

SOUTH ASIAN JOURNAL OF MANAGEMENT RESEARCH (SAJMR)

Volume 2 Number 1

January 2010

Contents

Editorial

- The Impact of Changes in Macroeconomic Factors on the Indian Stock Returns** 1
Aman Srivastava, Furqan Qamar and Masood Khan

- An Empirical Study of the Relationship between Price Dimensions and Private Label Brand Usage** 14
Vipul V. Patel

- Profiling Training and Information Needs of Hospital Decision-Makers: Some Lessons from the Portuguese Experience** 22
Fernanda Nogueira, Chris Gerry and Francisco Dini

- Customer Satisfaction and Quality Perceptions of Electronic Banking Channel Services: An Empirical Study** 33
A.J. Joshua, K.V.M. Varambally and Moli P. Koshy

- Corporate Stakeholders Management: Approaches and Models – A Review** 46
Shashank Shah and A. Sudhir Bhaskar

Book Reviews

- Corporate Environmental Management** 59
Viswaranjan Somanath

- Strategic Human Resource Management** 62
S. Lakshminaryanan



**Chh. Shahu Institute of Business
Education and Research (SIBER)**

(An Autonomous Institute)

Kolhapur - 416 004, Maharashtra State, INDIA

SOUTH ASIAN JOURNAL OF MANAGEMENT RESEARCH (SAJMR)

ISSN 0974-763X
(An International Peer Reviewed Research Journal)



Published by
Chh. Shahu Institute of Business Education & Research (SIBER)
University Road, Kolhapur - 416 004, Maharashtra, India

Contact: 91-231-2535706 / 07 Fax: 91-231-2535708 Website: www.siberindia.co.in, Email: sajmr@siberindia.co.in

Patron

Late Dr. A.D. Shinde

Editor

Dr. Babu Thomas
SIBER, Kolhapur, India

Editorial Board

Dr. Francisco J.L.S. Diniz
CETRAD, Portugal

Dr. R.V. Kulkarni
SIBER, Kolhapur, India

Dr. R.A. Shinde
SIBER, Kolhapur, India

Dr. Paul B. Carr
Regent University, USA

Dr. M.M. Ali
SIBER, Kolhapur, India

Dr. Lal Das
RSSW, Hyderabad, India

Dr. M. Nand Kumar
Goa University, Goa, India

Dr. Babu Zachariah
SIBER, Kolhapur, India

Dr. Gary Owens
CERAR, Australia

Dr. K. Pradeepkumar
SIBER, Kolhapur, India

Dr. R.M. Bhajracharya
Kathmandu University, Nepal

Dr. P.R. Puranik
NMU, Jalgaon, India

Prof. K.R.R. Mahanama
Colombo University, Sri Lanka

Dr. Yogesh B. Patil
SIBER, Kolhapur, India

Dr. Rajendra Naragundkar
IFIM, Bangalore, India

Dr. K.V.M. Varambally
Manipal Institute of Management, India

Dr. R.L. Hyderabad
Karnataka University, India

Dr. B.U. Dhandra
Gulbarga University, India

Editorial Note

Born in a Peasant Family, Dr. A.D. Shinde was known as a visionary educationist. In spite of being a Chartered Accountant, he spent most of his life as a teacher and administrator. He established Chh. Shahu Institute of Business Education and Research (SIBER) and was the patron of South Asian Journal of Management Research (SAJMR). The Institute imparts Master of Business Administration (MBA), Master of Computer Application (MCA), Master of Social Work (MSW), Master of Environment Management (MEM) and certain Diploma courses. In addition to these the M.Phil in Commerce and Management, Economics, Social Work and Sociology is also being offered. Now Dr. Shinde is not with us.

We can talk many imbibed quality in him. He was a visionary and led a modest life style. He inspired many people and strengthened their lives. He was a role model of many people.

I worked under his guidance for about a quarter century beginning of my earlier career till his departure. I found in him the thirst for research. He was also concerned about quality research and the outcome is South Asian Journal of Management Research.

He is also responsible for establishing Vasantraodada Patil Institute of Management Studies and Research, Sangli, College of Non-Conventional Vocational Courses for Women, Kolhapur, Dinkarrao Shinde College of Education, Gadhinglaj and Radhabai Shinde English Medium School, Kolhapur.

He had a clear goal and a vision and was able to manage the complex situation from time to time. He was equally able to influence the followers towards reaching the vision. His ability to articulate his vision towards development of the Institute needs to be remembered the most.

His aura of Charisma, and optimistic view helped him to develop the legend he left before the people. Leaders typically make the difference. We the editorial members, management body, faculties and non-teaching staff salute him. We pray for him. Let his soul rest in peace.

Dr. Babu Thomas
Editor

An Empirical Study of the Relationship between Price Dimensions and Private Label Brand Usage

Vipul V. Patel

Faculty of Marketing, V.M. Patel Institute of Management, Ganpat University, Ganpat Vidyanagar,
Mehsana Gozaria Highway, Mehshana, Gujarat, INDIA
E-mail: vipulpat@gmail.com

Abstract

Over the last few years, retail has become one of the fastest growing sectors in the Indian economy. The organized retail industry in India is expected to grow 25-30 per cent annually and is projected to attain USD 23 billion by 2010. In this retail revolution, the private label brands are increasingly gaining acceptance from the Indian consumers. The private label brands are generally priced lower than the national brands. So consumers' price perceptions of private label brands play an important role in the purchasing process. In this study, an attempt is made to analyse the relationship between various price dimensions and private label brand usage. Hypotheses are developed to test the relationship between six price related dimensions and private label brand usage. These six dimensions are value consciousness, price consciousness, sales proneness, price **mavenism**, price-quality schema and prestige sensitivity. Data were collected from various shopping malls located in Ahmedabad city of Gujarat, India, with the help of a structured questionnaire. The target population for this study consisted of active mall shoppers. Confirmatory factor analysis was used to validate the six price related constructs and one private label brand usage construct. Structure Equation Model was used to test the hypotheses.

Key Words: Confirmatory factor analysis; Price dimensions; Private label brand; Structure equation model

1. Introduction

Over the last few years, retail has become one of the fastest growing sectors in the Indian economy. Traditionally, Indian retail sector has been characterized by the presence of a large number of small-unorganized retailers. However, over the last half decade, the Indian consumer market has seen a significant growth of various retail formats such as supermarkets, department stores, discount stores, hyper markets, etc. The organized retail industry in India is expected to grow 25-30 per cent annually and is projected to attain USD 23 billion by 2010. In this era of retail revolution, a consumer has availability of various brand choices and is constantly faced with the decision of what brands to buy. Private label brands have added more competition to this by offering products which are lower in price compared to that of the national brands. With an increased set of brands to choose from, consumers contemplate the purchase of a particular brand by weighing various factors like price, quality, store image etc. Both the national brands and private label brands are competing to attract the consumers on these factors. Of these factors, price is one of the most important factors that the consumers consider in their decision making process. The private label brands are generally priced lower than the national brands. So the consumers' price perceptions of private label brands

play an important role in the purchasing process. An attempt is made in this study to determine the relationship between various price dimensions and private label brand usage.

2. Private Label Brands

Private label brands are increasingly gaining acceptance among the Indian consumers. The American Marketing Association defines a private label brand (also referred to as store brand or distributor's brand) as "*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*" (Zentes et al., 2007). Retailers offer these private label brands as an alternative to national and international brands. Private Label brands help the retailers in differentiating their merchandise; increase the potential for sales by attracting more customers (Vahie et al., 2006). Private label products generate higher margins, increase control over shelf space and give retailers greater bargaining power in the channel of distribution (Jin et al., 2005). Market penetration of the private label brands has been steadily increasing. Some of the major food and grocery retailers average between 20 and 30 per cent private label penetration with the highest penetration of about 50 per cent today. In clothing and apparel, some retailers have as much as 65 per cent of the sales coming from private labels.

Despite the substantial increase in private label activities in India, there is a notable lack of research devoted to investigating the buying behaviour of private label brands. Therefore, understanding private label brands from the Indian consumer perspective is imperative, considering the rapid growth of organized retail markets and wide acceptance of private label brands in India.

3. Objective of Study

As the private label brands are generally priced lower than the national brands, price will be one of the most important factor consumers consider in the buying process. Therefore, the main objective of this study is to find the relationship between various price dimensions and private label brand usage in Indian market. That is, do the price dimensions affect the private label brand usage?

This research paper is divided into three major sections. First, the theoretical background and previous research that has been conducted in the area of price dimensions and private label brand usage is discussed. Although there has been a dearth of such type of studies in the Indian context, theoretical exploration can be based on international studies carried out in other countries. Second, the research methodology adopted to test the hypothesis proposed for the study is presented. Finally, a general discussion of the findings, as well as limitations of the study and directions for future research is provided.

4. Literature Review

Price is particularly influential in consumer behaviour because it is present in all purchase situations. Price is one of the most important cue consumer uses in his decision making. A price is the amount of money, goods or services that must be given to acquire ownership or use of a product. Some prospective customers are interested in low prices, whereas another segment is more concerned with other factors, such as service, quality, value and brand image (Etzel et al., 2005). Marketers recognise that consumers often actively process price information, interpreting prices in term of their knowledge from prior purchasing experience, formal communications (advertising, sales call and brochures), informal communications (friends, colleagues or family members) and point of purchase or online resources. Price is a multidimensional concept and it is important to understand the underlying dimensions of the price. Lichtenstein et al (1993) suggested two dimensions of positive price cues (price/quality schema and prestige sensitivity) and five dimensions of negative

price cues (sale proneness, price mavenism, value consciousness, coupon proneness, and price consciousness). There are few empirical studies investigating direct relations between each dimensions of price and private label brand usage. To help address this void, an attempt is made in this paper to study the relationship between the six price dimensions proposed by Lichtenstein et al. (1993) and private label brand usage. Coupon, however, are not widely used in Indian market, so the coupon proneness construct was excluded in this study.

4.1. Hypothesis Development

In the following sub sections, various hypotheses to be tested in the study are discussed.

4.1.1. Price Consciousness – PL Brand Usage

Price consciousness refers to the degree to which the consumer focuses exclusively on paying low prices. When consumers think of price as a resource they must sacrifice in purchasing, they tend to be price conscious and actively search for the lowest available price (Jin et al., 2003). The general consensus in research is that price is the most important reason for purchasing private label brands (Jin et al., 2003). The conventional wisdom is that private label brands are aimed at consumers who are price conscious because their prices are lower than that of the national brands. Consumer propensity to choose the cheapest alternative has a positive effect on picking the store brand because private label brand is offered usually at the lowest prices of the product category (Baltas, 1997). Burton et al. (1998) found a positive relationship between price consciousness and private label brand attitude for the grocery items. Batra and Sinha (2000) examined several factors that helped explained variations in purchasing preferences for national brands versus private label brands across twelve different product categories and found that price consciousness has significant effect on private label brand purchase. Therefore, in this study, other things being equal, a positive relationship between price consciousness and private label brand usage is expected.

Hypothesis 1: There is a positive relationship between price consciousness and private label brand usage.

4.1.2 Value Consciousness - PL Brand Usage

Consumers do not buy private label brands solely because it is cheaper. Some consumers consider the quality of the private label brands with respect to the price that they are paying. This group of consumers is defined as value conscious. Lichtenstein et al. (1993) defines value

consciousness as a concern for price paid relative to quality received. It implies consideration of quality not in absolute terms, but in relations to the price of a particular brand (Jin, 2005). Empirical research has confirmed that value related measures are positively related to private label brand attitude. Dick et al. (1995) found that store brand prone shoppers regard store brands as having greater value for money than do non-store brand prone shoppers. It also has been suggested that when consumers balance price and quality, there is a more favourable attitude towards private label brands (Garretson et al., 2003). Therefore, other things being equal it can be hypothesised a positive relationship between value consciousness and private label brand usage.

Hypothesis 2: There is a positive relationship between value consciousness and private label brand usage.

4.1.3 Price Quality Schema - PL Brand Usage

Perceived quality is a critical element for consumer decision making. Consumer will compare the quality of alternatives with regard to price within a category (Jin et al., 2005). Many consumers use price as an indicator of quality. Some consumers are willing to pay more because they associate high price with high quality. This price quality schema has been defined as the generalised belief across product categories that the level of a price cue is related positively to the quality level of the product (Lichtenstein et al., 1993). Consumers who have a positive price quality schema prefer higher priced products. Rao and Monroe (1989) found that for consumer products, the relationships between price and perceived quality are positive and statistically significant.

Consumers' perceptions of private label brand quality may explain their usage. Customers who are reluctant to buy private label brands are more inclined to believe that private labels offer lower quality. A low price for private label brands may be attributed to some problematic aspect of the product, which is then perceived as inferior in the overall level of quality. Previous studies indicate that consumers generally perceive private label brands to be of lower quality than national brands. Dick et al (1995) found significant differences in quality perceptions of store brands relative to national brands between the two groups under research. Batra and Sinha (2000) found that perceived quality variation indirectly impacts on private brand purchase. Therefore, in this study, we expect a negative relationship between price quality schema and store brand usage.

Hypothesis 3: There is a negative relationship between price quality-schema and Private label brand usage.

4.1.4. Sales Proneness - PL Brand Usage

Consumers' perception of the price may also be related to sale proneness. Lichtenstein et al. (1993) defined sale proneness as "an increased propensity to respond to a purchase offer because the sale from in which the price is presented positively affects purchase evaluations." Those consumers who view price as what they give up for the product might exhibit sales proneness (Jin et al., 2005). This concept is closely related to the concept of deal proneness which is used to describe consumers who strongly respond to many forms of promotion. Baltas (1997) found that consumers who usually search for price cuts and special offers were not private label brand prone. This is reasonable to believe since typically private label brands are at permanent lower prices and do not promote as often as national brands do. So we expect a negative relationship between sales proneness and private label brand usage.

Hypothesis 4: There is a negative relationship between sales proneness and private label brand usage.

4.1.5. Price Mavenism - PL Brand Usage

The concept of price mavenism is adopted from term of market mavenism. Lichtenstein et al.(1993) defined price mavenism as the degree to which an individual is a source for price information for many kinds of products and places to shop for the lowest prices, initiates discussion with consumers, and responds to request from consumers for market place price information. When consumer view price as cash that they have to give up for a product, they are likely to keep up-to-date on marketplace prices (Jin et al., 2003).

Empirical studies of the relationship between price mavenism and private label brand usage could not be found. As price maven has all the information regarding the products and their prices in the market, for this study, it is expected that a positive relationship between price mavenism and private label brand usage exists.

Hypothesis 5: There is a positive relationship between price mavenism and private label brand usage.

4.1.6. Prestige Sensitivity - PL Brand Usage

Individuals often engage in behaviour that is designed to create or avoid particular images to portray the self in a socially positive light. Price may give signals to other people about purchasers. Some

consumers are willing to pay more when they feel that high priced products convey prestige to others (Jin et al. 2003). Lichtenstein et al. (1993) defined price sensitivity as “favourable perceptions of the price are based on feelings of prominences and status that higher prices signal to other people about the purchaser.”

We can predict that consumers are concerned about the negative social impression that private label brand usage can convey. Consumers will avoid using private label brand because they believe that this can convey the negative impression of appearing cheap. Dick et al. (1995) also find that low private label brand prone shoppers are more included to believe that the purchase of private label brands may results in the perception that the individuals is cheap. Therefore, other things being equal it can be hypothesised a negative relationship between prestige sensitivity and private label brand usage.

Hypothesis 6: There is a negative relationship between prestige sensitivity and private label brand usage.

5. Research Methodology

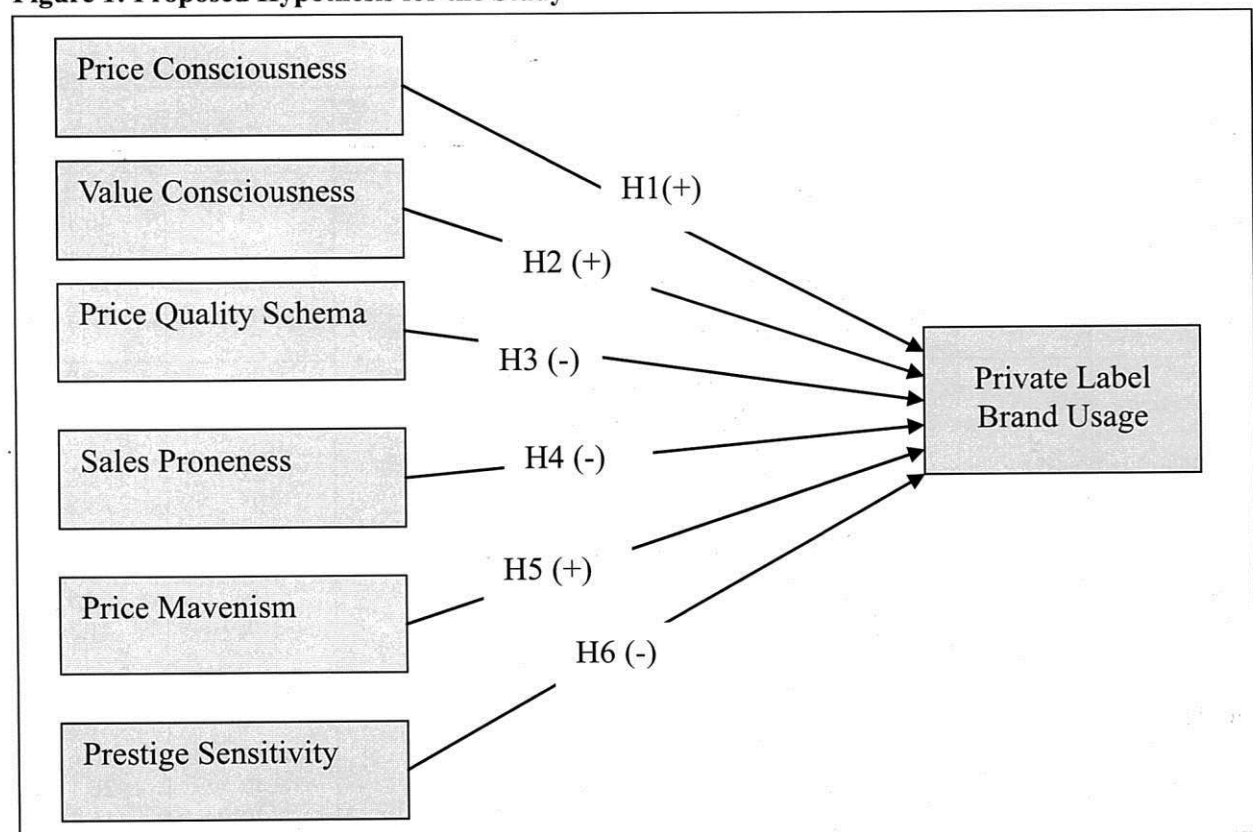
This study used mall intercept survey method. Data

were collected from various shopping malls located in Ahmedabad city of Gujarat, India. The target population for this study consisted of active mall shoppers. The sample for the study was selected from the population by convenience sampling method.

The product category selected for the study was apparel because this category is the largest segment of Indian retail industry and accounts for almost 39 percent of the organised retail sector. The men's apparel market in India has grown by 12 percent and women wear market by 13.4 percent over the previous year in the value term in year 2004 (Pradhan, 2004). This sector has highest number of private labels brands in Indian retail stores. Some retailers have as much as 65 percent of the sales coming from private label brands in clothing and apparel category.

A structured questionnaire was developed for the study. Questionnaire included measures of private label brand usage and six price related constructs (i.e. value consciousness, price consciousness, sales proneness, price mavenism, price-quality schema and prestige sensitivity). Multi items scales for measurement were taken from prior research. Scales for measurement of private label brand usage used by Ailawadi et al. (2001) were

Figure 1: Proposed Hypothesis for the Study



employed. Scales for six price related constructs were employed from Lichtenstein et al. (1993). All the scales were five point Likert type scales in which respondents were asked to indicate their level of agreement (1 = *strongly disagree* to 5 = *strongly agree*). Lastly, the questionnaire also contained questions to solicit demographic information of the respondents such as gender, age, education, household income and marital status.

Questionnaire was hand carried and personally explained to respondents by the trained interviewers. An interviewer randomly intercepted shoppers in shopping malls and requested participation in the study. Respondents were screened by asking whether an apparel product had been purchased. Verbal explanation about "private labels brands" and "national brands" with suitable examples were presented before shoppers began answering the questionnaire. The interviewer waited until a respondent filled out the questionnaire, then collected it.

5.1. Demographic Profile of the Sample

A total of 180 respondents participated in the survey. Selected demographic characteristics of the sample including gender, age, education, marital status and monthly family income, are presented in Table 1.

The sample consisted of 53.3 percent of male

and 46.7 percent female respondents. Respondents were mostly between the ages of 21 and 30 years (46.1%). 58.9 percent of the respondents were single. Almost 71 percent of the respondents had at least bachelor degree. Almost 73 percent of the respondents reported that their family income was more than Rs. 20,000.

6. Data Analysis

6.1. Reliability and Validity Testing of Constructs

6.1.1. Reliability Testing of Constructs

The analysis began with reliability testing of the measures adopted for the study. Internal reliability of the scales was measured by computing Cronbach's coefficient alpha for six price related constructs and one private label brand usage construct. Those items generating low values of alpha were deleted from further analysis. Table 2 shows the values of Cronbach's alpha for each multi item scales. Hair et al. (1998) suggest that the generally agreed upon the lower limit for Cronbach's alpha is 0.70. Therefore, taking value of alpha as 0.70 and above as an indicator of good reliability, we can conclude that all the scales are reliable.

6.1.2. Validating Testing of Constructs

In order to validate the measurement properties of

Table 1: Demographic Profile of the Sample

Variables		Frequency	%
Gender	Male	96	53.3
	Female	84	46.7
Age	Below 20 Yrs	50	27.8
	21-30 Yrs	83	46.1
	31-40 Yrs	20	11.1
	41-50 Yrs	20	11.1
	Above 50 Yrs	07	03.9
Education	Lower than secondary school	09	05.0
	Secondary School or equivalent	43	23.9
	Bachelor degree	98	54.4
	Master degree	22	12.2
	Doctoral degree	05	02.8
	Others...	03	01.7
Marital Status	Single	106	58.9
	Married	74	41.1
Monthly Family Income	Less than Rs.10,000	10	5.6
	Rs.10,000 to Rs.20,000	39	21.7
	Rs.20,000 to Rs.30,000	55	30.6
	Rs.30,000 to Rs.40,000	47	26.1
	More than Rs.40,000	29	16.1

the private label brand usage and six price related constructs, confirmatory factor analysis (CFA) was conducted using AMOS 16.0. The first performance of CFA model indicated a couple of items having low factor loadings in value consciousness, price consciousness and price mavenism constructs. Deleting these low factor loading items, CFA was performed again. The final results of the confirmatory factor analysis are reported in Table 2. The standardized factor loadings for all the items were quite high (above 0.5, Hair et al., 2003) and significant at 0.05. t value of all the items is above 1.96. Average variance extracted was calculated and shown in Table 2. Hair et al. (2000) suggest this value to be higher than 0.50. In this study, AVE for

all the constructs is above 0.50. Composite reliability for each measure was also calculated. Hair et al. (2000) suggest this value to be higher than 0.70. Composite reliability of each measures range from 0.735 to 0.825. Therefore, it can be concluded that all the scales used in the study are valid and reliable.

Confirmatory factor analysis demonstrated a moderate fit of the measurement model on the basis of a number of fit statistics like the ratio of chi-square to degrees of freedom (3.916), the goodness-of-fit index -GFI (0.714), adjusted GFI-AGFI (0.662), the normed fit index -NFI (0.496), Tucker-Lewis index -TLI (0.521), incremental fit index -IFI (0.570), the relative fit index -RFI (0.447),

Table 2: Confirmatory Factor Analysis

Constructs	Items	Factor Loading	Cronbach's Alpha	Construct Reliability	Variance Extracted
Private Label Brand Usage	I buy private label brands. I look for private label brands when I go shopping. My shopping cart contains private label brands for several products.	0.802 0.756 0.821	0.825	0.836	0.629
Price Consciousness	I am willing to go to extra effort to find lower prices. I will shop at more than one store to take advantage of low prices.	0.756 0.646	0.710	0.845	0.732
Value Consciousness	I am very concerned about low prices, but I am equally concerned about product quality. When shopping, I compare the prices of different brands to be sure I get the best value for the money. When purchasing a product, I always try to maximize the quality I get for the money I spend.	0.803 0.793 0.679	0.768	0.804	0.578
Price Quality Schema	Generally speaking, the higher the price of a product, the higher the quality. The old saying 'you get what you pay for' is generally true. The price of the product is good indicator of its quality. You always have to pay a bit more for the best.	0.654 0.609 0.693 0.601	0.732	0.735	0.410
Sales Proneness	If a product is on sale, that can be a reason for me to buy it. When I buy a brand, that's on sale, I feel that I am getting a good deal. I have favourite brands, but most of the time I buy the brand that's on sale. I am more likely to buy brands that are on sale.	0.637 0.777 0.771 0.714	0.813	0.811	0.53
Price Mavenism	I like helping people by providing them with price information about many types of products. My friends think of me as a good source of price information. I enjoy telling people how much they might expect to pay for different kind of products.	0.588 0.875 0.696	0.731	0.788	0.532
Prestige Sensitivity	Buying a high priced brand makes me feel good about myself. It says something to people when you buy the high priced version of a product. Your friends will think you are cheap if you consistently buy the lowest priced version of a product. I think others make judgments about me by the kinds of products and brands I buy.	0.731 0.848 0.710 0.624	0.818	0.820	0.536

comparative fit index -CFI (0.564), and root mean square error of approximation -RMSEA (0.128).

6.2. Hypothesis Testing

The structural equation model was examined to test the hypotheses. AMOS 16 is used for the same. Results pertaining to structural path estimates are shown in Table 4. From the table it can be concluded that hypothesis H1, H3 and H4 are supported while other hypothesizes are rejected. The structural paths of prestige sensitivity – PL brand usage is not significant at confidence level of 0.05. Other structural paths are significant at 0.05 confidence level.

7. Discussion

The main objective of the study was to measure the impact of consumers' price perception on store brand usage in Indian environment. For this, six price related constructs were used. An examination of the significant structural paths reveals that price consciousness is positively related with PL brand

brands. So shoppers who buy products on sales are not inclined to purchase PL brands. Private label brand usage is negatively related with price mavenism. Price mavens have all the information regarding the products in the market. They know the value proposition of national brands as well as private label brands. So price mavens are not inclined to purchase PL brands. Prestige sensitivity does not have any statistically significant relationship with PL brand usage.

8. Limitations

A couple of limitation of this study suggests potential research opportunities. First, as mentioned earlier, the current study does not consider the effect of product categories on private label brands usage. This study is conducted in the context of apparels. Therefore the findings cannot be applied to private label brands of other product categories. Future research should examine other product categories to expand the scope of this research field in order to see if the observed effects can be generalised across

Table 4: Hypothesis Testing

Hypothesized Path	Proposed Relationships	Standardised Coefficient	t value	Result
H1: Price Consciousness – PL Brand Usage	Positive	+ 0.218	3.527	Accepted
H2: Value Consciousness – PL Brand Usage	Positive	- 0.116	2.245	Rejected
H3: Price Quality Schema – PL Brand Usage	Negative	- 0.103	1.980	Accepted
H4: Sales Proneness – PL Brand Usage	Negative	- 0.122	4.298	Accepted
H5: Price Mavenism – PL Brand Usage	Positive	- 0.139	3.276	Rejected
H6: Prestige Sensitivity – PL Brand Usage	Negative	Not Significant	0.250	Rejected

usage. This finding is consistent with the previous researches. As the price of the private label is lower than the national brands, price conscious consumers are inclined to purchase PL brands. Value consciousness is negatively related with the PL brand usage. Indian consumers do not find private label brand as delivering greater value for money. In line with this, it is found that price quality schema is negatively related with private label brand usage. Indian consumers consider private label brand as low quality product. Low price of the private label brand may be accountable for this perception. Sales proneness is negatively related with private label brand. Consumers who usually search for price cuts and specific offers were not store brand prone. This is reasonable since store brand is offered usually at lowest prices of the product category. On the other hand, consumers can afford national brand offering sales promotion schemes at the regular price of PL

various categories. The measures of store brands usage and price related constructs were based on only one shopping trip and situational variables may strongly affect purchases on any single occasion (Garretson et al., 2002). Measurement over many trips will provide results that would carry more confidence. The study has been conducted in Ahmedabad city of Gujarat, India. The results of the same, if conducted in other part of the county may vary. The shopping malls for the survey were selected according to convenience. As was noted earlier, our sample included consumers, who were, on average, younger, single, and with average income. Further research is needed with focus target consumers with respect to demographic factors.

9. Conclusion

An attempt is made in this study to investigate the impact of consumer price perception on private label

brand usage. Six price related constructs are used for that and it is found that price consciousness is positively related with PL brand usage while value consciousness, price quality schema, sales proneness and price mavenism are negatively related with PL brand usage. Prestige sensitivity does not have any statistically significant impact on PL brand usage. Important managerial implications of this study may be noted. The findings of the study will be helpful for retailers to understand the importance of various price related factors in buying

behavior of private label brands. It is found that consumers are suspicious of store brand quality and value. Retailers must pay attentions to improve the product quality and quality related cues. This finding suggests that retailers need to strengthen the advertising and promotional campaigns of their private label brands. This will help them to attract sales prone consumers to purchase private label brands. This study will help the retailers to design better, more suitable pricing and branding strategies.

References

- Ailawadi, K.L., Neslin, S.A., and Gedenk, K. (2001) "Perusing the Value Conscious Consumer: Store Brands Versus National Brand Promotions," *Journal of Marketing*, Vol. 65 (January), pp. 71-89.
- Baltas, George (1997), "Determinants of Store Brand Choice: A Behavioral Analysis", *Journal of Product & Brand Management*, Vol. 6 (5), pp. 315-324.
- Batra, R and Sinha, I., (2000), "Consumer Level Factors Moderating The Success Of Private Label Brands", *Journal of Retailing*, Vol. 76 (1), pp.175-191.
- Burton, S., Lichtenstein, D. R., Netemeyer, R. G., & Garretson, J. A., (1998), "A Scale For Measuring Attitude Toward Private Label Products And An Examination Of Its Psychological And Behavioral Correlates," *Journal of Academy of Marketing Science*, Vol. 26 (4), pp. 293-306.
- Dick Alan, Jain, Arun and Richardson, Paul (1995), "Correlates of Store Brand Proneness: Some Empirical Observations," *Journal of Product & Brand Management*, Vol. 4 (4), pp. 15-22
- Etzel, M.J; Walker B.J., Stanton, W.J. and Pandit, Ajay (2005), *Marketing – Concepts and Cases*, Tata McGraw Hill Publishing Company Ltd., 13e.
- Garretson, J.A., Fisher, D., and Burton, Scot (2002), "Antecedents of Private Label Attitude and National Brand Promotion Attitude: Similarities and Differences", *Journal of Retailing*, Vol. 78, pp. 91-99.
- Indian Retail: On The Fast Track, Time for Bridging Capacity Gap, report published by FCCI, 2005
- Jin, Byoungho., Sternquist, Brenda and Koh, Aeran (2003), "Price as Hedonic Shopping," *Family and Consumer Sciences Research Journal*, Vol. 31 (4), pp.378-402
- Jin, Byoungho and Suh, Yong Gu, (2005), "Integrating Effect of Consumer Perception Factors In Predicting Private Brand Purchase In a Korean Discount Store Context," *Journal of Consumer Marketing*, Vol. 22 (2), pp. 62-71
- Meer, David, (1995), "System Beaters, Brand Loyal and Deal Shoppers: New Insights into the Role of Brand and Price", *Journal of Advertising Research*, Vol. 35 (2), pp. RC2-RC7.
- Moore, M., Kennedy, K.M., and Fairhurst, A., (2003), "Cross-Cultural Equivalence of Price Perceptions between US and Polish Consumers", *International Journal of Retail & Distribution Management*, Vol. 31(5), pp.268-279.
- Lichtenstein, D. R., Ridgway, N. M., and Netemeyer, R. G., (1993), "Price Perceptions And Consumer Shopping Behavior: A Field Study," *Journal of Marketing Research*, Vol. 30 (2), pp. 234-245.
- Pradhan, Swapna (2004), *Retailing Management – Text and Cases*, Tata McGraw Hill Publication Company Ltd., New Delhi, 2nd edition.
- Rao and Monroe (1989), "The Effect of Price, Brand Name And Store Name On Buyers' Perceptions Of Product Quality: An Integrative Review", *Journal of Marketing Research*, Vol. 26 (3), pp. 351-357.
- Vahie, Archana and Paswan, Audhesh (2006), "Private Label Brand Image: Its Relationship With Store Image And National Brand", *International Journal of Retail & Distribution Management*, Vol. 34, No.1. pp. 67-84.
- Zeithamal, V.A. (1988), "Consumer Perceptions of Price, Quality and Value: A Means-End Model and Synthesis of Evidence," *Journal of Marketing*, Vol. 52 (July), pp. 2-22.