicated in the $\chi^2$ distribution – suggesting the lack of a moderating influence on the relationship between confidence and purchase intention ($\Delta \chi^2 = 3.257$; $df = 1$, $p < 0.001$).

4.4. Analysis of relationships among variables

The multiple group analysis identified a number of interesting differences in the variables influencing store brands’ perceived value and purchase intention between HPQ and LPQ customers (Table 2). First of all, our findings provide support for all proposed research hypothesis, with the exception of $H_1$ and $H_4$ for HPQ and LPQ customers; whereas $H_3$ and $H_5$ were supported for LPQ, but not for HPQ customers. One relevant finding is that the main variables influencing store brand perceived value are confidence ($\beta_{4H1} = 0.303^{**}$; $\beta_{4L1} = 0.642^{**}$) and price ($\beta_{14H1} = 0.420^{**}$; $\beta_{14L1} = 0.421^{**}$) for both types of consumers. The confidence on store brand products
showed a higher influence for LPQ customers (β34L = 0.642**), and the reason may be that customers with LPQ also show a greater perceived risk when compared to purchasing store brands. Interestingly, we did not find empirical support for the influence of store image on store brand perceived value (β24L = 0.088**; β24S = 0.083**), for both types of customers. Additionally, regarding the variables influencing purchase intention, our findings highlight the influence of confidence as the main influencing variable (β43H = 0.467*; β43S = 0.526*) for both HPQ and LPQ customers. Likewise, the store brand price showed a positive impact on purchase intention for LPQ customers (β15L = 0.305*). One explanation would be that when LPQ customers compare store brands to the leading brands, the price could be considered highly attractive for consumers trying to compensate the low perceived quality. Nevertheless, we did not find empirical support for the positive influence of perceived value on purchase intention for HPQ customers (β34H = 0.150*), while a positive effect was found for LPQ customers (β34L = 0.165*). Finally, as initially expected, we found a strong significant influence of store brand perceived value on loyalty (β46H = 0.622*; β46L = 0.548*), for both types of customers.

5. Conclusions

Previous studies have examined the creation of store brands’ proneness and purchase intention; however, customer-based moderating variables were not often considered. In this context, the present study aims to give answer to the following question: “Does the consumer product perceived quality influence store brands’ proneness?” or in other words: “Does product perceived quality influence store brands’ purchase intention?”. The answer to this research question would be “Yes, the consumer perceived quality does influence store brands’ purchase intention and perceived value”. The major contribution of the present study is that it enables to understand the creation of purchase intention and perceived value of store brands in two different consumer segments: consumers with high perceived quality and consumers with low perceived quality. The other relevant contribution of the present research is that the store brand products’ perceived quality plays a moderating role on the relationships between price and store image on purchase intention.

So, considering the proposed customer segmentation between HPQ and LPQ customers, our findings show that for both types of customers store brand confidence and price are the main influencing variables on customer perceived value. Nevertheless, our findings highlight interesting differences between the two groups of customers. On one hand, for LPQ customers, the results stress the importance of store brand price on purchase intention, highlighting that the affordability of store brands influences their the purchase intention. However, this relationship was not found significant for HPQ consumers. One possible reason is that when store brands are compared to the leading manufacturer brands, the price of the retailer brands is considered to be especially attractive to consumers who perceive them as a lower quality options. Another potential explanation would be that for the segment of LPQ customers, a cheap affordable price may compensate a lower perceived quality. Regarding the segment of HPQ customers, the affordable prices and the store brand confidence constitute the main determinants of the store brands’ perceived value. Insofar, HPQ customers show a lower perceived value and purchase intention influenced by confidence, compared to LPQ customers. Likewise, in the segment LPQ customers, we find that store brands’ confidence is the key determinant of consumer perceived value; while confidence and affordable prices show a strong influence on store brands’ purchase intention. This result may be explained by their greater perceived risk for the LPQ customers regarding store brands, since they perceive them as a lower quality alternative. Thus, our findings highlight the existence of two different customer segments regarding the store brands’ purchase: the quality-driven and the price-oriented customers, being in line with previous literature (González-Benito & Martos-Partal, 2012). So, the store brands’ purchase intention may not be based exclusively on price convenience, but could also reflect the quality evaluations about store brands (González-Benito & Martos-Partal, 2012).

Moreover, the present research determines the main dimensions through which store brands’ perceived value and purchase intention are created. Our findings highlight that store brand price image as being affordable for consumers plays a key role in explaining customer perceived value and purchase intention. Secondly, our findings show the important influence of confidence on store brands’ proneness and perceived value. This result could be explained by the fact that in a context of uncertainty, credible brands act as consistent symbols of product quality, and customers would purchase store brands that they perceive as being reliable and trustworthy as a risk-reduction strategy. Similarly, our results highlight the need for greater communication about store brands to consolidate them as reliable and trustworthy brand options in both consumer segments.

Contrary to our initial expectations, our findings do not support the direct influence of store image on perceived value and store brands’ purchase intention, for both customer segments, being in line with previous studies (Diało, 2012). The reason may be that a wide commercial offer, an adequate assortment, and a broad range of services are frequent in major retailers, especially in a context of increasing competition; thus not influencing customer behaviour and purchase intention. Other potential explanation would be that

Table 2: Structural model estimates and hypotheses test.

<table>
<thead>
<tr>
<th>Relationships</th>
<th>HPQ customers (n = 258)</th>
<th>LPQ customers (n = 181)</th>
<th>Chi-Square differences</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standardized coefficients</td>
<td>Hypotheses test</td>
<td>Standardized coefficients</td>
</tr>
<tr>
<td>Price → perceived value</td>
<td>β14H = 0.420** H0: supported</td>
<td></td>
<td>β14L = 0.421** H0: supported</td>
</tr>
<tr>
<td>Store image → perceived value</td>
<td>β24H = 0.088** H1: no supported</td>
<td></td>
<td>β24L = 0.083** H1: no supported</td>
</tr>
<tr>
<td>Confidence → perceived value</td>
<td>β34H = 0.303* H1: supported</td>
<td></td>
<td>β34L = 0.642** H1: supported</td>
</tr>
<tr>
<td>Price → purchase intention</td>
<td>β33H = 0.142* H1: supported</td>
<td></td>
<td>β33L = 0.017** H1: supported</td>
</tr>
<tr>
<td>Store image → purchase intention</td>
<td>β33H = 0.234* H1: no supported</td>
<td></td>
<td>β33L = 0.526* H1: supported</td>
</tr>
<tr>
<td>Confidence → purchase intention</td>
<td>β53H = 0.467* H1: supported</td>
<td></td>
<td>β53L = 0.165* H1: supported</td>
</tr>
<tr>
<td>Perceived value → purchase intention</td>
<td>β64H = 0.150* H1: no supported</td>
<td></td>
<td>β64L = 0.165* H1: supported</td>
</tr>
<tr>
<td>Perceived value → loyalty</td>
<td>β64H = 0.622* H1: supported</td>
<td></td>
<td>β64L = 0.548* H1: supported</td>
</tr>
<tr>
<td>R² (satisfaction) = 0.866</td>
<td>ns = no significant</td>
<td></td>
<td>ns = no significant</td>
</tr>
<tr>
<td>R² (purchase intention) = 0.542</td>
<td>“Significant (p &lt; 0.05)”</td>
<td></td>
<td>“Significant (p &lt; 0.1)”</td>
</tr>
</tbody>
</table>
nowadays customers expect to receive a broad assortment and many services from major retailers. Thus, retailers should be aware that improving store image does not directly lead to a greater store brand purchase intention. Finally, our results highlight that store brands’ perceived value has a clear positive influence in consumer’s purchase intention, as initially expected.

5.1. Research implications

Store brand managers and retailers could develop market segmentation and perform marketing strategies based on customers’ perceived quality. Moreover, managers could reinforce the quality of store brands by building strong partnerships with their suppliers to improve the quality of the manufacturing processes. Retailers could also use external cues to enhance the consumers’ perception of store brand products’ quality, such as the use of attractive labelling and packaging design. Likewise, our research carries implications for retail pricing practices, stressing that retailers should not focus exclusively on price image, while paying more attention to confidence on store brands. More specifically, managers should develop actions to reinforce customers’ confidence on store brands like the promotion of trials of store brand products so that consumers can thereby evaluate them not only based on the external aspects of the brand, the offering of free samples that help customers appreciate the quality of store brand products or product testing at the store. Nonetheless, this research has limitations that represent avenues for future research. First, the data for the study come from one specific European market; thus, replication across other countries will establish further generalizations. Second, this study could be generalized to different store brand product categories.

Appendix A. Supplementary data

Supplementary data associated with this article can be found, in the online version, at doi:10.1016/j.jdeen.2016.10.001.

References