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Brand Attributes and Impact on Customer Purchase Intention

Abstract

The growth of retail sector post globalization encouraged retailers and manufacturers to come out with multiple forms of brands. The resultant was the emergence of National brands and Private labels which led to immense competition between them. This led the brands to look for attributes to attract and retain customers. The current study aims to identify factors of National brands and Private labels which have an impact on the customer purchase intentions. The purpose of this study is to explore the key attributes of national brands and private labels which have an impact on the customer purchase intention. The study measured the impact of extrinsic attributes like price, celebrity endorsement and prestige on the customer purchase intention. The study also measured the impact of intrinsic attributes like quality, physical appearance on customer purchase intention. The study used a structured questionnaire which was pilot tested followed by data collection and analysis of one thousand customers. The finding of this study shows that quality, price, physical appearance and prestige of National Brand have significant relationship with purchase intention while the role of celebrity endorsement was found to be insignificant. For the private labels, the finding of this study shows that Price and celebrity endorsement are the extrinsic attributes of private label which have

Significant relationship with purchase intention while in the intrinsic attributes physical appearance was found to have significant relationship with customer purchase intention. The quality and perceived prestige were insignificant in affecting purchase intention of customer.

Key words: Quality, Celebrity endorsement, Price, Physical appearance, Prestige, National Brand, Private label, Purchase Intention.

Introduction

The Indian economy in the early 1990s experienced major policy changes. The new economic reform, which started in June 1991, made the Indian economy globally competitive. The series of reforms; known as liberalization, globalization and privatization changed the industrial, service and the financial sector, leading to consumerism in India. The retail Industry, like other industries in India, also benefitted from this opening up of economy and growth of consumers and became leading contributors in the country's GDP.

The evolution of the apparel sector, one of the fastest growing sector of the retail business in India can be looked at from three phases, i.e. pre 1990's, 1990-2000

Objectives

and Post 2000. The pre 1990's was the period of tailor made apparels with few readymade apparel options available to consumers, however the industry grew during 1990-2000 and can be called as an era of readymade apparels with new brands flourishing during this period. The phase of 2000 onwards brought revolution in the Indian apparel Industry with the emergence of new retail formats of selling apparel, entry of international apparel brands and consumer getting aware of brands and fashion.

While this growth in number of apparel brands and apparel retailers turned out to be good for consumers as they could choose from wide variety of brands; the retailers, designers and the brands started developing point of differentiation in their product offering to attract and keep customers loyal towards their brands leading to emergence of large number of national brands and private labels. The apparel brands are continuously looking for extrinsic and intrinsic brand attributes which has an impact on the customer purchase intention. Therefore, a study was conducted with the objective mentioned below to address this issue. To measure impact of National Brand

and Private label attributes on customer Purchase intentions.

Through this objective, the researcher found answers to the following issues:

- Which are those extrinsic attributes of National brand that has an impact on the customer purchase intentions?
- Which are those intrinsic attributes of National brand that has an impact on the customer purchase intentions?
- Which are those extrinsic attributes of Private label that has an impact on the customer purchase intentions?
- Which are those intrinsic attributes of Private label that has an impact on the customer purchase intentions?

Literature Review

According to Vaid(2003) the word brand is derived from the old Norse word “brandr” which means to “burn” as this was the means by which owners of livestock mark their animal to identify them. Kapferer (2008) explained that brand performs two functions: gives identification to a product and thus distinguishes product from each other and to indicate the origin of the product.

Brand was explained by Wheeler (2000) as a promise, big idea, reputation and expectation that resides in customers mind about the product and /or the company. With the help of brand one can make emotional connections which results in customers buying the product and become loyal to the brand. According to Keller (2003), one of the most important and common form of brand was created by manufacturers and was called as National brand because of their prominence throughout the country at various retail settings. Another prominent form of Brand observed in the retail market is called Private label.

According to Private Label Manufacturers’ Association (PLMA), “Private Label products encompass all merchandise sold under a retailer’s brand. That brand can be the retailer’s own name or a name created exclusively by that retailer. In some cases, a retailer may belong to a wholesale group that owns the brands that are available only to the members of the group.

Brand or label, each of these forms possesses certain features or characteristics called as attributes. Keller (2003) defined attributes as descriptive characteristics that characterize a

product or service. In one of the study Keller (2003) mentioned that brand attributes are of two types: intrinsic and extrinsic.

Intrinsic brand attributes are the attributes which are related to the products. According to Keller (2003) they are related to products physical composition and service request. These attributes are distinguished by branded products essential ingredients and features which determine the nature and level of product performance. Intrinsic brand attributes are measurable. The intrinsic attributes are flavour, colour, texture, quality, style, design, features of a product.

Keller (2003) defined extrinsic brand attributes as external aspects of product or services that related to its purchase or consumption. They are also called as non product related attributes. Keller (2003) classified them as price information, packaging or product appearance information, brand image, user imagery and usage imagery.

Purchase intention

According to Kotler (2000), purchase intention means attempting to buy a

product . Consumer behaviour occurs when consumers are stimulated by external factors and come to a purchase decision based on their personal characteristics and decision making process. These factors included choosing a product, brand, a retailer, timing, and quantity. This means consumers' purchasing behaviour is affected by their choice of product and brand. Consumers' purchase intentions always arise after consumer perceived value and perceived benefit.

Model

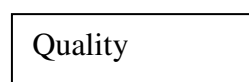
The following Extrinsic and Intrinsic attributes were used for the study.

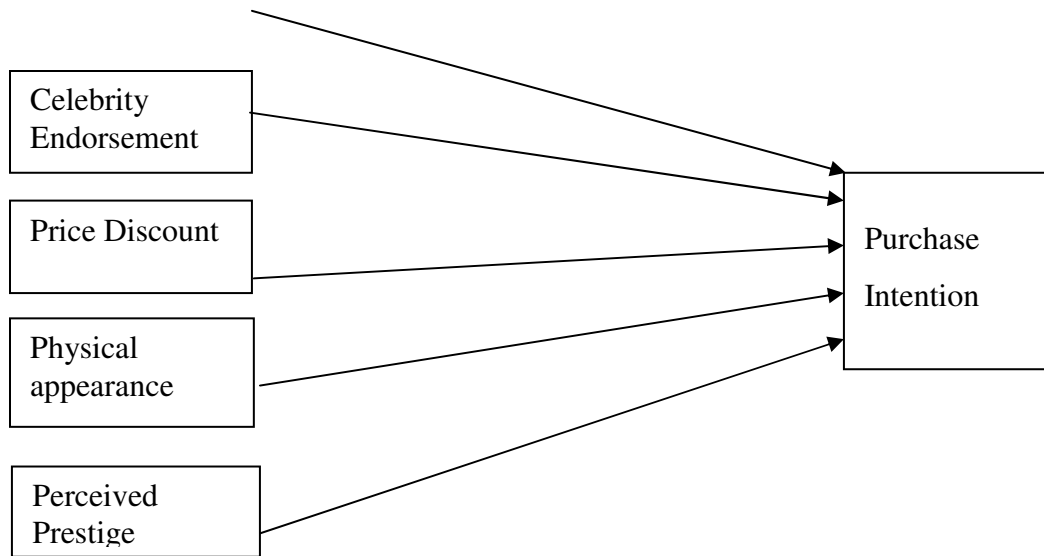
Extrinsic attributes: Customer perception of Brand prestige, Celebrity endorsement and Price.

Intrinsic attributes: Quality and Physical appearance

The independent variables selected for the study are: Quality, Celebrity endorsement, Price, Physical appearance and Prestige. The dependent variable is purchase intention. The model used for the study is presented in Figure 1 below:

Figure 1: Study Model





Research Methodology

The Research Design used was Quantitative Research. Before starting the survey, the questionnaire was pilot tested. Thus final questionnaire was prepared to be used for the customer survey. The questionnaire was classified in following four categories:

Introductory questions: All Closed ended with dichotomous and multiple choice / multiple response type of questions

Main body of questions – Questions was designed based on objective and hypothesis of the research study. Question was in the form of 5 point Likert Scale on Brand attributes and purchase intention. All the statements in this question were measured with a 5-

point Likert scale ranging from 1 “Strongly disagree to 5 “strongly agree”. There were categorical questions at the end of the questionnaire to understand the profile of the respondents in terms of age, gender, qualification, profession, Income and place of residing

Hypothesis

H1: Quality of National brand apparel has a significant impact on the purchase intention of customers.

H2: Celebrity endorsement of National brand apparel has a significant impact on the customer purchase intention.

H3: Price of National Brand apparel has a significant impact on customer purchase intention.

H4: Physical appearance of National Brand apparel has a significant impact

on customer purchase intention.

H5: Prestige of National Brand apparel has a significant impact on customer purchase intention.

H6: Quality of Private label apparel has a significant impact on the purchase intention of customers.

H7: Celebrity endorsement of Private label apparel has a significant impact on the customer purchase intention.

H8: Price of Private label apparel has a significant impact on customer purchase intention.

H9: Physical appearance of Private label apparel has a significant impact on customer purchase intention.

H10: Prestige of Private label apparel has a significant impact on customer purchase intention.

Table 1: Reliability Statistics of variables

Variable	No. of Items	Reliability Cronbach's Alpha (National Brand)	Reliability Cronbach's Alpha (Private Label)
Quality	5	0.777	0.764
Celebrity endorsement	4	0.743	0.981
Price	3	0.955	0.703
Physical appearance	4	0.787	0.761
Prestige	5	0.987	0.737
Purchase Intention	3	0.855	0.912

Analysis

The analysis was conducted in following two stages:

- i. Reliability test
- ii. Correlation

i. Reliability Test:

The independent variables and the dependent variable were tested for reliability. The reliability of the scale used in this study was calculated by Cronbach's coefficient alpha. According to Nunnally & Bernstein (1994), the coefficient alpha values exceeding the minimum standard of 0.7 provides good estimates of internal consistency reliability. The Chronbach alpha was calculated, the result is shown in Table 1 below.

ii) Correlation

The correlation matrix between independent variables and dependent variable was calculated and is presented

below in Table 2 for National Brand and Table 3 for Private Label. As can be seen from the tables below the quality of National Brand has significant relation with customer purchase intention and this relation is 70.9% at .01levels. Price of National brand was also found to have significant relation with customer purchase intention at 62.9% at .01levels.

The physical appearance and prestige of National brand were also found to have significant relation with customer purchase intention with 64.6% and 98.5% respectively at .01 level. Only celebrity endorsement was found to have insignificant relation with purchase intention of customer.

Table 2: Correlation Matrix for National Brand variables

Independent variable		Purchase Intention
Quality	Pearson Correlation	.709(**)
	Sig. (1-tailed)	0
	N	953
Celebrity Endorsement	Pearson Correlation	.067
	Sig. (1-tailed)	0.02
	N	953
Price	Pearson Correlation	.629(**)
	Sig. (1-tailed)	0
	N	953
Physical Appearance	Pearson Correlation	.646(**)
	Sig. (1-tailed)	0
	N	953
Prestige	Pearson Correlation	.985(**)
	Sig. (1-tailed)	0
	N	953

** Correlation is significant at the 0.01 level (1-tailed).

For the private labels the correlation matrix between independent variables and dependent variable was calculated and is presented below in Table 3. The quality and prestige of Private Label has

insignificant relation with customer purchase intention and this relation is 5.6% and 5.1% respectively at .01levels. However the Price of Private label was found to have significant relation with

customer purchase intention at 39.2% at .01 levels. The physical appearance of private label was also found to have significant relation with customer purchase intention with 46.1% at .01

levels. The celebrity endorsement of private label was found to be significantly impacting purchase intention of customer.

Table 3: Correlation Matrix for Private Label variables

Independent Variables		Purchase Intention
Quality	Pearson Correlation	0.056
	Sig. (1-tailed)	0.131
	N	953
Celebrity endorsement	Pearson Correlation	0.462**
	Sig. (1-tailed)	0.000
	N	953
Price	Pearson Correlation	0.392**
	Sig. (1-tailed)	0.000
	N	953
Physical appearance	Pearson Correlation	0.461**
	Sig. (1-tailed)	0.000
	N	953
Prestige	Pearson Correlation	0.051
	Sig. (1-tailed)	0.059
	N	953

**, Correlation is significant at the 0.01 level (1-tailed).

Findings

The correlation result shows quality, Price, Physical appearance and prestige of National brand are significantly related to customer purchase intention of National Brand. Thus we accept H1, H3, H4, H5 and reject H2. The findings for the private label show that the quality and perceived prestige of private label has no significant impact on customer purchase intention. However Price, Physical appearance and celebrity

endorsement of private labels are significantly related to customer purchase intention. Thus we accept H7, H8, H9 and reject H6, H10.

Inferences

Quality of National brand apparel has a significant impact on the purchase intention of customers.

Celebrity endorsement of National brand apparel has no significant impact on the customer purchase intention.

Price of National Brand apparel has a

significant impact on customer purchase intention.

Physical appearance of National Brand apparel has a significant impact on customer purchase intention.

Prestige of National Brand apparel has a significant impact on customer purchase intention.

Quality of Private label apparel has insignificant impact on the purchase intention of customers.

Celebrity endorsement of Private label apparel has significant impact on the customer purchase intention.

Price of Private label apparel has a significant impact on customer purchase intention.

Physical appearance of Private label apparel has significant impact on customer purchase intention.

Prestige of National Brand apparel has insignificant impact on customer purchase intention.

Conclusion

The main purpose of the study was to explore the relationship between the independent variables (Quality, Celebrity endorsement, Price, Physical appearance, Prestige) and dependent variable (customer purchase intention) for National Brand and private label

apparel product category in India. The study brought out that quality, Price, physical appearance and Prestige of National brand have significant relation with dependent variable i.e. customer purchase intention of National brand while celebrity endorsement of National brand was found to have insignificant relation with customer purchase intention. The study also brought out that the quality and perceived prestige of private label has no significant impact on customer purchase intention of private label, however the price, celebrity endorsement and physical appearance of private label apparel has significant impact on customer purchase intention of private label.

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