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EXAMING FACTORS IMPACTING ON PURCHASE INTENTION TOWARD PRIVATE BRANDS IN SUPERMARKETS IN HO CHI MINH CITY

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EXAMING FACTORS IMPACTING ON PURCHASE INTENTION TOWARD PRIVATE BRANDS IN SUPERMARKETS

IN HO CHI MINH CITY

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ABSTRACT

Private labels, also known as ""store brands"" or ""Private brand,"" have long been associated with inexpensive name-brand knockoffs. In recent years, however, retailers have begun improve higher quality products under their private labels. The market share of private label brands has been developed substantially. International in scope, Private Label is considered as the danger for National manufacturers and the opportunities for retailers.

This research replicates Mark Glynn s' study (2010) to examine which factors affect customers Purchase intention. The purpose is to re-exaimine his hypotheses and to investigate other determinants which are not inclusive in his study. The research does still not receive a lot of attention on private brand in Vietnam, and there is a lot of difference result between customers' perception on private brand in Vietnam and western countries. This research apply quantity approach with 312 valid questionnaires are collected and analyzed by SPSS version 20.0. In result, it shows the relationship of propensity to purchase private brand name and price sensitivity, price- quality association, store image, brand concern, customers' innovations and quality variance.

Findings for this study suggest that manufacturers should try to keep the quality as far as possible from private brand while retailers still focus on low- price strategy and reduce quality gaps for their private label brands.

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CHAPTER 1

INTRODUCTION

1.1. BACKGROUND:

Private brand products consist of all goods marketed under the distributors' brand. There are three types of manufacturers of private brand. The first type is large producers who can manufacture their national brand and store- sponsored brand. The second one is small and medium producers who choose to focus on exclusively only one line of private label product. Last is the ones who run their manufacturing company and provide many diversity of product line from the food to non-food category. This research only concentrates on the last type to analyze the determinant factors which effect on the customers when they go shopping in the retailer stores.

The private brand started from 1970 while the growth speed is quite high. Recently years, the retailers and wholesalers use the private brand to dominate the market. The enhance of the private brand market share is fostered by two factors which are retail fragmentation and the concentration of the media (Kumar and Steenkamp, 2007). The UK occupies first place with a private brand market share of 41% (Marian, 2010). In Switzerland, Belgium, Germany and France, PLs account for at least one in every four products (Hoch, 1996; Jin and Suh, 2005). In Australia, PLs now account for 23% of the supermarket share with their penetration increasing rapidly (Palmer, 2009).With the internationalization strategy of many retailers, PLs have also been growing in developing countries, such as South Africa or China. The unstopped speed of Private Brand has brought a lot of benefit to the retailers likes supporting the image of retailer to differentiate themselves differentiation (Corstjens and Lal, 2000;Ailawadi et al. , 2008), rising the bargaining ability over the manufacturers(Farris and Ailawadi, 1992; Pauwels and Srinivasan, 2002) and giving profit to retailers.(Hoch and Banerji, 1993; Ailawadi and Harlam, 2002, 2004). While the growth of private brand is becoming a threaten danger by taking away the national brand share (Ashley,1998)

Said by Darin Williams, CEO of Nielsen Vietnam products marked private-label are becoming new trend of almost retailers in Vietnam even though it cannot be compared to Thailand market as well as others in Asean region (Binh Nguyen, 2011). In Vietnam Private labels started introduced by Metro Cash & Carry , who have developed many line Private Brand commodities such as Fine Food, Aro, Horica, Sigma and . Unluckily, private brand did not receive attention of customers in Vietnam for the first time they enter in the markets. Only until Vietnam fell in economic inflation, Coop.Mart achieved their success in providing private brand merchandises with favourable quality at cheap price. Then, the PBs start booming in retailer market. Thanks to their own advantages on their widespread distribution channels large consumer base. , private brand sector is predicted to grow far further more. private brand can open serious competition between national brand manufacturers and retailers in the market. This is a fact that private brand is a game of big supermarkets with their famous ‘ reputation besides a wide distribution an deep knowledge of customers perception. Retailers likes Big C , Coopmart makes commitment that they provides private brand products with same quality as national brand but price is cheaper about 20 to 30 percentage. In case of their prices is equal, they will offer bigger package or promotion gifts. In VietnamCoop Mart and Metro are now well known for providing the wide private brand portfolio wide about 160 products including rice, fish sauce, rice vermicelli, tea, egg, rice paper, ham, canned foods, chemical products, household appliances, and clothings. In addition, Following this trend in recent years, Big C started to join in private brand sector by building many new private brand brands under their trademark such as eBon ‘Wow Gia Hap Dan’ and Bakery Big C.,which gain a lot of attention and pleasurable comments of shoppers. It is recorded in Nielsen Global Private Label Report on November 25, 2014 that attitude of customers to private brand has been improved cross Asia Pacific (graph 1), accounting for74% over time and 84% of Vietnamese shoppers which is the highest level in the word perceived the reputation of private brand have been improved.

This private labels has just started in recent years but expected to flourish in the future, which has created many positive effects . However, from another point of view, National manufacturers have met many challenges when private brand enter in market. Some companies complaint that in order to bring their products into supermarkets, they need to give distributors higher discounts and suffer inventory costs and late payment .Saigon newspaper, it is reported a short interview with one CEO of a cosmetic company in Ho Chi Minh City It is said that his company receive some advantage from retailers at first but latter, the retailers begin replace their brand with retailers' brand. Sometimes retailers also ask National producers to reduce similar products to those that the latter were manufacturing for the former. According to Vu Vinh Phu (2012) (Chair of the Hanoi Supermarket Association), With the innovation of PB, a sad situation for national brand owners can be predicted. The products with supermarket private brands would pushed the products of the manufacturers away, while the real manufacturers would see their market shares narrowed and at the end, they have to leave the market. . However, if they produce private label products for supermarkets, overheads will not reach 10 percent. At the same time, supermarkets give priority for display of these products. Therefore, many companies are still involved in this business.

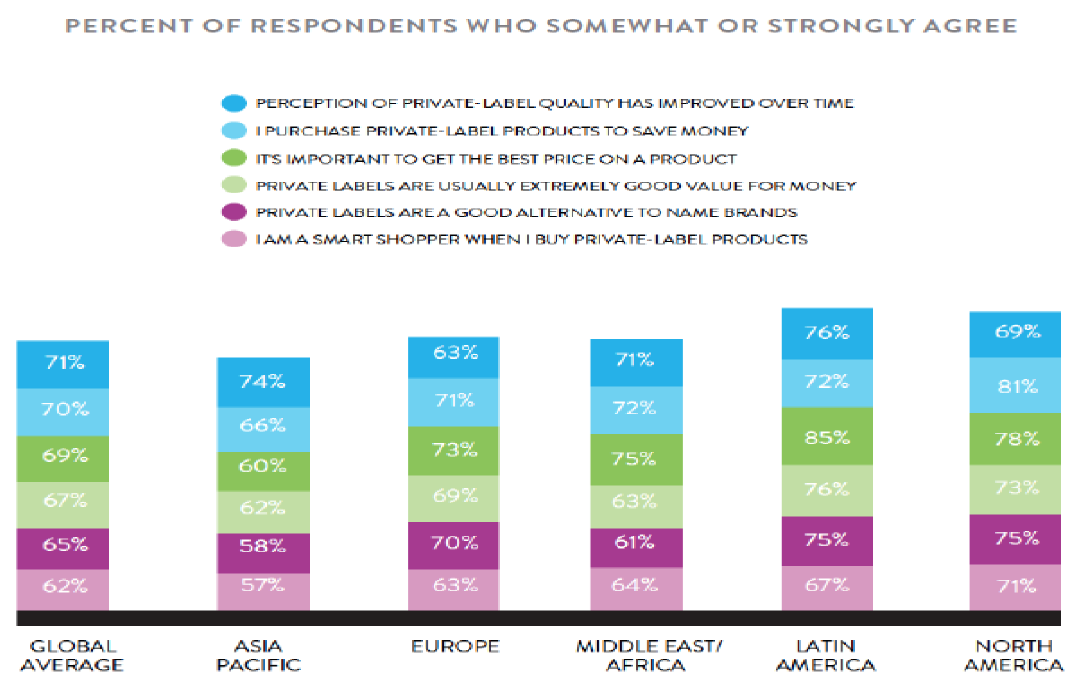


Figure1: Opinion of customers toward private brand around the world.

Resource: Nielsen report on retailer market (2013)

1.2.RATIONALE OF RESEARCH:

The quality of brand- name and private – label is used to be what the customers concern when they make purchase decision. Today, the retailers take an strict contract with the production company to ensure and monitor the quality standard of the product. Nielsen(2014), the global information and measurement company report the change of cognition of the customer on Private Brand. Therefore, the gap distance is narrowed down, the private brands have much better qualified than ten years ago. During tough economic inflation, Compare to national brand, the more affordable price with the similar function the reason why the Private brand are compelling shoppers .The demand for Private brand increase leads to the growth proving from the retailer like Metro, Coop-Mart, Big C. While the customers go to supermarkets, the appearance of national and retail- sponsor brand in parallel for nearly every category. With the flexible ability and can- do spirit Vietnam retailer have provide variety of private product that can meet the customers' huge need. This is the win- win situation that the customers get the useful product with the reasonable price and the retailer can have more benefit margin.

The topics involving investigating determinant impact private brand buy proneness have been long study in diversity context with many modified models. However, the numbers of research on private brand is still smaller compare to National Brand. In the recent period that private brand products receive highly recognition and more favorable attitude from customers, present moment is a good time to conduct the research to find out what can make the Vietnamese shoppers change their cognition. In most of previous research, It is usually mentioned that the low price is the most attract cue for customers to opt to PB. Major of retailers choose to set up low price as the prominent strategy by cutting down price. With unstop effort of retailers, The recognition toward the private brand has been in recently year. Therefore, in this study ,the purpose is finding out what are the factors make the customers have different thought like that and how the retailers and national national brandr and owners can focus on the main determinants to improve their own brands.

1.3 RESEARCH OBJECTIVE

The purposes of this thesis are to propose a model that integrates six determinants (price consciousness, price-, perceived price variation, and consumer innovativeness and brand concern) toward private brand purchase intention, and to test the model in Vietnam context. This study is identifying the strength and weakness of the Private Brand product and how the customers make decision to consume them. Thus, this thesis aims to attain these following objectives:

- To examine the overall performance of private brands in Ho chi minh City market
- To find out factors that have affect on customers private brand purchase intention

- To explore how the determinant factors effect on the private brand purchase intention.

- To give some recommendation to retailer to improve the feature of private brand in Hochiminh context.

Hence, with all those objectives, the research aims to answer these questions:

- Which factors affect the success of store brands in retailer store?
- How those factors have impact on customer purchase intention in Ho chi minh?
- How to improve the Private Brand product to meet customers' demand in Ho chi minh context?

1.4 SCOPE AND LIMITATIONS OF THE STUDY

Lacking time and human resources lead to difficulty to apply the research or to collect large data and to get more meaningful and accurate results. In addition, the financial resource and geographical barriers limit enhance the research in other region. Therefore, Ho Chi Minh City is a good choice to do the research because of the convenience and the common appearance of private brand in well-known supermarkets. The fast growth of retailer- sponsored products in Ho Chi Minh City is the potential condition to let Ho Chi Minh city become a good representation. The research will be conducted within 1 month included one week for focus group, one week for spreading survey and 2weeks for data analysis. Moreover, the input data collected in my paper could be not sufficient enough because of lack of official data. At last, there are many other factors affecting to the private brand purchase intention but the proposed thesis cannot explain all of them.

1.5 .THE STRUCTURE OF THE STUDY

The research is divided into five chapters:

CHAPTER 1: INTRODUCTION

In this first chapter, the research topic, the background and problem statement of general status of Private brand, and defines research objectives, research scope and limitations are introduced.

CHAPTER 2: LITERATURE REVIEW

Chapter two review previous researches and journal articles related to find definition of construct sand relationship with private brand buying Propensity investigated in this study .Last , the It finally provides the conceptual framework used in the research and the operationalization which details the measurement items.

CHAPTER 3: METHODOLOGY

Chapter three provides the research design, data collection procedure and data analysis method. Then, the measurement scale for questionnaire design and sampling methods are coded into items

Chapter 4: DATA ANALYSIS

This chapter aims at describing and presenting the findings and the results of the research, which including sample descriptive statistics, reliability test, exploratory factor analysis, Pearson correlation test, linear regression analysis, and path analysis to explore effects of factors of service innovation and perceived value variable on guest's return intention.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

This chapter consists of 4 sections – interpretation and discussion of findings from the analysis outcomes, drawing the conclusion from the research results, implication of the studying findings in hotel service organization, limitation of the study and recommendation for future research. The research project is then concluded by summarizing the whole project and evaluating whether objective of this research have been achieved

Chapter II

LITERATURE REVIEW

2.1. PRIVATE LABEL:

Private labels or retailer- sponsored products or Private brand are the brands that are marketed by the retailers and distributed in their own stores (Hoch and Benerji ,1993) . For instance, Wall mart has Presidents's Choice or Tesco Private brand. Since the Private brand appears, some studies have been conducted to identify the customer perception between the national brand and the private brand. There is two main points that make the private brand be different from National Brand, these are,(1), the exclusive sold in stores can be a effect on the consumers' perception about PBs and (2) the less advertisement outside the distributed stores (Diallo mbaye, 2009).

private brand is considered as the competitive strategy of the distributors to the National Brand product. If the retailers can push the Private Product sales, the more profit margin the retailers get back, which leads to the growth of their ability to compete (Glynn ,2010).. However, because the private brand product usage is a presentation of retailer loyalty, it means that both kinds of products (national brand & Private Brand) are sold at the high volume (Glynn ,2010). Therefore, the effect can prevent the retailers from using predator price discount or an ever escalating need to respond to competitive price pressures (Richardson et al, 1996). That why the retailers must focus on to improve their brand image in customers' mind by manipulating the tangible and intangible value to differentiate from other competitors.

***The role of Private brand to retailers:**

There are countless reasons why retailers are in favor of promoting PB. Private brand not only brings back profits to retailers but also develops bargaining power and distinguishes themselves from other chain supermarket and improve store loyalty (Ailawadi, 2001).

The main reason for retailers' favorable attitude toward private brand is the significantly higher profit received from selling private brand over national brand. Morris's research (2002) recorded double margins that Private brand bring back. The similar evidence was found in (Hoch and Benerji ,1993), selling private brand has resulted in higher from 20 to 30 percent of profitability than from selling national brand. Similarly, if the retailers can encourage customers switch from 2 national brand to two PB, the profit increase by 55%for retailers. Moreover, the success of private brand can promote the negotiation power when they make a deal with national brand manufacturers. The retailers have more choice to get profits in these days rather than in the previous period. Thus those retailers can gain some bargaining position because they are more active in generating margin by launching their private brand instead of only dependence on national brand sale volume. The Retailers with high private brand get more profit on national brand by bargaining with National manufacturer to have lower price for national brand merchandises (Ailawadi, 2001; Steiner,2004) . Moreover, beside the bargaining power, private brand is considered as an instrument to generate store loyalty and store difference from other retailers and National manufacturer (Dick et. Al1995 ; Miranda and Joshi ,2003 Steen kamp and Dekimpe, 1997). Corstjen and Lal (2000) indicated that customers' consumption on Private brand is positively associated to store loyalty.

***The role of National brand to National Manufacturer:**

The growth explosion of private brand is now becoming dangerous threat to national manufacturers. Burt 's work (2000) suggested that private brand change from inferior quality with low price to "equal- to national-brand " status. in the past , national manufacturers and retailers had separated strategy to run their business . National brand owners concentrate on differentiation and quality strategy while retailers go straight to low- price strategy (Verhoef et al ,2002). Therefore, the existence of private brand is not supposed as a serious concern until retailers follow the techniques which are usually used in leading national manufacturer (De nitto,1993).

Private brand growth causes deathly challenge to national brand. The retailers take advantage of owning their shelf space to cut down the available space of national brand for their own private brand (Narashimhan and Wilcox ,1998, Sligman ,1995). Furthermore, national brand owners lose their superior positions when they negotiate with retailers on both whole sale price and retail price (Ailawadi , 2001). while major problem is that the quality of private brand is identical or nearly equal to quality of national brand. That is the reason why private brand could be regarded as a satisfied brand alternative with such low- price for similar level of quality with national brand. Therefore, national brand manufacturers worry that the look – like attributes from shaping , label to favour, graphics , color (Kapferer, 1995) and craven make customers fell confuse.

2.2. PURCHASE INTENTION:

Consumer purchase intention is considered as a subjective inclination toward a product and can be an important index to predict consumer behavior (Fishbein & Ajzen, 1975).Grewal et al (1998) also showed that purchase intention is the likelihood that a consumers will buy a particular product resulting from the interaction of his or her need for it, attitude towards it and perceptions of it and of the company which produces it. Zeithaml (1988) uses possible to buy intended to buy and considered to buy as measurement items to measure purchase intention. Sometimes, It is also defined as the degree of willingness to buy some products. .(M. Bird and A. Ehrenerg ,1966). Bird and Ehrenberg indicated that “Intentions-to-buy have been explicitly described as summarizing consumers' attitudes to different brands in a product field.”. In consumer s’ behavior, consumer decision making has the main role and it is depend on many different determinants (M.R. Solomon, 2012). Understanding customers made buying decision can give the accurate strategy to persuade the customer to buy the products. That is the reason why this thesis is conducted to give the marketers what can affect the customers' decision and choose the way to improve their own Private brand products.

2.3. PRICE-QUALITY ASSOCIATION:

The influence of price and quality on shoppers' purchase decision has been deeply discussed and analyzed in many previous study (Finay, Hackman, and Schwarz (1996), Lambert(1981), Rao and Monroe, 1988). Lichtenstein et al., (1993) defined that Price-quality association is the term that when the product quality is positive relation to the high of price. It means that the consideration of quality is not in absolute term but positively associated to the charged price for each kind of the product. Following this conception, the higher price products are charged, the higher quality of products are viewed (Wheatley, Chiu and Allen,1982). Similarly, The products with lower price leads to inferior quality of products because the low price are linked to some functional problem coming up then consumers indicate it as an unsatisfied quality(Burton et al. (1998)).

In some Private Product researches indicated that an assumption about the positive relationship between price and quality level impacts directly to consumers' Private Brand purchase propensity (Wolinsky(1987)). Price –quality association can make the negative affect on the PLB propensity (Burton et al., 1998; Garretson et al., 2002). Thus, the low price may only drive inferior quality perceptions of PLB products (Richardson et al., 1996) so shoppers who want to limit potential risk switch to higher- price products rather than keep using low- price ones. Thus, The less consideration on the price-quality association, the more positive the attitude on Private Brand and the higher the purchase intention of PLBs(Ailawadi et al. (2001), Burton et al. (1998)and Garretson et al. (2002)). In conclusion, the low price strategy applied by retailers may not efficient for all customers segmentation especially the case for shoppers who assess the quality of Private brand by price.

On the other hand, there are some exceptions that customers do not rely on price- quality association to make buying decision. They are the shoppers who understand that the low budget for advertising in retailers contribute to low- price of private brand even though the quality of Private brand and national brand is identical (Kleppner, 1979).

However, generally, in most researches indicated that the customers who rely on the impression of price level to define the quality of merchandise (Erickson and Johansson (1985)) are less likely to buy PB. Therefore, customers who use price as indicator for quality deny buying private brands so hypothesis is proposed as followed:

H1: price –quality association negatively affects to private brand purchase intention.

2.4.CONSUMER INNOVATIVENESS:

Consumer innovativeness was categorized into two definitions which are the seft-assessment process (ie. the degree to which an individual makes innovation decisions independently of the communicated experience of others)and buyer novelty seeking (i.e., the ambition to find and learn more about the new product knowledge)(Kenneth (1995)) .In my research, This research just focus on the second definition – buyer novelty seeking.

Consistent to above notion, Consumer innovativeness is a term that a person who accepts the new things sooner than other people in the same society (Rogers (1983)). In Steenkamp ‘s study (1993) ,the consumer innovativeness means that the customers tend to switch to use new products on the market rather than remain with the goods that they has used previously. The early new product acceptance depends on the level of consumer innovativeness (Goldsmith et al., 1995; Im et al., 2003; Midgley and Dowling, 1993). For example, the customer innovative predisposition leads to favorable attitude toward internet shopping. However, the relationship between the consumer innovativeness and the private brand buying propensity has not received much of attention from the marketing researchers. Jin and Suh (2001) mentioned that one of factors which are not inclusive in previous studies of consumer attitude and private brand purchase intention is innovative decision by shoppers. In developed countries, innovation factor has little impact on customers' decision (even though there are some new product areas and other especial private brand beside traditional grocery types) (Yong Gu Suh,(2005)). Howerver, in market such as in Vietnam where private brand reputation is still not significant, the customers still fell curious and take some risk when they buy private brand even more customers know and buy own- retailer brand. This new determinant was applied in the model of research on the Korean market(Yong Gu Suh,2005). After conducting the study, his conclusion is the more innovative the Korean customers are, the more favorable purchase intention on private brand they have.

H2: The consumers' innovativeness positively impacts on private brand purchase intention.

2.5.STORE IMAGE

The definition of store image was introduced as the way in which the customers use the functional qualities and the psychological attributes to create picture of the store in their mind (Martineau (1958)). While Ailawadi and Keller, 2004 and Zimmer and Golden, 1988 had slightly different perception that each retailer creates specified images and the image is formed by the association of diversified attributions consist of quality of merchandise, services offered by store, shopping environment and finally product assortment. James et al. (1976) had same way to express a concept of store image as ''a set of attitudes based upon evaluation of those store attributes deemed important by consumers.''. In addition, the retailers' physical environment and the quality of the service also impact on the customer's buying decision. The store image is built by multi-attributes from the service and product quality to store's shopping environment (Grewalet al. (1998)). Similarly, the store image consists of all aspect from the environment of the store (Richardson et al., 1996) to the quality of the goods and the level of the service in the store (Baker et al., 1994; Zimmer and Golden, 1988). These are some cues that the customers use to assess the private brand products to make the decision whether private brand products should be bought or not. For example, the Harrods creates the premium private brand products while Sainsbury and Tesco are famous for the cheap and qualified products and Aldi just only concentrated on the low-end private brand product (Fitzell, 1992).

More importantly, JanjaapSemeijn et al. (1998) gave idea that private brand is evaluated as the high qualified products when shoppers think the stores be well. The store image is considered as a cue that the customers use to indicate the quality of private brand product (Dick et al. (1995)). Dawar and Parker (1994) also found that a store image is one of the determinants to superior product quality. The reason is that a good store image is a strong proof for high quality provided by private brand products and an assurance for the usage benefits when customers purchase store brand Dawar and Parker(1994)). The retailer image is a key component of store equity since it is such a prominent time and requirements of heavy financial budget invested the retailers to build a pleasurable of store image in consumer minds. Thus, the store image is an essential ingredient to set up customers' confidence when they choose private brand merchandise. Consequently, the consumers have more favorable quality perception to private brand displayed in a superior –image than in an inferior –image store.(Yongchuan Bao 2010). Following this line of reasoning, shoppers tend to buy more private brand once that category of products serves less financial and physical risks. Aaker and Keller (1990) confirmed in his study that the strategy to achieve the private brand acceptance of customers is transferring the store equity to PB. Moreover, the store image can be supposed the strongest cue to have a quick judgment on the Private brand in the case the consumer are not acquaintance to that brand. Thus, a store image has a positive influence on consumers' purchase intention of products manufactured by supermarkets (Huang Vogue 2011) .It was also reconfirmed that The store image affect positively on the Private brand purchase intention of customers (Dodd et al., 1991; Grewal et al., 1998). In conclusion, this research proposed H3 hypothesis.

H3: the store image positively impacts on the customer purchase intention.

2.6. PRICE CONSCIOUSNESS

Miranda and Joshie (2003) found that the price- consciousness customers use the price as a central cue to making the purchase intention decision. While slightly different definitions have been given to the term price consciousness, this study defines it as: “a price-conscious shopper is a person who focuses exclusively on paying low prices” (Lichtenstein et al., 1993, p. 235). It usually refers either to the price elasticity of demand or to the price hazard rate of demand (Robin Raffard, 2008).

In some studies, the price consciousness is one of the attitudinal features of private brand consumers because the price of private brand products compared to the national brand producst is quite less expensive. Raju, Sethuranman and Dhar (1995) indicated that the cheaper price of private brand products compared to national brand products is one of the key factor to encourage the sale level of PB. The same idea was supported by Bruton et al. (1998), which is that the lower price can be linked positively to the private brand share. Thus, The low price of the private brand attracts more shoppers to choose the Private brand (Raju ,Sethuraman and Dhara 1995). For example, this idea is supported by Dhar and Hoch (1997). He defined that the larger price distance between the national brand and the private brand, the more positive effect on the private label purchase intention. Hence, the price is one of the most important criterion to buy the PLB products (Burger and Schott, 1972; Burton et al.,1998; Sinha and Batra, 1999). In the study of Batra and Sinha (2000) It is also showed that price consciousness is the most important reason that can persuade the customers to buy the private brand products. . Most studies including price consciousness as one of a factor affecting on the private brand purchase intention has consistent results with Batra and Sinha (2000).

Even though the common findings were supported the assumption that the price consciousness is as the strongest cues impact on the customers' private brand purchase proneness, some researchers think other factors likes preference is much more important(Baltas 1997 and Doyle 1998). Miranda and Joshi (2003) found that the quality need is more essential the low price need when customers buy PB. Hoch and Beneji(1994) agreed with results that the private brand buying propensity correlates strongly to quality.

However, most of research papers on private brand shoppers show the same results. That is private brand buyers show more favorable attitude to paying the low price rather than National brand buyers (Orma 1996). Consistently, The customers who opt to private brand products rather than National products tend focus to pay lower price(Burton(1998)).It is likely to have conclusion that The private brand consumers is more price consciousness than National consumers (Rothe and Ramon(1973)). Ailawadi et al (2001) showed that the cost- related benefits like price consciousness is the main factor effect on the success of price brand. In the research of Myer (1967) , private brand buyers purchase products on the price base. The consumers buy more private brand product in product class if they are more sensitive to the price (Raju et al. (1995)). When the price of Private brand is higher, it reduces Private brand share (Ashley 1998). The consumers who want to spend less for shopping have favorable attitude to buy private brand products. The same result also can be found in the case between the customers in UK and US (Erdem et al. (2004). He indicated that the Uk consumers with higher price sensitiveness is the reason for the more success of Private brand in UK than in US .The hypothesis is proposed as:

H4 : the price consciousness positively effects the private brand purchase intention.

2.7.QUALITY VARIANCE:

The quality of product is assessed on some intrinsic dimensions such as : taste, texture, aroma, reliability of ingredients, nutritional value, and overall quality (Bellizzi etal., 1981; Cunningham et al., 1982). In earlier researches, they gave ideas that Perception quality differently is linked positively to the perceived risk when customers choose the low quality of products and then they meet some problematic attributes of products.

Similarly, Quality perception is supposed to be a key indicator to perceive risk and an important role in purchase decisions (Barneji 1993 and Richardson et al 1996). Customers feel more uncertainty and risky when they perceive the quality inconsistency among the store brand and national brand. This risk perception involved in private brand usage can prevent shoppers from being willing to buy that products (Erdem and Swait 1998). Despite of the retailers' effort to improve the quality of private brand products, the perception of customers toward the quality of private brand products is still doubtful (Dicke et al (1995). Thus, to increase private brand share, the retailers must determine quality as an significant important element.

In addition, there is a strong support that if the customers perceive quality variance between the private brand products and Nation brand products , it is likely that buyer has a negative evaluation of private brand products in that category. Agreeing to this concept, Steenkamp and Dekimpe (1997) suggested that the private brands have better chance to encourage buyers' desire for private brand if there is a high quality consistency among store brand and National brand. This notion is supported by Semejin et al. s' study (2004) which found that the lower variance toward quality level among different brands, the greater chance that the private brand will be chosen. To be more specific, the private brand in UK is more successful than in US because the private brand buyers in UK perceive smaller difference of quality compare to buyers in US (Erdem et al. 2004). In conclusion, the relative quality of private brand products to national brand products is evaluated as a critical elements to achieve the success of retailers (Hoch, Benerji, 1993; Miranda and Joshi, (2003),Steenkamp and Dekimpe, 1997).

More importantly, Batra and Sinha (2000) noted one outstanding finding that the quality variance does not directly impact on private brand buying proneness even though they suggested that it is a direct relationship at beginning of their research. In their study, the influence of quality on private brand purchase intention is mediated by purchase- mistake consequences. The quality variability perceived by shoppers raises the likelihood of causing a buying mistake so it reduces consumers' buying proneness. Thus, Quality variance can be the essential indicator to assess the probability of making wrong purchase decision (Batra and Sinha (2000).

However, Hoch and Baneji (1996) pointed out that the quality gap between Private brand and name brand directly impact shoppers' desire for PB. Their finding showed that private brand brands have a better chance to succeed in categories where their quality variability is low, i.e. competing brands do not vary much in terms of quality. Similar result is that when the customers recognize the huge distance between the quality of the National brand and private brand products, they will choose to minimize the financial risk by choosing national brand products rather than the private brand products (Richardson, Jain and Dick 1996). Agreeing to this concept, Huang &Voges(2011) suggested that the less customers view difference between private brand and national brand quality, the more private brand products will sold .Therefore, When quality of national brands differentiate from PB, the retailers should arrange the position high quality private label closer to a stronger national brand, and a low qualified- private label should be put closer to a weaker national brands on the self. (Choi and Coughlan (2006)). Thus, H4 hypothesis is proposed as:

H5: Consumers are more prone to buying private label brands when they perceive lower variability in quality across brands.

2.8. BRAND CONCERN:

Brand is commonly known as extrinsic cues to inform customers about quality perceptions and represents aggregate information about a product (Richardson, Dick and Jain 1994). Agreeing with this perspective, Dell Bitta, Monroe and Mc Ginnis (1982) indicated that strong brand can help to control perception of quality. Dodds (1991) showed that brand have positive impact on quality perceived. Dick, Jain and Richardson

(1995, 1996) found that compared with those consumers who purchase manufacturer brands, consumers who are likely to purchase private brands have lower brand concern. Brand concern is defined as an impact of brand of merchandise on customer purchase intention. When customers have high brand concern, they tend to buy their familiar brands or famous brands (Huang &Voges, 2011). Moreover, Paula Cristina Lopes Rodrigues s' research(2011) claimed that if brand is well- known , it can help the consumer recognise and choose the products. In addition, consumers are willing to pay more for product with perceived quality and trust brand. Brand concern factor has three elements such as well- known brand, familiar brand and trust brand. Therefore, H6 hypothesis is proposed as followed:

H6: Brand concern is negatively related to the propensity to purchase private brand products

Table1: summary hypothesis

Hypothesis
H1: Price sensitivity is positively related to the propensity to purchase private brand products.
H2:Perception quality difference is negatively related to the propensity to purchase private brand products
H3:Store image is positively related to the propensity to purchase private brand products
H4: Customer innovation is positively related to the propensity to purchase private brand products
H5: Price-quality association is negatively related to the propensity to purchase private brand products
H6: Brand concern is negatively related to the propensity to purchase private brand products

2.9.THE SUMMARY OF LITERATURE REVIEW:

Table2:

Customer factors	Findings	Authors
Price consciousness (Price sensitiveness)	*The price consciousness has a positive relationship to private brand attitude and purchase proneness. *The private brand share is higher than National brand in category where the customers focus on paying low price.	Erdem et al (2004) Ailawadi et al.(2001) Batra and Shinha (2000) Burton et al (1998) Baltas and Doyle(1998) Omar(1996) Burger and Schott(1972) Baltas et al.(1997) Myer(1967)
Price- quality association	*The price- quality association is negatively associated to private brand purchase and usage.	Burton et al (1998) Garretson et al(2002) Wolinsky(1987)
Quality variability	*The lower quality variance between private brand and national brand is, the more private brand products are bought. *The Private brand is perceived to have inferior quality than National brand. *Quality variance is one of the most important to create the success of PB. * the sale volume of private brand increases in category where there is low or no difference in quality .	Ailawadi et al.(2001) Bellizi et al(1978) Cunningham et al(1978) Dick et al(1982) Dunn et al (1986) Erdemet et al (2004) Richardson et al (1994 and 1996)

	*The effect of Quality variability on private brand purchase propensity is indirect and mediated by other factors.	Batra & Sinha (2000) Omar(1996) Rothe and Lamont(1973)
Store image (Richardson et al., (1996))	*The store image is evaluated as one of the considered cues that the customers use to indicate the quality of private brand products. *A store image has a positive influence on consumers' purchase intention of products manufactured by supermarkets .	Liljander, Polsa and Riel (2009) Martineau (1958). James et al. (1976) Richardson et al., (1996) Baker et al.(1994); Zimmer and Golden(1988) Baker et al., (1994) Zimmer and Golden (1988) Dodd et al.(1991) Grewalet al.(1998) Huang Vogue 2011
Consumer innovationess (Yong Gu Suh,(2005)	*Consumer innovativeness is the terms that a person who accepts the new things sooner than other people in the same society. *the more innovative customers are, the more favorable purchase intention on private brand they have.	Rogers (1983) Steenkamp 's study (1993) Midgley and Dowling, 1993 Goldsmith et al., (1995) Yong Gu Suh,(2005)
Brand concern (Dick, Jain and Richardson	* compared with those consumers who purchase manufacturer brands, consumers who are likely to purchase	Dick, Jain and Richardson (1995, 1996) Huang and Vogue (2011)

(1995, 1996))	private brands have lower brand concern.			

Review previous research:

Table 4:

Author	Focus	Sample	context	Product
Mbaye Fall Diallo (2013)	value consciousness, store image perceptions, and SB price image on private brand purchase intention.	600(February 2010(250 questionnaires)&April(350questionnaires).	French	different product categories
Lisa McNeil (2010)	Experience factor(Qualitiy, perceived difference, Situation factor, personal factor… on preference for PB	Qualitative study (12 households)	New Zealand	food products.
Loise Wyma (2013)	Factors: quality conscious, store and brand loyal; conformist; price-conscious planner; storage space; time and financial constraints … impact on consumers; preference for private brand and National brand	620 respondents	South Africa	food products
Mbaye Fall Diallo.	Effects of store image and store brand price-image on store brand purchase intention.	379 respondents	Brazil	different product categories

(2012.)				
Mark S. Glynn (2010)	quality variability, price consciousness, price quality association and brand loyalty influence consumer proneness to buy PLBs	650 respodents	New Zealand	different product categories

2.9. CONCEPTUAL FRAMEWORK:

Drawing on Mark S Glynn research, the impact of 3 components of quality variability, price consciousness and price-quality association on the private brand buying proneness will be reexamined in this research .Mark S Glynn found that the rise of private brand occurs in category when customer seeking for lower price or there is small gap across brands and customers perceived price-quality association. As reviewed in previous section, private brand studies also support this perspective. In addition, the current study adds more factor likes brand concern, consumer innovativeness and store image. To measure the "propensity to purchase" private brand name, the model of Huang and Vouge is applied for factors likes , brand concern, store image .In addition, Consumer innovativeness in model Yong Gu Suh (2005) is used as the determinant in the model used in this thesis. After studying the previous research (Huang and Vouge (2011)) and (Yong Gu Suh(2005)), It is indicated that above- mentioned factors are important cue to make private brand purchase proneness. Other private brand researches of customer

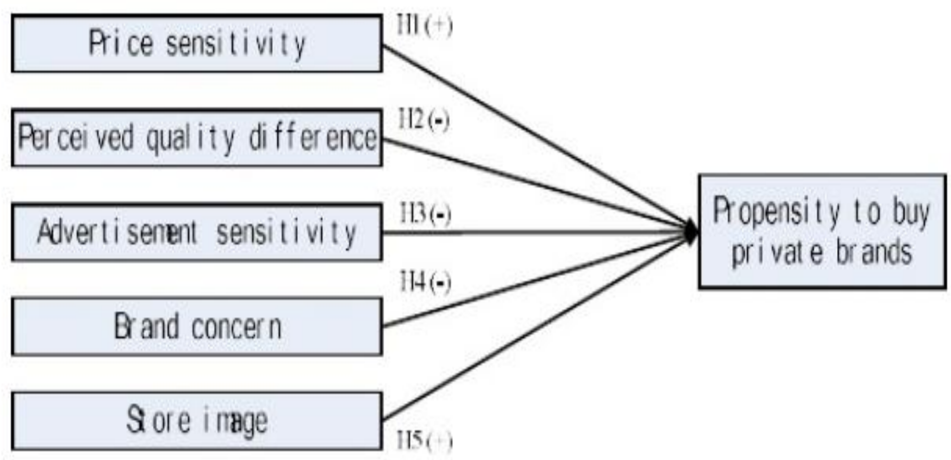


Figure2: Huang and Vougue conceptual framework model (2011)

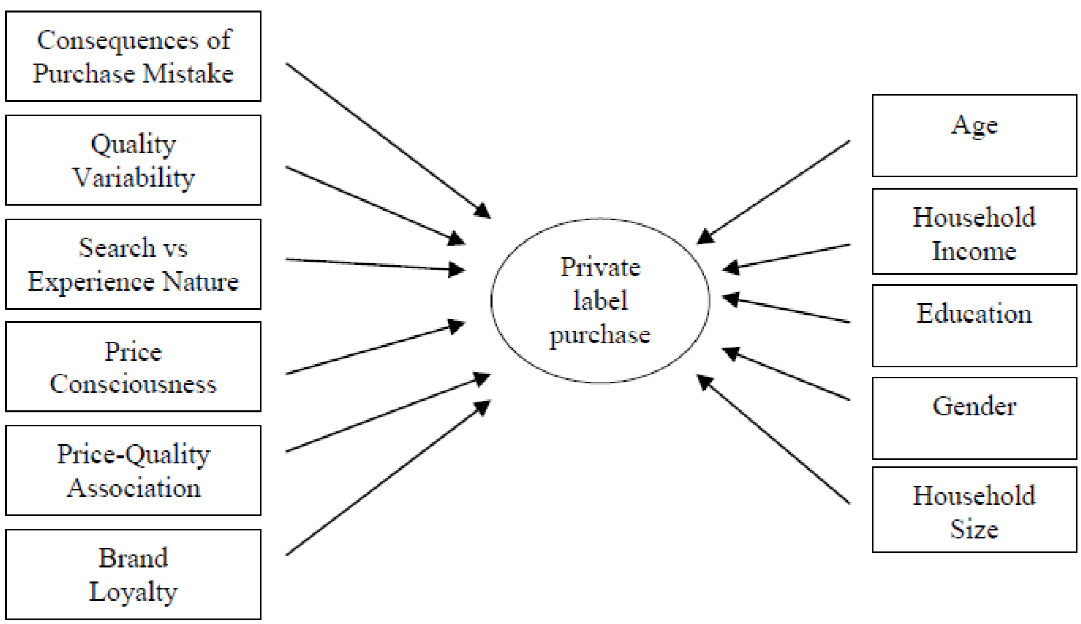


Figure3: Mark S Glynn conceptual framework model (2010)

factors also support these findings. Therefore, after extending the Mark S Glynn s' and combine with some new factors, the new model is proposed as follow:

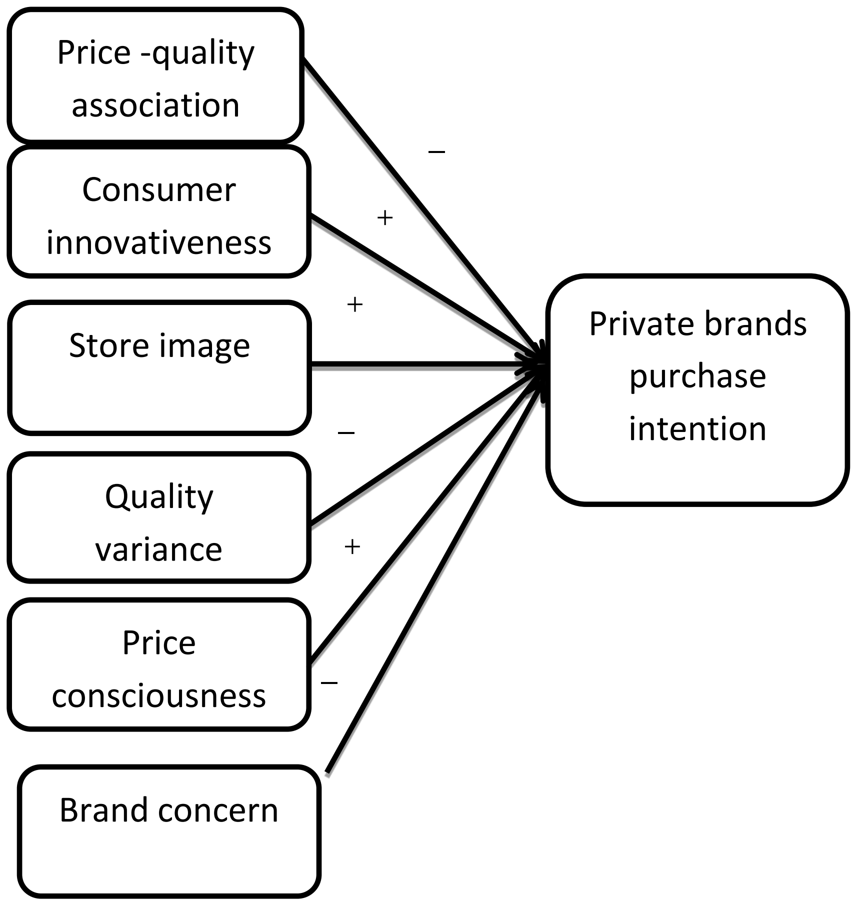


Figure4: Proposed model

CHAPTER 3

RESEARCH METHODOLOGY

3.1. RESEARCH METHOD:

Quantitative methods is the main method in this research. First of all, the questionnaire is designed by theory. Then in the pilot process, customers also contribute their options in the survey in order to complete reasonable survey. After that, questionnaires are distributed to customers. However, in the questionnaire, there is one question to help customer give more recommendations and in-depth thinking about Private Brand Products. The collected data is analyzed by SPSS (Statistical Package for Social Science) software version 20.0. Finally, the finding and result will be support for last conclusions and recommendations..

3.2. PILOT TEST:

To do the pilot test, face- to- face interview as qualitative method is used to get information of 15 random participants. By this method, researchers are able to test whether the questions are acceptable or are required to revised and improved to make them easily understand for respondents. Six men and nine women aged from 18 to 60 with different background that were recruited in a Ho Chi Minh . The advantage of this focus group is that all participants know each other well so that they felt comfortable to express their own ideas in a relaxed and friendly atmosphere. By this method, researchers are able to test whether the questions are acceptable or are required to revised and improved to make them easily understand for respondents.

3.3. SAMPLING METHOD:

Sampling is defined as element selection in a population and then researcher based on the results of sample to give conclusions about the whole population. The sampling methods are conducted because of various reasons such as : lower cost, greater speed of data collection and availability of population selection (Cooper & Schindler, 2009)

In this research, researcher uses probability sampling which is based on the concept of random selection .The probability sampling method used is simple random sampling – the purest form of probability sampling. To be more specific,

- ✓ Target sample: convenient sample.
- ✓ Sampling frame: there is no sampling frame because this survey is conducted by my friends at IU, friend lists on Facebook and email.
- ✓ Sampling pool: Consumerswho live in HCMC and are from 18 to 60 years sold and at least have one time buying the Private label products in supermarket.

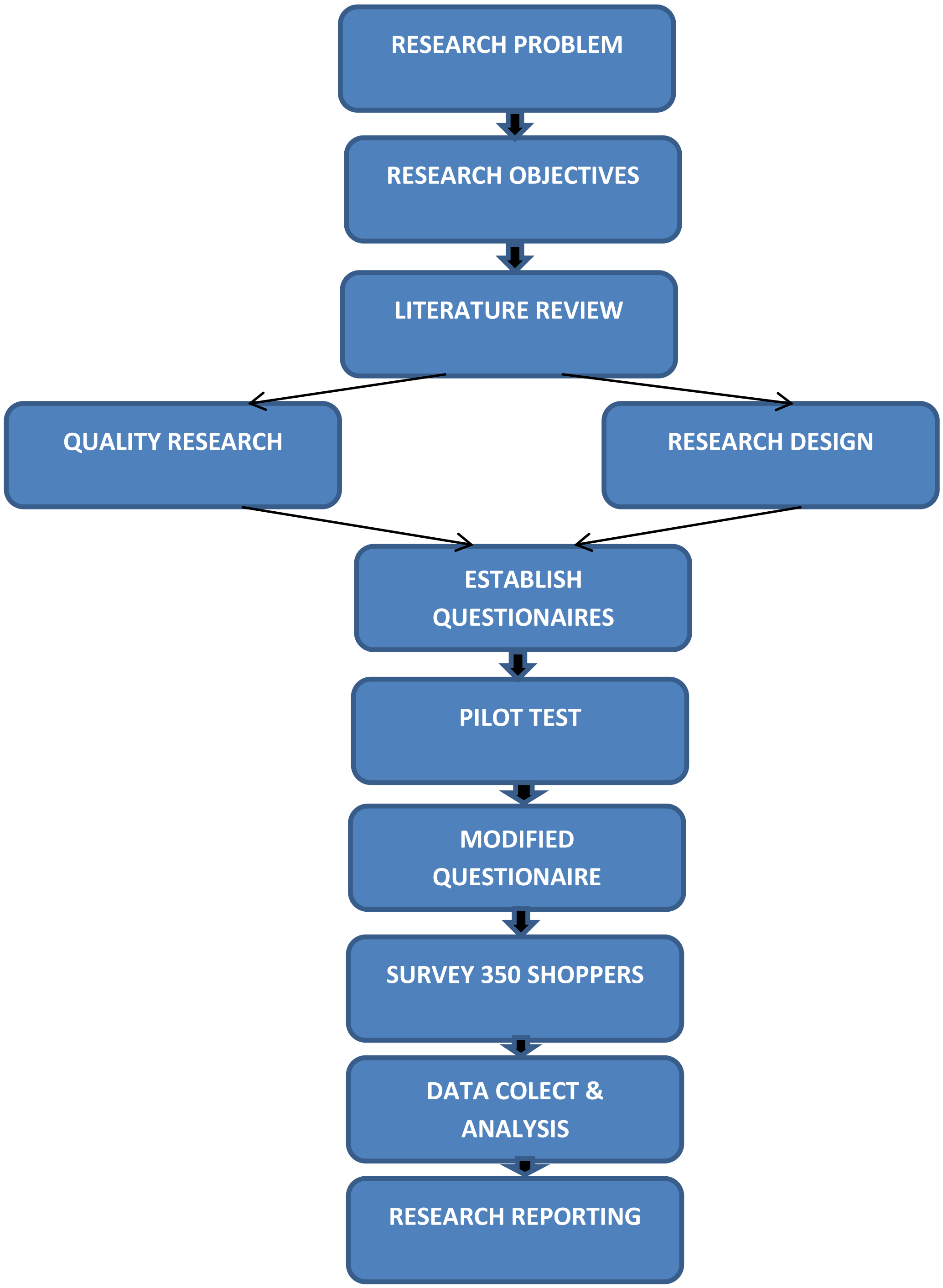
3.5.DATA COLLECTION METHODS

There are two categories: Secondary data and primarily data used to collect data.

Secondary data: secondary data from e- book and some studies online is collected to write chapter1- introduction and literature review.

Primarily data: is type of data collection method that is collected directly from first-hand experience by conducting surveys, observation or experimentation. In this studies, the structured multiple choice questionnaires in surveys by a 5-point Likert-scale was suggested to use as 1=Strongly disagree, 2=Disagree, 3=Neither agree or disagree, 4=Agree, 5=Strongly agree. are conducted to analyzed. The survey was distributed to 350 participants in all district in Ho Chi Minh City. Besides, some written questions, main of questions are typically multiple choices so respondents can choose the most appropriate answers in short

3.4.RESEARCH INSTRUMENT:


RESEARCH PROBLEM
RESEARCH OBJECTIVES
LITERATURE REVIEW
QUALITY RESEARCH
RESEARCH DESIGN
ESTABLISH QUESTIONAIRES
PILOT TEST
MODIFIED QUESTIONAIRE
SURVEY 350 SHOPPERS
DATA COLECT & ANALYSIS
RESEARCH REPORTING

3.6.MEASUREMENT SCALES:

All the questions in specific part are measured by five points Likert scale. 1 (strong disagree), 2 (disagree), 3 (neutral), 4 (agree), 5(strong agree). Here is the table of “scale and measurement”.

Table4:

Price-quality association (Lichtenstein et al.,1993)	The higher the price the better the quality	PRQ1
	Your get what you pay for	PRQ2
	Price is a good indicator of quality	PRQ3
	You always have to pay a bit more for the best.	PRQ4
Price consciousness (Ailawadi et al.2001)	I would always shop at more than one stores to take advantage of low prices	Price1
	I usually compare price of private label and national label before making decision.	Price2
	When price decreases, i purchase more private labels.	Price3
	I purchase private labels because of price promotions	Price4
	The money saved by finding lower price is usually worth the time and effort	Price5
	Price is the most important factor	Price6

	.	
Store image (Collins-Dodd and Lindley, 2003)	The arrangement of shelf in the supermarket helps me find private brand easily	SI1
	The interior decoration of this store let me feel pleasant atmosphere.	SI2
	The modern image of supermarket make me feel well when buying Private brand.	SI3
	This store provides variety of products.	SI4
	private brand is always available in the supermarket	SI5
Customer innovativeness (Yong Gu Suh (2005))	I frequently look for new products and services.	CI1
	I like magazines that introduce new brands.	CI2
	I often seek out information about new products and brands.	CI3
	I am continually seeking new product experiences.	CI4
Quality variability (Batra 2002)	The performance of National brand products is better than one of private brand products.	DR1
	National brand products have more	DR2

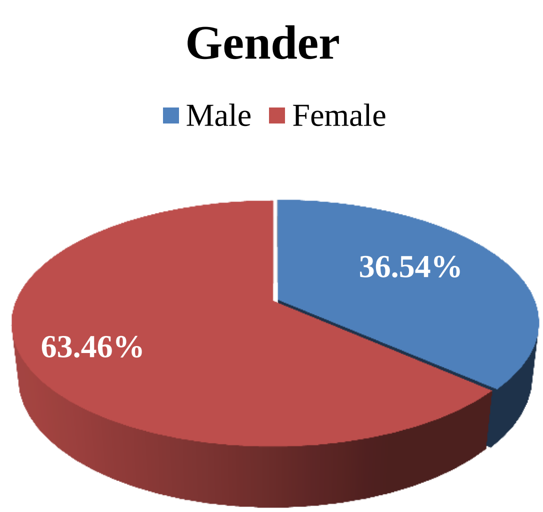
	functions.	
	National brand products have more beautiful package.	DR3
	National brand products have more aesthetic.	DR4
	National brand products have more attractive.	DR5
Brand Concern Grewal(1998)	I choose brand that is famous.	BR1
	I choose brand that is familiar.	BR2
	I choose brand that is trustful.	BR3
Purchase Intention (Batra 2002)	I am willing to buy PB.	PI1
	I want to buy PB.	PI2
	I consider buying PB.	PI3
	I will find private brand when I go shopping.	PI4
	I will buy private brand instead of national brand in near future.	PI5

CHAPTER IV

DATA ANALYSIS AND FINDING

4.1.DEMOGRAPHIC OF RESPONDENT

380 were distributed to the respondents by paper surveys. 360 questionnaires were returned back to the analysis process. After using the standard variation test to check the result, only 312 questionnaires are acceptable.



Firgue5: Gender of respondent

As can be seen from the pie graph, the Female respondents overnumber the male respondents, accounting for 63.46% and 36.54% respectfully. This feature shows that the sample representative the population of research because the females go shopping in supermarket more often than males.

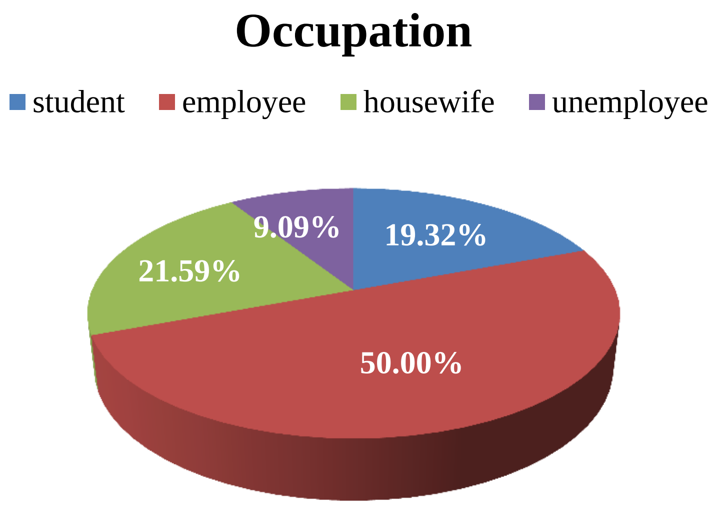


Figure6: occupation of respondents

The chart above reveals the respondent's jobs. As a result, the employees(176 respondents) makes up the highest portion with 50.29%(76 respondents). Less than haft was made up by the housewife , at around 22%. The students and employees take responsible for the less portion with 18.86% and 9.14% respectfully.

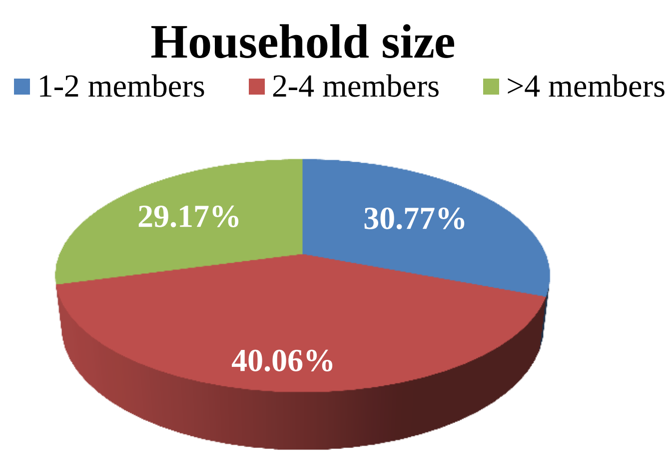


Figure 7: Household size of respondents

The largest percentage is the household with2-4 members with 69.9% (177) respondents, on the other hand, the smallest portion is the household with 1-2 members with 18%(64 respondents). The remain with 30% of total is made up by the household with over 4 members.

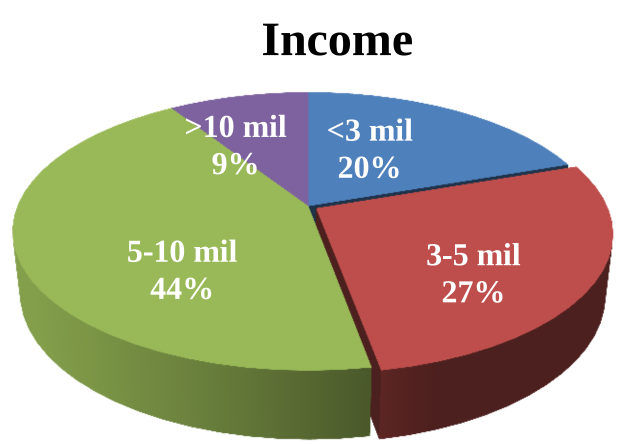


Figure 8 : income of respondents

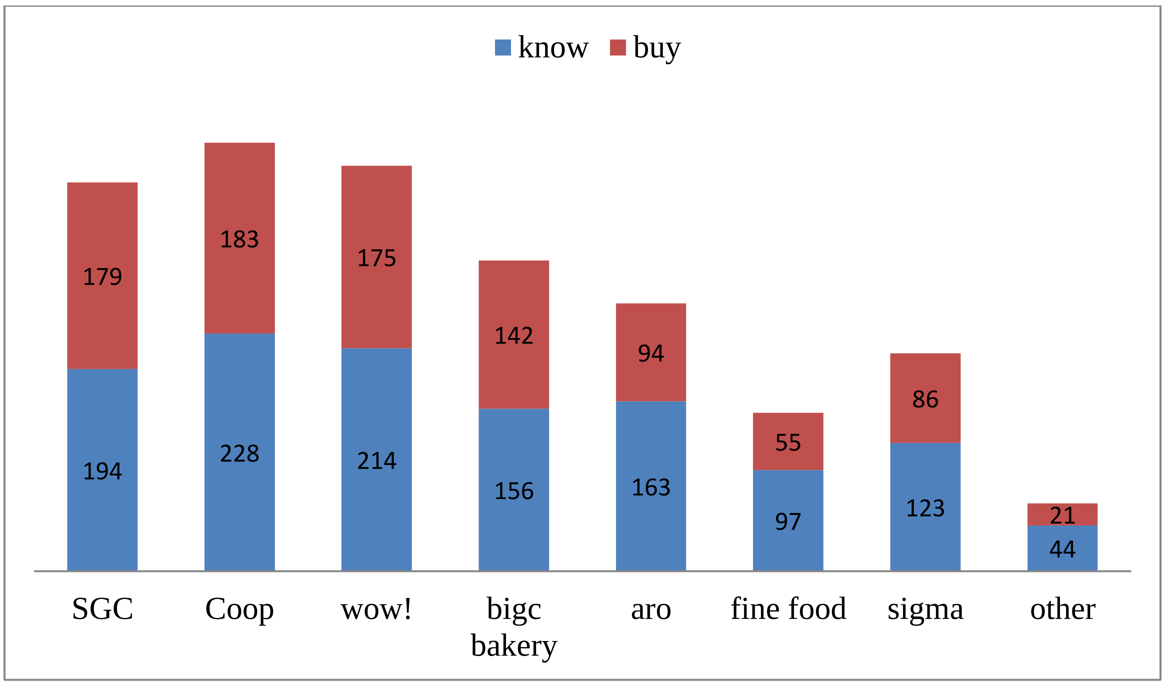
The income of respondents is one of a cues that show where the customers usually go shopping. It is common sense that if the customers having low income, they usually choose to go traditional market where price of products are less expensive about 20 or 30 %.While shoppers who have average income would go shopping in more superior shopping locations likes supermarkets or shopping mall and rich people tends to go to high –end shopping mall. By looking in this income graph and shopping location, retailers can know who are the main shoppers in their stores so they can develop the private brand with the quality that is satisfied their target customers. From the results, it is clear that over 90% customers have income from 3 to 10 and only 9% of overall respondents having income more than 10 million. Thus, retailers should concentrate on develop low-end private brand and basic private brand than premium private brands. Even though premium private brands gain some success in foreign market but it may not suitable for Vietnamese market because of low income.

Firgue9 : shopping Location of respondents

This column graph shows the percentage of total responses, which is equal to 165.7 per cent (517 answers). This is because respondents choose more than one options. In the previous years, customers are used to go shopping in markets instead of supermarkets .However, as can be seen from graph that customers switch to supermarkets (180 for supermarket and 170 for markets). Through these information provided by graph, supermarkets are now the best alternative shopping locations besides traditional market.

Therefore, if customers change their shopping behavior to go shopping in supermarkets, there are more chances for private brand to be purchased. Only 45 % of respondents say that they usually go shopping in shopping mall, which is consistent with assumption that the rich like to buy product in high –end shopping mall that I previously mention about.

Firgue10: private brand perception of respondent toward each type



	SGC	Coop	wow!	bigc bakery	aro	fine food	sigma	other
buy	179	183	175	142	94	55	86	21
know	194	228	214	156	163	97	123	44

Coopmart receives high recognition from customers (228 respondents now about it and 183 respondents has bought it). It is followed by Wow and SGC brand name. These results show that even Metro have more brands but their reputation on market is lower than Coopmart and Big C. The leading Private brand of Saigon Coop.mart is Coop while Aro is main private brand in Metro and Wow is the most famous brand of Big C retailers.

4.2. DESCRIPTIVE ANALYSIS

To have the summary of opinion of customers about their purchase proneness toward Private Brand and fluctuation in the way respondents answer, descriptive analysis is conducted. In descriptive test, Mean and standard deviation of factors are used to analyze. Specifically, mean is a average value of distribution. The standard deviation value is “ the average distance of a set of scores from the mean or average score”. The Descriptive statistic test help the researcher to understand the information collected. There are 35 questions related to 7 factors. The results of these questions are analyzed as followed:

4.2.1 Quality difference:

Table4: Descriptive Statistics of Quality difference:

	N	Minimum	Maximum	Mean	Std. Deviation
DR1	312	1.00	5.00	2.6154	1.14516
DR2	312	1.00	5.00	2.5545	1.25914
DR3	312	1.00	5.00	2.1667	1.13598
DR4	312	1.00	5.00	2.5513	1.21510
DR5	312	1.00	5.00	2.7532	1.10246
Valid N (listwise)	312				

As can be seen from above table a mean value of quality difference .In general, the mean of all items in quality difference is estimated as disagreement and neutral. Thus major of respondents see the private brand quality lower or no difference to the National brand quality. Mean of variables measuring quality difference have high difference (mean from 2.17 to 2 .75). The results show that *customers do not think the quality of private brand is significant different from National brand. This result is consistent with Nielsen report*

2014, that the quality variability among national brand and private brand in Vietnam has been reduced.

4.2.2 Price consciousness :

Table 5:Descriptive Statistics of Price consciousness:

	N	Minimum	Maximum	Mean	Std. Deviation
Price1	312	2.00	5.00	4.1282	.92286
Price2	312	2.00	5.00	3.9519	.85675
Price3	312	2.00	5.00	4.1891	.86713
Price4	312	2.00	5.00	4.0577	.86920
Price5	312	2.00	5.00	3.8301	.95560
Price6	312	2.00	5.00	3.8718	.90882
Valid N (listwise)	312				

Means of variables measuring Price sensitiveness have low difference (mean fluctuates from 3.87 to 4.18). Especially, the agreement level of three variables strike value greater than four. Agreement level of “Price is the most important factor” is the lowest value (3.87) among six variables of agreement. However, almost people agree that “ I usually compare price of private label and national label before making decision.”(4.13)and “When price decreases, i purchase more private labels.”(4.18). The high level of agreement on price consciousness factor means that *price is one of the most important factors when they go shopping*. The customers can pay more time and effort to get low-price products.

4.2.3 Customer innovation:

Table 6 :Descriptive Statistics of customer innovation:

	N	Minimum	Maximum	Mean	Std. Deviation
CI1	312	1.00	5.00	3.4295	1.27106
CI2	312	1.00	5.00	3.4551	1.20472
CI3	312	1.00	5.00	3.4551	1.19400
CI4	312	1.00	5.00	3.3301	1.16624
CI5	312	1.00	5.00	3.2981	1.24658
Valid N (listwise)	312				

Means of variables measuring “customer innovativeness” have low difference (mean fluctuates from 3.29 to 3.45). However, almost people more agree on “I frequently look for new products and services.(3.45).

4.2.4 store image:

Table 7: Descriptive Statistics of Store image:

	N	Minimum	Maximum	Mean	Std. Deviation
SI1	312	1.00	5.00	3.4679	.99465
SI2	312	1.00	5.00	3.2212	1.17823
SI3	312	1.00	5.00	3.2885	.87119
SI4	312	1.00	5.00	3.7596	.91253
SI5	312	1.00	5.00	3.4006	.77940
SI6	312	1.00	5.00	3.2917	1.08846
Valid N (listwise)	312				

Means of variables measuring “store image” have high difference (mean varies from 3.27 to 3.75.Agreement level of” The interior decoration of this store let me feel pleasant atmosphere” is the lowest value (3.28) among four variables of agreement. This requires retailers focus on the decoration in-door of stores. Normally, the supermarkets in HCM city likes Coopmart or Big C or Metro… do not pay attention on background of stores. They only concentrate on selling products rather than create the favourable shopping atmosphere .*Retailers in my research do not have sufficient budget for decoration so the decoration in stores is boring and unattractive. That is the reason why interior store receive the bad score.*

4.2.5. Purchase intention

Table 8:Descriptive Statistics of purchase intention:

	N	Minimum	Maximum	Mean	Std. Deviation
PI1	312	1.00	5.00	3.5705	1.06153
PI2	312	1.00	5.00	3.7564	1.04787
PI3	312	1.00	5.00	3.3750	1.04731
PI4	312	1.00	5.00	3.4327	1.07976
PI5	312	1.00	5.00	3.6635	1.08729

This table presents the descriptive statistics of all variables. The mean scores of 5 items are shown in this table. Customers are willing to buy Private brands even the statistic number is really high (in the range off 3.4 to 3.75). The retailers need improve private brand characteristic and stores to sale more private brand commodities.

4.2.6 Price Quality association

Table 9: Descriptive Statistics of price- quality association:

	N	Minimum	Maximum	Mean	Std. Deviation

PRQ1	312	1.00	5.00	3.9263	.82817
PRQ2	312	1.00	5.00	4.1090	.86796
PRQ3	312	1.00	5.00	4.0641	.87978
PRQ4	312	1.00	5.00	3.6058	1.19553
Valid N (listwise)	312				

The table shows that customers agree highly on price and quality factor with high level from 3.6 to 4.1. This means customers see the price is a cue to assess the quality of the product. This mean that if they accept that if they want to buy high quality products they need to pay more money than when they buy low quality of products.

4.2.7 Brand concern:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
BR1	312	1.00	5.00	3.7019	1.05672
BR2	312	1.00	5.00	3.9551	1.04154
BR3	312	1.00	5.00	3.4103	1.01672
Valid N (listwise)	312				

This is a good results, the brand concern toward Private brand receive a good perception from customers. Even though the point on trustful level of private brand is still not very high, brand of Private brand in recently years has gained the attention of customers. They quite famous on the market with the agree level 3.95. The retailers should make customers more believe in their brand to have well- rounded brand for private brand.

4.3 RELIABILITY TEST

To test the internal consistency of the measurment, the next step is applying Reliability test. In SPSS, the higher cronbach alpha value indicates the better reliability. The corrected –Item correlation is used to exam the correlation level of each item to total score. Value of crobach alpha should be larger than 0.3 so the item is supposed to consistent to the whole scale (Field(2004) and Pallant(2007)). To know the impact of distracting any items to the sub- scale, the " Cronbach alpha if deleted" column should be look at (Lemmens (2010)). The items with larger cronbach alpha if deleted compare to overall cronbach alpha should be removed from the item list for the next analyzing steps.The meanings of the cronbach alpha is summary in the below table :

Cronbach 's alpha	Internal consistency
$\alpha<0.5$	Unacceptable
$0.5\leq \alpha\leq0.6$	Poor
$0.6\leq \alpha\leq0.7$	Acceptable
$0.7\leq \alpha\leq0.8$	Good
$0.8\leq \alpha\leq0.9$	Excellence

4.3.1.Quality difference:

Reliability Statistics

Cronbach 'sAlpha	Cronbach 's Alpha Based on Standardized Items	N of Items
.791	.789	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach ‘s Alpha if Item Deleted
DR1	10.0032	11.656	.668	.456	.719
DR2	10.0641	11.333	.622	.412	.734
DR3	10.4519	12.499	.548	.318	.759
DR4	10.0673	11.883	.577	.344	.750
DR5	9.8878	13.881	.439	.199	.789

Table 10: Item-Total Statistic of Quality Difference

This item set for quality difference factor is highly internal consistent, with a high Cronbach ‘s alpha level (0.759) and all items above has good corrected item- total correlation which are larger than 0.5. Thus , no single item is removed from measurement scale .

4.3.2.Price consciousness:

Reliability Statistics

Cronbach ‘s Alpha	Cronbach ‘s Alpha Based on Standardized Items	N of Items
.857	.858	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach ‘s Alpha if Item Deleted

Price1	19.9006	12.591	.531	.331	.855
Price2	20.0769	12.251	.656	.488	.832
Price3	19.8397	12.630	.574	.410	.846
Price4	19.9712	11.700	.751	.587	.814
Price5	20.1987	11.131	.765	.782	.810
Price6	20.1571	12.216	.611	.710	.840

Table 11: Item-Total Statistic of Price consciousness

Be considered above-mentioned conditions, the items in Price consciousness factor statisfy all. Cronbach ‘s alpha `which is 0.857 is the evidence for the high internal consistency among items in Price consciousness factor while no item is less than 0.3. Therefore, all items are remained for next steps.

4.3.3 Brand concern:

Cronbach ‘s Alpha	Cronbach 's Alpha Based on Standardized Items	N of Items
.759	.758	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach ‘s Alpha if Item Deleted
BR1	7.3654	3.313	.550	.373	.721
BR2	7.1122	2.923	.712	.509	.529
BR3	7.6571	3.544	.514	.318	.758

Table 12: Item-Total Statistic of Brand concern

This item set for Brand concern factor is highly internal consistent, with a high Cronbach ‘s alpha level (0.759) and all items above has good corrected item- total correlation which are larger than 0.5. Thus , no single item is removed from measurement scale .

4.3.4 Price and quality association:

Reliability Statistics

Cronbach 's Alpha	Cronbach 's Alpha Based on Standardized Items	N of Items
.668	.705	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach ‘s Alpha if Item Deleted
PRQ1	11.7788	4.674	.542	.397	.551
PRQ2	11.5962	4.550	.540	.379	.548
PRQ3	11.6410	4.379	.584	.409	.517
PRQ4	**12.0994**	**4.643**	**.239**	**.062**	**.785**

Table 13: Item-Total Statistic of Price and Quality Association

As can be seen from above table, The cronbach alpha is quite low with 0.668. Thus, It is necessary to choose some items to distract to improve the internal consistency value for the whole measurement scale set. The item named PRQ4 whose correlation figure is less than 0.3 and the high improvement of cronbach alpha (0.785) in case of deleting it. Thus PRQ4 is needed to removed and only 3 others are retained.

4.3.5 Purchase intention:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.644	.647	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
PI1	14.2276	7.398	.550	.377	.515
PI2	14.0417	7.255	.593	.394	.493
PI3	14.4231	7.988	.442	.281	.570
PI4	**14.3654**	**10.445**	**.013**	**.011**	**.758**
PI5	14.1346	7.680	.471	.283	.554

Table 14: Item-Total Statistic of Purchase Intention

As can be observed in the table above, there exists an item PI4 whose removal can increase the current Cronbach's alpha value to 0.758. the improvement is significant, and the current value is unreliable, we decide to remove PI4 and keep other remained items. Thus . only 4 items are remained.

4.3.6 Store image:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items

.710	.726	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SI3	13.8494	7.196	.564	.426	.626
SI4	13.3782	7.374	.481	.248	.656
SI5	13.7372	7.686	.531	.412	.645
SI1	13.6699	7.347	.418	.184	.682
SI2	13.9167	6.739	.402	.188	.702

Table 15: Item-Total Statistic of store image

This item set for Storage image factor is highly internal consistent, with a high Cronbach alpha level (0.710) and all items above has good corrected item- total correlation which are larger than 0.5. Thus , no single item is removed from measurement scale .

4.3.7.Customer innovationess:

Reliability Statistics

Cronbach ‘s Alpha	Cronbach 's Alpha Based on Standardized Items	N of Items
.895	.896	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach Alpha if Item Deleted
CI1	10.2276	9.983	.771	.642	.864
CI2	10.2692	10.326	.753	.623	.871
CI3	10.1891	10.463	.770	.632	.865
CI4	10.3237	10.670	.782	.650	.861

Table 16: Item-Total Statistic of customer innovationess.

As for customer innovationess factor, all above-mentioned conditions are satisfied. Cronbach alpha lies in the good range, all items correlation are acceptable. Thus, there is no item needed to be removed that results in higher Cronbach 'alpha so all items are kept to be analyzed for the next round.

4.4. EXPLORATORY FACTOR ANALYSIS (EFA)

Following the reliability test, exploratory factor analysis is applied. This is a tool used to test whether questionnaire is well-designed and the assumed grouping is correct. In other words, EFA helps reduces a large number of variables into a smaller set of factors that can represent for the information in the variables. Thus, it is essential to apply this before any deeper analysis.

The two most important criteria in the EFA are the Kaiser-Meyer-Olkin measure (KMO) and the Bartlett's test. In the KMO test, the variables are examined to see if their correlations are small. KMO should be in the range of 0.5 and 1 so that factor analysis can continue (Hoang and Chu, 2005). As for the Bartlett's test, the null hypothesis, H0, there is no correlation among the observed variables are established and tested. If the significant level is less than 0.05, the null hypothesis is rejected, which implies the significant relationships among the variables (Hoang and Chu, 2007).

Factor loading is another criterion to be considered in the EFA. According to Hair et al., 1998, factor loadings should be at 0.5 to indicate the practical significance.

Last but not least, total variances explained should be greater than 50%, which show that the variables can explain for at least half of the data (Gerbing and Anderson, 1988).

EFA for Independent Variables

The table 4.5 shows that the KMO coefficient is a good range with value of 0.798 (greater than 0.5) and Bartlett‟s test has sig. is .000. Therefore, EFA method is appropriate to be conducted.

Table 17: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.798
Bartlett's Test of Sphericity	Approx. Chi-Square	3361.911
	Df	300
	Sig.	.000

As can be seen from above table, total variance explained is 64.7%, which is higher than 50% as indicated above.

Looking at the Rotate component matrix tables, there are some obvious problem about the cross loading. The 6 factors are grouped into 6 parts, with cross factor loadings occur. To improve the results, some items are necessary to be removed. Specifically, they are factor loading symptom in table.

Table18: Rotated Component Matrix[a]

	Component					
	1	2	3	4	5	6
Price5	.866					
Price4	.812					
Price6	.794					
Price2	.703					
Price3	.587					
Price1	.545	.413				
CI1		.844				
CI4		.841				
CI3		.831				
CI2		.811				
DR1			.809			
DR2			.768			
DR4			.761			
DR3			.750			
SI3				.800		
SI5				.782		
SI4				.681		
SI1				.587		
SI2				.558	-.302	
PRQ3					.818	
PRQ2					.818	
PRQ1					.807	
BR2						.853
BR1						.790
BR3						.764

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

First round of factor analysis : coefficients of Price1 value loads on two factors. Consequently, the Price 1 is deleted to see the results of rotated component alpha better or not. Thus, only the remaining 25 items will be continuously tested with EFA. The results of EFA after removing Price1 items are as follow:

Table 19:KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.786
Bartlett's Test of Sphericity	Approx. Chi-Square	3193.362
	Df	276
	Sig.	.000

All mentional statistics figures meet requirements. KMO has a good value with 0.786 in the range from 0.5 and 1 . The result of Bartlett's test is significantly small with 0.000 value.

Table 20:Rotated Component Matrix[a]

	Component					
	1	2	3	4	5	6
Price5	.878					
Price6	.812					
Price4	.792					
Price2	.705					

Price3	.581						
CI1		.850					
CI4		.848					
CI3		.835					
CI2		.818					
DR1			.808				
DR2			.770				
DR4			.761				
DR3			.748				
SI3				.798			
SI5				.784			
SI4				.679			
SI1				.586			
SI2				.561			
PRQ3					.820		
PRQ2					.819		
PRQ1					.808		
BR2						.854	
BR1						.786	
BR3						.767	

Table21: Total variance explained

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.387	22.445	22.445	5.387	22.445	22.445	3.188	13.285	13.285
2	2.459	10.248	32.693	2.459	10.248	32.693	3.063	12.763	26.048
3	2.344	9.768	42.461	2.344	9.768	42.461	2.504	10.433	36.481
4	1.996	8.315	50.776	1.996	8.315	50.776	2.473	10.303	46.784
5	1.727	7.197	57.973	1.727	7.197	57.973	2.224	9.266	56.050
6	1.614	6.725	64.698	1.614	6.725	64.698	2.075	8.648	64.698
7	.932	3.882	68.580						
8	.832	3.467	72.048						
9	.769	3.203	75.250						
10	.668	2.784	78.035						
11	.606	2.524	80.558						
12	.577	2.405	82.963						
13	.512	2.132	85.095						
14	.484	2.015	87.110						
15	.467	1.947	89.057						
16	.406	1.691	90.748						
17	.381	1.589	92.337						
18	.357	1.487	93.824						
19	.343	1.428	95.252						
20	.308	1.285	96.537						
21	.273	1.136	97.673						
22	.244	1.016	98.689						
23	.188	.782	99.471						
24	.127	.529	100.000						

Extraction Method: Principal Component Analysis.

These six factors account for 64.698% of the total explained variation. The first factor having the eigenvalues of 5.387 and 22.445% is explained variance of the data. The second factor has eigenvalues of 2.459 and explained 10.248%. The third factor has eigenvalues of 2.344 and explained 9.765%. The fourth factor has eigenvalues of 1.996 and explained 8.315%. The fifth factor has eigenvalues 1.727 and explains 7.197%. The sixth factor has eigenvalues 1.614 and explains 6.725%. The standard requirement that the variance extracted needs to be equal or greater than 50% is fulfilled (Hoang and Chu, 2008) . Total 6 factors above explain 64.698% of variance of the data.

The rotated component matrix is now in acceptable status, there is no cross loading situation and all the items are divided into 6 groups, being accurate to the theoretical model. All factor loadings are seen to be greater than 0.5. Thus, it is possible to start running the further analyzed steps.

4.5. CORRELATION TEST

This part aims at solving following issues as Pearson Correlation Testing, Multiple Regression Analysis, Simple Linear Regression and Hypothesis Testing. Before conducting multiple linear and simple linear regression, Pearson Correlation is used (developed by Karl Pearson) to determine the possibility linear relationship between two variables in the model.

Table 22: Pearson Correlation Testing

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Storeimage (1)	1						
Difference(2)	-.081	1					
Price(3)	.215**	-.221**	1				
Cusinnovation(4)	.123*	-.185**	.469**	1			
Brand(5)	.053	-.166**	.274**	.245**	1		
Pricequa(6)	-.113*	.180**	-.120*	-.141*	-.004	1	
Purchaseintention(7)	.330**	-.333**	.644**	.497**	.324**	-.305**	1

The Pearson Correlation is one of the most common and useful statistics that was used to examine whether there is the linear association of the relationship between dependent and independent variables. The dependent variable indicates relationships with the six independent variables Store image, Difference, Price, cusinnovation, brand, price qua via .330**, -.333**, .644**, .497**, .324**, -.305** the correlation coefficients of respectively. Since the value of those correlation coefficients is high deviation and one of them (Price) has the significant value nearly 0.5.

4.6. MULTIPLE REGRESSIONS

It is an extension of bivariate correlation. The result of regression is an equation that represents the best prediction of a dependent variable from several independent variables. Furthermore, it shows how much unique variance in the dependent variable is explained by each of independent variables (Pallant, 2010).This analysis can be used to address three main following research questions:

- How well a particular outcome can be predicted by a set of variables
- Which the best predictor of an outcome among a set of variables is
- Whether an outcome still can be predicted by a particular predictor variable when the effects of another variable are controlled for (Tabachnick and Fidell ,2001)

Table 23: Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.756[a]	.571	.563	.53415

Table 24: Anova

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	116.002	6	19.334	67.763	.000[b]
	Residual	87.020	305	.285		
	Total	203.022	311			

The model summary in Table 4.26 ,the adjused R value indicates the strength between 6 independent variables to private brand purchase proneness was 0.563. the Adjust R square =0.563 indicates that 56.3 % of variance in the variable „purchase intention" is explained by the model The value of R^2 measuring the percentage of the variance of dependent variable that independent variables (Hair et al.1998) . The R^2 value is recorded at 0.756 .This level is in the good range since the larger R^2 , the more explanatory power of 6 constructs to private brand buying decision is . The regression model is statistically significant because the probability level is 0.000 (table Anova)

Table 25: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1.096	.325		3.375	.001
	Storeimage	.218	.048	.175	4.549	.000
	Difference	-.117	.034	-.135	-3.425	.001
1	Price	.478	.049	.430	9.708	.000
	Cusinnovation	.147	.033	.192	4.450	.000
	Brand	.120	.038	.127	3.205	.001
	Pricequa	-.205	.043	-.182	-4.713	.000

As can be seen from coefficient table, the constant or the intercept was significant at the level of 0.001(B=1.096 and t=3.375). While other coefficients of others six independents are also significant at the high level in the range from 0 to 0.001. The results of coefficients show a significant relationship between each construct to independent factor. The factor that has the highest value was Price consciousness with Beta value of 0.478

and significant level of 0.000 so it was the most influenced variable on private brand purchase intention.

In addition, the beta coefficient of price consciousness is positive so the price sensitiveness is positively related to private brand purchase propensity. Then it is followed by store image and price – quality association, with the coefficient are 0.218 and -0.205 respectfully. There are two negative relationships among 2 constructs and dependent variables, which are indicated by two negative beta value and other four relationships. The increase in either price- quality association or quality difference reduces the desire to buy the private brand products. While once price consciousness together with store image, brand concern and finally customer innovation increases , the shopping propensity to private brand product also raises. In general, The equation showing the impacts of all construct on private brand purchase intention can be written down as follows:

$Y_{PBP.I} = 0.196 + 0.218X_{SI} - 0.117X_{QD} + 0.478X_{PC} + 0.147X_{CI} + 0.12X_{BC} - 0.205X_{PQA} + \varepsilon$

Where

Yprivate brand p. Intention = the level of private brand purchase intention

X_{SI} = the level of store image

X_{QD} = the level of quality difference

X_{PC} = the level of price consciousness

X_{CI} = the level of customer innovation

X_{BC} = the level of brand concern

X_{PQA} = the level of price quality association

Table 26: Summary of Results from Multiple Regression Analysis

Hypothesis	Result
H1: Price sensitivity is positively related to the propensity to purchase private brand products.	Supported

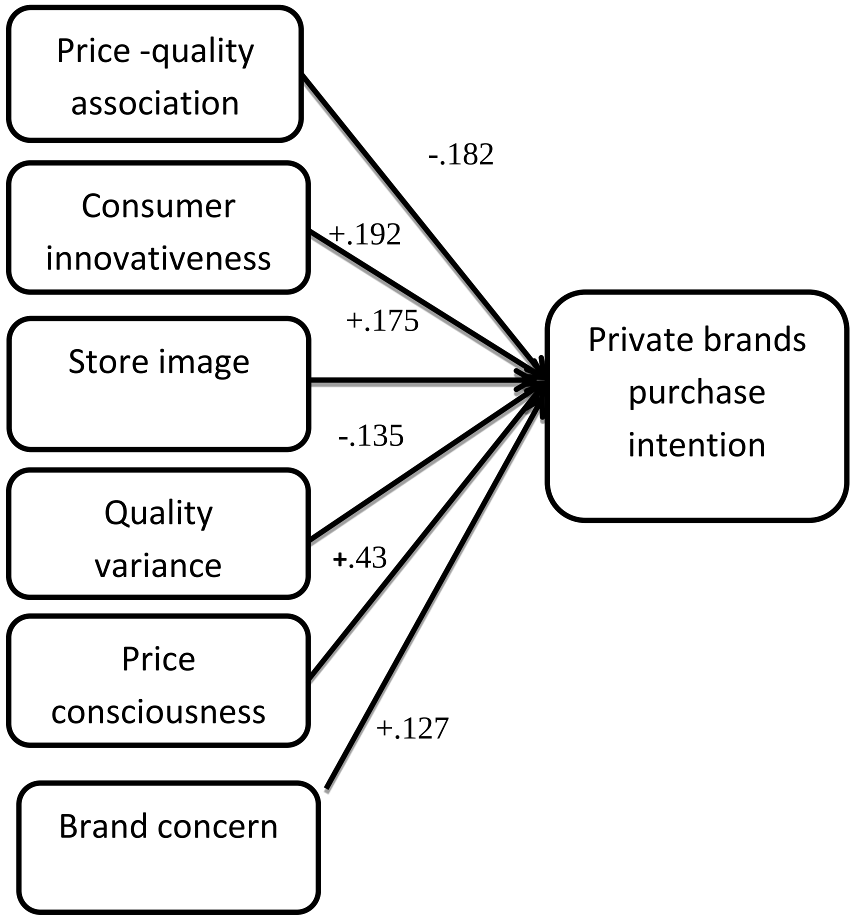
H2:Perception quality difference is negatively related to the propensity to purchase private brand products	Supported
H3:Store image is positively related to the propensity to purchase private brand products	Supported
H4:Customer innovation is positively related to the propensity to purchase private brand products	Supported
H5: Price-quality association is negatively related to the propensity to purchase private brand products	Supported
H6: Brand concern is negatively related to the propensity to purchase private brand products	Rejected

4.7.REVISED RESEARCH MODEL

Conclusion:

This chapters describes 3 main parts in data analysis consist of personal information of participants, preliminary data analysis and hypothesis testing. 89.14 % is response rate in this research survey. The major of respondents are female and earning from 3 to 10 million and live in household with 2 or 3 members.

In the hypothesis testing section , the first thing to do is examing of reliability and validity of measurement scale .After testing process, one single hypothesis is exclude from the analysis so other five hypothesis are remained because they are supported by significant figure. To be more specific, the above hypothesis summary can give detail of substantiation for each hypothesis. In the next chapter, findings and its implications will be analyzed and discussed in more details.


Price -quality association
Consumer innovativeness
Store image
Quality variance
Price consciousness
Brand concern
Private brands purchase intention
-.182
+.192
+.175
-.135
+.43
+.127

CHAPTER V

FINDING & RECOMMENDATION

5.1.FINDING:

a) Brand concern:

The first interesting point is that that the brand concern has positive relationship with Private brand purchase intention while it conflicts with the proposed hypothesis. This is the same situation Huang and Vogue (2011) met when they did the research on private brand in China. They explained that: “Dominant retailers who have gained a good reputation with consumers by high level of support for the development and distribution of private brands by. Hence private brand purchasers have low brand concerns when comparing familiar private brands and manufacturer brands.” Thus, this reason can also explain what happen with the relationship between brand concern and private brand purchase intention. Customers in my research view the private brand name be more familiar and trustful now due to retailers’ effort .Thus, when they want to buy well-known brand they think about Private brand.

b) Price- consciousness:

As can be seen from above results, the price sensitiveness is the strongest factor among six independents variables. This research shows that the customers willing to buy private brand if they are price- consciousness shoppers. The low – price private brand strategy of retailers encourages shoppers to choose more PB. This results is consistent with findings in Mark Glynn (2010) and Batra(2002)‘s research. While price sensitiveness factor has been investigated in different regions in the world, the same results are found .Thus, price consciousness is positive associated with private brand purchase intention. Admittedly, this factor is likely to have effective application in private brand industry of Vietnam context. Vietnam is still developing countries so the fee for daily life likes foods and substantial products are costly compared to income residents in Vietnam generally and in

Ho Chi Minh City personally earned. Every month, they just received the same amount of pension while price of all stuffs is substantially increasing. Thus, they need to cut back their budget for daily goods when the price level- up .Thus, the low- price of private brand is a perfect choice for shoppers who search for low- price . To afford their own needs or other members in family, they need to save money spend on physiological merchandise. The positive relationship also be suggested in earlier study. It showed that the customers who buy private brand is more sensitive on price rather than ones who purchases National brand (Burger and Schott (1972)). There is realistic proof explaining the influence of Private brand, which is that the discrepancy between price consciousness of Uk shoppers and US shoppers is an important reason why retailers in Uk is more successful than in US.

c) Price- quality association:

This research indicates that price- quality association is an important factor affecting negatively on private brand purchase propensity. Vietnamese people usually say likes this " you get what you pay " when they pay low- price and they get inferior goods. That is the reason when this research is launched, many participants who use price as assumption to define quality level agree with ideas that Private brand is less favorable when their low- price is linked to inferior products. Vietnamese people who perceive the positive relation between price and quality are unlikely to buy PB. Similar results are also found in other previous studies in general product category. The customers show that they are more willing to buy private brand when they think less about price – quality association(Ailawadi et al (2001), Burton et al (1998), Mark Glynn(2010).

d) Quality variability:

This research shows a same results to Mark Glynn s' work in 2010, which is direct impact negatively private brand sale volume. However, this is a little difference in Batra and Sinha (2002)'s study. They concluded that the negative relationship between Quality variability and Private brand purchase intention is mediated by the consequence of making a purchase mistake. . The closer quality of private brand to national brand, the higher chance shoppers buy private brand(Hoch and Benerji (1993)) and if the variability on quality is high, the customers' desire for private brand goes down (Semejin et al 2004).Dick , Jain , Richardson (1995) the quality consistence between private brand and national brand has positive influence on private brand buying proneness.

e)Store image:

This research found a positive link between store image and intention to purchase a product. In addition, Store image has the second highest coefficients among 6 variables. Past research has found that purchase intention is also positively associated with perceived value (Dodds, Monroe, and Grewal, 1991; Grewal, Monroe, and Krishnan, 1998). Huang and Vogue (2011) also validates a conclusion, drawn from earlier Chinese research on private brands, that store image positively relates to the perceived quality of the private brand (Jiang 2003).The strong support for Hypothesis supports this conclusion.

f) Consumer innovationess:

This research found there is relationship between consumer innovationess and Private brand purchase intention. Consistent with conclusion in Yong Guh Suh (2005), the more innovative the Vietnamese customers are, the more favorable purchase intention on private brand they have.

5.2.PRACTICAL IMPLICATION:

The retailer market is becoming more competitive than ever. The retailers now have improved their competitive powers against name brand by launching their own LB. The retailers and national company must find their all strategy to adapt to the customers' need before they are distracted from the market by customers. The psychology antecedents were investigated to have significantly impact on private brand purchase propensity. Consequently, After conducting this survey, there are several implications for both retailers and National company.

a) For the retailers launching Private brand:

Firstly, the retailers must recognize the importance of price sensitiveness contribution toward private brand success .Thus, it is evitable to **maintain low- price strategy by using copy-cat brands to encourage customers who focus on paying low-price and prevent the customer from returning to use National brand**. One option for low- price strategy is that the retailers will analyze the ingredient in products manufactured by the national- brand company and use the "reverse-engineering" process to reproduce the merchandise little by little. Although this "me- too" strategy is criticized for causing ethical problem, it brings cost advantages to Retailers. Retailers take advantage of seft-advertising and outsource production to low- cost manufacturers .This strategy drives margin from manufacturers to their own store because the copycat private brand is significantly lower price with comparable quality. **Through the side- by-side shelves display (shelf proximity) and their own advertising delivering "compare –and-save" message**, it is likely that their campaign against national brand on price war would be succeeded. The second choice is **introducing first- price range of products to serve extremely price- consciousness but quality- insensitive buyers.** However, this strategy may not bring required profit because it is the case that this first –price brand can cannibalize the retailer's higher- profitable PB. On the brighten side, the first- price PL brand can be used as the attractive invitation to customers, which increase more chance to sell not only the low- price PL brand but also the higher- margin non-generic PL brands. Therefore, the first-price PL still invite potential consumers even it is not able to generate high profit by itself. **Other potential low- price strategies such as " Everyday-low-price " and "Frequent Small Price Cuts"** are likely to to give benefit to retailers on private brand categories in lower price product categories.

Second, The retailers should pay attention for price- quality association factor to minimize the adverse effect of low- price. To counter price and quality association which leads to unfavorable perceive, the retailers **should attach the money –returned guarantee and it should be signed by the top leaders in company with good reputation**. The credibility of the CEO of retailers prevents customers from feeling risky to buy PB. **The certification of health and quality can rise up the quality standard of private brand** in customers' mindset. In addition**, in-store test can be conducted in their stores** to compare between them and national products. If the results turn out to be favorable, the customers move to use private brand as the lower price they pay for the same quality of items.

Third, as can be seen from the model, the wider quality distance gap between private brand and National brand, the less willing customers opt to buy the private brand because the customers perceive private brand be much inferior quality .This idea was supported by finding in Constjen and Lal (2000) , which is the private brand are able to **success only when the retailers combine both elements consist of low price and satisfied quality**. Therefore, to increase the private brand share on market, **the retailer must pay attention on improve the private brand quality to a higher level**. To apply this strategy, **the retailers need to find local manufacturers that provide consistently quality with huge volume of materials**. The development in packaging, ingredient, wide range of choice can enhance customer's choice. Last but not least, There are some advises for retailers who are making the entry decision for their PB. **Before new private brand products enter in market, they should assess the quality variation among different brand in a product category and then private brand only fit in a category with low quality variation**. Therefore, there is increase in Private brand share when customers view Private brand as " good quality with low price" rather than "low quality with low price".

Fourth, the store image can be an essential attribution to private brand. By enhance the in-store awareness the retailers an increase the chance to success. The findings in this research suggest the guideline that to enhance private brand purchase propensity**, the retailers need to improve the store image through diversifying product categories, upgrading the quality of private brand, providing the product with high price worthy , improving interior decoration in stores and arranging exclusive shelves especially for private brand products..** Those Investments in above directions would be worthy to enhance both a retailer brand and its brand extension .The customers in this study agree to buy more private brand when the larger variety private brand products available on shelves. Thus, **The retailers need to find out the national brands reducing in share and replace it with more profitable PB.** However, the selection process is needed to be careful since deleting the high-frequency or niche national brands makes the customers switch to another retailers. Precondition for consumers purchasing private brand is the high recognition of the retailer's image, **so retailers should name after private brands as their own brand names,** which makes consumers be able to more easily recognize them.

Fifth, besides price and product performance, Consumers and retailers see innovation as brand associations that consumers value most. The innovation of the customers will bring new buyers to PB. Traditionally, retailers usually prefer to "copy -and -pasted" strategy – imitating National brand than creating some unique characteristic in products. However, after this study, they **should pay more attention product differentiation to create the difference for Private brand from National brand by adding unique ingredients or emphasizing hedonic effect of those components or special packaging.**. The simple packaging design ofPrivate brand make customers fell boring and less attractive compare to national brand. In this survey, the complaint about too simple packaging is the one of most of comment received from respondents . To solve this problem, **the retailers need to have graphic desigers to provide outstanding design their own private-label**

packaging to catch customers attention. This helps the customers easily feel interesting emotion when they see private brand in new and interesting.

Finally, through the information collected on brand concern, The retailers should improve intangible attributes which are indirectly influence positively toward brand reputation of PB. **Becoming a leader in product safety, CSR (corporatation social responsibility)** is able to create distinctive advantages that transform into competitive advantages over national brand owners and others retailers. By aligning with widely appreciated social causes, a national brand may be able to foster brand and relationship equity.

In conclusion, to choose the best positioning strategy, private brand quality and the nature of national brand competitors should be put into consideration

b)For National brand manufacturer:

To compete the private brand, the national brand does not need to set the low price as private brand owners do. Even though promotion can narrow down the price difference to attract the customers who are price-sensitiveness, it is just effective in such a short term. More importantly, the manufacturers **should not compete directly to private brand through price because price reduction can destroy their relationship between manufacturers and retailers**. Most of retailers are unlikely to accept price-reduction action of manufacturer since their margins are taken away. And it is the fact that the National brand should not take part in the price competition with private brand because the low- price is a trait that PBs absolutely have the upper hand . Thus, the manufacturers should find out other potential strategies except from price.

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Moreover, National brand manufacturers **can use difference in quality to tier themselves against private brand products.** This strategy was mentioned in Verhoef et al’ s study. There are some options introduced in his research to approach this strategy such as **introducing high qualified product or upgrade the packaging.** The leading manufacturers are active to improve their quality products by **emphasizing in research**

and development to understand deeply which characteristic is the most feasible cue for customers to recognize superior quality in their products. After that the manufacturers should **using innovation technology to enhance the high quality perception of Name brand especially in the category that retailers are not able to follow quality standard of National brand.** However, not all the manufacturers in the market can develop the new qualified products because of their limited financial budget. Therefore, the manufacturers with lower products share can choose different strategies which are less costly likes **developing the design of the products**. The other strategy is that the national Brand Company can create sense of uncertainty about quality equivalence among private brand and National Brand then this anxiety felling encourage customers to use trustful Name brand. The large difference of quality creates more risk for purchasing PB.

They can position the specific "basic" lines that offer more attractive than standard private brand products and set up high- ranking brand to maintain the best choice position above premium PB. Therefore, in all range of category, the customers always perceive superior quality of National brand, which compels customers to buy National brand.

In addition, national brand companies can **run marketing campaign which strengthen price- quality association factor to prevent invasion of PB**. The retailers can exploit this factor to make shoppers believe that low- price is a signal of inferior quality . In the campaign, the price should be expressed as a major cue to quality and such low price of private brand merchandise gives suspicious felling of ingredient in private brand. Through the campaign, the message that the lower price leads to lower quality will be conveyed to customers and the customers will switch back to name brand to fell assurance.

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5.3.LIMITATION AND FUTURE RESEARCH:

Despite of a lot of time and effort invested in this study, It still has some unavoidable missing points. The research on this topic in the future should consider these limitations to have better and more accurate results.

First of all, the data was only collected from Ho Chi Minh city. The private brand performance may be different among various cities so customers' perception may also be fluctuated depending on occasions. Even, in the same country, people in each region have distinguished thought about PB. Therefore, the results of this study only valid within some contexts that have the similar characteristic likes Private brand in Ho Chi Minh City. This study only applied in one context may affect the reliability of results related to generalisability of the findings. In addition, the surveys conducted under cross-section approach so the finding about the influence of customers' perception on private brand buying proneness is only valuable in recently moment. The difference in shoppers' brand choice process over different time periods is not indicated in this study. Secondly, Relationships in the constructed model may varies from different private brand category. Third, because of the limitation of relevant theory, this study only concentrates on the main impacts rather than investigate higher – order correlations.

To increase credibility and generalizability, the study should be examined in diverse geographic areas. In addition, the interrelations among construction should be examined to have deeply insight understand on private brand(Richardson et al ,1996). In future researches, they should show whether the proposed relationships change and how the interrelations will change when the mediation factors participate in. Furthermore, the qualitative and longitudinal approach can be added to enhance the understanding of the effect of customers' perception on private brand buying propensity and reveal how these antecedents may vary in the private brand revolution periods. Moreover, the interactions between the demographic factors such as gender, household size, income should be put into investigation. Other factors, such as product-level factors should be added in investigation, and examine their combined impact on purchase intention toward private brand products. Another gap should be considered to be necessary to study in further research is degree of influence variation of customers' factors toward private brand purchase intention across various merchandise category. Last but not least, future research should pursue in launching in cross- cultural study.

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APPENDIX

KHẢO SÁT NGHIÊN CỨU VỀ Ý ĐỊNH MUA NHÃN HÀNG RIÊNG TẠI CÁC SIÊU THỊ TRONG THÀNH PHỐ

HỒ CHÍ MINH

Xin chào anh/chị,

Tôi tên Tạ Thị Hải Châu, hiện là sinh viên năm thứ 4 trường ĐH Quốc Tế - ĐH Quốc Gia TP. HCM.

Bảng khảo sát bên dưới nhằm mục đích phục vụ cho bài luận văn tốt nghiệp của tôi. Mong anh/chị có thể dành một chút thời gian để giúp tôi hoàn thành bảng khảo sát này. Anh/ chị chỉ mất khoảng 2 – 5 phút để hoàn tất những câu hỏi dưới đây. Những dữ liệu mà anh/ chị cung cấp là vô cùng hữu ích và sẽ làm tăng tính khách quan cho bài nghiên cứu của tôi.

Xin chân thành cảm ơn sự giúp đỡ nhiệt tình của anh/ chị.

Chú thích từ ngữ trong bản khảo sát:

***Nhãn hàng riêng: dùng để chỉ các sản phẩm sở hữu bởi các nhà bán lẻ .Ví dụ: Aro (siêu thị Metro), Wow! Giá hấp dẫn (siêu thị Big C) , Coop (siêu thị Coop mart)….**

***Nhãn hàng của nhà sản xuất/ doanh nghiệp: dùng để chỉ các sản phẩm của các công ty sản xuất. Ví dụ: Vinamilk, OMO ,Sunlight ,Sunsilk …..**

PHẦN I : CÂU HỎI ĐÁNH GIÁ TỔNG QUAN NHẬN THỨC CỦA HÀNG VỀ NHÃN HÀNG RIÊNG:

Bạn đã từng sử dụng qua 1 sản phẩm của nhãn hàng riêng nào chưa?

☐Có☐ Không

1. Bạn thường mua hàng tiêu dùng ở đâu?

☐ Siêu thị ☐Cửa hàng tiện dụng ☐ Siêu thị điện máy

☐ Trung tâm thương mại ☐ Chợ ☐Khác (vui lòng ghi rõ)_________

2. Bạn thường đi siêu thị bao nhiêu?

☐Hằng ngày ☐1-2 lần/ tuần ☐ 1-3 lần/ tháng

☐1-4 lần / năm ☐ Không bao giờ

3. Bạn **biết** tên những nhãn hàng riêng nào? (có thể chọn nhiều đáp án)

☐Coop (Siêu thị Coopmart) ☐SGC (Siêu thị Coopmart)
☐ Wow! Giá hấp dẫn (S.thị Big C) ☐ Big C (S.thị Big C)
☐ Aro (Siêu thị Metro) ☐ Sigma (Siêu thị Metro Cash & Cary)
☐ Fine Food (Siêu thị Metro Cash & Cary) ☐Khác (xin ghi rõ)________

4.Bạn **đã sử dụng** những nhãn hàng riêng nào ?(có thể chọn nhiều đáp án)

□ Coop (Siêu thị Coopmart) □ SGC (Siêu thị Coopmart)
□ Wow! Giá hấp dẫn (S.thị Big C) □ Big C (S.thị Big C)
☐Aro (Siêu thị Metro) ☐ Sigma (Siêu thị Metro Cash & Cary)
☐Fine Food (Siêu thị Metro Cash & Cary) ☐Khác (xin ghi rõ)________

4. Loại bạn hay lựa chọn khi mua sản phẩm cuả nhãn hiệu riêng?

☐đồ hộp ☐Mì gói☐ bột giặt ☐dầu ăn

☐giấy vệ sinh ☐nước uống☐ Trà gói

☐văn phòng phẩm ☐điện máy ☐khác (xin ghi rõ)______________

PHẦN II - CÂU HỎI CHI TIẾT

1-Hoàn toàn không đồng ý 2-Không đồng ý 3-Trung lập 4-Đồng ý

5-Hoàn toàn đồng ý.

1.MỐI QUAN HỆ GIỮA GIÁ CẢ VÀ CHẤT LƯỢNG:

	1 2 3 4 5
1. Giá càng cao thì chất lượng càng tốt	□□□□□
2. Bạn trả bao nhiêu tiền thì bạn nhận về sản phẩm có giá trị tương xứng với số tiền đó đó.	□□□□□
3. Giá cả là thước đo tốt để đánh giá chất lượng	□□□□□
4. Bạn luôn phải trả tiền nhiều hơn cho những sản phẩm tốt nhất.	□□□□□

.

2. NHẬN THỨC VỀ GIÁ CẢ:

1. Tôi luôn luôn đi dạo ở nhiều cửa hàng khác nhau để kiếm được sản phẩm giá rẻ.	□□□□□

2.Tôi so sánh giá cả của nhãn hàng riêng và nhãn hàng có phạm vi quốc gia trước khi mua hàng.	□□□□□
3.Giá càng thấp thì tôi mua càng nhiều sản phẩm của nhãn hàng riêng.	□□□□□
4.Tôi mua sản phẩm của thương hiệu riêng vì chính sách khuyến mãi giảm giá.	□□□□□
5. số tiền tôi tiết kiệm được từ việc mua được hàng giá rẻ xứng đáng với công sức và thời gian tôi bỏ ra để tìm kiếm nó.	□□□□□
6. Giá cả là yếu tố quan trọng nhất khi tôi lựa chọn thương hiệu	□□□□□

.

3. HÌNH ẢNH CỦA SIÊU THỊ

1. Cách bố trí kệ hàng trong siêu thị giú tôi dễ dàng tìm thấy các sản phẩm của nhãn hàng riêng.	□□□□□

Siêu thị bán các sản phẩm có chất lượng cao.	
2. Thiết kế bên trong cửa hàng khiến tôi cảm thấy hài lòng.	□□□□□
3. Hình ảnh hiện đại của siêu thị khiến tôi cảm thấy thoải mái khi mua sản phẩm của thương hiệu riêng.	□□□□□
4. Siêu thị cung cấp nhiều sản phẩm đa dạng	□□□□□
5.Các sản phẩm của nhãn hàng riêng lun có sẵn tại siêu thị.	□□□□□

4. TÍNH ĐỘT PHÁ CỦA CÁ NHÂN:

1Tôi thường tìm kiếm thông tin về các sản phẩm và thương hiệu mới.	□□□□□
2.Tôi thích những tạp chí giới thiệu các thương hiệu mới.	□□□□□
3. Tôi luôn nắm bắt những cơ hội đầu tiên để tìm thấy những sản phẩm mới lạ và khác biệt	□□□□□
4.Tôi sẽ tiếp tục tìm kiếm trải nghiệm của sản phẩm mới.	□□□□□

5. SỰ QUAN TÂM VỀ THƯƠNG HIỆU

1. Tôi chọn nhãn hiệu có tiếng.	□□□□□
2. Tôi chọn nhãn hiệu quen thuộc.	□□□□□

3. Tôi chọn thương hiệu đáng tin cậy.	□□□□□

6.NHẬN THỨC VỀ SỰ KHÁC BIỆT CHẤT LƯỢNG GIỮA NHÃN HÀNG RIÊNG VÀ NHÃN HÀNG DOANH NGHIỆP:

1.Nhãn hàng doanh nghiêp (NHDN) có chất lượng sử dụng tốt hơn nhãn hàng riêng (NHR)	□□□□□
2.NHDN có nhiều chức năng hơn NHR	□□□□□
3.NHDN có bao bì đẹp hơn NHR	□□□□□
4.NHDN có tính thẩm mĩ hơn NHR	□□□□□
5.NHDN có thể gây chú ý hơn NHR	□□□□□

7.XU HƯỚNG MUA CỦA KHÁCH HÀNG

1.Tôi sẵn lòng mua sản phẩm của nhãn hàng riêng	□□□□□
2.Tôi muốn mua sản phẩm của nhãn hàng riêng	□□□□□
3.Tôi sẽ cân nhắc việc sản phẩm của nhãn hàng riêng	□□□□□
4.Tôi sẽ tìm các nhãn hàng riêng khi tôi đi mua sắm	□□□□□
5. Tối sẽ mua nhãn hàng riêng thay cho nhã hàng doanh nghiệp trong thời gian sắp tới.	□□□□□

Bạn có góp ý gì cho siêu thị để sản phẩm riêng trở nên tốt hơn?

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Phần 3: CÂU HỎI CÁ NHÂN

Giới tính □Nam □Nữ

Tình trạng nghề nghiệp □Học sinh, sinh viên □ Đang đi làm

☐Nội trợ ☐ Thất nghiệp

Chi tiêu hằng tháng ☐ < 3triệu ☐ 3-7triệu ☐7-10 triệu ☐ >10 triệu

Hộ gia đình nhà bạn có mấy người ☐ 1-2 người ☐ 3-4người ☐>4 người

Xin chân thành cảm ơn những đóng góp của anh/ chị cho khảo sát này.