Consciousness Price, Store Image, and Variations in Quality Repurchase of Private Label Analysis

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ABSTRACT: The purpose of this study was to prove the effect of Store Image, Price Consciousness, and Quality Variations Repurchase on Private Label, samples were taken using convenience sampling of 179 respondents and data collection using a questionnaire which was conducted at the Superindo Superindo Cinere West Java Indonesia where all the obtained instruments were valid, with multiple regression results that there is a significant variation between price and quality awareness on the intention to repurchase private label products but for store image it has no effect on the desire to buy products from private labels, because it turns out that people buy private label products not because of the image of the store but because of variations quality and price because usually private label products issued by the supermarket concerned are cheaper than similar branded products.

KEYWORDS: Store Image, Consciousness Price, Repurchase, Variation Quality, Private Label

I. INTRODUCTION

Modern business and retail are expanding really quickly right now. Supermarkets, hypermarkets, and minimarts are rapidly proliferating, particularly in major cities. This is corroborated by the quick increase in the number of merchants, which in Indonesia reached 3.61 million in 2021. It is predicted that as Indonesia’s economy grows in the next years, more and more foreign merchants will set up shop there, and established firms will become more aggressive in pursuing every market opportunity. As a consequence, there will be more intense competition, which will make all participants work harder to implement different methods to outperform one another.

These shops work hard to come up with the best plan of attack to beat the competition as it becomes more and more fierce. One of these is through releasing store labels, often known as private label items. According to Benny B. Tjandrasa’s (2006) assessment, the retail industry’s growth is still increasing year after year. The retail industry in Asia was still able to turn a profit despite the country’s economic difficulties. National merchants must prepare for the fierce competition by consistently innovating since Indonesia, which has a sizable population, is the marketing focus of global retailers like Carrefour and Wal-Mart. Introducing private label items is one example of innovation that has been imported from overseas.

Many contemporary shops, including hypermarkets and minimarkets, are vying to introduce goods under their own names (private label). For instance, out of a total of 40,000 product categories, Carrefour Indonesia presently has 2,000 to 3,000 private label product products. In reality, minimarkets like Indomaret alone have 500 or more products under their own store labels, followed by Alfamart, which is thought to have 100 items under its own private label. The existence of private brands seems inevitable given the intense rivalry that retailers face, especially when it comes to offering competitive rates. And one way to achieve that is by providing self-labeled goods. Private label items are widely available. Customers gain from it since they may get things at a low cost of labeled products.
Private label items are widely available. Consumers profit from this since they may purchase things for up to 30% less than national brand products. Private label goods save marketing expenses and eliminate unnecessary distribution routes, enabling this. (Accessed on March 24, 2018) http://swa.co.

Private label, in the opinion of Arimbi Kusuma Utami (2012), has an impact on brand equity, and according to Kristof De Wulf, Gaby Odekerken-Schröder, Frank Goedertier, and Gino Van Ossel (2005), private label products can be offered alongside national branded products with better quality but at a lower price, as consumers choose private label products because of lower prices. In comparison to branded goods, Additionally, private label products have their own existence when compared to national branded products, according to Thomas Kilian, Gianfranco Walsh, and Holger Buxel (2010), and Maciej Szymański and Els Gijsbrechts (2012) expressed their opinion that private label consumers learn from experience about their awareness of the quality of private label products, in line with that according to Kyoung-Nan Kwon, Mi-Hee Lee, and Yoo Jin Kwon (2008) that private label buyers depend on the characteristics of these products.

Meanwhile, according to Inge Geyskens, Katrijn Gielen, and Els Gijsbrechts (2010), premium private label products in the cornflakes and canned soup categories in the UK using a brand selection model that accommodates similarities with national brands, it turns out that national brands are still a compromise or choice for various retailers, as well as in South Africa, where private label products are still not taken into account compared to national product.

Private brands provide the benefit of enhancing the store's reputation. Utami, (2008). Therefore, a private label retail company's growth and performance are greatly influenced by the store's image. According to Archna Vahie and Audhesh Paswan (2006), the environment of stores and store cleanliness have an impact on how well-liked private label goods are. Additionally, perceptions and attitudes about shop image are impacted by elements of the store's brand image, claim Haifa Rzem and Mohsen Deababi in 2012. According to study done in 2011 by Manyu Huang and Kevin E. Voges, Chinese consumers' decisions to purchase private brands are impacted by price sensitivity, variations in perceived quality, advertising sensitivity, and shop image. Additionally, Rajeev Batra claims impacted by sensitivity to pricing, disparities in how people perceive quality, susceptibility to advertising, and shop views. Additionally, Price Consciousness, Consequence of Purchase Error, Quality Variation, and the "Search versus Experience" nature of Product Feature (customer characteristics while making a purchase) are according to Rajeev Batra and Indrajit Sinha (2000), influence the sales of Private Label Brands items jointly and partially. In her study, Margareth Ardhanari (2008) discovered that brand preference and customer satisfaction had an impact on the willingness to repurchase goods from Matahari Department Store. According to Susianti and Sutrisna (2018)'s research, shop image has a favorable and significant impact on buy intention, which implies that as the store's reputation rises, so will customer spending. Additionally, earlier studies (Mulatsih and Kusumawardhani, 2020) demonstrated that shop image perception has a favorable impact on the intention of private label brands.

Customer value, according to Konuk (2018), Le-Anh and Nguyen-To (2020), has a considerable impact on purchasing intentions. According to Watanabe et al. (2020) and Curvelodk. (2019), a crucial component of product buyer value is customer value, which includes functional value, emotional value, economic value, and social value. The opinions of Konuk [6], Le-Anh, and Nguyen-To (2020) are supported by this opinion from Watanabe et al. (2020) and Curvel et al. (2019). Retnawat et al. (2018) define private label product purchase intention as the 'encouragement' of customers to sample, purchase, or consume private label items offered at the retail outlets they visit.

According to Byoungho Jin and Yong Gu Suh (2005), price awareness for the category of home appliances products has no association with the desire to purchase those products, whereas perceptions of quality variations for the food category have no relationship with this desire to buy these items. While there is no correlation between price awareness and the willingness to purchase home appliance products, this conclusion differs for different product categories. According to research done by Bao (2010), quality factors have a negative correlation with the desire to purchase private label goods, however shop image has a favorable correlation.

Given that many hypermarkets to minimarkets in Jakarta currently employ private label items (as previously reported), researchers are interested in re-examining private labels in relation to store image, pricing awareness, and quality differences. Additionally, the majority of the prior studies were carried out in other nations with respondents who were clearly different from the demographics in Jakarta, so this research will address the author's desire to determine whether the findings will be the same as or different from those of previous studies, leading to the formulation of the following problems: Do shop reputation, price sensitivity, and quality differences influence customers' decisions to repurchase private label products?
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1. Theory and Hypothesis Development

Today consumers can purchase the same item from a number of different retailers. Each retail format targets a different and increasing market share. Each type of retail offers different benefits, so consumers can subscribe to different retailers for different purchases and needs.

According to Ma’ruf (2006: 52), there are two shopping behaviors in Indonesian society. The first is shopping behavior with an orientation of "shopping is shopping". That is, the purpose of shopping is to find the items needed or wanted so that the functional aspects of the shopping center take precedence over the atmosphere of the shopping place. On the other hand, the other consumer shopping behavior is "recreation" oriented. Consumers with this pattern will look for shopping centers that are fun. While most consumers in Indonesia

Have shopping behavior like this second pattern.

1). Private Label

Private label is often called store brand, private label, own label, or housebrand. Private label products are products that have the brand name of the place where the product is sold (Kotler and Armstrong, 2010), store brand or private label is merchandise that uses the brand name of the distributor or retailer or a brand name created exclusively for the distributor or retailer.

2). Repurchase

According to Tsiotsou (2006), repurchase is a behavior in which consumers repurchase products that were previously purchased. A retailer is said to be successful if it is able to retain its customers to be loyal to the retailer.

Ndubisi and Moi (2005) in Indrianawati Usman & Rizky Adhiyta Arnando say that repurchase varies depending on the level of durability of a product. For products that are not durable (non-durables), repurchase is defined as the act of buying again after the first purchase or trial. Hellier et al. (2003) state that repurchase intention is a person's planned decision to repurchase a particular service, taking into account the situation that occurs and the level of preference.

3). Store Image

In the context of the retail business, a brand can be interpreted as the retail brand itself or the brand of products or merchandise sold or offered by the retailer (Utami 2008). In accordance with the object of this research, the brand image referred to in this study is the image of the store (hypermarket). In Utami (2008) it is also stated that brands also affect customer confidence in decisions made to purchase merchandise from a retailer. Schiffman and Kanuk (2007) also state that retail stores have their own store image that helps influence perceived quality and consumer decisions about where to shop. In Ma'aruf (2006), several elements that support the image of a store or outlet are explained, namely: Merchandise: price, quality, category diversity, item availability (color, size, type), b. Location that is easily accessible, safe and located in a shopping center or close to other retail outlets. c. Prioritizing services to certain segments in accordance with the demographic characteristics of potential buyers. d. Service.

K. Theodoridis and Kalliopi C. Chatzipanagiotou (2009) store image attributes are all aspects that exist in stores that influence consumers in making purchasing decisions while shopping. And according to Haifa Rzem, and Mohsen Debabi (2012) perceptions and attitudes towards store image are influenced by the components of the store image, and according to Manyu Huang and Kevin E. Voges (2011) show that Chinese consumers to buy private brands are influenced by price sensitivity, differences in quality perceptions, advertising sensitivity, and store images. In line with that, Bao (2010) found that store image has a positive influence on the desire to buy private label products. In line with that according to Wu, Paul C S; Yeh, Gary Yeong-Yuh; Hsiao and Chieh-Ru (2011), Cudmore and Andrew (2000) Champion, Jennifer Clifton; Hunt, James B; Hunt and Tammy G (May 2010), that characterization has a direct effect on the repurchase of private label brands, and characterization is important in increasing the willingness to buy.

4). Price consciousness (Brand awareness)

Price consciousness is defined as the focus or sensitivity of consumers to product prices more than to their quality (Lichtenstein, et al 1993). Consumers who are said to be price consciousness are consumers who tend to buy at relatively cheaper prices. Generally, these consumers do not pay attention to the advantages of the product, but only look for prices that have a high difference (Monroe, 1990) quoted from Isman Pepadri (2002).

Price consciousness is also widely used by researchers to show the consumer's assessment of the product, seen from the price of the product. An analysis shows that a decrease in disposable income can cause the market share of private label products to increase, although this does not change people's perception of the quality of the product. This means that a decrease in people's disposable income may cause them to have a higher level of price-consciousness about the price of a product. Manyu Huang and Kevin E. Voges (2011) showed that Chinese consumers to purchase private label brands are more likely to buy private label products than private label products. Personal preferences are influenced by price sensitivity, differences in quality perceptions,
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advertising sensitivity, and store image. Research conducted by Bao (2010) found that store image has a positive influence on the desire to buy private label products, while quality variables have a negative relationship with the desire to buy private label products. Meanwhile, according to Rajeev Batra, Indrajit Sinha (2000), Price Consciousness, Consequence of Purchase Mistake, Quality Variation, and the "Search versus Experience" nature of Product Feature (consumer characteristics when making purchases) affect both partially and jointly the success of Private Label Brands products. According to Champion, Jennifer Clifton; Hunt, James B; Hunt and Tammy G May (2010) good quality perceptions will influence consumers to make repeat purchases of private label products.

H1: Store Image has a significant effect on Repurchase of Private Label Products.
H2: Price Consciousness has a significant effect on Repurchase of Private Label products.
H3: Quality Variations have a significant effect on Repurchase of Private Label products.

II. MATERIAL AND METHODS

Table 1. Definition of Variable Operationalization

<table>
<thead>
<tr>
<th>Variable</th>
<th>Dimension</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Image</td>
<td>1. Employee service</td>
<td>1. Provide overall good service</td>
</tr>
<tr>
<td></td>
<td>3. Product selection</td>
<td>3. Large selection of products</td>
</tr>
<tr>
<td></td>
<td>5. Convenience</td>
<td>5. Comfortable room</td>
</tr>
<tr>
<td>Price Awareness</td>
<td>Price awareness that consumers have of the product to be purchased</td>
<td>1. Price comparison of several products before choosing, one of which is purchased</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Checking the price before making a purchase, even for inexpensive products.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. It is important to get the best price for the product to be purchased.</td>
</tr>
<tr>
<td>Quality Variation</td>
<td>. All private label product brands are the same in terms of quality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. There is no difference between different brands of private label products in terms of quality.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Private label brands do not matter (behind all products are coded).</td>
<td></td>
</tr>
<tr>
<td>Repurchase</td>
<td>1. The tendency to buy private label products again.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Desire to buy private label products again.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Buying private label products again. (6 months ahead with the same amount)</td>
<td></td>
</tr>
</tbody>
</table>

Sample Determination Technique

The sample was taken as many as 200 people (Uma Sekaran, 2009), by Convinience Sampling, who shopped at Superindo Cinere Supermarket.

Data Collection

For all variables, data is taken using a questionnaire with a 5-point Likert scale, this is done considering that the questionnaire can be done when the respondent finishes shopping, previously conducted a brief interview on knowledge of private label products.

Data Analysis
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Data is analyzed using Multiple Regression, as well as the use of classical assumptions by first passing the instrument through validity and reliability tests.

**III. RESULT AND DISCUSSION**

**RESULT**

**Description of Respondents**

The data was collected using a questionnaire which previously made observations meaning that the respondents who bought private label products were given questionnaires and conducted interviews about private label products, distributed to 200 respondents but only 179 samples were eligible.

**Table 2. The respondent's data:**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Amount</th>
<th>Education</th>
<th>Amount</th>
<th>Income/ Mont (000)</th>
<th>Amount</th>
<th>Employment</th>
<th>Amount</th>
<th>Knowledge of Privat Label</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woman</td>
<td>131</td>
<td>Junior High School</td>
<td>7</td>
<td>3000-5000</td>
<td>28</td>
<td>Other Profesi</td>
<td>14</td>
<td>Yes</td>
<td>161</td>
</tr>
<tr>
<td>Man</td>
<td>48</td>
<td>Senior High School</td>
<td>66</td>
<td>&gt;5000</td>
<td>151</td>
<td>Trader</td>
<td>41</td>
<td>No</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>College</td>
<td>106</td>
<td>Civil Servant</td>
<td>124</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>179</td>
<td>Total</td>
<td>179</td>
<td>Total</td>
<td>179</td>
<td>Total</td>
<td>179</td>
<td>Total</td>
<td>179</td>
</tr>
</tbody>
</table>

From the data of respondents, most of whom are women (73%), it can be seen that 90% of them know about private label products so that they are sure of what they buy, besides that most of the respondents were college educated (59%) with an income level above Rp. 5000,000, - (84%) and almost all filled in as employees (69%).

The instrument test results for all variables fulfill the requirements with the validity test of all questionnaire items no drop, reliability above 0.7, as well as the classical assumption test all fulfill the requirements. The following are the regression results for store image variables, price consciousness and product quality variations on Repurchase Private Label:

**Table 3. Regresion Result**

<table>
<thead>
<tr>
<th>Variabel</th>
<th>β</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Image</td>
<td>0,085</td>
<td>0,194</td>
</tr>
<tr>
<td>Price awareness</td>
<td>0,474</td>
<td>0,000</td>
</tr>
<tr>
<td>Quality variations</td>
<td>0,543</td>
<td>0,000</td>
</tr>
</tbody>
</table>

Adjst. R Square = 0.597

R = 0,780

F = 56,734 (Sig)

It can be seen that R is 0.780, meaning that the relationship or influence between store image, price awareness and quality variations on the desire to repurchase is 78%, while the rest of the respondents who repurchase private label products are influenced by other factors outside of this study.

This means that there is a significant influence between price awareness and quality variation on repurchasing private label products on private label products in Superindo Cinere, but store image has no effect on repurchasing private label products.

**DISCUSSION**

The results of this study, which discuss the effect of store image, price awareness and quality variations on the repurchase of private label products, are in line with research conducted by Manyu Huang and Kevin E. Voges (2011) which shows that Chinese consumers to buy private brands are influenced by price sensitivity, besides that these findings also have similarities with research from Rajeev Batra, Indrajit Sinha (2000), Price Consciousness (price awareness), affects the success of Private Label Brands.
products. However, contrary to the findings of Byoungho Jin and Yong Gu Suh (2005), it is said that the perception of quality variations for the food category has no relationship with the desire to repurchase these goods, while price awareness, namely for the category of household appliances products, has no relationship with the desire to repurchase these goods, meaning that these findings are different for product categories. Also, these findings on store image also contradict the research of Archna Vahie and Audhesh Paswan (2006), Utami, Christina Widya, 2008, and according to Haifa Rzem, and Mohsen Debbi (2012), Wu, Paul C S; Yeh, Gary Yeong-Yuh; Hsiao and Chieh-Ru (2011), Cudmore and Andrew (2000) Champion, Jennifer Clifton; Hunt, James B; Hunt and Tammy G (May 2010), also Susianti and Sutrisna (2018) in their research state that store Image has a positive and significant effect on purchase intention, meaning that the higher the store image, the more consumer purchases will increase. Also previous researchers conducted (Mulatsih and Kusumawardhani, 2020) showed that store Image Perception has a positive effect on Private Label Brands Intention while for the findings of this study store image has no effect on private label products, this is according to the respondents interviewed because they buy private label products because of the lower price but the same quality as branded products.

In this study, it is still not distinguishing product categories from private label products so that these contrasting results still have to be developed again in further research. But what is clear from previous studies is that it is the price that influences the desire to repurchase these private label products because these private label products have a lower price than branded products but have a quality not inferior to these brands. Because private label products do not need to do promotions to sell them, because there is already a supermarket brand, so production costs are low and the selling price can be lower than branded products that must be promoted at a large cost.

IV. CONCLUSION
The research data shows that there is a significant influence between price awareness and quality variation on the repurchase of private label products, this is in accordance with the hypothesis made that there is a significant influence between price awareness and quality variation on the repurchase of private label products, but for store image it is found that there is no influence between store image on private label repurchase, this is contrary to the hypothesis made that there is a significant influence between store image on the repurchase of private label products. The results of this study are what was expected considering that the answers from the respondents support the fact that they buy private label products because of price.

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