FACTORS INFLUENCING CONSUMER’S WILLINGNESS TO PURCHASE PRIVATE LABEL BRANDS

PANG SUK MIN

MASTER OF BUSINESS ADMINISTRATION

UNIVERSITI TUNKU ABDUL RAHMAN
FACULTY OF ACCOUNTANCY AND MANAGEMENT
DECEMBER 2015
Factors Influencing Consumer’s Willingness to Purchase Private Label Brands

Pang Suk Min

A research project submitted in partial fulfillment of the requirement for the degree of

Master of Business Administration

Universiti Tunku Abdul Rahman
Faculty of Accountancy and Management
December 2015
Factors Influencing Consumer’s Willingness to Purchase Private Label Brands

By
Pang Suk Min

This research project is supervised by

Dr Lau Teck Chai
Assistant Professor
Department of International Business
Faculty of Accountancy and Management
DECLARATION

I hereby declare that:

(1) This Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) The word count of this research project is 20,182.

Name of Student : Pang Suk Min
Student ID : 14 UKM 01282
Signature : 
Date : 

iii
ACKNOWLEDGEMENT

It has been a tough and adventurous journey to me in writing this dissertation. However, this dissertation is completed with the excellent guidance and assistance of several individuals who contributed their knowledge and expertise. I would like to take this opportunity to express my great appreciation to all of them.

First and foremost, I would like to express my deepest gratitude to Dr Lau Teck Chai for his guidance and mentorship throughout this dissertation. It is my life-long honor to work with him and he helped me a lot whenever I came across difficulties in this research study. His tolerance and expertise also helped me and supported me all the way through proposing initial ideas to the completion of this research study.

I would also like to thank the members of Faculty of Accountancy and Management and Institute Postgraduate Studies and Research, for their assistance during the program.

Last but not least, I would like to thank my family who have been supporting me throughout my program and motivating me to move forward. Without their constant support, I would not be able to successfully complete this dissertation.

Thank you!
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copyright Page ....................................................................................................................</td>
</tr>
<tr>
<td>Declaration ...........................................................................................................................</td>
</tr>
<tr>
<td>Acknowledgement ................................................................................................................</td>
</tr>
<tr>
<td>Table of Contents ..............................................................................................................</td>
</tr>
<tr>
<td>List of Tables ....................................................................................................................</td>
</tr>
<tr>
<td>List of Figures ...................................................................................................................</td>
</tr>
<tr>
<td>Abstract .............................................................................................................................</td>
</tr>
</tbody>
</table>

CHAPTER 1 INTRODUCTION .......................................................................................... 1

1.1 Introduction ................................................................................................................. 1
1.2 Research Background ................................................................................................. 1
1.3 Problem Statement ..................................................................................................... 2
1.4 Research Objectives .................................................................................................. 4
  1.4.1 General Objectives ................................................................................................. 4
  1.4.2 Specific Objectives ................................................................................................. 4
1.5 Research Questions .................................................................................................... 4
1.6 Hypotheses of the Study ............................................................................................. 5
1.7 Significance of the Study ........................................................................................... 6
1.8 Chapter Layout ........................................................................................................... 6
1.9 Conclusion .................................................................................................................. 7

CHAPTER 2 LITERATURE REVIEW ............................................................................. 8

2.1 Introduction ................................................................................................................. 8
2.2 Review of Literature ................................................................................................... 8
  2.2.1 Private Label Brands (PLBs) ................................................................................. 8
  2.2.2 Consumer’s Willingness to Purchase a Product .................................................... 13
  2.2.3 Perceived Price ....................................................................................................... 14
2.2.4 Perceived Quality ................................................................. 16
2.2.5 Perceived Risk .................................................................. 18
2.2.6 Perceived Value ................................................................. 21
2.2.7 Store Image ...................................................................... 22
2.3 Theoretical Foundation .............................................................. 25
2.3.1 Proposed Conceptual Framework ...................................... 25
2.4 Hypotheses Development ............................................................. 26
2.4.1 Relationship between Perceived Price and Consumer’s Willingness to
Purchase PLBs .......................................................................... 26
2.4.2 Perceived Quality and Consumer’s Willingness to Purchase PLBs ...... 27
2.4.3 Perceived Risk and Consumer’s Willingness to Purchase PLBs ........... 29
2.4.4 Perceived Value and Consumer’s Willingness to Purchase PLBs ........ 31
2.4.5 Store Image and Consumer’s Willingness to Purchase PLBs .......... 32
2.5 Conclusion ............................................................................ 33

CHAPTER 3 METHODOLOGY .................................................................. 34
3.1 Introduction ............................................................................. 34
3.2 Research Design ..................................................................... 34
3.3 Data Collection Methods ............................................................. 36
3.3.1 Primary Data ....................................................................... 37
3.3.2 Secondary Data .................................................................... 38
3.4 Sampling Design ..................................................................... 39
3.4.1 Target Population ................................................................. 40
3.4.2 Sampling Location ............................................................... 42
3.4.3 Sampling Elements ............................................................... 44
3.4.4 Sampling Technique ............................................................. 44
3.4.5 Sampling Size ...................................................................... 45
3.5 Research Instrument ................................................................. 47
3.5.1 Purpose of Using Questionnaire ........................................ 47
3.5.2 Questionnaire Design ......................................................... 48
5.2.3 Findings on the Hypothesis Three (H3) .............................................. 85
5.2.4 Findings on the Hypothesis Four (H4) .............................................. 86
5.2.5 Findings on the Hypothesis Five (H5) .............................................. 87
5.3 Managerial Implications ....................................................................... 88
  5.3.1 Store Image ....................................................................................... 88
  5.3.2 Perceived Price .................................................................................. 89
  5.3.3 Perceived Quality .............................................................................. 90
5.4 Limitations of Study ............................................................................... 91
5.5 Recommendations for Future Research .............................................. 92
5.6 Conclusion ............................................................................................. 93
References ................................................................................................... 94
Appendix ...................................................................................................... 117
## LIST OF TABLES

Table 1: Description of Perceived Risk in Six Dimensions ................................. 20  
Table 2: Kunkel and Berry’s 12 Dimensions of Store Image ................................ 24  
Table 3: Profiles of Three Major Hypermarkets in Malaysia ............................... 41  
Table 4: Demographics of Participants in the Pilot Study ................................... 50  
Table 5: Willingness to Purchase and Measurement Items .................................. 52  
Table 6: Perceived Price and Measurement Items ............................................. 53  
Table 7: Perceived Quality and Measurement Items .......................................... 54  
Table 8: Perceived Risk and Measurement Items ............................................. 55  
Table 9: Perceived Value and Measurement Items ............................................ 56  
Table 10: Store Image and Measurement Items .............................................. 57  
Table 11: Summary of Likert Scale Used to Measure Variables .......................... 59  
Table 12: Summary of the Cronbach’s Alpha Values ....................................... 63  
Table 13: General Characteristics of PLBs Consumers ...................................... 64  
Table 14: Descriptive Analysis on Screening Questions ..................................... 66  
Table 15: Cross-tabulation Analysis ..................................................................... 69  
Table 16: Model Summary Table ........................................................................ 71  
Table 17: ANOVA Table ...................................................................................... 73  
Table 18: Mean and Standard Deviation of Variables ........................................ 74  
Table 19: Coefficients Table ............................................................................... 77  
Table 20: Summary of Results for Hypotheses Testing ....................................... 81
LIST OF FIGURES

Figure 1 : The Evolution of Private Label Brands (PLBs) ................................. 10
Figure 2 : Proposed Conceptual Framework of the Factors Influencing Consumer’s Willingness to Purchase Private Label Brands (PLBs) ........................... 25
Figure 3 : Retail Category by Size in Malaysia .................................................. 40
Figure 4 : Map of Klang Valley with Its Ten Local Authorities ......................... 42
Figure 5 : Hypermarkets Dominate in Malaysia ............................................... 43
Abstract

The growth of Private Label Brands (PLBs) has been slow although they have been available in Asia for the past quarter century. There are many factors that influence consumer’s willingness to purchase PLBs. This dissertation investigates Malaysian consumers and why some of them are willing to purchase PLBs, while others do not. The purpose of this dissertation is to identify the factors that influence consumer’s willingness to purchase Private Label Brands (PLBs) in Klang Valley, Malaysia. There are five variables that will be examined in this study: perceived price, perceived quality, perceived risk, perceived value, and store image. Quantitative survey has been carried out in this research study. A total of 215 questionnaires are distributed to consumers at hypermarkets within Klang Valley. It can be concluded that three factors (perceived price, perceived quality, and store image) have significant effects on consumer’s willingness to purchase PLBs.
Chapter 1: Research Overview

1.1 Introduction

Chapter One is the engine that drives the rest of the document. In this chapter, it comprises: (a) an introduction describing the background of study; (b) problem statement; (c) research objectives, (d) research questions; (e) hypotheses of study; (f) significance of study: (g) outline of this study; and (h) a conclusion of this chapter. This chapter proposes a research study that will add to an understanding of the factors that influence consumer’s willingness to purchase private label brands.

1.2 Research Background

Private label brands (PLBs) are brands owned and controlled by retailer or wholesaler for a line or a range of items under controlled or exclusive distribution (Abhishek, 2011; Raja & Ali, 2014). Fitzell’s study (as cited in Abhishek, 2011) states that these brands were first introduced over 100 years ago in categories such as tea and coffee. According to a study conducted in 2000 by Private Label Marketing Association (PLMA) (as cited in Chakraborty, 2013), 71% of the United States shoppers prefer to buy PLBs and this shows that these brands have become popular and profitable marketing strategy in the retail sector. The growth of PLBs was driven by factors such as the need for consumers to reduce costs during economic downturn, the expansion of large grocery retailers and the development of more sophisticated private label lines that command higher prices (Euromonitor International, 2013).

Based on the Global Survey of Private Label carried out in 2014 by Nielsen, an American global information and measurement company, almost three-quarters of
global respondents (71%) agreed that quality of PLBs has improved over time (McCaskill, 2014). The survey also found out that 66% of respondents in Asia Pacific region purchase PLBs to save money while 57% say purchasing PLBs makes them feel like a smart shopper. These prove that price and quality are primary drivers of consumers’ purchase intent for PLBs.

PLBs have been available in Asia for the past quarter century, but growth has been slow (McCaskill, 2014). The Nielsen’s survey shows that private-label value share is only 2% in Malaysia, compared to 8.1% in Singapore and 45% in Switzerland. Why has PLBs growth been so slow in Asia? Managing director of retailer services for Nielsen Asia Pacific and Middle East, Peter Gale, said that Asian shoppers have strong brand loyalty and retailers have not invested enough in PLBs marketing programs to attract and convince shoppers to trust its quality (McCaskill, 2014). Asian shoppers prefer to purchase trusted brand advertised on television as 59% of respondents in Indonesia, 58% in Philippines and 56% in Thailand believe they risk wasting money when they try new brands (Nielsen, 2014). The survey also revealed that 44% of Malaysian respondents will not purchase PLBs when quality matters. In other words, 55% of Malaysian respondents may still purchase PLBs regardless of the quality.

Eventually, to make PLBs successful will not be easy or quick, and it is in the retailers’ hands to decide when is the right time to fully invest and increase consumer acceptance. Hence, this study investigates the factors that influence consumer’s willingness to purchase PLBs and help retailers in taking appropriate action to increase brand awareness as well as attract more consumers in purchasing PLBs.

1.3 Problem Statement

In October 2015, the International Monetary Fund released its forecast of global growth and stated that the global economy is once again slowing down (Mui, 2015).
Malaysia is not immune to the global economic downturn and Malaysia’s economy has suffered on several fronts: Malaysian’s Ringgit close to an exchange rate of four to the US dollar which is not seen in nearly two decades, foreign investment into Malaysia fell by nearly 50% year-on-year through first half of 2015 which partly due to domestic political instability, and low global price of oil also hurt Malaysia - one of the major exporters of oil and gas (Kurlantzick, 2015; Kok, 2015; Free Malaysia Today, 2015). According to a joint study conducted in October 2014 by global market research firm IPSOS and survey solutions provider SSI, inflation may be pushing Malaysian consumers to consider the cheaper PLBs to cope with their lower spending power and spend less on non-essentials (The Malay Mail, 2015). In addition, the study also revealed that willingness of Malaysian shoppers to remain loyal to branded goods may reduce if PLBs are able to close the gap in quality (The Malay Mail, 2015).

To date there has been little, if any, evaluation of factors such as perceived price, quality, risk, value and store image that influence consumers to purchase PLBs in Malaysia. Therefore, the purpose of this research is to further understand and study the relationship between the five factors and consumer’s willingness to purchase PLBs. The research problem is to examine whether the factors will have significant impact on consumer’s willingness to purchase PLBs.

There are three steps will be taken to study on the research problem. First and foremost, consumer’s willingness to purchase should be understood thoroughly. Then, the factors will be tested by using quantitative method to obtain feedback from the respondents. Lastly, measurement analysis will be used to justify the relationship between each variable in this study.
1.4 Research Objectives

1.4.1 General Objectives

The general objective of this research study is to discover and analyze whether perceived price, perceived quality, perceived risk, perceived value, and store image will influence consumer’s willingness to purchase PLBs in Klang Valley, Malaysia.

1.4.2 Specific Objectives

The specific objectives are derived from the general objectives as stated above. The specific objectives of the research study are as below:

(a) To study the perceived price in relation with consumer’s willingness to purchase private label brands.
(b) To scrutinize the perceived quality in relation with consumer’s willingness to purchase private label brands.
(c) To examine the perceived risk in relation with consumer’s willingness to purchase private label brands.
(d) To scrutinize the perceived value in relation with consumer’s willingness to purchase private label brands.
(e) To examine the store image in relation with consumer’s willingness to purchase private label brands.

1.5 Research Questions

After identifying both of the general and specific objectives, the research questions to be answered in this research project are as follows:
(a) How does perceived price influence consumer’s willingness to purchase private label brands?
(b) How does perceived quality influence consumer’s willingness to purchase private label brands?
(c) How does perceived risk influence consumer’s willingness to purchase private label brands?
(d) How does perceived value influence consumer’s willingness to purchase private label brands?
(e) How does store image influence consumer’s willingness to purchase private label brands?

1.6 Hypotheses of the study

In proportion to the research questions mentioned previously, the proposed hypotheses for this research study are as below:

First Hypothesis (H1):
   There is a positive relationship between perceived price and consumer’s willingness to purchase private label brands.

Second Hypothesis (H2):
   There is a positive relationship between perceived quality and consumer’s willingness to purchase private label brands.

Third Hypothesis (H3):
   There is a positive relationship between perceived risk and consumer’s willingness to purchase private label brands.

Forth Hypothesis (H4):
   There is a positive relationship between perceived value and consumer’s willingness to purchase private label brands.

Fifth Hypothesis (H5):
   There is a positive relationship between store image and consumer’s willingness to purchase private label brands.
1.7 Significance of the study

The contributions of this study will provide valuable insight for future researchers or retailers to identify the factors that influence consumer’s willingness to purchase PLBs in Klang Valley, Malaysia. There are five variables in total that will be examined in this study: perceived price, perceived quality, perceived risk, perceived value, and store image. This study will be able to help retailers to further understand how the variables influence consumer’s willingness to purchase PLBs. Retailers will be able to take appropriate action to increase brand awareness and attract more consumers in purchasing the PLBs by identifying the consumer intention as mentioned in this study.

1.8 Chapter Layout

The proposed study will consist of five chapters:

Chapter 1: Introduction

Chapter one looks into the PLBs with introduction to the topic and background of the study. It outlines the problem statement, research objectives, research questions, hypotheses, significance of study, and the overall chapter layout of the research study.

Chapter 2: Literature Review

Chapter two is the literature review which comprises a comprehensive review of past studies and aims to build a theoretical foundation upon which the research is based.
Chapter 3: Methodology

Chapter three includes the explanation on the variables and their measurement in detail. Research design, methods of data collection, sampling design, research instrument, construct measurement, and data analysis techniques will be discussed in this chapter.

Chapter 4: Research Results and Findings

In chapter four, a number of statistical tests will be performed by using SPSS. The results and findings are then summarized and critically evaluated.

Chapter 5: Discussions and Conclusion

Chapter five presents a conclusive arguments and a research report after data are analyzed and results are interpreted. The major findings, managerial implications, limitations of study and recommendations for future research will be summarized.

1.9 Conclusion

The first chapter serves as an introduction to the study including the background, problem statement, research objectives, research questions, and hypotheses of the research study. It also provides important definitions to the study.

Next, literature review will be discussed in Chapter two.
Chapter 2: Literature Review

2.1 Introduction

The first section of Chapter two will be the comprehensive review of secondary data on the topic of consumer’s willingness to purchase PLBs. Subsequently in the second section, a proposed conceptual framework will be developed based on the research objectives and questions. Finally, hypotheses on each of the components will be developed and tested to review the relationship toward PLBs in the last section.

2.2 Review of Literature

2.2.1 Private Label Brands (PLBs)

Warren Buffett, one of the most successful investor of the 20\textsuperscript{th} century and the most influential people in the world in 2012 (Appiah, 2013), once said: “Your premium brand had better be delivering something special, or it is not going to get the business” (Dvorak, 2010). In other words, a business should have an appeal that is unique to consumers and differentiate its products or services from others in the industry. Today’s world is more conscious about branding and it has become an important aspect of business strategy. Most of the successful individuals, products and businesses are established brand names, but average people do not know the importance of branding. The word “brand” derives originally from the Old Norse “brandr”, meaning “to burn” (Verma, 2002). In the earliest times, branding was used to associate animals with their owners and as a mark of identification on the animals (Food and Agriculture Organization, 2004). According to Wood (2000), brands should be managed as valuable and long term corporate assets as they differentiate a product from
all the competition in the marketplace, hence they can be critical to the success of companies. Global Director for BrandZ, Doreen Wang, also propounds the view that brand is among the most valuable financial assets of modern corporations and it contributes more to shareholder value creation than any other tangible or intangible asset (McWhinnie, 2015). Brands represent the customer’s perceptions and opinions about the performance of a product. The brand which resides in the consumer mind is a powerful brand and it has a very high degree of awareness (Alamgir, Shamsuddoha, & Nedelea, 2010). Consumers tend to accept and do not refuse to buy brands with high awareness as they enjoy the brand performance (Hasan, 2008). In short, a strong brand enables a company to increase consumer awareness of a product, drive demand and sales, grow market share and build shareholder value.

The most important category of product brand presents in this study is PLBs, which have enjoyed increased attention in recent years. As stated by Private Label Manufacturers Association (PLMA), private label products include all goods sold under a retailer’s own brand (Gonzalez, 2006). PLBs are often referred to as own labels, own brands, in-house brand, store brands, retail brands, or distributor brands (Sathya, 2013; Raja & Ali, 2014). Raju, Sethuraman and Dhar’s study (as cited in Sadasivan & Suresh, 2011) states that PLBs must distinctly bear only the brand name of the store or any other party with whom the store has initiated its store brand program. Because of PLBs, retailers nowadays have a dual position: as the manufacturers’ customers and competitors in production (Tarzijan, 2004). The evolution of PLBs is illustrated in Figure 1 as below:
**Figure 1: The evolution of Private Label Brands (PLBs)**

<table>
<thead>
<tr>
<th>Type of Brand</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Generation</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Generation</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Generation</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-Generic</td>
<td>-Quasi Brand</td>
<td>-Own brand</td>
<td>-Extended own brand. For example, segmented own brand.</td>
</tr>
<tr>
<td></td>
<td>-No name</td>
<td>-Own label</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Brand free</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Unbranded</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>Generics</td>
<td>Cheapest price</td>
<td>Me-too</td>
<td>Value added</td>
</tr>
<tr>
<td></td>
<td>-Increase margins.</td>
<td>-Increase margins.</td>
<td>-Enhance category margins.</td>
<td>-Increase and retain the client base.</td>
</tr>
<tr>
<td></td>
<td>-Provide choice in pricing.</td>
<td>-Reduce manufacturer’s power by setting entry price.</td>
<td>-Expand product assortment.</td>
<td>-Enhance category margins.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Provide better value product.</td>
<td>-Build retailer’s image among customers.</td>
<td></td>
</tr>
<tr>
<td>Objective</td>
<td>Basic and functional products.</td>
<td>One-off staple lines with a large volume.</td>
<td>Big category products.</td>
<td>-Image forming product groups</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Large number of products with small volume (niche).</td>
</tr>
<tr>
<td>Product</td>
<td>Simple production process and basic technology lagging behind market leader.</td>
<td>Technology still lagging behind market leaders.</td>
<td>Close to the brand leader.</td>
<td>Innovative technology.</td>
</tr>
<tr>
<td>Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality/Image</td>
<td>Lower image and inferior image compared to the manufacturer’s brands.</td>
<td>-Medium quality but still perceived as lower than leading manufacturer’s brands.</td>
<td>Comparable to market leaders.</td>
<td>-Same or better than brand leader.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Secondary brand, alongside the leading manufacturer’s brands.</td>
<td></td>
<td>-Innovative and different products from brand leaders.</td>
</tr>
<tr>
<td>Approximate pricing</td>
<td>20% or more below the brand leader.</td>
<td>10-20% below</td>
<td>5-10% below</td>
<td>Equal or higher than known brand.</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------------------</td>
<td>--------------</td>
<td>-------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Consumer’s motivation to buy</td>
<td>Price</td>
<td>Price is still important.</td>
<td>Both quality and price. For example, value for money.</td>
<td>Better and unique products.</td>
</tr>
</tbody>
</table>


Not only produced by retailers, PLBs can also produced by manufacturers for retailers with the aim to achieve economies of scale in production and distribution, as well as utilize the excess capacity (Baltas, 1997). On the other hand, retailers can introduce and develop PLBs as a strategy to increase customer loyalty and profitability by improving its store’s image. Narasimhan and Wilcox’s study (as cited in Pavel, 2007) states that the primary purpose of a PLBs is to strengthen a retailer’s bargaining position in comparison with national retailers and raise their brand images in the marketplace (Dunne, Lusch, & Carver, 2014).

Over the past decade, sale of PLBs were limited (Levy, Weitz, & Grewal, 2014) and considered to be second-rate products as well as copies of national brand products (Hernandez & Noruzi, 2011). This is because they are priced lower than the other brands and consumers assume or are told by the competition that something priced lower represents lower quality. But the truth is that these PLBs do not have advertising expenses and middleman
(Dunne et al, 2014), therefore they come with a lower price tag for both the consumers and retailers. Recent researches have found out that there is an upward trend in consumers purchasing PLBs (Shukla, Banerjee, & Adidam, 2013). Globally, PLBs contribute to 17% of retail sales with a growth of 5% annually (Hiscock, 2012; Chandra, 2014). This shows that consumers slowly accept PLBs as retailers start to carry out quality control check to ensure their PLBs meet the required standards before the products reach the shelves.

PLBs have been gaining more acceptance in ASEAN countries due to the economic downturn and more consumers realized that PLBs are not necessarily have lower quality than branded items (Agriculture and Agri-Food Canada, 2012). In Malaysia, the population reached 31.1 million on October 16, 2015 (Department of Statistics Malaysia, 2015) and is expected to reach 32.4 million and 36 million by 2020 and 2030 respectively (Economic Planning Unit, 2015). The real Gross Domestic Product (GDP) growth rate of Malaysia was -1.51% in 2009, but reach 6.03% in 2014 (The World Bank, 2015). Increase in GDP means there is economic growth, an increase in national output and national income. Personal consumption which includes retail sales is one of the most important drivers of GDP growth (Amadeo, 2014). According to AT Kearney’s Global Retail Development Index in 2014, Malaysia is ranked as the ninth largest retail destination globally (Shabat, Rhim, Salman, & Moriarty, 2014). Modern retailers, which dominate in Malaysia’s urban areas, are using lower-priced PLBs and add-on services to attract consumers as well as gain a greater foothold, with market share expected to reach 53% by 2020 (Shabat et al, 2014).
2.2.2 Consumer’s Willingness to Purchase a Product

Consumers’ attitudes towards merchandise were measured by their acceptance and willingness to purchase (Huang, Qiu, Bai, & Pray, 2006). Acceptance of a product does not imply a willingness to purchase it (Huang et al, 2006; Font, Gil, & Traill, 2008). Therefore, it is essential to understand the factors that influence consumer willingness to purchase a product.

Celik, Aslanoglu, & Deniz (2010) distinguish between ability to purchase and willingness to purchase a product. Ability to purchase depends on objective factors, while willingness to purchase stands for the subjective factors (Celik et al, 2010). Willingness to purchase a product at a specific price is determined by consumer’s desire to search for a favorite offering, although it requires considerable effort (Latchanna & Hussein, 2007; Vogel, Evanschitzky, & Ramaseshan, 2008).

Numerous researchers have found out that there is a linkage between willingness to purchase and purchase intention. According to Engel, Miniard and Blackwell (as cited in Kim, 2004), a consumer is said to have purchase intention when he is willing and planning to purchase a product. Purchase intention determines the likelihood that a consumer will purchase a product and a consumer is said to be more willing to purchase when there is high purchase intention (Chi, Yeh, & Tsai, 2011). A study conducted by Chi et al (2011) shows that the consumer’s willingness to purchase a product increases when purchase intention increases.

Numerous studies have revealed that price is a significant determinant for willingness to purchase a product (Evenson & Santaniello, 2004; Huang et al,
2006). Besides perceived price, brand and store name also influence consumers’ perception of quality as well as their perception of value and willingness to purchase a product (Grewal, Krishnan, Baker, & Borin, 1998). Abdu & Purwanto’s study (2013) shows that social factor affect a consumer’s willingness to purchase a product the most. Social factors mentioned in the study include consumer’s small group, family and social roles, and status. Another research study conducted by several researchers Traill, Yee, Lusk, Jaeger, House, Morrow, Valli and Moore (as cited in Font et al, 2008) propose that benefits are more important than risks in determining consumers’ willingness to consume or purchase a product. Moreover, past studies have found out that risk is negatively influence consumer’s willingness to purchase a product (Onyango, 2003; Liao & Hsieh, 2013). When consumers are well-informed of a product’s risk, the willingness to purchase will be greatly reduced. However, high consumer trust in a retail store tends to reduce consumer’s perceived risk associated with a product. As a result, consumers will shop more frequently at the retail store and this will increase the consumer’s willingness to purchase from the store (Li & Zhang, 2002).

2.2.3 Perceived Price

McCarthy’s study (as cited in Li & Green, 2011) suggests that any transaction can be considered as an exchange of money for something, especially in the modern economy. Jacoby and Olson (as cited in Kim, Sumeet, & Li, 2005) differentiate perceived price from objective price. There are two categories of price: (i) Objective price, which is the actual price that consumer pays for a product, and (ii) Perceived price, which is the price determined by consumer (Zeithaml, 1988). For example, the exact price of a pair of shoes is RM50, but consumers may perceive and remember the price only as cheap, expensive or do not encode price at all.
Consumers rely heavily on price in determining their expectations of quality when they have limited knowledge a product (Veale, Quester, & Karunaratna, 2006; Veale, 2007). Dickson and Sawyer’s study (as cited in Veale, 2007) found out that most of the consumers could not remember how much they paid for a product purchased and price is only considered when they make purchase decision, afterward purged. This signifies that consumers have low levels of current and accurate knowledge about products (Veale, 2007). They will generally use price to judge the quality of products and believe that lower priced products have lower level of quality. This is also supported by (Veale, 2007) who states that consumers purchase a product based on a price scale, where products of higher quality are expensive and lower quality products are cheaper. Bellizzi, Krueckeberg and Hamilton’s study (as cited in Immonen, 2010) also reveal that consumers may make quality judgment on the basis of price rather than physical product features. In other words, consumers may judge the quality of product based on the price tag. For instance, low priced products are made by lower quality raw materials in order to maintain the profit margins (Li & Green, 2011).

Consumers can be categorized into two groups: (i) consumers who give more priority to the quality of products and willing to pay more for high quality products, and (ii) consumers who seek reasonable quality products at a reasonably lower price and this group of consumers is more likely to be the consumers of PLBs (Thomas & Mathen, 2012). The most obvious advantage of PLBs to consumer is their pricing, which on average, prices of PLBs groceries are 10% - 30% cheaper than national brands (Baltas, 1997). Another researcher, Ashley (as cited in Rizkallah & Miller, 2015), also discovers that price of PLBs are usually 15%-40% lower than national brands. Therefore, Kirk (as cited in Yeow, Chow, Cheak, & Soon, 2012) suggests that consumers who have favorable attitudes towards PLBs are sensitive to price and more
likely to focus on paying low prices. Sinha and Batra (as cited in Abad, Lopez, Millat, & Jimenez, 2014) imply that PLBs are an excellent alternative for price sensitive consumers. Financially strained consumers are also more likely to try PLBs products (Raja & Ali, 2014) as these “value for money” products are offered at lower price compared to branded products. Consumers are willing to purchase PLBs especially when there is a large price gap between national brand and PLBs (Zielke & Dobbelstein, 2007). As a result, sale of PLBs increases when the price of national brand increases. For this reason, retailers will be able to make higher profit margin by selling low-priced PLBs as the marketing costs for PLBs is low (Baltas, 1997).

However, price is not always proven to be strongly linked to perceptions of product quality and the influence of price is reduced when consumers have more extensive information about a product (Veale, 2007).

### 2.2.4 Perceived Quality

Olshavsky (as cited in Findlay, 2002) views quality as “a form to evaluate overall performance of a product”. This is supported by Holbrook and Corfman’s study (as cited in Baker, 2001) which agrees and suggests that people around the world use quality to judge the usefulness and value of a product (Information Resources Management Association, 2015). Express in other words, consumers use quality as an indicator to determine whether a product is useful. In addition, Holbrook and Corfman (as cited in Bahn, 1988) also come up with four categories of quality: (i) production-based definitions, the quality of a product is determined by the inputs and processes used in the production; (ii) reliability-based definitions, a product’s quality is determined by the explicit characteristics such as a product’s durability or freedom from defects; (iii) qualitative definitions, quality is subjective as it depends on
human responses; and (iv) features-based definitions, quality is also subjective, but response to explicit characteristics of a product. Production-based and reliability-based definitions tend to view “quality” as an objective aspect of a product, while “quality” is regarded as subjective responses of people to a product for qualitative and features-based definitions.

Al & Laura’s Law of Quality (2001) suggests that if retailers want to build powerful brands, they have to build a powerful perception of quality as perceived quality resides in the mind of consumers. Zeithaml (as cited in Vantamay, 2007) defines perceived quality as “the consumer’s judgment about overall excellence or superiority of a product”. In addition, perceived quality is different from objective quality or actual quality because it constitutes the subjective judgment of the product (Tsiotsou, 2005; Kristensen, 2014). In short, perceived quality is the perception of a consumer on a product. These perceptions and expectations of quality are based on the consumer’s own and others’ experiences, plus a variety of other sources including brand reputation, price and advertising (Mitra & Golder, 2006).

Although there are numerous definitions from many scholars, each of the definitions has nearly the same meaning, which perceived quality is about how a consumer perceives the overall components of a product. Consumers may perceive a product based on both tangible and intangible characteristics, such as performance, features, reliability, conformity, durability, serviceability and aesthetics (Vantamay, 2007).
2.2.5 Perceived Risk

Majority of people face plenty of uncertainty and risky events every day. They are seeking to manage risk and they guess they would not be dealing with risk if they knew for certain (Adams, 1995). Risk has been defined in various ways. Bauer was the first to conceptualize risk and state that a person will face risk if his actions will create unexpected and unpleasant consequences (Kailani & Kumar, 2011). Risk has formally been defined by several researchers as “the possibility that an individual will experience the effects of danger or an adverse outcome” (Short, 1984; Wiener & Graham, 1995; Ricker, 2008). Risk is about the probability that a particular undesired event will take place and the severity of the event’s consequences (International Association of Oil & Gas Producers, 1994). The Office of Government Commerce (as cited in The Parole Board, 2008) also has the similar definition of risk as “uncertainty of outcome, whether positive opportunity or negative threat”. According to the International Organization for Standardization ISO 15544:2000, risk is “the combination of the chance that a specified hazardous event will occur and the severity of the consequences of the event” (International Organization for Standardization, 2001).

The previous literature shows that the concept of risk is closely related to uncertainty. Rosa’s studies (as cited in Aven, 2014) supported this statement and described risk as “a situation or an event where human values are at stake and outcome is uncertain”. There are two types of uncertainties: known and unknown uncertainties (Aven, 2009). If a person does not have complete knowledge of something, both known and unknown uncertainties may exist. According to Windschitl & Wells (1996), uncertainty is a psychological construct and it exists only in the mind. The most famous definition of risk is that provided by Frank Knight who made a distinction between risk and uncertainty. As said by Knight, risk refers to “outcomes that can be insured
against but uncertainty is the outcome that cannot be insured against” (Brooke, 2010).

Perceived risk is “the subjective evaluation of the probability of an accident happening and how concerned the people are with the negative consequences” (Sjoberg, Moen, & Rundmo, 2004). Basically, there are several factors that influence a person’s perception or judgment about risk, such as adequacy and quality of information given, scientific risk evaluation, and perceptual factors (Aven & Renn, 2010). For example, if a person is risk adverse, he will perceive something to be higher risk than a risk taker. According to Dowling (as cited in Dholakia, 1997), when evaluating risk in consumer behavior literature, the focus is generally on potentially negative outcomes and perceived risk is generally conceptualized in term of loss, in contrast to other disciplines like psychology where both positive and negative outcomes are considered. In short, perceived risk includes evaluations of the probability and the consequences of a negative outcome.

Cox (as cited in Featherman & Pavlou, 2002) categorized perceived risk into two: performance and psychosocial. Performance is then further categorized into economic, temporal and effort, whereas psychosocial is broke into psychological and social. Past studies have also identified six dimensions of perceived risk: performance risk, financial risk, time risk, psychological risk, social risk, and privacy risk (Jacoby & Kaplan, 1972; Featherman & Pavlou, 2002; Zheng, Favier, Huang, & Coat, 2012; Wunderlich, 2013). The description and definition of the six dimensions are shown in Table 1 below:
Table 1: Description of perceived risk in six dimensions

<table>
<thead>
<tr>
<th>Perceived risk</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance risk</td>
<td>The chances that a product does not work and perform as it was designed and advertised, thus fail to deliver the desired benefits.</td>
</tr>
<tr>
<td>Financial risk</td>
<td>The possibility that a consumer will lose money related to initial purchase and product’s maintenance cost.</td>
</tr>
<tr>
<td>Time risk</td>
<td>The likelihood that a consumer may lose time and effort when he makes a bad purchase decision and waste time on research as well as learn the way to use a product, especially when the product does not work as expected.</td>
</tr>
<tr>
<td>Psychological risk</td>
<td>The possibility that a producer’s selection or performance will have a negative impact on the consumer’s perception.</td>
</tr>
<tr>
<td>Social risk</td>
<td>The probability of consumer losing his status in a social group if he purchases a product which is not trendy and looks foolish.</td>
</tr>
<tr>
<td>Privacy risk</td>
<td>The likelihood that a consumer may lose his private information, especially when a consumer’s identity is used for fraudulent transactions or without consumer’s permission.</td>
</tr>
<tr>
<td>Overall risk</td>
<td>Measurement of perceived risk in general when all criteria are assessed together. The six dimensions of risk that add up to an overall perceived risk are: (i) performance risk, (ii) financial risk, (iii) time risk, (iv) psychological risk, (v) social risk, and (vi) privacy risk.</td>
</tr>
</tbody>
</table>

2.2.6 Perceived Value

Nevertheless, when consumers say a product is too expensive, they are not necessarily talking about the price of product. This is because consumers may use the product but realize that the product or feature does not provide the value for money or worth the time.

Schechter (as cited in Faryabi, Kaviani, & Yasrebdoost, 2012) defines value as “all factors, qualitative and quantitative, subjective and objective, that make up the whole shopping experience”. Consumers perceive the value of a product by its quality and satisfy with the product if it provides value for money (Milfelner, Snoj, & Korda, 2011). Generally, increase in perceived quality usually leads to increase in perceived value (Korda & Snoj, 2010). However, value is not as easily determined as price and it needs to be assessed and determined.

Monroe (as cited in Monroe & Chapman, 1987) defines perceived value as “a tradeoff between the consumer perceived benefit in a product relative to the perceived sacrifice by paying the price”. When a consumer perceives a product to have more benefits, this will lower the consumer’s perceived sacrifice and increase the consumer’s perceived value of product. Monroe’s study (as cited in Ercsey, 2012) suggests that sacrifices included monetary sacrifices such as cost of products purchased, and non-monetary sacrifices such as the risk of poor product performance. Therefore, retailers can either increase the consumer perceived value or decrease their perceived sacrifice, in order to increase the consumer perceived value. For example, retailer can increase a product’s quality and reduce product’s price so as to increase a consumer’s perceived value. Zeithaml (1988) defined perceived value as “the consumer’s overall judgment of a product’s utility based on perceptions of
what is received and what is given”. A product’s utility is concerned with product usefulness and total satisfaction received from purchasing a product, rather than its aesthetic appearance (Varley, 2014).

Li and Green’s study (2011) observes that there are two concepts of consumer perceived value: (i) consumer perceived value is an outcome from the perception of consumer before he makes a purchase (expectation), evaluation during the transaction (expectation versus received), and post-purchase assessment (expectation versus received), and (ii) consumer perceived value involves a divergence between the benefits received (consumer’s desired value) and sacrifices given (monetary and non-monetary considerations). According to the Law of Contraction by Al and Laura (2001), a brand becomes stronger when a company narrows its focus and this is the best way to increase perception of quality. When a retailer narrows its product focus, the retailer will become a specialist rather than a generalist, and a specialist is perceived to know more than a generalist (Hidalgo, 2015). Put in other words, when there are too many products offered by retailers, the quality of the products will be mediocre.

2.2.7 Store Image

Concept of store image was first appeared in Martineau’s paper in 1958 (Angell, Megicks, Memery, & Hefferman, 2013). Store image has been recognized as "the most important marketing mix component” in Greenley & Shipley’s study (1988). Hence, it is crucial for retailers to be aware of store image because different consumers perceive a store differently and retailers can influence store choice by manipulating the store image. This is supported
by Varley’s study (as cited in Ghosh, Tripathi, & Kumar, 2010), which states that store image has influence on consumers’ retail outlet selection.

As defined by Martineau (as cited in Moore, Bruce, & Birtwistle, 2004), store image is “the way in which the store is defined in the consumer’s mind, partly by the functional qualities and partly by an aura of psychological attributes”. Similar definition is also provided by Wyckham (as cited in Meng, 2007) who describes store image as “a consumer’s total perceptions of the store attributes, formed as the result of experience with the store”. This is further elaborated by Kunkel and Berry (as cited in Moore et al, 2004) who define store image as “the total conceptualized or expected reinforcement that a person links to shopping at a particular store and conclude that image is gained through experience and thereby learned”. Doyle and Fenwick (as cited in Villanova, Zinkhan, & Hyman, 2015) define store image as “an attitude toward a particular store to describe the overall impression a consumer has to it”. Similarly, James, Durand and Dreves (as cited in Faryabi, Sadeghzadeh, & Saed, 2012) support the term “store image” is used interchangeably with attitude and define store image as “a set of attitudes based upon evaluation of a store attributes deemed important by consumers”.

Engel and Blackwell state that store image is measured by a number of dimensions (Mazursky & Jacoby, 1986). Martineau (as cited in Angell et al, 2013) has identified four key attributes to measure store image: (i) layout and architecture, (ii) symbols and colour, (iii) advertising, and (iv) sales personnel. Eight additional attributes were added by Kunkel and Berry (as cited in Moore et al., 2004) as shown in Table 2. Another researcher, Lindquist, expanded Martineau’s components and compiled a list of nine factors: (i) merchandise, (ii) service, (iii) clientele or consumers, (iv) physical facilities, (v) convenience, (vi) promotion, (vii) store atmosphere, (viii) institutional factors,
and (ix) post-transaction satisfaction (Visser, Preez, & Noordwyk, 2006; Rogers III, Dempsey, Lamb, Lewison, Shul, & Singh, 2015).

### Table 2: Kunkel and Berry’s 12 dimensions of store image

|-------------------------|---------------------------|-------------------------------|-----------------|


Overall, Amirani (as cited in Meng, 2007) concluded that the concept of store image is “the consumers’ evaluation of a store depicted as a bundle of both tangible and intangible attributes”.
2.3 Theoretical Foundation

2.3.1 Proposed Conceptual Framework

The hypothesized model of willingness to purchase PLBs is proposed as in Figure 2.

Figure 2: Proposed conceptual framework of the factors influencing consumer’s willingness to purchase private label brands (PLBs)

The proposed model consists of one dependent variable and five independent variables: willingness to purchase PLBs as the dependent variable, while the independent variables are perceived price, perceived quality, perceived risk, perceived value and store image. These variables are identified from extensive literature review which shows that they are relevant to willingness to purchase...
PLBs. In the following sections, the literature on each of the variables and their influence on willingness to purchase are discussed.

2.4 Hypotheses Development

The five determinants used in this study are perceived price, perceived quality, perceived risk, perceived value and store image on consumer evaluations of PLBs.

2.4.1 Relationship between Perceived Price and Consumer’s Willingness to Purchase PLBs

Guerrero’s study (as cited in Yeow et al., 2012) mentions that consumers in developed countries nowadays focus more on price in making purchase decision. Numerous researchers have also confirmed that attractiveness of price is one of the reasons why consumers go for PLBs. Consumers’ evaluations of product quality and value are significantly based on price, which then lead to favorable willingness to purchase (Ainscough, Trocchia, & Gum, 2009). There are positive and negative perceived price: Positive perceived price represents a product is worth to purchase to consumers, while negative perceived price signals pure economic sacrifice (Wee, Tan, Yeo, & Woo, 2015). In PLBs perspective, it is assumed that there is positive perceived price because of its low price and acceptable product quality (Wee et al., 2015). As reported in Nielsen’s study (as cited in Tih & Lee, 2013), perceived price has the strongest relationship with consumer’s willingness to purchase PLBs. This is supported by Sheinin and Wagner’s study (as cited in Yeow et al., 2012) which states that perceived price significantly influence consumer’s willingness to purchase PLBs. Furthermore, price-conscious
consumers who always look for lower priced products are more likely to purchase PLBs (Thanasuta, 2015).

In addition, consumers are more likely to judge the quality of a product based on the price tag (Swenson, Utsey, & Kennedy, 2012). When consumers expect high quality for high priced products, they will be more willing to pay premium and purchase the products (Son, 2013). However, when consumers use price as a quality cue, they may perceive low priced PLBs as lower quality products and do not willing to purchase them. This is supported by Dodds, Monroe, & Grewal’s study (1991) which highlights that there is a positive relationship between perceived price and perceived quality, but a negative relationship on perceived value and willingness to purchase.

In order to further evaluate the relationship between perceived price and consumer’s willingness to purchase PLBs, this study proposed that:

\[ H1: \text{There is a positive relationship between perceived price and consumer’s willingness to purchase private label brands.} \]

### 2.4.2 Perceived Quality and Consumer’s Willingness to Purchase PLBs

The variability in product creates different perception among individuals. The importance of perceived quality derives from its advantageous impact on willingness to purchase a product. Perceived quality is concerning on how consumers rely on their current consumption experience to judge a product’s quality or performance (Kakkos, Trivellas, & Sdrolias, 2014). Perceived quality has been found in past studies to have a positive direct influence on consumer’s willingness to purchase PLBs (Tsiotsou, 2006; Chi, Yeh, & Yang, 2009; Bao, Bao, & Sheng, 2011; Naing & Chaipoopirutana, 2014; Chatrattikorn, 2014). When consumers perceive PLBs to be of high quality,
they will have repeat purchase as they are satisfied with the product quality and performance (Tsiotsou, 2006).

Other than that, there are also studies that report an indirect effect of perceived quality on willingness to purchase through satisfaction (Cronin & Taylor, 1992; Tsiotsou, 2006). Not only through satisfaction, Chang & Wildt’s study (1994) revealed that willingness to purchase is influenced by perceived quality through perceived value. According to Chang & Wildt (1994), perceived quality is positively related to perceived value and high perceived value is expected to lead to willingness to purchase.

According to Liljander, Polsa, & Riel (2009), perceived quality has a negative effect on consumer’s perceptions of performance risk, but no effect on financial and psychosocial risk. Several studies (Baltas, 1997; Zielke & Dobbelstein, 2007; Wu, Yeh, & Hsiao, 2011) have discovered that perceived risk has a negative effect on consumer’s willingness to purchase PLBs. In other words, when consumers perceived PLBs as low quality, they may expect the PLBs to be defective and risky, thus do not willing to purchase PLBs. Richardson (as cited in Nguyen & Gizaw, 2014) also suggests that lower quality of PLBs make them riskier as there is higher product variability and lead to customer dissatisfaction. According to Hoch and Banerji (as cited in Nguyen & Gizaw, 2014), PLBs are produced in less technology and less sophisticated process as compared to other national brands, thus the quality variability will be diffused. For that reason, it can be concluded that there is an indirect effect of perceived quality on willingness to purchase PLBs through perceived risk.

However, there are contradictory research findings that have been reported in the literature. Thanasuta’s study (2015) mentioned that quality-conscious consumers are not necessary turn away from PLBs. Although PLBs are
perceived as low quality products, consumers may still purchase PLBs as the quality of PLBs is still acceptable.

Consequently, the following hypothesis is proposed in this research study:

H2: There is a positive relationship between perceived quality and consumer’s willingness to purchase private label brands.

### 2.4.3 Perceived Risk and Consumer’s Willingness to Purchase PLBs

Previous studies show that there are different dimensions of perceived risk: performance risk, financial risk, time risk, psychological risk, social risk, and privacy risk (Jacoby & Kaplan, 1972; Featherman & Pavlou, 2002; Zheng et al., 2012; Wunderlich, 2013). The perceived risk dimensions that are focused in this research study are performance, financial and social risk.

There is a close relationship between perceived price, perceived value, perceived quality and perceived risk. The higher the perception of price indicates that the higher the perceived value and quality, and lower perceived risk (Nguyen & Gizaw, 2014). Perceived risk depends on the amount of information available about particular PLBs to the consumers (Tih & Lee, 2013). When perceived risk is reduced, the likelihood that a consumer will purchase PLBs is increased. Consumers are more willing to purchase products that have lower financial, performance, and social risk (Zielke & Dobbelstein, 2007). Baltas (1997) suggests that consumers will purchase PLBs when they have sufficient amount of product information and confident that the product will give satisfactory performance.
A number of studies have shown that the risk associated with purchasing a private label is high. When consumers perceive PLBs to have high risk that may critically affect their purchase decision, they usually do not willing to purchase the PLBs (Wu et al., 2011). Therefore, it can be said that the higher the perceived risk of PLBs, the lower the consumer’s willingness to purchase PLBs. Dunn, Mark, Patrick and Geral’s study (as cited in Selvakumar & Varadharajan, 2013) found that consumers view PLBs as the most risky on performance measures, but least risky on financial measures. Consumers are worried that PLBs do not perform as expected and may have some significant negative consequences.

However, Thanasuta’s study (2015) states that risk-averse consumers who are greatly concerned with the negative consequences of a purchase, are not necessary to be less likely to purchase PLBs. In other words, risk-averse consumers may perceive PLBs to have high risk, but this may not prevent them from purchasing PLBs.

Consumers usually view PLBs as second-rated product in terms of quality and this may explain why consumers perceive PLBs to have higher risk than other brands (Kakkos et al., 2014). Consumers take action to reduce the risk when they perceive a product to have high risk in terms of probability or consequences (Yeung & Morris, 2001). Yeung and Morris’s study (as cited in Liao & Hsieh, 2013) also reveals that consumers usually shift to well-known brands or postpone their purchase in order to lower the perceived risk. Thomas & Mathen (2012) suggest that retailers should use effective communication channels and provide adequate amount of product information to reduce the risk attached with the consumption of PLBs.

Therefore, it is proposed in this research study that:
H3: There is a positive relationship between perceive risk and consumer’s willingness to purchase private label brands.

2.4.4 Perceived Value and Consumer’s Willingness to Purchase PLBs

Retailers should not place their emphasis on price alone, as consumers look for better values in recent years (Wharton School, 2009; Weisenberger, 2014). Furthermore, educated consumers tend to purchase PLBs because most of them will compare product quality with price and purchase products that provide them value-for-money (Baltas & Argouslidis, 2007).

Several past studies found out that there is a significant positive relationship between perceived value and consumer’s willingness to purchase PLBs (Cheng, Cripps, & Chen, 2006; Liljander et al., 2009; Beneke, Flynn, Greig, & Mukaiwa, 2013). Dodds and Monroe (as cited in Chi et al., 2011) suggested that perceived value plays an important part in consumers’ purchase decision process and consumers will normally purchase products that they perceive to be of high quality. Generally, consumers tend to purchase PLBs that provide greater value for money (Cheng et al., 2006; Tih & Lee, 2013). They perceive low priced PLBs to have superior value, although low pricing erodes an image of quality (Beneke et al., 2013).

According to Faryabi, Kaviani, & Yasreboost’s studies (2012), consumer perceived value has a positive influence on consumer satisfaction. The higher the consumer’s perceived value and consumer satisfaction, the more willing the consumers in purchasing PLBs. This is supported by Hilgenkamp & Shanteau (2010) who found out that increased in perceived value will lead to a positive willingness to buy. Grewal, Krishnan, Baker and Borin 1998 (as cited in Hilgenkamp & Shanteau, 2010) also reported that increased in perceived value led to a positive willingness to buy. According to Ailawadi, Pauwels and
Steenkamp (as cited in Kakkos et al., 2014), perceived value for money has an effect on consumer’s willingness to purchase PLBs, especially when the relationship between price and quality is weak.

However, there is no significant relationship between perceived value in terms of benefits received and willingness to purchase PLBs as shown in Kakkos et al.’s study (2014). According to McDougall and Levesque (2000), perceived value in terms of benefits received is the difference between perceived benefits and costs, which also reflects the sacrifices that consumers made other than money, such as time taken to make a purchase and transaction cost. According to Thanasuta (2015), value-conscious consumers who hunt for utility gains per dollar spent are not necessarily will purchase PLBs. Although PLBs usually perceived by consumers as “value for the money” products (Thanasuta, 2015), consumers may still prefer other more well-known brands instead of PLBs due to the perceived quality and risk (Liao & Hsieh, 2013).

In this research study, the following is hypothesized:

H4: There is a positive relationship between perceived value and consumer’s willingness to purchase private label brands.

**2.4.5 Store Image and Consumer’s Willingness to Purchase PLBs**

According to Louis, Fall, & Jean (2011), there is an indirect relationship between store image and willingness to purchase, as store image is a determinant of perceived quality while perceived quality directly influence willingness to purchase. PLBs that are owned by a high-image store tend to carry higher quality than a store that has lower store image (Bao et al., 2011). Consumers usually judge the PLBs quality from the retail store image such as store atmosphere and store quality, especially when consumers are not
familiar with PLBs, because consumers typically view PLBs as an extension of the store brand name (Dodds, 2002; Wu et al., 2011). This is supported by Vahie & Paswan (2006) who found out that there is a positive relationship between store image and perceived quality of PLBs. When consumers view particular PLBs to be of high quality from the favorable store image, the consumer will be more willing to purchase the PLBs (Dodds et al., 1991).

Previous study by Diallo (2012) has shown that store image has an indirect positive influence on willingness to purchase PLBs through perceived risk towards PLBs. According to Diallo (2012), negative store image increase consumer’s perceived risk, which then negatively influences consumer’s willingness to purchase PLBs. For example, when a consumer enters a store, the store atmosphere makes the consumer feels uncomfortable. The negative store image that the consumer has will then cause him to perceive the products in the store to be of high risk, such as financial and social risk. Consequently, there is high probability that the consumer will not make any purchase in the store.

With reference to the literature, this research study proposed that:

H5: There is a positive relationship between store image and consumer’s willingness to purchase private label brands.

2.5 Conclusion

The relationships between dependent variable with each of the independent variables are clearly defined in the hypotheses form. In next chapter, the five hypotheses will be tested by using quantitative research method.
Chapter 3: Methodology

3.1 Introduction

Chapter Three covers the methodology and research procedures that will be used to investigate the hypotheses of this research study. Data is collected through survey by using self-administered questionnaire. In order to ensure respondents had experience with PLBs, several screening questions are included in the questionnaire.

This chapter begins with research design, follows by methods of data collection, sampling design, research instrument, construct measurement, and techniques used for data analysis.

3.2 Research Design

A research design is not just a work plan that details what has to be done to complete the project (Vaus & Vaus, 2001). Research design provides the logical framework upon which the research study is conducted and allows the researchers to collect evidence to address the research question (David & Sutton, 2004). This is supported by Vaus & Vaus (2001) who stated that the purpose of a research design is to make sure that researchers will be able to answer the initial research questions as unambiguously as possible based on the evidence collected.
Research designs are often related with qualitative and quantitative research methods. Researchers normally go for quantitative approach to respond to research questions that require numerical data; qualitative approach for research questions requiring textual data, while both numerical and textural data for the mixed methods approach (Williams, 2007). However, it is untrue to associate a particular research design with either quantitative or qualitative methods. According to Yin (as cited in Vaus & Vaus, 2001), people have thoughts that case study method required them to go for qualitative data collection methods, but in fact the data collection method can be either qualitative or quantitative.

In this research study, quantitative research is conducted in order to measure the variables that would influence consumer’s willingness to purchase PLBs. Quantitative research relies mainly on gathering the quantitative data and has its own unique set of assumptions and standard practices (Sullivan, 2009). Therefore, quantitative research is used in this research study as researchers will be able to know the how many people think, feel or act in a certain way and uses statistical analysis to determine the results.

In addition, research designs can also be classified as exploratory or conclusive. Exploratory research is beneficial to researchers when they want to define the problem more accurately, identify relevant courses of action, or gain additional insight before an approach can be developed (Malhotra, Hall, & Oppenheim, 2007). For example, techniques used for exploratory research are in-depth interview and focus groups (Shukla, 2008). On the other hand, conclusive research can be further categorized into descriptive and causal. Descriptive research is useful when researchers want to describe market characteristics or functions, whereas causal research is used when researchers want to determine the cause-and-effect relationships (Malhotra et al., 2007).
Descriptive research is conducted in this research study with the intention of identifying the major factors that influence consumer’s willingness to purchase PLBs. Descriptive research is conducted for the following reasons (Malhotra et al., 2007):

1. To describe the characteristics of relevant groups. For example, a profile of heavy users or frequent consumers of PLBs could be developed and compared to the characteristics of regular shoppers.
2. To estimate the percentage of units in a specified population having a certain behavior, such as the percentage of frequent consumers who purchase PLBs.
3. To determine the perceptions of product characteristics. For example, how consumers perceive the value of the PLBs and whether this is an important choice criterion.
4. To determine the degree to which behavior and marketing variables are related. For example, to what extent shopping at the local hypermarket is related to purchase of other services in the local shopping centre.
5. To make specific predictions, such as how much sales would drop if the price of PLBs is higher than other brands.

A descriptive study typically requires a sample size of hundreds or thousands in order to have an accurate estimate of relationship between variables and the relationship will be more reliable if there is a high participation rate in a sample (Wakefield & Fleming, 2008).

### 3.3 Data collection methods

As stated in a report by Ministry of Industry Canada (2010), data collection is defined as “the process of gathering the necessary information for each selected element in the survey”. Data collection is an important part for every research study as the
quality of input data may influence the results of a research. Accuracy, reliability and validity of research findings can be enhanced by using proper data collection techniques (Sagor, 2000). Data can be classified as primary and secondary, depending on the source of data (Giri & Banerjee, 2008). In this research study, both primary and secondary data are used to answer the hypotheses and research question.

3.3.1 Primary Data

Primary data is collected directly from the field of investigation for the desired purpose and these data are original in nature (Giri & Banerjee, 2008). In other words, primary data is the original data collected for a particular research goal (Hox & Boeije, 2005). According to Churchill and Iacobucci (as cited in Kavmark, Powers, & Sandahl, 2012), primary data is produced according to the purpose of a research study, therefore the data collected has a direct relationship to the investigation at hand. Primary research is commonly conducted by using surveys, interviews, observations, and statistical analysis to understand people, societies, and cultures better (Driscoll, 2011).

Questionnaire is used to gather primary data for this research study as it is the most common method of primary data collection. It is a self-administrated paper-based data collection instrument that is filled by respondents. Permission and consent are obtained from the participants before they fill out the questionnaire of this research study. As stated in the book written by Burns & Bush (2004), questionnaires serve five key functions:

1. Translate the research objectives into specific questions
2. Standardize questions with the intention that respondents respond to the same stimuli
3. Foster cooperation and make sure respondents stay motivated
4. Permanent records for the research
5. Accelerate the process of data analysis.

The method of data collection used in this research study is questionnaire, because the administration is relatively inexpensive and easy to conduct even when the sample size is large. Furthermore, a research is claimed to be more reliable when the questions are standardized and all respondents are asked exactly the identical questions in the same order (Best, 2014). This is because standardized questionnaire reduces the chance of bias. Tabulation of closed-ended responses is also easy and straightforward to analyze as the questions are standardized (Hyman & Sierra, 2010). In addition, respondents may feel more comfortable by responding to a questionnaire, rather than participating in an interview or face-to-face (Sivo, Saunders, Chang, & Jiang, 2006). However, respondents may not complete the questionnaires and this will result in low response rate.

3.3.2 Secondary Data

Giri & Banerjee (2008) defined secondary data as the “data which have already been collected by particular agency and are compiled from that source by the enquirer for his use”. Secondary data is collected for this research study in order to gain more in-depth understanding of consumer’s willingness to purchase PLBs.
The main advantage of secondary data is that it is cheaper and faster to access, compared to primary data (Lancaster, 2007). Moreover, it allows researchers to access the work of the best scholars around the world and give a frame of mind to the researchers that in which direction should go for the specific research (Sindhu, 2012).

Nevertheless, secondary data may present researchers with a number of issues. Researchers always have to consider the relevance, accuracy, and reliability of the data (Bennett & Strydom, 2001). The data collected in one geographical location may not be relevant to another researcher in another location due to environmental factors. In addition, the data can become obsolete as time goes by. Therefore, researchers are encouraged to use the combination of primary and secondary data in the research study in order to provide a proper coverage to the topic (Sindhu, 2012).

3.4 Sampling Design

It is vital to understand how subjects are chosen to participate in a study and a variety of methods that can be employed to choose the population and samples. A population is “a group of people, objects, or items from which samples are taken for statistical measurement” (Gabay, 2015), whereas a sample is “a subset of the population by which researchers select to be participants in a study and it is chosen to represent a given population” (Landreneau, 2004; Courtney & Du, 2014). It is much easier to choose a sample from a particular population as it is difficult to access to an entire population.
3.4.1 Target Population

The objective of this research study is to investigate and understand the consumer’s response on how the factors (perceived price, perceived quality, perceived risk, perceived value and store image) influencing consumer’s willingness to purchase PLBs of hypermarkets in Malaysia. As defined by Ministry of Domestic Trade Co-operatives and Consumerism (2010), hypermarket is a standalone self-service distribution store which is the largest among all types of retail store (Roslan & Fauzi, 2008) with sales flow area of 5000 m² and above, selling a very wide variety of mainly consumer goods, and incorporated with a minimum capital requirement of RM50 million.

Figure 3: Retail category by size in Malaysia

<table>
<thead>
<tr>
<th>Category</th>
<th>Size (m²)</th>
<th>Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>Less 400 m²</td>
<td>Grocery Store, Mini market, Convenience Store</td>
</tr>
<tr>
<td>Large</td>
<td>400 – 2000 m²</td>
<td>Supermarket, Departmental Store, Superstore</td>
</tr>
<tr>
<td></td>
<td>2000 – 4500 m²</td>
<td>Giant, Cold Storage, Econsave, The Store, Jusco, Parkson, UO, Giant, Tesco</td>
</tr>
<tr>
<td></td>
<td>More 5000 m²</td>
<td>Hypermarket, Carrefour, Giant, Tesco, Pacific, Mydin</td>
</tr>
<tr>
<td>Others</td>
<td>Less 5000 m²</td>
<td>Speciality Store, Pharmacies, Other</td>
</tr>
</tbody>
</table>

Agriculture and Agri-Food Canada (2012) came out with a report stated that the three major hypermarkets in Malaysia are Tesco, Giant and AEON. Therefore, target population of this research study will be the consumers of Tesco, Giant and AEON in Malaysia. The target population is selected in the survey without age restriction among male and female. Table 3 below provides information on the three major hypermarkets in Malaysia:

Table 3: Profiles of three major hypermarkets in Malaysia

<table>
<thead>
<tr>
<th>Hypermarket</th>
<th>Ownership</th>
<th>Number of Outlets in Malaysia (year end 2014)</th>
<th>Location (Malaysia)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tesco</td>
<td>Joint venture between Tesco Public Limited Company and Sime Darby Berhad, and operated under Tesco Stores (M) Sdn Bhd.</td>
<td>49 Tesco hypermarkets and Tesco Extra hypermarkets.</td>
<td>Major cities.</td>
</tr>
<tr>
<td>Giant</td>
<td>Local company which is also the subsidiary of Dairy Farm International Holdings.</td>
<td>131 Giant hypermarkets.</td>
<td>Nationwide.</td>
</tr>
<tr>
<td>AEON</td>
<td>Operated directly by AEON Co (M) Bhd.</td>
<td>28 AEON hypermarkets.</td>
<td>Major cities.</td>
</tr>
</tbody>
</table>

3.4.2 Sampling Location

The sampling location for this research study is within Klang Valley, Malaysia. As stated in a report by Performance Management and Delivery Unit (PEMANDU) (2012), Klang Valley extends beyond the boundaries of Kuala Lumpur and covered by ten municipalities with each governed by local authorities as shown in Figure 4.

![Figure 4: Map of Klang Valley with its ten local authorities](image)


Klang Valley is chosen because it has the highest number of hypermarkets outlets in Malaysia. There are 296 hypermarkets outlets in Malaysia by 2011 and 40.88% of the total hypermarket outlets are situated in Selangor, which is
one of the states that have high population growth (Hassan & Rahman, 2012). The most popular retail segment in Malaysia is hypermarket and Giant is the market leader with 43.8% market share, followed by Tesco with 38.4% market share, AeonBig 15.4%, and others 2.4%. On the other hand, Tesco is leading in sales in 2012, followed by Giant and AEON (Agriculture and Agri-Food Canada, 2012).

Figure 5: Hypermarkets dominate in Malaysia

<table>
<thead>
<tr>
<th>No.</th>
<th>Supermarkets</th>
<th>%</th>
<th>Hypermarkets</th>
<th>%</th>
<th>Convenience stores</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Econsave</td>
<td>17.1</td>
<td>Giant</td>
<td>43.8</td>
<td>7-Eleven</td>
<td>75.7</td>
</tr>
<tr>
<td>2</td>
<td>Giant</td>
<td>6.6</td>
<td>Tesco</td>
<td>38.4</td>
<td>KK Supermart</td>
<td>12.8</td>
</tr>
<tr>
<td>3</td>
<td>My Mydin</td>
<td>4.3</td>
<td>Aeon Big</td>
<td>15.4</td>
<td>99 Speedmart</td>
<td>10.4</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>7.2</td>
<td>Others%</td>
<td>2.4</td>
<td>Others</td>
<td>1.1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>Total</td>
<td>100</td>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>


In 2013, Klang Valley comes in at fourth place for CNN Travel rankings for the world’s 12 best cities for shopping and three of the world’s 10 largest malls are in Kuala Lumpur (Kim, 2014).

Klang Valley which is also known as the Greater Kuala Lumpur, is currently home to a fifth of Malaysia’s total population or about 7.2 million people (The Star, 2013). High population within Klang Valley indicates there is a high probability that residents have experience in consuming PLBs.
3.4.3 Sampling Elements

The basic units of population are “elements”, which include people, households and parts of an organization (Groves, Fowler, Couper, Lepkowski, Singer, & Tourangeau, 2011). As defined by Department of Neighbourhood and Community Services (2012), an “element” is the respondent or member of the population selected to be sampled. According to Fricker (2012), target population is a cluster of elements to which the researcher wants to make inference. Targeted respondents for this research study include working adults, housewives and students as they are consumers and aware of the existence of PLBs. This research study is conducted within Klang Valley.

3.4.4 Sampling Technique

Sampling techniques can be classified as probability sampling and non-probability sampling (Neelankavil, 2015). Probability sampling is the sampling technique where a sample of units can be selected from the population by using know randomization mechanism (Wretman, 2010). On the other hand, non-probability sampling does not select a random sample from the population and subjective methods are used to decide which elements are included in the sample (Battaglia, 2008). In this research study, non-probability sampling has been chosen. Non-probability sampling is used because the number of elements in a population is either unknown or cannot be identified individually (Kumar, 2010). One of the advantages of non-probability sampling is mentioned by Babbie (as cited in Latham, 2007) that it is convenient for researchers to collect data from a sample with little or no cost.
Convenience sampling is used in this research study. As pointed out by Dornyei (as cited in Farrokhi & Hamidabad, 2012), convenience sampling is a non-probability sampling that the members of target population are chosen for the purpose of a research study as if they meet certain criteria, such as available to be interviewed or willing to participate in the research study. Convenience sampling is used because the respondents are readily available to take part and provide the required information to the study (Carter & Seifert, 2013). In this research study, questionnaires are distributed to consumers at hypermarkets and surveying them who are available and consent to being questioned.

3.4.5 Sampling Size

Sekaran (as cited in Woodside, Megehee, & Ogle, 2009) suggested that a 95% level of confidence is an adequate level for most business research and it is most commonly expressed as a significance level of 0.05.

In order to determine a sample size, Roscoe (as cited in Halim & Ishak, 2014) proposed the following rules of thumb:

1. Sample size larger than 30 and less than 500 (30 < x < 500) is appropriate for most research.
2. Each category should have a minimum sample size of 30 if samples are to be broken down into sub-samples.
3. The sample size should be several times as large as the number of variables in the multivariate research study, ten times or more if possible.
4. Sample size as small as ten to twenty \((10 \leq x \leq 20)\) is sufficient for simple experimental research with tight experimental controls.

Hence, sample size of 200 and pilot test sample of 20 could be effective for this research study. The survey is carried out from September 2015 to November 2015. At the beginning of questionnaire distribution, 200 sets are distributed. However, 15 sets of questionnaires are not qualified and thus cannot be included in the research study. For this reason, additional 15 sets of questionnaires are distributed to replace the unusable questionnaires. In summary, a total of 215 questionnaires are distributed to consumers at hypermarkets within Klang Valley. Out of 215 completed questionnaires, 200 sets are usable while 15 sets are not. The reasons why 15 sets of questionnaires are unusable because the respondents either do not qualify as a PLBs consumer during the screening questions or they chose the same points for all Likert scale questions. For example, a respondent chose “neutral (point 4)” for all the Likert scale questions.

The response rate, which also known as completion rate, is 0.9302 or 93.02% for this research study and it is considered great. Response rate is calculated by the number of usable responses returned divided by total number of people eligible in the sample chosen (Fincham, 2008). Formula for the response rate is shown as below:

\[
\text{Response rate} = \frac{\text{Number of usable responses returned}}{\text{Total number of people eligible in the sample chosen}}
\]

Babbie’s study (as cited in Edwards, Thomas, Rosenfeld, & Kewley, 1996) shows that a response rate of 50% or greater is adequate, a response rate of 60% is good, and a rate of 70% or more is great.
In a nutshell, the sample in this research study is considered to be sufficient in size to represent and generalize to the research population with an acceptable level of confidence.

3.5 Research Instruments

According to Bulmer (as cited in Bird, 2009), questionnaire is a well-established instrument within social science research in order to acquire information on participant’s social characteristics, current and past behaviour, standards of behaviours or attitudes, and their beliefs and reasons for action regarding the topic under investigation. The research instrument used in this research study is self-administered questionnaire. Self-administered questionnaire is a type of questionnaire that has been designed exclusively for respondent to complete without intervention of the researchers collecting the data (Wolf, 2008). These questionnaires may be self-administered or read out by researchers or interviewers (Leung, 2001). The questionnaire for this research study was developed based on past studies and literature reviewed with the objective to examine the relationship between perceived price, perceived quality, perceived risk, perceived value and store image towards consumer’s willingness to purchase PLBs.

3.5.1 Purpose of Using Questionnaire

Questionnaire is used with the intention of obtaining feedback and information required from the respondents for this research study. Questionnaire is used as it is cheap to manage (Phellas, Bloch, & Seale, 2012) and possible to distribute questionnaires to large numbers of people at the same time (Miller, 2002). Moveover, questionnaires can cover geographically
spread samples (Mathers, Fox, & Hunn, 2007). Respondents can also complete the questionnaires at their convenience (Leung, 2001) and absence of interviewer provides greater anonymity for the respondent, especially when the topic of research is sensitive or personal (Phellas et al., 2012). There is uniformity by using questionnaires as each respondent receives the identical set of questions (Miller, 2002).

### 3.5.2 Questionnaire Design

The questionnaire is separated into three sections: Section A, B and C.

In section A, the questions are the warm-up questions which respondents can answer rapidly and with a minimum of effort as these questions are straightforward (McNabb, 2004). These screening questions are included in order to determine whether the particular respondent eligible as a primary target subject. Close-ended questions are used in this section as they provide a suitable list of answers and respondents have to select either one or multiple responses (Marshall, 1999). Although close-ended questions allow a limited number of answers, they offer greater precision and uniformity as well as easier for researchers to code and analyze than open-ended questions (World Health Organization, 2008). In addition, World Health Organization’s report (2008) also stated that close-ended questions are preferred in relation to food consumption research as most people cannot spontaneously or accurately recall what they have bought or consumed over a period of time.

In section B, the questions were designed to gather data from the respondents on the dependent and independent variables, which are willingness to
purchase PLBs, perceived price, perceived quality, perceived risk, perceived value, and store image. The dependent variable and independent variables are measured in a form of seven-point Likert scale, ranging from “Strongly disagree” to “Strongly agree”.

In section C, demographic data on the background of the respondent, such as gender, age, marital status, education level and occupation are collected.

### 3.5.3 Pilot Test

Polit, Beck and Hungler (as cited in Wisdom & Leavitt, 2015) defined pilot study as “a small-scale version or trial run in preparation for a particular major study”. According to Kvale (as cited in Turner, 2010), pilot test is necessary as it will assist a research in determining whether there are flaws, limitation or other weaknesses that allow researchers to make necessary revision prior to the full-scale implementation of the study. In this research study, a pilot test is carried out to develop and test the adequacy of questionnaire. The pilot test is conducted well before the questionnaires are distributed to the 215 respondents. Baker (as cited in Simon & Jim, 2011) proposed that 10-20% of the sample size for the actual study is sufficient to conduct a pilot study. Therefore, 20 participants are selected for pilot test of this research study. After the pilot test, the amended questionnaires are then distributed to the 215 respondents.

The pilot test is conducted with participants who are PLBs consumers and have similar interests as those who will participate in the implemented study.
The demographics data on the background of participants who involved in the pilot study are shown in Table 4.

Table 4: Demographics of participants in the pilot study

<table>
<thead>
<tr>
<th>Subject</th>
<th>Gender</th>
<th>Age</th>
<th>Occupation</th>
<th>Aware of availability of PLBs</th>
<th>Purchased PLBs before</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>Female</td>
<td>24</td>
<td>IT executive</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>002</td>
<td>Male</td>
<td>33</td>
<td>Salesperson</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>003</td>
<td>Male</td>
<td>25</td>
<td>Auditor</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>004</td>
<td>Female</td>
<td>60</td>
<td>Housewife</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>005</td>
<td>Female</td>
<td>35</td>
<td>Doctor</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>006</td>
<td>Female</td>
<td>27</td>
<td>Account executive</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>007</td>
<td>Male</td>
<td>40</td>
<td>Senior Manager</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>008</td>
<td>Male</td>
<td>60</td>
<td>Self-employed</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>009</td>
<td>Female</td>
<td>41</td>
<td>Teacher</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>010</td>
<td>Male</td>
<td>17</td>
<td>Student</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>011</td>
<td>Female</td>
<td>45</td>
<td>Housewife</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>012</td>
<td>Male</td>
<td>38</td>
<td>Self-employed</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>013</td>
<td>Female</td>
<td>38</td>
<td>Housewife</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>014</td>
<td>Female</td>
<td>25</td>
<td>Accountant</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>015</td>
<td>Male</td>
<td>40</td>
<td>Doctor</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>016</td>
<td>Female</td>
<td>32</td>
<td>Human resource executive</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>017</td>
<td>Male</td>
<td>27</td>
<td>Student</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>018</td>
<td>Female</td>
<td>29</td>
<td>Housewife</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>019</td>
<td>Male</td>
<td>33</td>
<td>Marketing executive</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>020</td>
<td>Male</td>
<td>25</td>
<td>Finance executive</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Developed for the research study.
During the pilot study, several items in questionnaire are adjusted as they were vague and may include business jargon that some participants do not understand. There were also typographical errors noted.

20 participants for the pilot test will not be considered and included in the main study. The results of pilot study are also not included in the main results. This is because historical events and changes made between the pilot study and main study may cause the pilot data different from main study, thus not able to be included into it (Taylor, Kermode, & Roberts, 2006). Nevertheless, Teijlingen & Hundley (2002) stated that researchers may want to include pilot data in the main results because the consequences for not doing so would result in too small a sample in the main study. However, the population of this research study is large enough, therefore the pilot data is not included in main study.

3.6 Construct Measurement

There are many information sources that researchers can search for and consider when deciding upon the constructs that a study will measure. These information sources include literature review from previous studies that addressed similar topics, inputs from peers and experts, and client-commissioned studies (Rolelr & Lavrakas, 2015).
3.6.1 Origin of Construct

The sources of the construct measurement used in this research study are adapted from the past studies.

Table 5: Willingness to purchase and Measurement Items

<table>
<thead>
<tr>
<th>Construct</th>
<th>Sample measurement items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 items</td>
<td>2. It is likely that I will purchase PLBs in next six (6) months.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I am willing to purchase PLBs, because the benefits outweigh the cost.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I do not mind spending more time sourcing for PLBs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. I would still buy PLBs even though other competing brands are on sale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. Overall, purchase of PLBs is more beneficial.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for the research study.

Table 5 above indicates that willingness to purchase is measured by six items adopted from (Voon, Ngui, & Agrawal, 2011; Liao & Hsieh, 2013; Senthilvelkumar & Jawahar, 2013; Beneke & Carter, 2014)
Table 6: Perceived Price and Measurement Items

<table>
<thead>
<tr>
<th>Construct</th>
<th>Sample measurement items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. I think it is natural and worth it to spend time looking for the lowest price.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I always try to find the cheapest products when I do my shopping</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I compare prices of PLBs with other competing brands before I make a purchase.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. PLBs are reasonably priced compared to other brands.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. Price of PLBs is lower than the average market price for similar products.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7. I am more likely to buy PLBs that are on sale.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8. Overall, I purchase PLBs because they are cheaper.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for the research study.

Table 6 above shows that perceived price is measured by eight items adopted from previous studies (Jaafar, Lalp, & Naba, 2012; Shukla et al., 2013; Beneke & Carter, 2014; Monnot, Reniou, & Parguel, 2015)
Table 7: Perceived Quality and Measurement Items

<table>
<thead>
<tr>
<th>Construct</th>
<th>Sample measurement items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. The quality of the product increases the value of the brand in my perception.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. There is not much difference in terms of quality between a PLB and other competing brands.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Low price of PLBs is <strong>not</strong> perceived as low quality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. I believe that PLBs have higher quality than other competing brands.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. PLBs seem to be good in quality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7. The quality of PLBs is very reliable.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8. Overall, PLBs offer better quality than other competing brands.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for the research study.

Table 7 above indicates that perceived quality is measure by eight items scale. The measures are adopted from (Ergin & Akbay, 2010; Bao et al., 2011; Jaafar et al., 2012; Senthilvelkumar & Jawahar, 2013; Son, 2013; Tambunan, Purwanegara, & Indriani, 2013; Tih & Lee, 2013; Monnot et al., 2015)
Table 8: Perceived Risk and Measurement Items

<table>
<thead>
<tr>
<th>Construct</th>
<th>Sample measurement items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. I feel PLBs may have risks due to its low price.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I feel PLBs may have risks due to its low quality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I worry that I will receive negative criticism from people who I value their opinions if I purchase PLBs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. I feel uncertain and worry that PLBs do not worth the money.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. I feel suspicious with the ingredients and materials used to manufacture the PLBs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7. There is high probability that PLBs do not work / function as it should be.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for the research study.

Table 8 above shows that perceived risk is measure by seven items adopted from (Diallo, 2012; Jaafar et al., 2012; Arslan, Gecti, & Zengin, 2013; Liao & Hsieh, 2013; Tih & Lee, 2013; Beneke & Carter, 2014)
### Table 9: Perceived Value and Measurement Items

<table>
<thead>
<tr>
<th>Construct</th>
<th>Sample measurement items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Value</td>
<td>1. Price and quality are my main concern.</td>
<td>(Bao, Bao, &amp; Sheng, 2011; Louis, Fall, &amp; Jean, 2011; Jaafar, Lalp, &amp; Naba, 2012; Senthilvelkumar &amp; Jawahar, 2013; Beneke &amp; Carter, 2014)</td>
</tr>
<tr>
<td></td>
<td>2. I will make sure that the product provides value for money when I purchase a product.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I generally shop around for lower priced products but still meet certain qualities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. PLBs offer additional benefits for the consumers than other competing brands (such as discount, extra quantity and free gifts).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. PLBs offer greater value for money than other competing brands.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. I compare the prices of PLBs with other competing brands to ensure that I get the best value for money.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for the research study.

Table 9 above indicates that perceived value is measure by six items adopted from (Bao et al., 2011; Louis et al., 2011; Jaafar et al., 2012; Senthilvelkumar & Jawahar, 2013; Beneke & Carter, 2014)
Table 10: Store Image and Measurement Items

<table>
<thead>
<tr>
<th>Construct</th>
<th>Sample measurement items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Image</td>
<td>1. The store (Tesco, Giant, AEON) layout is clear.</td>
<td>(Wu, Yeh, &amp; Hsiao, 2011; Diallo, 2012; Beneke &amp; Carter, 2014)</td>
</tr>
<tr>
<td></td>
<td>2. The store (Tesco, Giant, AEON) offers high levels of service and convenience.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. The entire product in the store (Tesco, Giant, AEON) has low price.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. The entire product in the store (Tesco, Giant, AEON) has good quality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. The store (Tesco, Giant, AEON) enjoys a favorable reputation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. Overall, I have positive perception towards these hypermarkets (Tesco, Giant, AEON).</td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for the research study.

Table 10 above shows that store image is measure by six items adopted from (Wu et al., 2011; Diallo, 2012; Beneke & Carter, 2014)

There are altogether 41 questionnaire items or manifest variables used to measure willingness of consumers to purchase PLBs.
3.6.2 Data Scale Measurement

Measurement is integral to statistics and no statistics would be possible without the concept of measurement (Weisburd & Britt, 2013). Stevens’s Scale of Measurement (1946) introduces four categories of measurement scale: nominal, ordinal, interval and ratio.

According to Stevens (1946), nominal scale consists of the numerals that are used for labeling only and has no value. In this research study, nominal scale is used to clarify the respondents’ gender, marital status and occupation. Respondent’s gender is also the dichotomous variable which is a sub-type of nominal scale and has only two categories.

Ordinal scale represents an ordered series of relationship or rank order among objects or events (Feinberg, Kinnear, & Taylor, 2012). It is used in this research study to measure respondents’ age and education level.

Likert scale was first introduced by Likert in 1932 to measure attitudes or opinions of respondents (Brown, 2011). The original scale used a series of questions with five response alternative: (i) strongly approve, (ii) approve, (iii) undecided, (iv) disapprove, and (v) strongly disapprove (Boone & Boone, 2012). In the beginning of this research study, a five-point Likert scale was used. However, some respondents had difficulty with that scale during pilot test as they want to choose somewhere between agree and neutral. Therefore, a seven-point likert scale is used. Moreover, it is suggested by Symonds (as cited in Preston & Colman, 2000) that reliability of scores is optimized by using seven-point scale. The seven-point Likert scale used for this research
study is ranging from 1 (Strongly disagree) to 7 (Strongly agree). Table 11 demonstrates the summary of Likert scale that is used to measure dependent and independent variables in this research study.

Table 11: Summary of Likert scale used to measure variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Likert Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Variable</td>
<td></td>
</tr>
<tr>
<td>Willingness to purchase</td>
<td>1= Strongly disagree</td>
</tr>
<tr>
<td></td>
<td>2= Disagree</td>
</tr>
<tr>
<td></td>
<td>3= Somewhat disagree</td>
</tr>
<tr>
<td>Independent Variable</td>
<td></td>
</tr>
<tr>
<td>Perceived price</td>
<td>4= Neutral</td>
</tr>
<tr>
<td>Perceived quality</td>
<td>5= Somewhat Agree</td>
</tr>
<tr>
<td>Perceived risk</td>
<td>6= Agree</td>
</tr>
<tr>
<td>Perceived value</td>
<td>7= Strongly Agree</td>
</tr>
<tr>
<td>Store image</td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for the research study.

3.7 Data Analysis Techniques

As mentioned in a report by American University (2011), SPSS is the acronym of Statistical Package for Social Sciences that have been in development for more than thirty years. It is a powerful, user-friendly software package for data manipulation and statistical data analysis (Landau & Everitt, 2004). In this research study, IBM SPSS Statistics 20 software is used to analyze the data collected.
3.7.1 Reliability Test

Basically, reliability is the ability of a questionnaire to generate the same results under the same conditions (Field & Hole, 2002). A questionnaire is said to be reliable when it is free from random error and therefore gives consistent results. In other words, reliability indicates internal consistency of a measurement scale (Khalid, Hilman, & Kumar, 2012). Cronbach’s Coefficient Alpha test is the most commonly used method to measure internal consistency (McCrae, Kurtz, Yamagata, & Terracciano, 2011). It is necessary for researchers to calculate Cronbach’s alpha when Likert scale is used in the study as this will increase the reliability of items (Khalid et al., 2012). The higher the alpha score, the more reliable the measurement scale (Clow & James, 2013). Nunnaly’s study (as cited in Santos, 1999) states that Cronbach’s alpha score of 0.7 is considered good and acceptable reliability coefficient.

3.7.2 Multiple Linear Regression Analysis

Multiple linear regression (MLR) model is an extension of simple linear regression where more than one independent variables, X, are used to predict a single dependent variable, Y (Stockburger, 2001). It is used in this research study to measure the significance of relationship between dependent and independent variables. The general multiple linear regression model for a research study can be written as follows: (Fagbemi, Ajibolade, Arowomole, & Ayadi, 2011)

\[ y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + ... + \beta_k x_k + \varepsilon \]

Where, \( y \) = Dependent variable
\[ \beta_0 \beta_1 \beta_2 \beta_3 \beta_k = \text{Regression coefficients} \]

\[ \chi_1 \chi_2 \chi_3 \chi_k = \text{Independent variables} \]

\[ \varepsilon = \text{Error term} \]

### 3.8 Conclusion

This chapter describes research design, methods of data collection, sampling design, research instrument, construct measurement and techniques used to analyze data. Chapter 3 provides a linkage to Chapter 4 and these two chapters are interrelated. The following chapter will illustrate the patterns and analyze the results which are relevant to the research questions and hypotheses.
Chapter 4 Research Results and Findings

4.1 Introduction

Chapter Four presents the results and analysis of 200 responses gathered for this research study. All results are obtained from the output of IBM SPSS Statistics version 20. This chapter consists of: (i) reliability procedure, (ii) key descriptive statistics of respondents’ characteristics, and (iii) assessment of hypotheses.

4.2 Reliability Test

A reliability test is conducted to check the relevance, accuracy and reliability of the questionnaire and data collected. Cronbach’s alpha test is employed in this research study in order to measure the internal consistency of instruments. The data was analyzed by using IBM SPSS version 20 for Windows. According to a study by Sekaran and Bougie (2010), it is suggested that the reliability of the measures is higher when the Cronbach’s alpha is closer to 1. Hair, Money, Samouel, and Page (as cited in Maiyaki & Mokhtar, 2011) stated in their study that Cronbach’s alpha of 0.7 is minimum, but lower coefficients may be acceptable.

The overall items are tested in order to analyze in-depth on its reliability. Table 12 below shows the summary of the Cronbach’s alpha values for this research study:
Table 12: Summary of the Cronbach’s alpha values

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>(IV-Independent Variable;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DV-Dependent Variable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV1: Perceived Price</td>
<td>8</td>
<td>0.870</td>
</tr>
<tr>
<td>IV2: Perceived Quality</td>
<td>8</td>
<td>0.799</td>
</tr>
<tr>
<td>IV3: Perceived Risk</td>
<td>7</td>
<td>0.862</td>
</tr>
<tr>
<td>IV4: Perceived Value</td>
<td>6</td>
<td>0.842</td>
</tr>
<tr>
<td>IV5: Store Image</td>
<td>6</td>
<td>0.941</td>
</tr>
<tr>
<td>DV: Willingness to Purchase</td>
<td>6</td>
<td>0.917</td>
</tr>
</tbody>
</table>

Source: Developed for the research study.

From the Table 12 above, the reliability test results shows that the values of Cronbach’s alpha for all the constructs under investigation are more than 0.70. The result reveals that “store image” has the highest Cronbach’s alpha of 0.941, followed by “willingness to purchase” of 0.917; “perceived price” 0.870; “perceived risk” 0.862; “perceived value” 0.842; and “perceived quality” 0.799. According to Sekaran (as cited in Ilias & Razak, 2011), all items are deemed reliable since the values of Cronbach’s alpha for all the constructs are more than 0.70.

4.3 Descriptive Analysis

Descriptive statistics comprise of methods and procedures to organize, summarize, display and describe the important characteristics of a set of measurement by using tables, graphs, and summary measures (Mann, 2010; Mendenhall, Beaver, & Beaver, 2012).
4.3.1 Demographic Profiles

There is a total of 215 sets questionnaire been distributed, but only 200 sets are completed and usable for this research study. The demographic profiles of the respondents are shown as follows:

Table 13: General characteristics of PLBs consumers

<table>
<thead>
<tr>
<th>Respondents (N=200)</th>
<th>Variables with Category</th>
<th>Number</th>
<th>%</th>
<th>Variables with Category</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>104</td>
<td>52.00</td>
<td>Female</td>
<td>96</td>
<td>48.00</td>
</tr>
<tr>
<td></td>
<td>&lt;18 years old</td>
<td>25</td>
<td>12.50</td>
<td>30-34 years old</td>
<td>63</td>
<td>31.50</td>
</tr>
<tr>
<td></td>
<td>18-24 years old</td>
<td>24</td>
<td>12.00</td>
<td>35-39 years old</td>
<td>18</td>
<td>9.00</td>
</tr>
<tr>
<td></td>
<td>25-29 years old</td>
<td>50</td>
<td>25.00</td>
<td>&gt; 40 years old</td>
<td>20</td>
<td>10.00</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Single</td>
<td>135</td>
<td>67.50</td>
<td>Divorce</td>
<td>2</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>63</td>
<td>31.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational level</td>
<td>Secondary school</td>
<td>34</td>
<td>17.00</td>
<td>Undergraduate Degree</td>
<td>123</td>
<td>61.50</td>
</tr>
<tr>
<td></td>
<td>College Diploma</td>
<td>26</td>
<td>13.00</td>
<td>Postgraduate Degree</td>
<td>17</td>
<td>8.50</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student</td>
<td>35</td>
<td>17.50</td>
<td>Private Sector</td>
<td>129</td>
<td>64.50</td>
</tr>
<tr>
<td></td>
<td>Housewife</td>
<td>12</td>
<td>6.00</td>
<td>Others</td>
<td>9</td>
<td>4.50</td>
</tr>
<tr>
<td></td>
<td>Self-employed</td>
<td>15</td>
<td>7.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary and computed data
The general characteristics of respondents who participated in this research study are analyzed and the results are presented in Table 13. From a total of 200 respondents in this survey, 52% are male while 48% are female.

The results show that 31.5% of respondents belong to the age group of 30-34 years, follows by less than 18 years (12.5%), 18-24 years (12%), 25-29 years (25%), 35-39 years (9%), and more than 40 years (10%).

The results also indicate that 67.5% of respondents are single, 31.5% are married, while 1% are divorced.

From the table, it is clear that 61.5% of respondents hold a recognized university undergraduate degree; 17% graduated from secondary school; 13% hold a college diploma; while the rest of 8.5% hold a postgraduate degree.

Furthermore, the results show that 64.5% of respondents are employed in private sector, followed by student (17.5%), self-employed (7.5%), housewife (6%), and government servants (4.5%).

4.3.2 Analysis on Screening Questions

Table 14 shows the results of screening questions for this research study.
Table 14: Descriptive analysis on screening questions

<table>
<thead>
<tr>
<th>Variables with Category</th>
<th>Number</th>
<th>%</th>
<th>Variables with Category</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>69</td>
<td>34.50</td>
<td>Quality</td>
<td>99</td>
<td>49.50</td>
</tr>
<tr>
<td>Reliability</td>
<td>21</td>
<td>10.50</td>
<td>Store brand name</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Value / Benefit</td>
<td>11</td>
<td>5.50</td>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

| Awareness of PLBs | Yes | 189 | 94.50 | No | 11 | 5.50 |

| Ever purchased PLBs | Yes | 200 | 100.00 | No | 0 | 0 |

<table>
<thead>
<tr>
<th>Frequency of purchasing PLBs</th>
<th>Frequently</th>
<th>11</th>
<th>5.50</th>
<th>Rarely</th>
<th>115</th>
<th>57.50</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Occasionally</td>
<td>74</td>
<td>37.00</td>
<td>Never</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Preference of PLBs category (categories)</th>
<th>Fast-Moving Consumer Goods</th>
<th>152</th>
<th>55.68</th>
<th>Apparels / Clothes</th>
<th>55</th>
<th>20.14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consumer Durables</td>
<td>66</td>
<td>24.18</td>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reason(s) why purchase PLBs</th>
<th>Low Price</th>
<th>134</th>
<th>49.09</th>
<th>Positive Store Image</th>
<th>5</th>
<th>1.83</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low Risk</td>
<td>4</td>
<td>1.47</td>
<td>Value (worth the money)</td>
<td>53</td>
<td>19.41</td>
</tr>
<tr>
<td></td>
<td>Acceptable Quality</td>
<td>75</td>
<td>27.47</td>
<td>Others</td>
<td>2</td>
<td>0.73</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reason(s) why do not purchase</th>
<th>High Price</th>
<th>32</th>
<th>10.60</th>
<th>Negative Store Image</th>
<th>30</th>
<th>9.93</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High Risk</td>
<td>88</td>
<td>29.14</td>
<td>Value (do not worth)</td>
<td>38</td>
<td>12.58</td>
</tr>
</tbody>
</table>
According to the Table 14 as shown above, 99 out of 200 respondents (49.5%) agreed that quality is the most important attribute that taken into consideration when they purchase a product. In addition, 69 respondents (34.5%) stated that they will take price aspect into consideration before they decide to purchase a product. Another 10.5% of respondents agreed that reliability of a product is important and they will take that into consideration before they make a purchase. The rest of respondents (5.5%) feel that the value of a product is important for them in making a purchase decision.

In term of awareness of PLBs, 94.5% of respondents are aware of all three major hypermarkets’ PLBs available in Malaysia, while 5.5% of respondents do not know some of the PLBs offered by hypermarkets in Malaysia.

A total of 200 respondents stated that they have ever purchased PLBs, hence all of the 200 respondents are eligible to participate in this research study.

However, most of the respondents in this survey (57.5%) rarely purchase PLBs. 37% respondents said that they purchase PLBs more occasionally, while only 5.5% of respondents purchase PLBs frequently.

From the result in Table 14 above, 55.68% of respondents usually purchase PLBs Fast-Moving Consumer Goods which are purchased on a regular basis and have a short shelf life, such as toiletries and stationery. Moreover, 24.18%
of respondents usually purchase PLBs consumer durables which do not have to be purchase frequently as these products are made to last for an extended period of time, such as furniture and home appliances; while 20.14% of respondents usually purchase apparels or clothes that are under PLBs of hypermarkets. The respondents are allowed to choose more than one category for this question in this research study.

There are many reasons why a consumer purchases PLBs. In this research study, 49.09% of respondents purchase PLBs because the price of PLBs is lower than other brands offered in a store. Other reasons why the respondents purchase PLBs are: acceptable quality (27.47%), the PLBs are worth the money (19.41%), positive store image (1.83%), and lower risk compared to other brands (1.47%). There are 2 respondents (0.73%) who stated that they purchase PLBs because they want to try particular PLBs.

On the other hand, there are also some reasons why consumers refuse to purchase PLBs. Most of the respondents (37.09%) in this research study feel that the quality of PLBs is lower as compared to other brands available in the market. In addition, 29.14% of respondents do not want to purchase PLBs as they believe PLBs have higher risk than other brands. Respondents who refuse to purchase PLBs due to the product do not worth the money and high price are 12.58% and 10.6% respectively. Besides that, 30 respondents (9.93%) stated that the negative store image has influenced them not to buy particular PLBs. There are 2 respondents (0.66%) stated that the reason why they refuse to purchase PLBs because they feel PLBs is not reliable and do not have attractive packaging.
### 4.3.3 Cross-tabulation Analysis

The cross-tabulation table compares the variables “intention to purchase PLBs in the future” with several variables with category. The number of respondents in each cell is reported in the cross-tabulation table.

**Table 15: Cross-tabulation Analysis**

<table>
<thead>
<tr>
<th>Variables with Category</th>
<th>Intention to purchase PLBs in the future</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
<td>D</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Female</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 18</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>18-24</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>25-29</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>30-34</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>35-39</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>&gt; 40</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Married</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Divorced</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Educational Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>College Diploma</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Degree</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Postgraduate Degree</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 15 shows 62 males and 67 females intend to purchase PLBs in the future, while 18 males and 14 females are not going to purchase PLBs in the future.

The results also show those youngsters who are less than 30 years old do not have the intention to purchase PLBs in the future, as compared to older respondents. In other words, older respondents are more willing to purchase PLBs. For age-category less than 30 years old, there are 54 respondents who plan to purchase PLBs while 17 respondents are not. On the other hand, for age-category more than 30 years old, 75 respondents have the intention to purchase PLBs, while 15 respondents do not plan to purchase in the future.

In terms of marital status, respondents who are single or married are more likely to purchase PLBs in the future, as compared to divorced respondents.

Based on the research results, the following are identified:

(i) Among respondents who graduated from secondary school, 14 respondents (41%) intend to purchase PLBs in the future, while 8 respondents (24%) do not.

(ii) For respondents who hold college diploma, 23 respondents (88%) are going to purchase PLBs in the future while 2 respondents (8%) are not.
(iii) Among respondents who graduated from university and hold undergraduate degree, 82 of them (67%) intend to purchase PLBs while 16 of them (13%) do not plan to purchase in the future.

(iv) For respondents who hold postgraduate degree, 10 of them (59%) are willing to purchase PLBs in the future, while 6 respondents (35%) are not.

According to Wheeler’s study (2000), educated consumers are more likely to purchase PLBs as they have better skills in processing information and can better compare the PLBs to other competing brands.

4.4 Hypotheses Testing

Multiple Linear Regression analyses are conducted to examine the relationship between the five independent variables (perceived price, perceived quality, perceived risk, perceived value and store image) and the dependent variable, consumer’s willingness to purchase PLBs.

4.4.1 Model Summary

Table 16: Model summary table

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>Mode</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.608</td>
<td>.370</td>
<td>.354</td>
<td>.79965</td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), AVG_SI, AVG.PR, AVG_PQ, AVG_PP, AVG_PV

Source: Developed for the research study.
The above table summarizes the descriptive statistics and analysis results. R-Square ($R^2$) is also known as coefficient of determination. It measures the explanatory or predictive power of a regression model (Lewis-Beck, 2004). The values of $R^2$ range from 0 to 1, where small value shows the model does not fit the data well, but a high $R^2$ value does not guarantee that the model fits the data well (Bell & Garofalo, 2005). Model summary as shown in Table 16 shows $R^2$ for this model is 0.37 (37%). The result can be explained that 37% of the total variation in the dependent variable (willingness to purchase) can be explained by five independent variables (perceived price, perceived quality, perceived risk, perceived value, and store image). In other words, the independent variables (X) can explain 37% of the change in dependent variable (Y). The other 63% of the total variation in dependent variable remains unexplained.

Standard Error of the Estimate is the standard deviation of the residuals. From the model summary table above, Standard Error of the Estimate for this research study is 0.79965. As $R^2$ increases, the Standard Error of Estimate will decrease as better fit of the model will have lower estimation error.
4.4.2 ANOVA

Table 17: ANOVA table

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>72.804</td>
<td>5</td>
<td>14.561</td>
<td>22.771</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>124.051</td>
<td>194</td>
<td>.639</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>196.855</td>
<td>199</td>
<td>.639</td>
<td>22.771</td>
<td>.000a</td>
</tr>
</tbody>
</table>

a. Dependent Variable: AVG_WTP
b. Predictors: (Constant), AVG_SI, AVG_PR, AVG_PQ, AVG_PP, AVG_PV

Source: Developed for the research study.

The multiple regression model with all five predictors produced \( R^2 = 0.37, \) \( F(5, 194) = 22.771, p < 0.01. \) F-statistic determines the statistical significance of the regression model in general. Large value of F-statistic shows that the regression model has more explained variance than error variance (Hair, Bush, & Ortinau, 2009).

P values are used to describe statistical significance. A normally acceptable P value is \( p < 0.05, \) which is generally considered statistically significant and provide the basis to reject the null hypothesis (Geurink, 2014). Based on the ANOVA table above, P value is 0.000 which is significant, as \( p < 0.05. \)

4.4.3 Summary of the Variables’ Mean and Standard Deviation

The descriptive data including means and standard deviation of the variables in this research study are shown in Table 18 as follows:
Table 18: Mean and standard deviation of variables

<table>
<thead>
<tr>
<th>Measurement Items (1 = Strongly Disagree, 7 = Strongly Agree)</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perceived Price</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Price is an important criterion when I purchase a product.</td>
<td>5.29</td>
<td>1.218</td>
</tr>
<tr>
<td>2. I think it is natural and worth it to spend time looking for the lowest price.</td>
<td>4.92</td>
<td>1.326</td>
</tr>
<tr>
<td>3. I always try to find the cheapest products when I do my shopping</td>
<td>4.74</td>
<td>1.456</td>
</tr>
<tr>
<td>4. I compare prices of PLBs with other competing brands before I make a purchase.</td>
<td>4.75</td>
<td>1.391</td>
</tr>
<tr>
<td>5. PLBs are reasonably priced compared to other brands.</td>
<td>4.48</td>
<td>1.125</td>
</tr>
<tr>
<td>6. Price of PLBs is lower than the average market price for similar products.</td>
<td>4.68</td>
<td>1.215</td>
</tr>
<tr>
<td>7. I am more likely to buy PLBs that are on sale.</td>
<td>4.25</td>
<td>1.294</td>
</tr>
<tr>
<td>8. Overall, I purchase PLBs because they are cheaper.</td>
<td>4.75</td>
<td>1.307</td>
</tr>
<tr>
<td><strong>Overall Perceived Price</strong></td>
<td>4.73</td>
<td>0.94</td>
</tr>
<tr>
<td><strong>Perceived Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Quality is an important criterion when I purchase a product.</td>
<td>5.69</td>
<td>1.087</td>
</tr>
<tr>
<td>2. The quality of the product increases the value of the brand in my perception.</td>
<td>5.48</td>
<td>1.130</td>
</tr>
<tr>
<td>3. There is not much difference in terms of quality between a PLB and other competing brands.</td>
<td>3.52</td>
<td>1.139</td>
</tr>
<tr>
<td>4. Low price of PLBs is <strong>not</strong> perceived as low quality.</td>
<td>3.82</td>
<td>1.263</td>
</tr>
<tr>
<td>5. I believe that PLBs have higher quality than other competing brands.</td>
<td>3.26</td>
<td>1.061</td>
</tr>
</tbody>
</table>
6. PLBs seem to be good in quality. 3.55 1.026
7. The quality of PLBs is very reliable. 3.63 1.005
8. Overall, PLBs offer better quality than other competing brands. 3.38 1.180

| Overall Perceived Quality | 4.04 | 0.72 |

**Perceived Risk**

1. I will choose the product carefully before considering to purchase PLBs. 5.42 1.058
2. I feel PLBs may have risks due to its low price. 4.82 1.258
3. I feel PLBs may have risks due to its low quality. 4.82 1.198
4. I worry that I will receive negative criticism from people who I value their opinions if I purchase PLBs. 3.47 1.318
5. I feel uncertain and worry that PLBs do not worth the money. 4.51 1.211
6. I feel suspicious with the ingredients and materials used to manufacture the PLBs. 4.59 1.208
7. There is high probability that PLBs do not work / function as it should be. 4.69 1.254

| Overall Perceived Risk | 4.62 | 0.90 |

**Perceived Value**

1. Price and quality are my main concern. 5.84 1.057
2. I will make sure that the product provides value for money when I purchase a product. 5.57 1.123
3. I generally shop around for lower priced products but still meet certain qualities. 5.13 1.107
4. PLBs offer additional benefits for the consumers than other competing brands (such as discount, extra quantity and free gifts). 4.54 1.026
5. PLBs offer greater value for money than other competing brands. 4.37 1.118
6. I compare the prices of PLBs with other competing brands to 4.86 1.199
ensure that I get the best value for money.

| Overall Perceived Value | 5.05 | 0.83 |

**Store Image**

| 1a. The store (Tesco) layout is clear. | 5.08 | 1.122 |
| 1b. The store (Giant) layout is clear | 4.73 | 1.231 |
| 1c. The store (AEON) layout is clear | 5.23 | 1.100 |
| 2a. The store (Tesco) offers high levels of service and convenience. | 4.88 | 1.210 |
| 2b. The store (Giant) offers high levels of service and convenience. | 4.56 | 1.198 |
| 2c. The store (AEON) offers high levels of service and convenience. | 5.19 | 1.053 |
| 3a. The entire product in the store (Tesco) has low price. | 4.83 | 1.289 |
| 3b. The entire product in the store (Giant) has low price. | 4.73 | 1.222 |
| 3c. The entire product in the store (AEON) has low price. | 4.22 | 1.170 |
| 4a. The entire product in the store (Tesco) has good quality. | 4.54 | 1.111 |
| 4b. The entire product in the store (Giant) has good quality. | 4.37 | 1.183 |
| 4c. The entire product in the store (AEON) has good quality. | 4.96 | 1.164 |
| 5a. The store (Tesco) enjoys a favorable reputation. | 4.84 | 1.142 |
| 5b. The store (Giant) enjoys a favorable reputation. | 4.48 | 1.211 |
| 5c. The store (AEON) enjoys a favorable reputation. | 5.12 | 1.032 |
| 6. Overall, I have positive perception towards these hypermarkets (Tesco, Giant, AEON). | 5.09 | 0.957 |

| Overall Store Image | 4.80 | 0.84 |

**Willingness to Purchase**

| 1. I intend to purchase and use PLBs in the future. | 4.58 | 1.122 |
| 2. It is likely that I will purchase PLBs in next six (6) months. | 4.45 | 1.146 |
| 3. I am willing to purchase PLBs, because the benefits outweigh | 4.55 | 1.129 |
the cost.

4. I do not mind spending more time sourcing for PLBs. 4.34 1.258

5. I would still buy PLBs even though other competing brands are on sale. 3.43 1.258

6. Overall, purchase of PLBs is more beneficial. 4.34 1.175

**Overall Willingness to Purchase** 4.28 0.99

Source: Developed for the research study.

### 4.4.4 Coefficients

Table 19: Coefficients table

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.703</td>
<td>.484</td>
<td></td>
<td>.148</td>
</tr>
<tr>
<td>AVG_PP</td>
<td>.290</td>
<td>.085</td>
<td>.274</td>
<td>3.420</td>
</tr>
<tr>
<td>AVG_PQ</td>
<td>.219</td>
<td>.092</td>
<td>.158</td>
<td>2.384</td>
</tr>
<tr>
<td>AVG_PR</td>
<td>-.123</td>
<td>.069</td>
<td>-.111</td>
<td>-1.784</td>
</tr>
<tr>
<td>AVG_PV</td>
<td>-.138</td>
<td>.108</td>
<td>-.115</td>
<td>-1.274</td>
</tr>
<tr>
<td>AVG_SI</td>
<td>.538</td>
<td>.077</td>
<td>.453</td>
<td>6.959</td>
</tr>
</tbody>
</table>

a. Dependent Variable: AVG_WTP

Source: Developed for the research study.
The coefficients table above illustrates how well each of the variables contributes to the equation. The equation for the regression line is shown as follows:

\[ Y = 0.703 + 0.29 \, PP + 0.219 \, PQ - 0.123 \, PR - 0.138 \, PV + 0.538 \, SI \]

In more details, \( Y \) is the dependent variable (willingness to purchase), while \( X \) is the independent variables (perceived price \([PP]\), perceived quality\([PQ]\), perceived risk \([PR]\), perceived value \([PV]\) and store image \([SI]\)).

From the equation above, the intercept of the equation is 0.703, which mean \( Y = 0.703 \) when \( X \) variables = 0. The value of \( Y \) is also expected to:

(i) Increase by 0.29 units if one unit is increased in perceived price (PP);
(ii) Increase by 0.219 units if one unit is increased in perceived quality (PQ);
(iii) Decrease by 0.123 units if one unit is decrease in perceived risk (PR);
(iv) Decrease by 0.138 units if one unit is decrease in perceived value (PV);
(v) Increase by 0.538 units if one unit is increase in store image (SI).

T-statistics is used to examine the significance of each regression coefficient. An independent variable does not have relationship with the dependent variable if the regression coefficient is not statistically significant. On the other hand, the Significant (sig.) value of each independent variable explains whether the variable is significant to the prediction of dependent variable. Based on the coefficient table above, variables that have significant values of less than 0.05 are: **perceived price, perceived quality, and store image**. In other words, these three variables are significant and have relationship with
dependent variable in this research study. In contrast, perceived risk and perceived value are not significant and do not have relationship with the dependent variable. Therefore, H1, H2 and H5 are accepted, while H3 and H4 are rejected in this research study.

The sub-column “Beta” under Standardized Coefficients is referred in order to identify which variable contributed the most to the regression equation or outcome. The result shows that store image has the highest contribution to explain the dependent variable in this case, followed by perceived price and perceived quality.

4.5 Assessment of Hypotheses

H1: There is a positive relationship between perceived price and consumer’s willingness to purchase private label brands.

The SPSS output indicates a significant relationship between perceived price and willingness to purchase, with a t-value of 3.42. The significance value is 0.001 and coefficient of 0.29, indicating a positive relationship. Therefore, H1 is accepted and it may be concluded that perceived price positively influences consumer’s willingness to purchase PLBs.

H2: There is a positive relationship between perceived quality and consumer’s willingness to purchase private label brands.

The relationship between perceived quality and willingness to purchase has t-values of 2.384, significant value of 0.018 and coefficient of 0.219. Thus, H2 is accepted and
it may be concluded that perceived quality positively influences consumer’s willingness to purchase PLBs.

**H3:** There is a positive relationship between perceive risk and consumer’s willingness to purchase private label brands.

The SPSS output shows that there is no significant relationship between perceived risk and willingness to purchase, with a t-value of -1.784, significance value is 0.076 and coefficient of -0.123. Therefore, H3 is rejected and it may be concluded that perceived risk has no effect on consumer’s willingness to purchase PLBs.

**H4:** There is a positive relationship between perceived value and consumer’s willingness to purchase private label brands.

The relationship between perceived value and willingness to purchase has t-values of -1.274, significant value of 0.204 and coefficient of -0.138. Thus, H4 is rejected and it may be concluded that perceived value has no influence on consumer’s willingness to purchase PLBs.

**H5:** There is a positive relationship between store image and consumer’s willingness to purchase private label brands.

The SPSS output shows there is a significant relationship between store image and willingness to purchase, with a t-value of 6.959, significance value of 0.000 and coefficient of 0.538. Therefore, H5 is accepted and it may be concluded that store image positively influences consumer’s willingness to purchase PLBs.
### 4.6 Summary of Hypotheses Testing

Table 20: Summary of results for hypotheses testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Supported (p &lt; 0.05)</th>
<th>Not Supported (p&gt;0.05)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a positive relationship between perceived price and</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>consumer’s willingness to purchase private label brands.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2: There is a positive relationship between perceived quality and</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>consumer’s willingness to purchase private label brands.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3: There is a positive relationship between perceive risk and</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>consumer’s willingness to purchase private label brands.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4: There is a positive relationship between perceived value and</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>consumer’s willingness to purchase private label brands.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H5: There is a positive relationship between store image and</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>consumer’s willingness to purchase private label brands.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for the research study
4.7 Conclusion

This chapter presents the detailed interpretation of quantitative analysis. These results will be carried forward to the next chapter for further analyze the relationships between independent and dependent variables.
Chapter 5 Discussion and Conclusion

5.1 Introduction

In Chapter Five, quantitative results will be discussed. These research findings will provide valuable insights and, implications or suggestions to the retailer in Malaysia in developing and promoting PLBs.

5.2 Discussion of Major Findings

The purpose of this research study is to examine the impact of the five variables on consumer’s willingness to purchase PLBs within Klang Valley, Malaysia. The five variables that are focused in this study are perceived price, perceived quality, perceived risk, perceived value and store image.

On average, the respondents are somewhat agreed that they intend to purchase and use PLBs in the future. They do not mind to spend more time in sourcing for PLBs and willing to purchase PLBs because the benefits outweigh the cost. However, they would not purchase PLBs when the other competing brands are on sale. This shows that consumers are not necessarily will go for low-priced products when they make a purchase decision. Overall, the respondents involved in this research study fairly agreed that purchase of PLBs is beneficial.
5.2.1 Findings on the Hypothesis One (H1)

*H1: There is a positive relationship between perceived price and consumer’s willingness to purchase private label brands.*

This research study found that perceived price has a significantly positive influence on consumer’s willingness to purchase PLBs. Therefore, it is determined that the results correspond to the past studies (Yeow et al., 2012; Tih & Lee, 2013). In this research study, perceived price of PLBs is examined by asking respondents on the overall hypermarket’s products price in general. On average, respondents agreed that price is an important criterion when they make a purchase decision. They also have the similar opinions that it is natural and worth it to spend time looking for the lowest priced products. They stated that they will compare prices of PLBs with other brands and try to find the cheapest products in the hypermarkets when they do their shopping. In general, respondents perceive prices of PLBs to be lower than the average market price for similar products and they are more likely to purchase PLBs that are on sale. In a nutshell, consumers are more likely to purchase PLBs because they are cheaper and reasonably priced compared to other brands.

5.2.2 Findings on the Hypothesis Two (H2)

*H2: There is a positive relationship between perceived quality and consumer’s willingness to purchase private label brands.*

This research study found that perceived quality has significant effect on consumer’s willingness to purchase PLBs. This is correspond to previous studies (Tsiotsou, 2006; Chi et al., 2009; Bao et al., 2011; Naing & Chaipoopirutana, 2014; Chatrattikorn, 2014) which stated that there is a positive direct relationship between perceived quality and willingness to
purchase PLBs. According to Kakkos et al. (2014), perceived quality is about consumers relying on their current consumption experience to judge a product’s quality or performance. In this research study, respondents judge the quality of PLBs based on their perception. They agreed that quality is an important criterion when they make a purchase decision and the quality of product increases the value of brand in their perception. When consumers perceive a product as high quality, they will also view that particular brand as high quality brand. However, the respondents do not agree that PLBs have higher quality than other competing brands and doubt the quality of PLBs. On average, they perceived low-priced PLBs as low quality products and this is correspond to the past study by Dodds et al. (1991) which states that perceived price has significant influence on perceived quality. Overall, respondents perceived PLBs as low quality products and there is much difference in terms of quality between PLBs and other competing brands.

5.2.3 Findings on the Hypothesis Three (H3)

*H3: There is a positive relationship between perceive risk and consumer’s willingness to purchase private label brands.*

In this research study, it is found that perceived risk negatively influence consumer’s willingness to purchase PLBs. According to Thanasuta (2015), consumers may perceive PLBs to have higher risk than other brands, but this may not stop them from purchasing PLBs. Based on the results of this research study, respondents agreed that they will choose products carefully before they make a purchase decision. Furthermore, respondents also perceive PLBs to have higher risk due to its low price and quality. They are worried that PLBs do not work and function as it should be. This is correspond to Dunn, Mark, Patrick and Geral’s study (as cited in Selvakumar & Varadharajan, 2013) which stated that consumers view PLBs as the most risky
on performance measures. Moreover, it is also found out that the respondents in this research study view PLBs as risky products on financial measures, since they feel uncertain and worry that PLBs do not worth the money. In addition, the respondents also doubt and feel suspicious with the ingredients and materials used to manufacture the PLBs. However, the respondents do not worry that they will receive negative criticism if they purchase PLBs. This shows that social risk has no effect on consumer’s willingness to purchase PLBs. In short, the research results show that respondents perceive PLBs as risky products in terms of performance and financial measures, but least risky on social measures.

5.2.4 Findings on the Hypothesis Four (H4)

_H4: There is a positive relationship between perceived value and consumer’s willingness to purchase private label brands._

This research study found that perceived value has no significant impact on consumer’s willingness to purchase PLBs. This is corresponding to past studies (Liao & Hsieh, 2013; Thanasuta, 2015) which states that consumers may still prefer established and reputable brand instead of value-for-money-PLBs because of the perceived quality and risk. In this research study, respondents agreed that price and quality are their main concern when they make a purchase decision. They generally will shop around for lower priced products and make sure that the product provides value-for-money before they purchase a product. However, the respondents somewhat disagreed that PLBs offer greater value-for-money and additional benefits for consumer than other competing brands. In summary, respondents stated that they will compare prices of PLBs with other competing brands to make sure that they get the best value for money.
5.2.5 Findings on the Hypothesis Five (H5)

H5: There is a positive relationship between store image and consumer’s willingness to purchase private label brands.

This research study found that store image has significant effect on consumer’s willingness to purchase PLBs. Past studies (Wu et al., 2011; Dodds, 2002) stated that consumers typically judge PLBs quality from the retail store image such as store atmosphere and store quality, especially when consumers are not familiar with PLBs. Subsequently, consumer will be more willing to purchase the PLBs when they view particular PLBs to be of high quality from the favorable store image (Dodds et al., 1991).

In this research study, the respondents perceived AEON to have the best and comprehensive store layout compared to Tesco and Giant. Other than that, they also perceived AEON as the best hypermarket compared to Tesco and Giant in offering high level of services and convenience. Among these three hypermarkets, respondents felt that the entire products in AEON have good quality products and the store enjoy a favorable reputation. However, Tesco takes the lead in providing low-priced products. On average, it is found in this research study that consumers have positive perception towards the hypermarkets. PLBs that are owned by a high-image store tend to carry higher quality (Bao et al., 2011) and perceived quality has a direct significant impact on consumer’s willingness to purchase PLBs (Vahie & Paswan, 2006; Louis et al., 2011). In short, there is an indirect relationship between store image and consumer’s willingness to purchase PLBs.
5.3 Managerial Implications

This research study provides important and practical insights for retailers in developing the PLBs. There are plenty of strategies that retailers can implement in order to increase consumer’s purchase propensity for PLBs.

5.3.1 Store Image

Store image involves a multitude of attributes such as store atmosphere, music, quality of merchandise, quality of services, product prices and convenience offered by the store (Hosseini, Jayashree, & Malarvizhi, 2014). Retailers can improve the store image by increasing the product range, enhancing the quality of products, fairly priced the products, and pleasantly decorating the store (Wu et al., 2011).

Retailers should create store atmospheres that correspond to the product line. For example, in a store selling PLBs, retailers can have simple but attractively painted store to give consumers a feel that the products sold in the store are not luxury or high priced. A well-painted store increases consumers’ interests and makes them feel comfortable while shop in the store. Not only that, retailers should also make sure their stores are clean and well-organized all the time as consumers do not like stores that are dull or messy. Furthermore, bright and friendly lighting, as well as soft music are also necessary to attract consumers to stick around and shop. In addition, retailers should also have well-planned aisle and well-organized merchandising display in order to help consumers to find the products they look for as well as expose them to impulse purchases.
From the findings of this research study, store image is the most important factor affecting the purchase of PLBs. For this reason, retailers should work hard on enhancing store image and the suggested ways above will definitely increase the consumer’s willingness to purchase PLBs.

5.3.2 Perceived Price

Based on the research results, perceived price is one of the important attributes in determining consumer’s willingness to purchase PLBs. With its low price advantage, PLBs is more likely to attract price-concerned consumers (Thanasuta, 2015). Since PLBs are price sensitive, retailers should pay special attention to the pricing strategies. Retailers should observe what price are competitors charging and either raise or lower the PLBs prices based on the company goals. However, past studies (Yeow et al., 2012; Tih & Lee, 2013) show that there is a strong relationship between perceived price and willingness to purchase PLBs. Hence, retailers should not randomly increase prices of PLBs as most of the PLBs consumers are price-conscious. According to Thanasuta (2015), price-conscious consumers who always look for lower priced products are more likely to purchase PLBs and loyal to PLBs.

However, low price alone is not enough to boost the sales or awareness of PLBs. Retailers should increase marketing for PLBs with the aim of creating brand awareness and boosting the sales of PLBs. Before marketing campaign is conducted, retailers should conduct market research to better understand the target market’s needs and wants. Advertisement and promotions are good examples to boost sales and awareness. However, retailers should ensure that the marketing campaigns do not exceed the budget as exceed the budget may lead to increase in product price.
5.3.3 Perceived Quality

Based on the findings, perceived price and perceived quality seems to be very important factors in determining whether a consumer will purchase PLBs. Therefore, the demand for PLBs will increase if retailers can reduce price without compromising on the product quality (Jahangir, Parvez, & Bhattacharjee, 2009).

Retailers should continue to improve the quality of PLBs in order to raise consumers’ acceptance of PLBs. At best, retailers should improve the quality of PLBs without increase any costs. By offering PLBs at affordable price and acceptable quality, retailers will be able to capture more quality-conscious and value-conscious consumers (Thanasuta, 2015), as well as boost the PLBs sales.

Retailers can also implement total quality management (TQM) to better understand and meet internal and external consumers’ needs, as well as continuously increase consumer satisfaction. TQM is a people-oriented management system that focuses on increasing consumers’ satisfaction while continually reducing the costs (Goodwin & Griffith, 2008). As highlighted in a report by PHCC Educational Foundation (1996), TQM is a management philosophy that believes quality improvement must be continuous. TQM philosophy offers a comprehensive way for retailers to improve performance and product quality by examining the processes (Mansir & Schacht, 1989).

Retailers will be able to achieve twin goals by increasing the perceived quality of PLBs: (i) acquire new consumers, and (ii) retain existing consumers (Bao et al., 2011). When consumers are satisfied with the quality PLBs, this will lead
to consumer retention and loyalty. Subsequently, the satisfied PLBs consumers can attract new consumers via word of mouth.

5.4 Limitations of Study

This research study has several limitations which also offers possible avenue for future research.

First and foremost, the five independent variables examined in this research study only represent a small part of the factors that may influence consumer’s willingness to purchase PLBs. The model in this research study only explained a total variance of 37% in consumer’s willingness to purchase PLBs.

Secondly, this research study is only carried out within Klang Valley, Malaysia. Moreover, the result of this research study is solely based on the 200 respondents, which some of them are not regular PLBs consumers to the three hypermarkets. Hence, it is not advisable to use the results to represent overall Malaysia consumers.

Thirdly, only three hypermarkets namely Tesco, Giant and AEON are included in this research study. This research study only focuses on the three hypermarkets without further comparing with other stores’ PLBs. Furthermore, the sample size in this research study is considered small.
5.5 Recommendations for Future Research

Future researches may look into the impact of other variables, such as familiarity of PLBs, shelf space allocated to PLBs, attitudes of consumers towards PLBs and product familiarity, just to name a few, to better understand the consumer’s willingness to purchase PLBs.

This research study is conducted only within Klang Valley. Therefore, future research may expand and cover larger geographical area as consumers in different places have different culture and different perceptions on PLBs. Not only cover more areas, future researches can also increase the sample size for more reliable results.

Further research may include more hypermarkets and different segments of consumers, such as bargain-hunting mothers and high-income consumers, in order to have more consistent results to represent the population. In addition, future researchers can also collaborate with hypermarkets to carry out the study.

This research study only includes quantitative elements. Thus, it is recommended for future research to include qualitative elements to better understand and explain consumers’ needs and opinions.
5.6 Conclusion

This research study investigates the influences of perceived price, perceived quality, perceived risk, perceived value and store image on consumer’s willingness to purchase PLBs in Malaysia. Based on the findings, perceived price, perceived quality and store image have significant positive effects on consumer’s willingness to purchase PLB. However, perceived risk and perceived value have negative influence on consumer’s willingness to purchase PLBs. It is consistent with the findings from past literature that perceived price, perceived quality and store image appeared as important indicators of consumer’s willingness to purchase PLBs. One of the major findings of this research study is that store image plays the most important role in increasing consumer’s willingness to purchase PLBs. For this reason, retailers should focus on positive store image in order to attract more consumers and boost the sales of PLBs. As expected, perceived risk negatively influence consumer’s willingness to purchase PLBs. However, it is surprisingly that there is a negative relationship between perceived value and willingness to purchase PLBs. The results will certainly provide an extensive knowledge on factors which retailers should focus on in order to obtain strategic competitive advantage of PLBs.
References


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111


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Appendix: Survey Questionnaire
Research Topic:
Factors influencing consumer’s willingness to purchase private label brands.

(*Private Label Brands: products sold under a retailer’s brand. For example, Tesco has its own “Tesco Everyday Value” brand products, and AEON’s own private label brand called “TopValu”.

Dear Participants,

I am Pang Suk Min (Shirley), a Master’s student working on my dissertation under the guidance of Dr Lau Teck Chai at University Tunku Abdul Rahman (UTAR) in Sungai Long, Kajang. This survey is part of the Master’s research program to understand the factors that influence willingness of consumers to purchase private label brands at hypermarkets.

Your participation is highly essential and valuable in order for me to complete this dissertation research. Your participation in this study is absolutely voluntary. Remember, there is no right or wrong answers to the questions. You are allowed to work at your own pace and you may stop filling out this survey at any time if you feel uncomfortable. Your participation will be treated as highly confidential and anonymously under Personal Data Protection Act 2010 and all information will be used only for academic purpose. It will take about 5 to 10 minutes to complete.

If you have any questions, please feel free to ask as I will be glad to assist you. Thank you so much for your precious time and participation in this survey!

Sincerely,
Pang Suk Min (Shirley)
Master of Business Administration (MBA)
University Tunku Abdul Rahman
Email: smin.pang@gmail.com
Section A: Screening

INSTRUCTION: Please place a (V) or fill in the blanks with the specific answers.

A1: Which of the following is the most important attribute or feature taken into consideration when you purchase a product?
(Select only ONE answer)

- □ Price
- □ Reliability
- □ Value / Benefit
- □ Quality
- □ Store brand name
- □ Others : ____________________ (please specify)

A2: Are you aware of the availability of Private Label Brands (PLBs)?

- □ Yes
- □ No

A3: Have you ever purchased PLBs before?

- □ Yes
- □ No

A4: How frequent do you purchase PLBs?

- □ Frequently
- □ Occasionally
- □ Rarely
- □ Never

A5: What kind of PLBs do you usually purchase? (You may select more than one)

- □ Fast-Moving Consumer Goods (generally cheap products that have a short shelf life and are purchased on a regular basis. For examples, toiletries, soft drinks and stationery.)
- □ Consumer durables (products that do not have to be purchased frequently because they are made to last for an extended period of time. For examples, home appliances and furniture.)
- □ Apparels / Clothes
- □ Others : ____________________ (please specify)

A6: What is/are the reason(s) you WANT to buy PLBs? (You may select more than one)

- □ Low price
- □ Low risk
- □ Acceptable quality
- □ Positive store image
- □ Value (worth the money)
- □ Others : ____________________ (please specify)

A7: What is/are the reason(s) you DO NOT WANT to buy PLBs? (You may select more than one)

- □ High price
- □ High risk
- □ Low quality
- □ Negative store image
- □ Value (do not worth the money)
- □ Others : ___________ (please specify)
Section B: Factors that influence consumer’s willingness to purchase private label brands

**Instruction:** Please circle the number that represents the most appropriate answer of each of the following statements. The answer being represented by 1-Strong Disagree, 2-Disagree, 3-Somewhat disagree, 4-Neutral, 5-Somewhat Agree, 6-Agree, and 7-Strongly Agree.

<table>
<thead>
<tr>
<th>B1: Perceived Price</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neutral</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Price is an important criterion when I purchase a product.</td>
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<td>2. I think it is natural and worth it to spend time looking for the lowest price.</td>
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<td>3. I always try to find the cheapest products when I do my shopping.</td>
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<td>4. I compare prices of PLBs with other competing brands before I make a purchase.</td>
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<td>5. PLBs are reasonably priced compared to other brands.</td>
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<td>6. Price of PLBs is lower than the average market price for similar products.</td>
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<td>7. I am more likely to buy PLBs that are on sale.</td>
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<td>8. Overall, I purchase PLBs because they are cheaper.</td>
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<thead>
<tr>
<th>B2: Perceived Quality</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neutral</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quality is an important criterion when I purchase a product.</td>
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<td>2. The quality of the product increases the value of the brand in my perception.</td>
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<tr>
<td>3. There is not much difference in terms of quality between a PLB and other competing brands.</td>
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<td>4. Low price of PLBs is not perceived as low quality.</td>
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<td>5. I believe that PLBs have higher quality than other competing brands.</td>
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<tr>
<td>6. PLBs seem to be good in quality.</td>
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<tr>
<td>7. The quality of PLBs is very reliable.</td>
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</tr>
<tr>
<td>8. Overall, PLBs offer better quality than other competing brands.</td>
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</table>
### B3: Perceived Risk

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<th></th>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neutral</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I will choose the product carefully before considering to purchase PLBs.</td>
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<td>2</td>
<td>I feel PLBs may have risks due to its low price.</td>
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<tr>
<td>3</td>
<td>I feel PLBs may have risks due to its low quality.</td>
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<tr>
<td>4</td>
<td>I worry that I will receive negative criticism from people who I value their opinions if I purchase PLBs.</td>
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<tr>
<td>5</td>
<td>I feel uncertain and worry that PLBs do not worth the money.</td>
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<tr>
<td>6</td>
<td>I feel suspicious with the ingredients and materials used to manufacture the PLBs.</td>
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<td>7</td>
<td>There is high probability that PLBs do not work / function as it should be.</td>
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### B4: Perceived Value

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<tr>
<th></th>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neutral</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td>1</td>
<td>Price and quality are my main concern.</td>
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<td>2</td>
<td>I will make sure that the product provides value for money when I purchase a product.</td>
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<td>3</td>
<td>I generally shop around for lower priced products but still meet certain qualities.</td>
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<td>4</td>
<td>PLBs offer additional benefits for the consumers than other competing brands (such as discount, extra quantity and free gifts).</td>
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<td>5</td>
<td>PLBs offer greater value for money than other competing brands.</td>
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<td>6</td>
<td>I compare the prices of PLBs with other competing brands to ensure that I get the best value for money.</td>
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### B5: Store Image (Store: hypermarkets such as Tesco, Giant, AEON)

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<tr>
<th></th>
<th>The store layout is clear.</th>
<th></th>
<th>The store offers high levels of service and convenience.</th>
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<th>The entire product in the store has low price.</th>
<th></th>
<th>The entire product in the store has good quality.</th>
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<th>The store enjoys a favorable reputation.</th>
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<th>Overall, I have positive perception towards these hypermarkets.</th>
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<tr>
<td>1</td>
<td>Tesco</td>
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<td></td>
<td>I have positive perception towards these hypermarkets.</td>
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### B6: Willingness to Purchase

<table>
<thead>
<tr>
<th></th>
<th>I intend to purchase and use PLBs in the future.</th>
<th></th>
<th>It is likely that I will purchase PLBs in next six (6) months.</th>
<th></th>
<th>I am willing to purchase PLBs, because the benefits outweigh the cost.</th>
<th></th>
<th>I do not mind spending more time sourcing for PLBs.</th>
<th></th>
<th>I would still buy PLBs even though other competing brands are on sale.</th>
<th></th>
<th>Overall, purchase of PLBs is more beneficial.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tesco</td>
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</tbody>
</table>
Section C: Demographic Information

INSTRUCTION: Please place a (v) or fill in the blanks with the specific answers.

C1: Gender   □ Male          □ Female

C2: Age       □ < 18 years old  □ 30-34 years old
                □ 18-24 years old  □ 35-39 years old
                □ 25-29 years old  □ 40 years old and above

C3: Marital Status    □ Single          □ Married
                □ Divorced

C4: Educational Level       □ Primary School   □ Undergraduate Degree
                □ Secondary School □ Postgraduate Degree
                □ College Diploma □ Others:
                                   _____________ (please specify)

C5: Occupation     □ Student           □ Private Sector
                □ Housewife         □ Others:
                                   _____________ (please specify)
                □ Self–employed

********************************************Thank You for your time and cooperation!********
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