Store brand and national brand promotion attitudes antecedents

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A B S T R A C T

Retailers compete against national manufacturers by launching store brands. National manufactures regularly use brand promotions to fight store brands back. The purpose of this article is to find out whether attitudes toward national brand promotions and store brands have similar or different conceptual antecedents. The study presents and tests a model of the effects of shoppers’ characteristics (price and non-price-related) on attitudes toward store brand and national brand promotions. The results support that constructs relating to price impact both store brand attitude and national brand promotion attitude, but the strength of some of these relationships differ. Other shopper characteristics like brand loyalty and store location have similar negative and positive effects, respectively. These slight differences suggest that promotions of national brands might be a good tool for fighting back store brands, but manufacturers need to design and target these promotions carefully in order to avoid head-to-head competition.

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1. Introduction

Brands play a major role in today’s competitive environment and are key resources sustaining competitive advantage (Hall, 1992). National brand manufacturers are facing the fierce competition of store brands, and retailers use private labels as defensive mechanisms from powerful global and national brands, to increase mark ups and to increase consumer store loyalty (Ailawadi et al., 2008). Industry reports confirm that the market share of store brands (also known as private labels) raises around the world reaching significant levels across Europe and North America (ACNielsen, 2005; Haberkorn, 2006; Kumar and Steenkamp, 2007). In AC Nielsen’s The Power of Private Label 2005 report, private labels account for 17% of sales in 80 selected categories across the globe (Europe: 23%, US: 17%).

With the objective of curbing the migration of shoppers toward store brands, some manufacturers of national brands have intensified the use of promotions (Garretson et al., 2002) and offer seasonal discounts on their national brands to match the store brand prices (Ailawadi et al., 2001; Sethuraman, 1992). Other manufacturers may respond with non-price promotions such as increasing quality or introducing value flanker brands (Hoch, 1996). National brand manufacturers face an ongoing dilemma: should they reduce their prices to compete with store brands or adopt other non-price promotion strategies to maintain and increase their sales? (Sethuraman and Cole, 1999).

Though some researchers argue that national brand promotions are an effective way of fighting the growth of store brands (e.g., Lal, 1990; Quelch and Harding, 1996), others such as Hoch and Banerji (1993) support the opposite viewpoint. To expand on this question, research has to examine what do actually lead shoppers to choose between understanding the determinants that lead shoppers to choose between store brands and promotions of national brands, and if they are similar or different. If these antecedents are common, promotions of national brands will be an effective tool for combating store brands. On the contrary, if they are different store brands and promotions of national brands will satisfy different segments of shoppers. These antecedents might be very important for defining store brand and national brand strategies, whether to compete head-to-head or to avoid competition targeting different segments as Ailawadi et al. (2001) find in a US-based study. Similarly, Garretson et al. (2002) find that consumers with the same goals of saving money may have different attitudes toward national brand deals and store brands, thus relating these differences to particular shopper characteristics. In this context, the objective of this study is to investigate if these shopper-level antecedents of attitudes toward store brands and national brand promotions are similar or not in a Latin American setting. In particular, the study examines both price-related (e.g., value consciousness, and smart shopper self-perception) and non-price-related consumer characteristics (impulsiveness and consumer loyalty) as antecedents of store brands or promotion attitudes.

Section 2 of this article reviews the literature and presents the conceptual model and research hypotheses. Section 3 describes the study method and Section 4 includes the study results and findings. Section 5 discusses these findings, limitations and research ideas for further work.
2. Consumer responses toward store brands

Cunningham et al. (1982) report that store brands typically offer lower prices (15%–40%) than national brands because they have lower advertising costs and exclusive distribution in the stores that belong to the brand owner. A global report on private label trends by AC Nielsen (2005) shows similar price differences: private labels have – on average (across 80 categories) – prices 31% lower than national brands, varying by country from 10% in Thailand to 48% in Greece (US: 28%, Chile: 26%). Despite these price advantages, a substantial percentage of consumers does not prefer or buy store brands on a regular basis.

Several studies analyze why consumers may differ on store brand attitudes and purchasing decisions, examining their socio-economic characteristics (e.g., Coe, 1971; Frank and Boyd, 1965; Murphy, 1978), personality characteristics (e.g., Burger and Schott, 1972; Cunningham et al., 1982; Hawes et al., 1982; Myers, 1967), shopping style (e.g., Bellizzi et al., 1981), and information processing (e.g., Bettman, 1974). These studies suggest that shoppers’ rejection of store brands occurs mainly because they perceive an inferior quality of the associated products. However, these studies show little and contradictory evidence regarding the causes of this unfavorable perception of store brands (Dick et al., 1996).

Differences among consumers (i.e. quality vs. value conscious consumers; and demographics) and the intervention of other variables, like the presence of national brand promotions may be explaining this conflicting evidence. Garretson et al. (2002) point out that factors other than price may be leading consumers to have more favorable attitudes toward deals or private label brands (p.92). Additionally, these authors argue that in order to test these ideas both promotion attitudes and store brand attitudes need simultaneous investigation.

2.2. Conceptual model and research hypotheses

Two categories of antecedents of store brand and promotion attitudes emerge from previous work by Ailawadi et al. (2001) and Garretson et al. (2002): price-related variables (e.g. value consciousness and smart shopper self-perception) and non-price-related variables (e.g. loyalty and impulsiveness). Research hypotheses link these variables with attitudes toward store brands and national brand promotions, expecting more similar results for price-related variables and somewhat different results for non-price-related variables. In that sense, this model, extending previous studies, makes the distinction between brand loyalty and store loyalty, and proposes different effects of both types of loyalty.

2.2.1. Price-related consumer individual characteristics

2.2.1.1. Value consciousness. According to Lichtenstein, Ridgway and Netemeyer (1993, p. 235) value consciousness is a concern for paying low prices subject to some quality constraints. Value-conscious shoppers typically attempt to maximize the quality-price ratio (i.e., value) of their purchases. These shoppers may therefore choose store brands if the lower price sufficiently compensates for the lower perceived quality (Richardson et al., 1994). Similarly, value-conscious shoppers may also present a positive attitude toward promotions of national brands because they simply reduce the price without necessarily decreasing the quality, which thereby increases the value for the shoppers (Blattberg and Neslin, 1990; Garretson et al., 2002). Given that store brands imply a trade-off between quality and price, while price reductions in national brand promotions do not necessarily reduce product quality (except when shoppers switch, by force, to a brand with lower perceived quality), a possibility exists that value-conscious shoppers will choose national brand promotions over store brands. In this regard, the first three hypotheses are proposed:

H1a. Value consciousness increases the positive attitude toward store brands.

H1b. Value consciousness increases the positive attitude toward national brand promotions.

H1c. Value consciousness more strongly increases the positive attitude toward national brand promotions than the positive attitude toward store brands.

Simultaneously, value-conscious shoppers will be less prone toward routine behaviors such as brand loyalty (Garretson et al., 2002). Previous research suggests that shoppers who focus on lower prices are less loyal to a specific brand (e.g., Blattberg and Neslin, 1990). In fact, recent evidence from Garretson et al. (2002) shows that value consciousness has a negative influence on brand loyalty.

H1d. Value consciousness decreases brand loyalty.

2.2.1.2. Smart shopper self-perception. The self-perception of the smart shopper is an ego-based construct that relates to the shopper’s need to achieve internal compensation by obtaining price savings through the purchase (Garretson et al., 2002; Schindler, 1988). Garretson et al. (2002) show that the smart shopper’s self-perception can have a favorable impact on the attitude toward store brands as well as the attitude toward national brand promotions. Garretson et al. (2002) also document that this construct has a greater effect on the attitude toward national brand promotions because store brands are consistently sold at lower prices. In contrast, national brand promotions are not permanent, and therefore finding promotions of national brands can provide this type of shopper with a greater sense of achievement than simply purchasing store brands at low and stable prices (Garretson et al., 2002).
H2a. The smart shopper’s self-perception increases the positive attitude toward store brands.

H2b. The smart shopper’s self-perception increases the positive attitude toward national brand promotions.

H2c. The smart shopper’s self-perception more strongly increases the positive attitude toward national brand promotions than the positive attitude towards store brands.

2.2.2. Non-price-related antecedents

In addition to smart shopper self-perception and value consciousness, the conceptual model considers three non-price-related characteristics: brand loyalty, store loyalty, and impulsiveness. By including both brand and store loyalty, the model expands previous work by Garretson et al. (2002).

2.2.2.1. Brand loyalty. This study considers brand loyalty as a shopper characteristic that makes consumers value brands more and that limit their switching behavior. Shoppers who are loyal to a specific brand tend to be less inclined to try new or less familiar brands such as store brands (Ailawadi et al., 2001). Therefore, shoppers loyal to the current national brands may present more negative attitudes toward store brands than other shoppers. Similarly, promotions of national brands may require shoppers to switch brands (Bawa and Shoemaker, 1987; Webster, 1965). In the 1980s, Gupta (1988) showed that 84% of the increase in sales that occurred were due to brand switches. However, more recently, Van Heerde et al. (2003) research, demonstrates that only 33% of the increase in sales that occurred during the promotional campaigns is attributable to the brand switch and that the remaining percentage is because of the growth of the primary demand (timing acceleration and quantity increases). Thus, this result by Van Heerde et al. would suggest that brand-loyal shoppers are the primary users of promotions. In other words, the promotions of the national brands would allow the loyal shoppers to: 1) anticipate their purchases, taking advantage of lower prices (timing acceleration), and 2) consume more of the brand than they normally would without the promotion (quantity increases). These findings imply that brand-loyal shoppers may seek out coupons or other offers of their favorite brands and therefore may perceive the promotions of the national brands as favorable (Garretson et al., 2002; Krishnmaurthi and Raj, 1991).

H3a. Brand loyalty decreases the positive attitude toward store brands.

H3b. Brand loyalty increases the positive attitude toward national brand promotions.

2.2.2.2. Store loyalty. Shoppers who are loyal to a particular store develop greater familiarity with the products and services that this store offers. Store loyal shoppers may be more willing to try and select store brands that this store exclusively and intensely promotes. (Ailawadi et al., 2001; De Wulf et al., 2005; Dick et al., 1995, 1996). Furthermore, store-loyal shoppers may be more willing to use the promotions of the national brands available in the store, independently of whether the store or the national brand itself offers these promotions.

H4a. Store loyalty increases the positive attitude toward store brands.

H4b. Store loyalty increases the positive attitude toward promotions of national brands available in the store.

2.2.2.3. Impulsiveness. Two-thirds of shoppers’ purchase decisions are made in store (Caswell and Padberg, 1992) and therefore spontaneous and unplanned purchases play a very relevant role in the shoppers’ choice of products. Shoppers may purchase store brands on impulse because they may be seen as new and previously untried (Granzin, 1981). At the same time, shoppers may impulsively buy brands on promotion because they are highly visible due to signs, special locations in the store, and new or attention-capturing formats (Lichtenstein et al., 1997; Montgomery, 1971). In this sense, Blattberg and Neslin (1990) suggest that impulsivity can be the basis for purchasing from displays, and Srinavasan et al. (2004) show evidence that promotions are most effective in product categories that are subject to impulse buying. Given that both manufacturers and stores normally combine efforts to help sales of national brands on promotion, they are normally more visible and noticeable by consumers than store brands. Therefore, a reasonable expectation is that impulsive shoppers will like national brand promotions more than store brands.

H5a. Impulsiveness increases the positive attitude toward store brands.

H5b. Impulsiveness increases the positive attitude toward national brand promotions.

H5c. Impulsiveness more strongly increases the positive attitude toward national brand promotions than the attitude toward store brands.

3. Method

3.1. Operationalizations of the constructs

All construct measures are 5-point Likert (strongly agree—strongly disagree) scales, and come from Ailawadi et al. (2001), Burton et al. (1998), and Garretson et al. (2002) (see Table 1 for sources and reliabilities, and Appendix A for the actual measures). The scale development phase involves a) item selection from previous work, scale translation and back translation to assess measurement equivalence between the original English instrument and the final Spanish questionnaire that subjects respond (Chou, 1996), and c) a pre test of the Spanish questionnaire with 30 subjects, and d) item purification (rewriting some items in Spanish, and dropping items with very low item-to-total correlations, following standard procedures for scale development (Churchill, 1979). The data collection process includes random ordering and back translation procedures to avoid item bias.

3.2. Data

A store-intercept study provides the data for the analysis. 300 female consumers over the age of 18, participate in the study. In the United States and Europe, a significant percentage (70%–95%) of those interviewed in grocery stores are women (e.g., Sethuraman and Cole, 1999, Garretson and Burton, 2003; Mitchell and Harris, 2005), therefore in order to homogenize the sample only female shoppers participated in this study. To increase representativeness, interviewers conduct the surveys in six different supermarket locations in Santiago de Chile at different times of the day and on different days of the week. The six stores selected belong to Chile’s two most important supermarket chains. Santiago represents 47.3% of the grocery sales at the national level (Bianchi and Mená, 2004), and the two supermarket chains selected represent more than 64% of the industry sales in Chile in 2007. The specific six stores cover all of the socio-economic strata. Table 2 provides a summary of the sample characteristics.

At the beginning of each interview the interviewers provide the respondents with definitions and examples of store and national brands (Ailawadi et al., 2001) and give instructions to clarify and solve any doubts about the definitions prior to the interview. This procedure ensures that no differences arise among the interviewees with respect to the meaning of each concept in the questionnaire.
3.3. Measurement model

Table 1 shows the constructs and reliability statistics. The reliability of all of the constructs is high: the Cronbach alphas and composite reliability indexes are above the acceptable levels of .70 (Nunally, 1978; Nunally and Bernstein, 1994).

Following Anderson and Gerbing (1988) methodological suggestions, the data analysis follows a two-step approach. The first stage involves the assessment of the measurement model and the second stage advances to testing the structural relationships (hypotheses) among the latent constructs. This approach avoids interaction between the measurement and structural models and re-specification errors (Hair et al., 1999). Model estimation uses maximum likelihood procedures, with no cross-loads or covariants of the measurement errors (Gomez and Gomez, 2005; Reker, 2005). Additionally, for a stronger test all of the inter-factor correlations are set free. Even under these high standard testing conditions, the fit of the model is acceptable (Hair et al., 1999).

For the measurement model, the CFI (Comparative Fit Index), TLI (Tucker-Lewis Index), RMSEA (Root Mean Squared Error), and SRMR (standardized root mean square residual) indexes are .98, .97, .050, y .046, respectively, and each of the indexes therefore comply with the threshold levels (Hair et al., 1999). The standard factorial loads of all of the items are significant. The magnitude of these loads t-statistics range from 8.69 to 19.26, indicate a strong linkage between indicators and constructs (Hair et al., 1999; Kacmar and Carlson, 1997). The magnitude of the inter-factor correlations range from .05 to .55 and none of the intervals of 90% of reliability include 1 (or −1), lending support to the discriminating validity of the constructs (Anderson and Gerbing, 1988). All of the above supports the appropriateness of testing the structural model with seven constructs (Jayawardhena, 2004).

4. Results

The fit indexes of the structural model are adequate. In particular, the Chi-squared/degrees of freedom ratio falls within the recommended levels of 1.0 to 2.0 (Hair et al., 1999) and the GFI and AGFI indexes are .92 y .89 respectively, approaching the required .9 level (Hair et al., 1999; Kacmar and Carlson, 1997). The CFI index equals .98 exceeding the minimum of .9, indicating a good fit of the model (Mulaik et al., 1989; Bentler, 1990; Bollen, 1990). Although the .9 threshold does not have a statistical foundation, experience and practical research show its usefulness in the distinction between acceptable and non-acceptable models (Hair et al., 1999). The SRMR and RMSEA indexes are .057 and .052 respectively, indicating adequate levels of fit (Garretson et al., 2002).

Table 1

<table>
<thead>
<tr>
<th>Construct</th>
<th>Relevant literature for scale items</th>
<th>Number of items</th>
<th>Cronbach's alpha</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store brand attitude</td>
<td>Garretson et al. (2002), Ailawadi et al. (2001)</td>
<td>4</td>
<td>.91</td>
<td>.91</td>
</tr>
<tr>
<td>National brand promotion attitude</td>
<td>Garretson et al. (2002)</td>
<td>3</td>
<td>.82</td>
<td>.83</td>
</tr>
<tr>
<td><strong>Price-related shopper characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value consciousness</td>
<td>Garretson et al. (2002)</td>
<td>3</td>
<td>.86</td>
<td>.87</td>
</tr>
<tr>
<td>Smart shopper self-perception</td>
<td>Garretson et al. (2002)</td>
<td>2</td>
<td>.91</td>
<td>.91</td>
</tr>
<tr>
<td><strong>Non-price-related shopper characteristics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>Garretson et al. (2002)</td>
<td>2</td>
<td>.76</td>
<td>.79</td>
</tr>
<tr>
<td>Store loyalty</td>
<td>Ailawadi (2001)</td>
<td>2</td>
<td>.84</td>
<td>.87</td>
</tr>
<tr>
<td>Impulsiveness</td>
<td>Burton et al. (1998)</td>
<td>3</td>
<td>.83</td>
<td>.83</td>
</tr>
</tbody>
</table>

Table 2

<table>
<thead>
<tr>
<th>Age</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>18–24 years</td>
<td>Primary school or less</td>
</tr>
<tr>
<td>25–35 years</td>
<td>Some high school</td>
</tr>
<tr>
<td>36–45 years</td>
<td>High school graduate</td>
</tr>
<tr>
<td>46–55 years</td>
<td>Some college</td>
</tr>
<tr>
<td>56–65 years</td>
<td>College graduate</td>
</tr>
<tr>
<td>&gt; 65 years</td>
<td>Post-graduate or more</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Household size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>1 to 3</td>
</tr>
<tr>
<td>Works</td>
<td>4 to 5</td>
</tr>
<tr>
<td>Housewife</td>
<td>6 to 9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly family income (USD)</th>
<th>Monthly supermarket spendings (Chilean $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than USD 3,100</td>
<td>More than USD 545</td>
</tr>
<tr>
<td>From USD 1,200 to USD 3,100</td>
<td>From USD 365 to USD 545</td>
</tr>
<tr>
<td>From USD 690 to USD 1,200</td>
<td>From USD 180 to USD 365</td>
</tr>
<tr>
<td>From USD 365 to USD 690</td>
<td>From USD 90 to USD 180</td>
</tr>
<tr>
<td>Less than USD 365</td>
<td>Less than USD 90</td>
</tr>
</tbody>
</table>

Fig. 1. Conceptual model of the antecedents of store brand attitude and national brand promotion attitude.
customer equity (Hidalgo et al., 2008). Therefore, a recommendation for retailers is to focus their strategies on obtaining consumer loyalty because loyal consumers showed a weaker attitude toward national brands should focus their strategies on obtaining consumer loyalty in a similar way. This result suggests that producers of store brands as well as toward promotions of other national brands, passing the quality of the category leader and by actively communicating the quality of their store brands to shoppers through in-store information, and advertising and public relations campaigns (DeWulf et al., 2005; Dick et al., 1995, 1996; Richardson et al., 1994).

Despite the strong effect of shopper’s self-perception on both attitude toward store brands and national brand promotions, a second difference can be observed: consumers with a higher smart shopper self-perception tend to like national brand promotions more than store brands. This result, once again, shows the disadvantage that a retailer could face with a value for money strategy for its brands.

5.1. Limitations and further research

This study presents some limitations that may be a challenge for future research in this area. First of all, the study uses a mall intercept sampling procedure that increases external validity since data comes from real consumers in a real setting (right after experiencing shopping). However, mall intercept studies raise issues of representativeness, due to the lack of randomness. Future studies, should also address the effect of gender, and if these results extend to male shoppers and to other categories like clothes and electronics, where male shoppers have a higher presence.

This study extends previous results by Ailawadi et al. (2001) and Garretson et al. (2002). Nevertheless, a long road is still ahead in the effort to understand exactly which segments of shoppers prefer store brands and which prefer promotions of national brands. This article has documented four variables of segmentation, two of which (value consciousness and smart shopper self-perception) suggest that their treatment should be as two different segments. Future research will be able to determine how different or similar those segments are through the use of these and other segmentation variables.

Acknowledgement

The authors thank three anonymous reviewers for their helpful comments and suggestions.

Appendix A. Survey items

1. Private label attitude

Buying private label brands makes me feel good.

In general, private label brands are poor-quality products reverse coded.

I love when private label brands are available for the product categories I purchase.

I look for private label brands when I go shopping.

2. National brand promotion attitude

Beyond the money I save, buying brands on deal makes me happy.

Compared to other people, I am very likely to purchase brands that come with promotional offers.

I enjoy buying a brand that is on deal.

### Table 3

**Effects of shopper characteristics.**

<table>
<thead>
<tr>
<th>Shopper characteristic</th>
<th>Dependent variable</th>
<th>Store loyalty</th>
<th>Brand loyalty</th>
<th>National brand promotion attitude</th>
<th>Fisher’s Z Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value consciousness</td>
<td>-2.93***</td>
<td>+2.31***</td>
<td>+4.11***</td>
<td>-2.45***</td>
<td></td>
</tr>
<tr>
<td>Smart shopper</td>
<td>+1.17**</td>
<td>+3.22***</td>
<td>-1.95*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-perception</td>
<td>(2.44)</td>
<td>(5.00)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>-2.66***</td>
<td>-2.32***</td>
<td>-3.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store loyalty</td>
<td>+2.03***</td>
<td>+1.76***</td>
<td>.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impulsiveness</td>
<td>-0.03</td>
<td>+0.04</td>
<td>-0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>.04</td>
<td>.25</td>
<td>.52</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GFI = .92, AGFI = .89, CFI = .98, SRMR = .06; and RMSEA = .05.

Note: t-statistics are in parentheses under coefficient estimates.

* p < .10.
** p < .05.
*** p < .01.

2002; Hair et al., 1999; Nunally and Bernstein, 1994). The results establish that the model attains an acceptable degree of fit between the proposed model and the data (Hair et al., 1999).

The estimated results are consistent with the proposed structural model shown in Fig. 1. Table 3 presents the standardized parameters and the R-squares of the equations for the attitude toward the store brands and the attitude toward the promotions of national brands. The first column of coefficients in Table 3 shows that the hypothesis H1d is supported. Data in the second column of Table 3 (store brand attitude) support four of the five hypotheses linking shoppers’ characteristics to attitude toward store brands (H1a, H2a, H3a, and H4a).

Data in the third column of Table 3 (national brand promotion attitude) support three of the five hypotheses (H1b, H2b, and H4b) for the attitude toward the promotions of national brands. One of the hypotheses, however, (H3b) is rejected because the observed effect is significant but not in the expected direction. Table 3 also presents Fisher’s Z Scores (Cohen and Cohen, 1983) that calculate the values by determining the significance of the differences between the hypothesis pairs. The fact that two of the five Z scores are significant shows that the characteristics of the shopper have significantly different effects on the two attitudes (Ailawadi et al., 2001), thus supporting the H1c and H2c hypotheses.

5. Discussion

This article investigates whether or not store brands and national brand promotions attract the same segment of shoppers. The results of this work show various similarities and differences in the causes of attitudes toward store brands or national brand promotions.

One preliminary similarity is that brand loyalty decreases both attitudes in a similar way. This result suggests that producers of national brands should focus their strategies on obtaining consumer loyalty because loyal consumers showed a weaker attitude toward store brands as well as toward promotions of other national brands, which lower the risk of competition from either strategy.

A second similarity is that store loyalty increases both attitudes in an analogous way. In effect, stronger store loyalty on the part of the shoppers leads to a greater probability of success for both store and national brands. Therefore, a recommendation for retailers is to analyze both courses of action in the store-loyal segments and make their decisions for the most profitable course of action based on customer equity (Hidalgo et al., 2008).

A third similarity is that impulsivity does not influence either attitude. The null effect of impulsivity shows that impulse buying is not a determining factor in purchasing either store brands or national brands on promotion and therefore would not be a useful segmentation variable for either concept.

Although this study reports that value consciousness positively influences both attitudes, value consciousness has a stronger impact on attitudes towards national brand promotions in comparison with attitudes towards store brands. This result suggests the value for money orientation (Richardson et al., 1994) taken by the retailers in the marketing of its store brands cannot be an optimal orientation. To the contrary, a focus on quality could be a more effective tool for increasing value (Erdem et al., 2004; Dimara and Skuras, 2005). To this effect, numerous supermarket chains (e.g., Carrefour and Sainsbury) have been extremely successful with their own brands by matching and even surpassing the quality of the category leader and by actively communicating the quality of their store brands to shoppers through in-store information, and advertising and public relations campaigns (DeWulf et al., 2005; Dick et al., 1995, 1996; Richardson et al., 1994).

This study extends previous results by Ailawadi et al. (2001) and Garretson et al. (2002). Nevertheless, a long road is still ahead in the effort to understand exactly which segments of shoppers prefer store brands and which prefer promotions of national brands. This article has documented four variables of segmentation, two of which (value consciousness and smart shopper self-perception) suggest that their treatment should be as two different segments. Future research will be able to determine how different or similar those segments are through the use of these and other segmentation variables.
3. Shopper characteristics

Value consciousness

When grocery shopping, I compare the prices of different brands to be sure I get the best value for the money.

When I shop, I usually compare the purchase price to determine if brands I normally buy.

When purchasing a product, I always try to maximize the quality I get for the money I spend.

Smart shopper self-perception

When I go shopping, I take a lot of pride in making smart purchases.

When I shop smartly, I feel like a winner.

Brand loyalty

I generally buy the same brands I have always bought.

If I like a brand, I rarely switch just to try something different.

Store loyalty

I am willing to make an effort to shop at my favorite grocery store.

I prefer to always shop at one grocery store.

Impulsiveness

It is fun to buy spontaneously.

When I go shopping, I buy things I had not intended to purchase.

Generally speaking, I would consider myself an impulsive shopper.

References


