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## **The Effect of Retail Store Image Dimensions on Consumer's Purchase Intention of Private Label Brands**

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### **ABSTRACT**

Private label brands, considered a store differentiator is a rising phenomenon in the growing Indian organised retail market. Building strong private labels while managing store image differentiation has become a marketing priority for many retailing companies to attract and retain the Indian shopper. Consumers use store image as an evaluative criterion in the decision-making process concerning purchase of private labels at department stores. The primary purpose of this study is to examine the influence of store image on Indian consumer purchase intention of private label brands. Using the structured questionnaire, data was collected from department store customers of varied socio-economic background. While examining the store image constructs, six factors of store image were extracted through factor analysis. The findings demonstrated that the identified store image dimensions 'Sales Personnel and Store Association'; 'Promotion and Institutional'; and 'Merchandise' have significant impact on PLB-Purchase Intention. However, store image dimensions 'Atmosphere'; 'Service'; and 'Convenience' does not have any significant impact on PLB-Purchase Intention. The results of this study provide valuable information to department store retail professionals, entrepreneurs and academicians so as to better understand the role of store image in formulating appropriate private label strategies. Findings and various managerial and marketing implications are extensively discussed.

**Keywords:** Private Label Brands, Retail Store Image, Purchase Intention, Store Attributes, Consumer perceptions

## **1. Introduction**

Organized retail in India is undergoing a remarkable transformation. Modern large-scale retail formats such as supermarkets, specialty stores, chain stores, department stores, hypermarkets, factory outlets and discounters are emerging. One of the key drivers of this growth in modern trade is new entrants, new formats and differentiated strategies. Private label brands or Store brands (created, controlled and marketed by a specific retail chain (Levy and Weitz, 2007) are a rising phenomenon in the growing Indian organised retail market. Over the last decade, the growth of PLBs in India has coincided with the growth of modern retail stores. In this highly competitive and dynamic Indian retail environment, the choices for an average consumer have grown exponentially both in terms of the places to shop and the choice of brands. Successful brands are those that deliver added value, in addition to the core benefits, which in turn differentiate them from the competitors. Thus building strong PLBs while managing store image differentiation has become a marketing priority for many retailing companies to attract and retain the Indian shopper. In addition, retailers endeavour to use all possible resources to gain market share, attempt to differentiate by introducing combinations of private label brands (PLBs) and National Brands (Collins-Dodd and Lindley, 2003). PLBs are of particular interest, because these help the department stores in differentiating their merchandize, increase the potential for sales by attracting more customers (Corstjens and Lal, 2000; Reda, 2002), and they may help control costs and build store loyalty (Corstjens and Lal, 2000; Collins-Dodd and Lindley, 2003).

Private label brands (PLBs) or Store Brands are considered a differentiator of the store from others. As per the American Marketing Association, there are two ways of defining a private label brand. The first defines it as “a brand that is owned by the product’s reseller rather than by its manufacturer. In rare instances, the reseller may be the manufacturer as well”. The second form of definition is “a brand name or label name attached to or used in the marketing of a product other than by the product manufacturers, usually by a retailer.” Private labels are becoming major brands in their own right with their own identities and quality images (Semeijn et al., 2004, p.248).

Nielson’s Report, 2014 (the state of private label around the world), reports that in Europe, private label goods now account for about 45% of products sold in supermarkets, compared to 25% in the USA. With margins as high as 20 per cent in the fast moving consumer goods category and 40 per cent in apparel, PLBs play a dominant role in several European markets as well as Canada. In India private label grew 27% between 2012 and September 2014 and the report says this growth is driven by new generation of Indian shoppers who are less brand-loyal and more open to trying new products. Private label’s (PL) share of modern retail in India is growing annually. This has created a great opportunity for modern retailers in India to invest in PLBs. The success of PLBs depends on addressing the expectations of consumers and manufacturers, who are also targeted by the national brands (Hyman et al., 2010).

Another way of differentiating one store from another is the unique store image offered to clientele. Consumers use store image as an evaluative criterion in the decision-making process concerning retail outlet selection. Store image is one of the major factors that influence the purchase of private labels. The consumer perception about the image of the store has a direct effect on brand image of the private label which can determine the purchase. High-quality PLBs help retailers build a strong store image (Saraswat et al., 2010; Kremer and Viot, 2012), strengthen relationships with consumers, and enhance store loyalty (Koschate-Fischer et al., 2014).

The research results confirm the influence of perception of store image on consumer perceptions of brands and products. This is of particular relevance to retailers with regard to the increasing

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importance of PLBs as they result in higher product profit margins, thereby contributing directly to improved retailer performance. By identifying the store image attributes that influence brand/product image, retailers are able to incorporate these attributes in the retail strategy and manage them accordingly. Thus, they are able to influence consumer perceptions of private labels and reap the associated financial rewards. Strong PLBs offer retailers leverage to increase product profit margins on national brands, which offers further financial benefits to the retailer (Baltas, 2003; Vahie & Paswan, 2006).

Though, several studies have investigated the PLBs and the determinants of their success and failure, the focus has been primarily on the food category in grocery stores (Burton and Lichtenstein, 1998; Sinha & Batra, 1999; Richardson et al., 1997), little research focuses on PLBs in the Indian apparel industry, especially department stores which sell both national brands and their own private labels. Also, there were very few studies found to focus on the effect of store image dimensions on purchase intention of PLBs in Indian context. To fill these gaps in retailing literature, this study aims to study the constructs in apparel product category. An in-depth understanding of various store image dimensions/sub-dimensions and behavioural intention towards PLBs has implications for department store retailers who want to increase the consumption of their PLBs. Addressing the above issues, the primary purpose of this study is to examine the effect of store image on purchase intention of private label brands.

## **2. Review of Literature**

Store Image was defined in a seminal work by Martineau (1958) as “the way a store is defined in the consumer’s mind, partly due to its functional qualities and partly due to an aura of psychological attributes”. Subsequent conceptualisations of store image have taken into account the interaction among store attribute perceptions. Over the years, different authors have agreed that store image does, however, comprise of distinct dimensions (Lindquist, 1974/75; Martineau, 1958; Moye & Giddings, 2002; Thang & Tan, 2003). These dimensions include both tangible/functional and intangible/psychological factors perceived in store image (Lindquist, 1974-1975). The most common including merchandise quality, store quality, store atmosphere, layout, service, convenience, price level and assortment (Diallo, 2012; Bao et al., 2011; Liljander et al., 2009; Jin and Suh, 2005; Ailawadi and Keller, 2004; Semeijn et al., 2004; Vahie and Paswan, 2006; Collins-Dodd and Lindley, 2003; Richardson et al., 1996). Janse van Noordwyk’s model **Du Prez et al (2008)** for apparel retail stores describes eight main constructs of store image as Atmosphere, Convenience, Facilities, Institutional, Merchandise, Promotion, Sales Personnel and Service. Through the manipulation of store attributes, retailers are able to develop strong and unique retail brand associations, i.e. store image (Ailawadi & Keller, 2004; Faircloth et al., 2001; Hartman & Spiro, 2005).

Purchase intention signifies consumers’ possibility and willingness to purchase a certain product or service (Wu, et al, 2011). According to **Schiffman and Kanuk (2009)** higher purchase intention will increase higher transaction and resulted in increased profitability, when consumers have a positive purchase intention, this forms a positive brand commitment which propels consumers to take an actual purchase action.

Previous research has also established the relationship between store image perceptions and consumer purchase intention of private label brands. **Porral et al (2015)** in an empirically tested conceptual model tested in Spain market, comprising variables such as price, familiarity and store image, found that food private label brand familiarity greatly influence purchase intention and loyalty. The relationship was validated in industrialised countries (Grewal et al., 1998); and in emerging markets by **Wu et al. (2011)** study on customers of drugstores in Taiwan reveals that store image dimensions like product variety, product quality, price, value for money and store atmosphere has created a direct and positive effect on the purchase intention. In the Chinese

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context, **Wong and Dean (2009)** reported that shopping plays a significant role and “consumers’ interaction with the shopping environment has been shown to influence their experiences and patronage decisions”. **Paswan et al. (2010)** found similar results in the Mexican market where store image cues (selective goods, convenience, variety of merchandise, etc.) are strong determinants of purchase behaviour between small and large stores. **Diallo M.F. (2012)** in Brazil market showed that store image perceptions influence significantly PLB purchase intention directly or indirectly via the effect of perceived risk toward PLBs among consumers of the household purchases of food products and groceries at two different hypermarkets. **Bao Y. et al. (2011)** also examined the effects of intangible extrinsic cues on purchase intention of private label brands. The study obtain consumer evaluations and purchase intention of private brands offered two drug stores and two electronics stores and found that store image enhance purchase intention of private brands.

Related studies in Indian context are also reviewed. **Patel V. and Barad K. (2016)** explored the exogenous factors affecting consumer intention to purchase private labels in India. The study found that consumers perceived private label as quality brands having good value; though they are priced lower than national brands. The study also found that store image has direct impact on intention to purchase private labels. **Panna B. & Gupta S. (2015)** found out that as a composite factor store atmospherics does not majorly impact the intention of the Indian fashion apparel buyer but there are some elements such as display and layout and participant factor are sensitive. **Bedi et al. (2014)** found that Indian consumers are buying PLB because of low price and variety, in addition, consumer are buying PLB because of store image and store loyalty.

**Srivastava M. and Ali S.A. (2013)** in major departmental stores study found that goodwill is the most important factor in selecting the retail store followed by status, availability of fresh stock, trendy stock, promotional scheme and shopping environment whereas proximity and the availability of specific product at the store are less influential factors in selecting a specific store.

**Krishna C. V. (2011)** found that four factors namely brand image, sales promotion offers, design and store atmospherics were the primary factors affecting consumer preferences for private label brands. **Kanagal N. B. et al. (2012)** found that the purchase of apparel PLB is influenced by the two major dimensions came out to be reputation and marketing effort. The study also revealed that PLBs are found to be strong in their display aspect, while they lack in factors such as creating a strong image in the minds of consumers. So the display focus should be a part of the short term strategy; but to beat the brands or to take a similar position in the market, long term focus should be on building store brand image.

### **3. Statement of the Research problem**

Each department store retailer tries to create a distinctive store image and has its own private-label strategy, so as to attract potential consumers; offer unique products to customers; retain loyal customers; and raise more profit. The research problem of this study is how customers perceive the store image and how these customer perceptions influence the purchase intention of private label brands of the retail stores.

### **4. Objectives of the study**

1. To examine and identify store image constructs.
2. To examine the influence of store image dimensions on purchase intention of PLBs of retail stores.

### **5. Research Methodology**

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This research study is empirical in nature and the main objectives of this study have to measure the problems into insights. The researchers have collected data through primary sources. A non-probability quota sampling and convenience sampling technique was used to administer a customer survey.

#### **Measurement Scale:**

The survey instrument was prepared following a comprehensive review of the relevant literature. Besides questions on demographic variables, survey questionnaire consisted of thirty five questions about various dimensions and sub-dimensions of store image construct and 3 questions on purchase intention of private label brands in the form of item statements. In the questionnaire, respondents were asked to rate their level of agreement with particular items using five-point Likert-type scale, anchored with strongly disagree and strongly agree. In order to measure the variables of the study, all items were adapted from previously published work, store image is measured using eight major dimensions namely Atmosphere, Convenience, Facilities, Merchandise, Sales Personnel, Service, Promotion, Institutional. The scale is loosely adapted from **Du Prez et.al (2008)**. Another variable purchase intention was measured with three items adapted from **Diallo et.al 2013; Jin and Suh (2005)**.

#### **Data Collection and Sampling:**

Using the structured questionnaire, data was collected from respondents who regularly shopped at various department stores. These shoppers were asked to indicate their most frequently visited favourite modern organized retail outlet. They were then required to provide responses on the store image scale items for their most preferred organized retail outlet. In total, eight major modern organized retail outlets were indicated by shoppers (Refer Table 2). These respondents well spread across Indore (including satellite towns Dewas, Pithampur and Ujjan), Bhopal, Jaipur and Delhi NCR. This ensured a diversity of respondents. (Refer Table 2 for Sample Characteristics). After initial screening, 1091 usable questionnaires were finally used for data analysis.

## **6. Data Analysis and Interpretation**

### **Demographic Characteristics of the Respondents:**

Among the total 1091 respondents, 48.6 percent were female; 43.56 percent were graduates, 49.2 percent were in 18-24 year age group, 24.9 percent in 25-34 year age group. The respondents were from varied socio-economic, occupation, and income background (44.4 percent with annual family income between 2-5 lac.). Moreover, there was adequate representation of shoppers from all major department stores in Indore city in the sample. Thus, the present study has a sample composition similar to the target market for the private labels of retail department stores. The detailed sample characteristics are presented in Table 1.

**Table 1: Sample Characteristics**

Variable	Level	Frequency	Valid Percent
Gender	Female	530	48.6%
	Male	561	51.4%
Marital status	Married	461	42.3
	Single	630	57.7
Age	18-24	537	49.2
	25-34	272	24.9
	35-44	182	16.7
	45-54	85	7.8
	More than 55	15	1.4
Education	Undergraduate	136	12.5
	Graduate	475	43.5
	Postgraduate	421	38.6
	PhD	59	5.4
Occupation	Service	458	42.0
	Self Employed/Own Business	87	8.0
	Student	465	42.6
	Homemaker	77	7.1
	Others	4	0.4
Annual Family Income	Less than 2 Lac	153	14.0
	2-5 Lac	484	44.4
	5-10 Lac	319	29.2
	More than 10 lac	135	12.4
Department Store Patronized	Shoppers Stop	235	21.5
	Reliance Trends	147	13.5
	Max	168	15.4
	Pantaloons	175	16.0
	Westside	118	10.8
	FBB ( Fashion at BigBazar)	138	12.6
	Globus	60	5.5
	Ritu Wears Big Life	50	4.6
City	Indore (Dewas, Pithampur,Ujjain)	719	65.9
	Bhopal	147	13.5
	Jaipur	138	12.6
	Delhi NCR	87	8.0

Source: Primary Data Analysis using SPSS 16.0

**Factor Analysis and Interpretation:**

Once the data was coded, validated and cleaned, analysis was undertaken using SPSS 16.0. Factor analysis was undertaken to condense the 35 scale items into the six first-order store image dimensions. The result indicated that the Bartlett's Test of Sphericity was significant (Chi-Square 8.328E3, p-value < 0.01). The Kaiser-Mayer-Olkin (KMO) measure of sampling adequacy was high at 0.942 is excellent since it exceeded the recommended value of 0.6 (Kaiser, 1974). In the process, 8 items were dropped because communalities were less than 0.4. Factor analysis was repeated with 27 items using principal component analysis and varimax rotation method.

The factor extraction was done for Eigen values greater than one and six factors were identified as 'Sales Personnel and Store Association'; 'Promotion and Institutional'; 'Atmosphere'; 'Service'; 'Merchandise'; and 'Convenience' (Refer Table 2).

**Table 2: Measurements of Store Image Scale and their Factor Loadings**

Store Image Constructs	Item Details	Factor Load
<b>Factor 1</b> <b>SI-'Sales Personnel and Store Association'</b> (Cronbach's $\alpha = .760$ )	Sales personnel have the knowledge to answer my questions.	.670
	Employees at my favourite store are appropriately and neatly dressed.	.609
	Sales personnel are courteous and attend me.	.572
	Products at my favourite store are of latest style and fashion.	.483
	Apparel (clothes) and accessories at my favourite store emphasize my personality.	.563
	I would eagerly recommend my favourite store to my friends and colleagues.	.503
<b>Factor 2</b> <b>SI-'Atmosphere'</b> (Cronbach's $\alpha = .794$ )	My favourite store offers pleasing atmosphere of lighting and colour.	.782
	My favourite store is neat & clean, spacious and feels fresh.	.786
	I enjoy the AC cool/cosy warm environment and music played at my favourite store.	.715
	Window display of my favourite store is very attractive.	.573
<b>Factor 3</b> <b>SI-'Promotion and Institutional'</b> (Cronbach's $\alpha = .715$ )	My favourite store provides excellent overall shopping experience.	.427
	Visual display of products/merchandise is excellent at my favourite store	.484
	Special benefits are given to store members with loyalty cards at my favourite store.	.609
	Many promotional events and Sale/discounts during festivals are offered by my favourite store.	.712
	I can easily find all the store promotions advertised on TV/newspapers at my favourite store.	.538
	I do shopping at my favourite store because it is reputable and I trust the store.	.480
<b>Factor 4</b> <b>SI-'Service'</b> (Cronbach's $\alpha = .678$ )	There are sufficient numbers of payment counters for timely billing.	.434
	My favourite store offers gift wrapping services.	.725
	I feel that my favourite store tries to solve all my complaints.	.608
	I can easily return and exchange the goods at my favourite store.	.622
	Overall the service is of high quality at my favourite store.	.404
<b>Factor 5</b> <b>SI-'Merchandise'</b> (Cronbach's $\alpha = .602$ )	There are sufficient numbers of trial rooms at my favourite store.	.607
	My favourite store offers more variety of national brands than other stores.	.682
	My favourite store sells only high quality clothes/products.	.578
	My favourite store offers products in variety of sizes, colours and style.	.403
<b>Factor 6</b> <b>SI-'Convenience'</b> (Cronbach's $\alpha = .603$ )	My favourite store is close to my home/ work place.	.842
	I can easily reach my favourite store at my convenient time.	.714

**Hypothesis of the Study:**

With six factors of store image identified, following six sub-null hypotheses were formulated:

**H<sub>01</sub>:** There is no significant impact of SI-‘Sales Personnel and Store Association’ on PLB Purchase Intention.

**H<sub>02</sub>:** There is no significant impact of SI-‘Atmosphere’ on PLB Purchase Intention.

**H<sub>03</sub>:** There is no significant impact of SI-‘Promotion and Institutional’ on PLB Purchase Intention.

**H<sub>04</sub>:** There is no significant impact of SI-‘Service’ on PLB Purchase Intention.

**H<sub>05</sub>:** There is no significant impact of SI-‘Merchandise’ on PLB Purchase Intention.

**H<sub>06</sub>:** There is no significant impact of SI-‘Convenience’ on PLB Purchase Intention.

**Multiple Regression Analysis and Interpretation:**

Multivariate analysis has been employed to test the null hypotheses in order to assess the strength of the cause and effect relationships among the variables. Simple multiple linear regression was conducted as data analysis technique to test the null hypothesis. The data was screened for missing values and violation of assumption prior to analysis. Regression analysis has been considered ‘but far the most widely used and versatile dependence technique, applicable in every facet of business decision making’ (Hair et al., 2006). The regression model was tested using the composite score of the PLB purchase intention as the dependent variable and six independent variables are: SI-‘Sales Personnel and Store Association’; SI-‘Promotion and Institutional’; SI-‘Atmosphere’; SI-‘Service’; SI-‘Merchandise’; and SI-‘Convenience’.

The overall model fit indices are reasonably good; suggest that 10% of the variance of PLB Purchase Intention is explained by six predictors (independent variables). The values were R= 0.317; R<sup>2</sup> =0.101; and Adjusted R<sup>2</sup> =0.096. For a good model fit, the difference between R<sup>2</sup> and adjusted R<sup>2</sup> should not be more than 0.05. It has been achieved (R<sup>2</sup> - adjusted R<sup>2</sup> =0.005 <0.05) for this study. Durbin-Watson test, which reports serial correlation, got a value of 1.827 when all the variables were added into the regression model. Model F-value describes whether the regression model is statistically significant or not. In model, F-value F (6, 1084) is 20.29 and is statistically significant (p<0.001).

**Table 3: Results of Regression Model Coefficients and Critical Ratios (t-values)**

	Unstandardized Coefficients		Standardized Coefficients	t- stats	p- value	Result
	Unstd. B	Std. error	Std. B β			
(Constant)	6.132	.413		14.859	.000	
H <sub>01</sub> : SI-Sales Personnel & Store Association → PLB-PI	.106	.024	.192	4.471	.000	Rejected
H <sub>02</sub> : SI-Atmosphere → PLB-PI	-.009	.024	-.013	-0.364	.716	Accepted
H <sub>03</sub> : SI-Promotion & Institutional → PLB-PI	.048	.023	.088	2.056	.040	Rejected
H <sub>04</sub> : SI-Service → PLB-PI	.007	.023	.012	0.324	.746	Accepted
H <sub>05</sub> : SI-Merchandise → PLB-PI	.066	.029	.085	2.310	.021	Rejected
H <sub>06</sub> : SI-Convenience → PLB-PI	.002	.036	.002	0.062	.950	Accepted

Source: Source: Data Analysis using SPSS 16.0



Multicollinearity was checked amongst independent variables using VIF and tolerance estimates. The VIF estimate was between 1.239 and 2.212 and the tolerance estimate was between 0.452 and 0.807 indicate no significant concern for multicollinearity (Hair et al., 2006). The results of regression model of the study (Refer Table 3) shows that null hypothesis  $H_{01}$ ,  $H_{03}$ , and  $H_{05}$  are rejected. However  $H_{02}$ ,  $H_{04}$  and  $H_{06}$  are accepted. Thus findings demonstrate that the store image dimensions SI-‘Sales Personnel and Store Association’; SI-‘Promotion and Institutional’; and SI-‘Merchandise’ have significant effect on PLB-Purchase Intention. However, store image dimensions SI-‘Atmosphere’; SI-‘Service’; and SI-‘Convenience’ does not have any significant effect on PLB-Purchase Intention.

### **Hypothesis Testing and Results:**

**H<sub>01</sub>:** There is no significant impact of SI-‘Sales Personnel and Store Association’ on PLB-Purchase Intention.

Based upon the results of the regression model, consumers’ purchase intention can be predicted by SI-‘Sales Personnel and Store Association’ as the t-value was found significant ( $t = 4.471$ ;  $p=0.000$ ) at 0.001 level. Moreover, this effect was positive ( $\beta = 0.192$ ) which means, as store image dimension SI-‘Sales Personnel and Store Association’ increases consumers’ intent to purchase private labels also increases. In other words, store image dimension SI-‘Sales Personnel and Store Association’ is directly proportionate to the purchase intention and thus, it causes consumers to encourage purchasing retailers’ apparel private labels. Therefore, null hypothesis  $H_{01}$  is rejected;

**H<sub>02</sub>:** There is no significant impact of SI-‘Atmosphere’ on PLB Purchase Intention.

Based upon the results of the regression model, consumers’ purchase intention cannot be predicted by store image dimension SI-‘Atmosphere’ as the t-value was not found to be significant ( $t = -0.364$ ;  $p=.716$ ) as  $p>.05$ ., moreover, this effect was negative ( $\beta = -0.013$ ), which means, SI-‘Atmosphere’ does not influence consumers’ intent to purchase private labels. Therefore, null hypothesis  $H_{02}$  is accepted;

**H<sub>03</sub>:** There is no significant impact of SI-‘Promotion and Institutional’ on PLB-Purchase Intention.

Based upon the results of the regression model, consumers’ purchase intention can be predicted by store image dimension SI-‘Promotion and Institutional’ as the t-value was found significant ( $t = 2.056$ ;  $p=0.040$ ) at 0.05 level. Moreover, this effect was positive ( $\beta = 0.088$ ) which means, as SI-‘Promotion and Institutional’ increases consumers’ intent to purchase private labels also increases. In other words, SI-‘Promotion and Institutional’ is directly proportionate to the purchase intention and thus, it causes consumers to purchase retailers’ apparel private labels. Therefore, null hypothesis  $H_{03}$  is rejected;

**H<sub>04</sub>:** There is no significant impact of SI-‘Service’ on PLB-Purchase Intention.

Based upon the results of the regression model, consumers’ purchase intention cannot be predicted by store image dimension SI-‘Service’ as the t-value was not found to be significant ( $t = 0.324$ ;  $p=.746$ ) as  $p>.05$  with positive beta value ( $\beta = 0.012$ ), which means, SI-‘Service’ does not influence consumers’ intent to purchase private labels. Therefore, null hypothesis  $H_{04}$  is accepted;

**H<sub>05</sub>:** There is no significant impact of SI-‘Merchandise’ on PLB-Purchase Intention.

Based upon the results of the regression model, consumers’ purchase intention can be predicted by store image dimension SI-‘Merchandise’ as the t-value was found significant ( $t = 2.056$ ;  $p=0.040$ ) at

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0.05 level. Moreover, this effect was positive ( $\beta = 0.085$ ) which means, as SI-‘Promotion and Institutional’ increases consumers’ intent to purchase private labels also increases. In other words, SI-‘Merchandise’ is directly proportionate to the purchase intention and thus, it causes consumers to purchase retailers’ apparel private labels. Therefore, null hypothesis  $H_{05}$  is rejected;

**H<sub>06</sub>:** There is no significant impact of SI-‘Convenience’ on PLB-Purchase Intention

Based upon the results of the regression model, consumers’ purchase intention cannot be predicted by store image dimension SI-‘Convenience’ as the t-value was not found to be significant ( $t = 0.062$ ;  $p = .950$ ) as  $p > .05$  with positive beta value ( $\beta = .002$ ), which means, SI-‘Convenience’ does not influence consumers’ intent to purchase private labels. Therefore, null hypothesis  $H_{06}$  is accepted;

## **7. Discussion and Conclusion**

Store Image significantly influence purchase intention of apparel private label brands of retail stores. The current study can be considered as an extension of the findings of Batra *et al.* (2000) which suggest that emerging market consumers attempt to emulate consumers in Western countries. Many previous research studies confirms that, the more positive a store image, the higher the consumer’s purchase intention would be (Dodds *et al.*, 1991; Grewal *et al.* 1998; Wu *et al.*, 2011) In more recent study, Bao *et al.* (2011) found the effect of store image on PLB purchase intention in the US market; Wu *et al.* (2011) also found store image directly affects private label purchase behaviour in the Taiwanese market.

The data analysis demonstrated that the three dimensions of store image influence apparel PLB purchase intention. Influence of dimension sales personnel and store association, implies that better services of sales personnel at store influences customers intent to purchase PLBs, which possibly can include their quality interaction with customers, appropriate appearance. According to the previous literature, researchers found that perceived relationship quality has a significant impact on buying intention and purchase behaviour (e.g., Tripathi and Dave, 2013). Another aspect, store association of this dimension implies how well customers associate themselves with the store they shop and its brands. In fact while buying, customers match their self-image with the store image and in case it is identical, not only their intent to purchase is increases but they eagerly recommend the store to friends and colleagues.

The results also demonstrate that store image dimension store promotion and institutional aspect, influences PLB purchase intention of Indian consumers. This implies that customer’s shopping experience at the store, special privileges as loyalty card holders influences their purchase intent of PLBs. Kumar and Kothari (2015) also found Indian consumer is dependent on tools like word of mouth, advertisement, and promotions on the purchase of PLBs. In addition in-store promotional displays and attractive visual displays were a significant predictor of product purchase. Further, this study also brings out an interesting store image sub-dimension store reputation and customer trust, which influences purchase intent of private labels. This finding is supported by other studies (Grewal *et al.*, 1998; Nguyen and Leblanc, 2001) that have established a positive relationship between store reputation and purchase intention. Narang R. (2011) in an empirical study on Indian youth revealed that various psychographic clusters of youth, while indicating store patronage, ranked ‘reputation’ higher than “appearance & recommendation” and “service attributes”.

The dimensions and sub dimensions specifically associated with merchandise influence purchase intention of private label brands positively. This implies that merchandise quality, assortment, style, variety in national brands influences consumers to buy private label brands. The results are in consistent with results of Paswan *et al.* (2010), where store image cues (selective goods, variety

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of merchandise, etc.) are strong determinants of purchase behaviour between small and large stores. Wu et. al (2011) in his study also considered product variety, quality and price as part of dimensions of store image and revealed that store image affects the purchase intention of PLBs. This factor also includes a sub-dimension of store image; availability of sufficient trial rooms influences the purchase intention of apparel PLBs. This may be because customers before buying intend to try clothes.

However, the results of the study demonstrate that store image factors store atmosphere; service provided at the store and convenience does not influence PLB purchase intention of Indian consumers.

According to the research findings, it is concluded that consumers perceive retail store image through multitude of dimensions and the study identifies six constructs of store image namely 'Sales Personnel and Store Association', 'Atmosphere', 'Promotion and Institutional', 'Service', 'Merchandise' and 'Convenience'. The results of the study are in line with many previous research findings and show that Indian consumers while shopping at modern retail department stores are evaluating various attributes of store and their brands. The current study further brings out the fact that the store image perceptions strongly influence consumer's purchase intention of apparel PLBs. However, as discussed above, the relationship is not consistent across the dimensions.

## **8. Implications**

The knowledge generated by the study as well as the findings provide useful practical insights to retailers in an emerging competitive Indian retail landscape. The study highlights the fact that store image has multitude dimensions and influences the behaviour of consumers. The results of this study provide retail store managers with sufficient knowledge on the importance of each of the store dimension/sub-dimensions of store image from the customer perspective. This study confirms that it is imperative for retailers to assess consumer perceptions towards store image. By developing and sustaining a store image, retailers can create opportunities to achieve differentiation and positioning relative to other retail stores and thereby sell profitable private label brands.

Retailers should therefore needs to focus on all dimensions/sub-dimensions of store image, such as sales personnel training and appearance; attractive and appealing store atmosphere; visual merchandizing, advertisement, loyalty programmes and in-store promotion; customer service; merchandise assortment, variety and style; and lastly retailers must ensure that they provide their customers convenience of time and place.

Establishing a right store image is very crucial for retailers and they should invest in creating a favourable store image perception. Retailers who fail to maintain a proper store image among its target audience could lose their customers and adversely affect the corporate image of the firm.

## **9. Limitations**

Though the study aims to achieve its stated objectives in full earnest and accuracy, it may have been hampered due to certain limitations. As the study is based on primary data it may be affected due to the biases of the respondents. Since most of the data is collected from Indore and its neighbouring satellite towns the responses of other cities may differ.

## **10. Future Research Scope**

There are several areas which have ample of scope for further study. Broadly various dimensions identified in the study can be studied separately for better understanding of their role in formation of retail store image and their impact on PLB purchase Intention. Additionally, similar study with much larger sample size with adequate participation from all over India can help making some

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generalized results in Indian context. In addition, the current research have not dwelled on the influence of demographic and psychographic factors on store image and PLB perceptions and purchase Intention so specific research on them can be another possible area of further research.

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