

The Effects of Customer's Perceptions of Retailer on Private Label Brand Purchase

Fang-Tsen Chung* Yao-Kuei Lee**^a

Abstract

With the fierce competition in retailing, retailers strategically promote private label brand (PLB) to enhance bargaining power over manufacturers, maximize their profits and gain control over shelf space. To evaluate PLB success, other than the monetary gains it generated for retailers, it's vital to evaluate the relationships between customer's perceptions of retailers and their PLBs. A better understanding enables retailers to sustain customer's patronage to the stores and/or PLBs. This study used a sample of 438 customers in the central and southern Taiwan, and empirically tested a proposed research model aiming to better explain the PLB loyalty intention. The results revealed that: (1) store quality had significant, positive influences on PLB quality, value, satisfaction, purchase, and loyalty intention; (2) store value had significant and positive influences on PLB value and loyalty intention; (3) PLB quality had significant and positive influences on PLB value, satisfaction, purchase, and loyalty intention; (4) PLB value had significant and positive influences on PLB satisfaction and loyalty intention; and (5) customers had higher perceptions of retailers than PLBs. Managerial implications and suggestions are also discussed.

Keywords: customer satisfaction, loyalty intention, perceived quality, perceived value, private label brand.

*Lecturer, Dept. of Marketing and Distribution Management, Tajen University

**Associate Professor, Dept. of Marketing and Distribution Management, Tajen University

^a Corresponding author