

Perceived Quality of Private Brand: Antecedent factors and Their Results

Il-Woung Wang* · Seong-Huyk Hwang** · Jung-Hee Lee***

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〈 Abstract 〉

Changes of market environment such as globalization, population growth, improved income level, and rationalization of consumers' life style, and purchase behavior throughout the economy brought about huge revolution in retailing industry. Hypermarkets owe the success of business condition by beating out departments at the starting point of 2003 to the support of theses current changes. However, competition of the businesses as well as the same field of business is growing fiercer, even though hypermarket industry achieved rapid growth.

Hypermarkets are striving to get preoccupancy of a market share by developing PB (private brand) as one of the differentiated strategies.

* The first author, Director of business supporting division, Sajo Industry. wang@sajo.co.kr

** The corresponding author, Inviting professor, College of Business, Sejong University. hwangsh@sejong.ac.kr

*** Professor, Department of Industrial Economics, Chung-Ang University. junghlee@cau.ac.kr

PB has been used as a strategic tool to improve customer preferences, since it has been proven that PB is an effective method to improve customer preference over customer satisfaction so as to survive under fierce competitive environment.

This present study has figured out influences of each factor such as attributes of retailer, product, and manufacturer, related with the perceived quality based on relationship among factors verified in the preceding research.

In order to find investigation for relationships between customer satisfaction and perceived quality as well as customers' preference and reliability, relationship among 12 theoretic factors to provide academic and practical preview were set up.

Data for analysis were collected for 320 customers who use hypermarket over 20 years old living in Seoul and capital area, and 320 analysis papers were analyzed using SPSS 12.0 and AMOS 7.0.

The main results of this study are as follows. First of all, the higher reliability of a manufacturer, retailer image, sale promotion, retailer reliability, environments, PB image, price and utility has confirmed the higher perceived quality. Second, it is surveyed that the higher perceived quality shows the higher customer satisfaction, the higher customer satisfaction builds the higher reliability and preference of customer. In addition, the higher customer reliability improves its preference. Finally, this present study has suggested proposals for implications, limitation of study, and future researches..

Key Words : private brand, hypermarket, perceived quality, customer satisfaction
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I . Introduction

Changes of market environment such as globalization, improvement of the income level, and rationalization of life style and purchase behavior of consumers throughout the economy have brought about huge revolution in a retail and distribution industry in

Korea. Because of these changes, hypermarkets have become the most successful retail businesses since Korean retail market liberalization, 1996. However, a competition among not only retail companies in the same field such as E-mart, Homeplus, and Lottemart but also retail business formats such as hypermarket, online shopping malls, and SSM(super supermarket). Therefore, hypermarkets have accelerated PB(private brand) development as one of the differentiated strategies in order to survive among fierce competition and to improve a profitability.

The Background of PB appearance in Korea was influenced by the rapid changes in the retailing business environment, the increase of consumers' experience and knowledge for products, and the variety of consumers' needs(Ye & Jun, 2010). The PB development leading various quality and price has received more attention as the means for the enlargement of the opportunity corresponding to the change of the purchase behavior of a consumer, for the improvement of merchandise planning capability, and for the check of NB (National Brand), which gives them abilities of adaption to the new business surroundings (Richardson et al., 1996). To improve the preference for the PB products by consumers, the PB products should be developed according to consumer's needs. Thus, it is important to consider a quality level that consumers perceive rather than price of goods to develop PB products (Bettman, 1974).

Meanwhile, researches for private brand have been done in various aspects: extrinsic and intrinsic cue effects on perceptions of PB quality and preferences of PB (Richardson et al., 1994; Shin and Kong, 2004; Ye and Jun, 2010;), the relationship between the assessment of PB products and purchasing intention of PB (Park and Jung, 2003; Bonfrer and Chintagunta, 2004, Yoo et al. 2008), and characteristics of consumers who buy PB products (Baltas and Argouslidis, 2006; Hwang et al. 2010), and so on. Although many studies for PB have been tried with various methods and aspects, they did not make a definite conclusion that antecedent factors of PB quality which consumers perceive. Therefore, this study has focused on the related attributes of PB products such as attributes of retailer, product and manufacturer, and the study on how these attributes affect the perceived quality as well as the integrated study on co-relation that the perceived quality links to customers' satisfaction, reliability, and preference.

II. Theoretical Background and Hypothesis

1. The study on the perceived quality of PB

1) The perceived quality

The perceived quality can be defined as the overall quality levels of a specific brand customers recognize. Garvin(1987) defined it as the subjective quality that each consumer feels at the indirect aspect of evaluation, which is the perceived quality made through a brand, image of goods, advertisement, and etc. Zeithmal(1988) was defined as consumers' evaluation for products with overall superiority. Aaker and Keller(1990) were defined as consumers' attitude for a specific brand.

According to the studies for the perceived quality of PB, Bettman(1974) said that perceived risk and information were appropriate variables to explain consumers' behavior of purchasing PB products. Richardson et al.(1994) investigated factors that determine the perceive quality of PB products with the relative importance of both extrinsic cues and intrinsic cues. According to the results of Richardson's study, consumers purchased PB products by extrinsic cues and they considered that the improvement of quality was more important factor than the price of PB products when they assessed PB products in a grocery store. The negative perception of products results from bad quality of products. And due to this, the recognition of consumers generates a gap of perceived quality between PB and NB. Kim & Chun(2002) performed an empirical research with customers visiting a large-scale mart(hypermarket) in order to explain a process how information cues of private brand connects its preference. They found that brand attitude, perceived price, and intrinsic cues have a significant effect on perceived quality of private brand and only perceived quality is a determinant factor on its preference.

This research tries to inquire into factors on the perceived quality of PB products such as attributes of retailers, products, and manufacturers.

2) Decision factors of the perceived quality

(1) Decision factors of the quality of retailer's attributes

When consumers choose a retailer to go shopping, they would have either friendly image or unfriendly image for the retailer. The factors affecting either friendly or unfriendly image for retailers are called attributes of retailers. These become criteria of selecting a retailer. Retailer's attributes considered by consumers are as following: image of retailers, trust, location, products, sales promotion, salesmen, service, atmosphere of store, display of products, parking facilities, business hour, rest areas, cultural facilities, and etc. Chun & Kim(1999) said that decision factors of selecting a retailer were a distance to a store, assortment of products, product category, price of products, quality of products, convenience, store name, store atmosphere, and etc. Shin & Kong(2004) found that the private brand image, store image and ingredient brand attitude were significant antecedents of perceived quality of private brand.

Retailer image is formed as the interaction with retailers objective attributes and subjective attributes relative to consumer psychology. The objective attributes mean functional characteristics that could be observable such as assortment of products, price, credit policy, and etc., and the subjective attributes means the psychological factors of consumers like comfort and pleasure that could be experienced in stores (Mazursky and Jacobgy, 1985).

Promotion is explained as a method to reduce the cost spending a brand which consumers rarely use usually. It is the purpose of sales promotion to induce trial purchase and it, eventually, connects into the repeat purchase by compensating for the anxiety which is accompanied in using the strange products with a cheap price.

Keller(1993) said that sales promotion contributed to brand asset. And there were the communication effects that could influence on brand recognition and brand attitude.

It has been point out that retailer's reliability could influence on the attitude of a store or the attitude of a product which retailers offered. In general, the reliability of companies has meant the belief of consumers for a specific company. It has been being mainly focused on studies of advertisement, brand, or consumer behavior.

According to the study related to atmosphere of stores of Yoo et al.(1998), he has been pointed out that atmosphere of stores was one of the main characteristics that retailers have. Lee et al.(2007) said that if the store's mood provides pleasure to

customers, then they would highly appreciate this store. And customers might believe PB products which this retailer makes.

Brand image is the belief of brand or emotion for a specific company and brand that consumers feel. This is made in the psychological structure system of consumers, which means that much information combined with good feeling and bad feeling about a product (Horowitz and Kaye, 1975).

The several researchers have found that the powerful brand image has an effect on the assessment of products (Jacoby, et. al., 1971; Wheatley and Chiu, 1977; McDaniel and Baker, 1977). That is, the better image of brand enables consumer to recognize a product with high quality.

Hypothesis 1 : Retailers' image has a positive(+) effect on the perceived quality.

Hypothesis 2 : Promotion has a positive(+) effect on the perceived quality.

Hypothesis 3 : Retailers' reliability has a positive(+) effect on the perceived quality.

Hypothesis 4 : Atmosphere has a positive(+) effect on the perceived quality.

Hypothesis 5 : Retailers' brand image has a positive(+) effect on the perceived quality.

(2) Decision factors of the quality of product attributes

Products have meant all means to solve problems or to satisfy the basic desire of potential customers. And the attributes of products have meant components of product being necessary to perform functions of products that consumers want. Sirgy(1982) has emphasized that products have not only functional attributes but also the symbol of a product itself. He said that such image of products has significantly given effect on the situation with regard to consumer's purchasing behavior. A product has multilateral and compound characteristics that could not be evaluated with one standard. Therefore, this study tries to evaluate a product through a utility that would be obtained from products and a price that induces consumers to purchase products.

Price has been discussed so much with regard to the perception of quality among extrinsic cues. Consumers usually use a price as a clue to perceive the quality of products. And consumers do not perceive a product of which quality is relatively bad even though price of a product is very cheap. According to the study of Klepper(1979),

he reason that PB products are relatively inexpensive is not because of difference of the quality of products but because of saving an advertising expense. Consumers purchasing PB products are a group considering the importance of relative price as well as quality. So, if the quality of PB products is not constant or if quality gap of PB products compared to that of NB products is big, it would give a negative effect on a perceived value of consumers (Richardson et al., 1994).

A utility has meant the degree of subjective satisfaction about overall things from consuming goods and service. Consumers buy value of utility that could be obtained. This value could be obtained not from purchasing products but from using products. Thus, expected utility from products is different by a consumer or by purpose of using even the same products. Because of this reason, a product with the same quality could be evaluated as a product with good quality or with bad quality in depending on consumers. When consumers assess the results of experience of products, they evaluate utilitarian value (Babin et al., 1994). The perception of the utilitarian value has meant the overall evaluation for utility from products based on the perception which is formed by things exchanged among consumers. In addition, the purchasing possibility of a product would increase if this product gives much more utility to consumers. And the utility of price and quality has influenced on the consumers' assessment.

Hypothesis 6 : Product price has a positive(+) effect on the perceived quality of PB products.

Hypothesis 7 : Utility has a positive(+) effect on the perceived quality of PB products.

(3) Decision factors of the quality of manufacturer's attributes

Dick, Jain, and Richardson(1996) defined effects of intrinsic and extrinsic cues on perceived quality of private brand(PB) products and suggested that extrinsic cues have a greater effect than intrinsic cues on perceived quality of PB products and the most important factor in determining perceived quality is store reputation. And Doney and Cannon(1997) mentioned that store reputation is an antecedent factor that affects trust. Also, Ganesan(1994) presented that provider's reputation and reliability have a positive(+) relationship.

Vaidyanathan and Aggarwal(2000) asserts that consumers infer components that make up the products to decide on the overall quality of the product. It was proved that if the manufacturer's product is familiar or well-known, consumers have a higher perceived quality or form a favorable attitude towards the product. Yoo(2008) found that trust for the manufacturer of the PB product impacted the evaluation of the PB product as well as purchase intentions.

Hypothesis 8 : Manufacturer's reliability has a positive(+) effect on the perceived quality of PB products.

2. Customer Satisfaction

The term customer satisfaction was born in the United States during the mid-1970s and it became the main concern of many researchers and companies since the 1980s because of the close association between customer satisfaction and goals pursued by companies. In general, customer satisfaction is realizing the difference between prior expectation and actual assessment after purchasing or the process of comparing and selecting a product or a service by the customer and can be simply defined as the level of satisfaction that the customer receives regarding the product or service provided by the company. Satisfaction might be a psychological results derived from experience(Lee, Petrick, and Crompton, 2007). That is, customer satisfaction is cumulative results occurring from overall transaction processes(Gonzalez, Comesana, and Brea, 2007).

Research related to satisfaction has been ongoing continuously and Bitner(1990) presented the conclusion that satisfaction has a direct effect on loyalty in the service industry. Fornell(1992) states that customer satisfaction strengthens customer loyalty which in turn leads to repeat purchase or increase in revenue. Oliver(1999) claims that even though satisfaction and preference are traditionally viewed as a linear relationship, in reality this view is untrue as preferred customers are satisfied but satisfied customers do not necessarily always develop preference. Depending on the industry's competitive level and market structure in addition to customer type and customer problem-solving approach, the relationship between customer satisfaction and customer preference is not always a linear relation but in most part have a positive (+) correlation (Fornell, 1992).

Many studies have been done on the relationship between perceived quality and

customer satisfaction. In the study that analyzed the relationship between perceived quality, customer satisfaction, and customer preference, Beerli et al.(2004) found that customer satisfaction increases as perceived quality increases. Kennedy et al.(2001) study also stated that perceived quality and service quality have a positive relationship with customer satisfaction. Taylor and Baker(1994) mentioned that service quality is one of the factors in determining customer satisfaction. Woodside et al.(1989) stated that perceived service quality influences customer satisfaction which in turn affects purchase intentions while Kelley et al.(1992) states service quality, which is the sum of primary and secondary effectiveness, influences customer satisfaction.

Hypothesis 9 : Perceived quality has a positive effect on customer satisfaction.

3. Trust

Trust is an expectation or belief that the counterpart will act in good faith(Whitener et al., 1998). Satisfaction and trust are important elements in relationship market and many studies have concluded that satisfaction and trust have a positive(+) relationship(Selnes, 1998; Ravald and Gronroos, 1996). Satisfaction and trust are clearly distinguishable concepts as satisfaction is an antecedent factor to trust which develops during the early stages of the relationship whereas trust develops during the middle stages(Geyskens et al, 1999). Ganesan (1994) suggested that satisfaction with past transaction results increases trust and has a positive effect long-term directivity with other party. Ravald and Gronroos(1996) asserted that trust is a more advanced comprehensive assessment than satisfaction whereas satisfaction is an important source of trust while Selnes(1998) also concludes that satisfaction has a direct effect on trust in its study of antecedent and outcome factors for satisfaction and trust.

Anderson and Narus(1990) presented significant results by using trust as satisfaction's cause variable and satisfaction as outcome variable while Shankar et al.(2002) presented satisfaction as trust's effect variable in online environments and stated that customer trust has a positive effect on customer satisfaction and customer loyalty. Moliner et al.(2007), in its study on the relationships between perceived quality and customer satisfaction and between customer trust and customer immersion, reasoned

that customer satisfaction has a direct and positive effect on customer trust and that overall satisfaction is formed by trust. The overall view of majority of studies is that satisfaction is an antecedent factor of trust.

Hypothesis 10 : Customer satisfaction has a positive effect on trust.

4. Customer Preference

Service preference is viewed as one of customer preference concepts such as brand preference, store preference, etc. (Lee and Ahn, 2001). Preference is a concept that originated from store loyalty and can be defined as customer's favorable response attitude and repeat purchase behavior towards a store. Dick and Basu(1994) saw service preference as the strength of relationship between the other's attitude towards the service and repeat purchase behavior while Lee and Kim (1995) viewed service loyalty as having a similar nature to service preference. Service preference combination of attitudes which mixes behavioral response of a customer using a specific service on a consistent basis over a certain period of time and favorable attitude response towards the current service provider (Lee, Ahn, 2001). In the other hand, factors affecting store preference include socio-economic characteristic, geographic factor, store image, etc. (Park, 1999)

PB product preference or retailer's private brand proneness is the customer's actual purchase desire for the retailer's PB product and leading to positive attitude and purchase intention of the retailer's PB(Richardson, et al., 1996). When consumers purchase products with low involvement relating to themselves, consumers easily accommodate PB but when the involvement is high, consumers do not buy PB easily (Kwon, 1990). Lee (2000) noted that Korean research studies handled customer's positive attitude such as customer preference, repeat purchase intention, or store revisit intention as customer satisfaction's outcome variables. Park and Lee(2002) revealed that satisfaction and customer preference had a positive(+) significant relationship in the restaurant industry.

Hypothesis 11 : Customer satisfaction has a positive effect on preference.

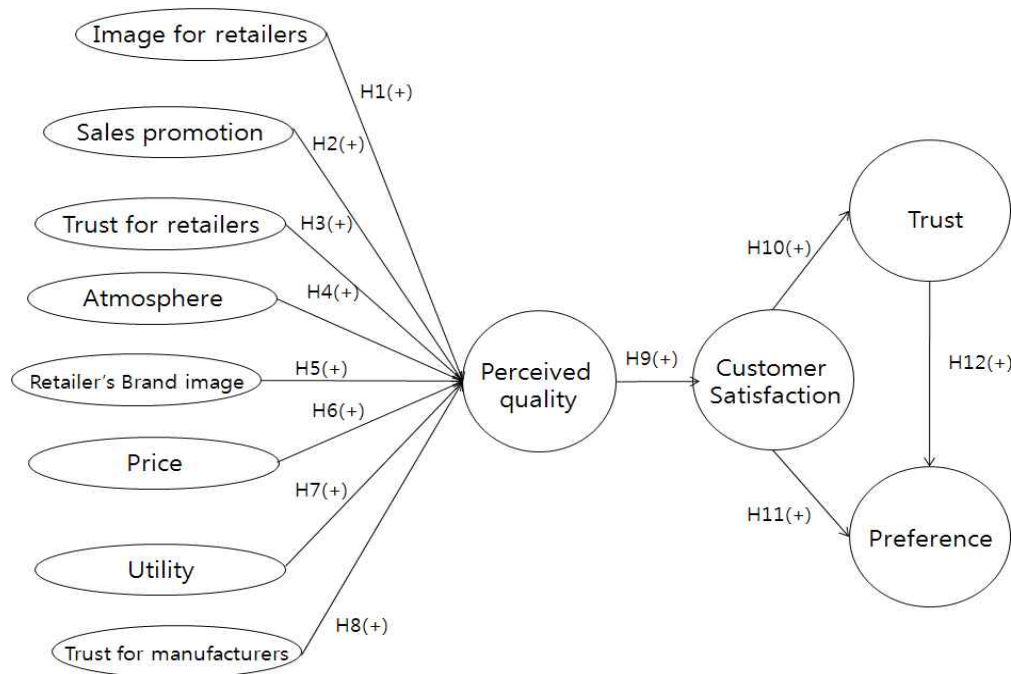
In addition, Morgan and Hunt(1994) found that trust was very important factor that

forms an exchange relationship with value and proved that a significant influence relationship between brand trust and brand preference while Garbarino and Johnson(1999) suggested that in the case of repurchase by customers who has a continuous relationship with a company, trust and immersion serve mediating roles which results in significant effect on preference including positive word-of-mouth effect and continuous preference.

Hypothesis 12 : Trust has a positive effect on preference.

5. Research Model

<Figure 1> Research Framework



The research model in this study selected retailer's image, sales promotion, retailer's trust, store atmosphere, retailer's PB image as retailer properties while selecting price and efficiency as product properties. For manufacturer's properties, significant effect of

manufacturer's trust on perceived quality was set as the variable. Also, perceived quality affects customer satisfaction which in turn influences trust and preference and finally, trust has an effect on preference.

III. Method

1. Data Collection

To analyze the effect of retailer, product, and manufacturer property on customer's perceived quality, trust, and preference in regards to the sale of PB products, survey was done for 2 weeks between March 22 and April 9, 2010. With the cooperation of large-scale marts located in Seoul, interviews conducted in a large-scale mart by randomly selecting consumer who visited this store. Answers for questionnaire can be input by the respondents themselves. Total of 320 questionnaires were distributed and, after excluding 18 expendable survey responses, 302 survey responses were used in this analysis and the survey respondents' demographic characteristics are shown in <Table 1>.

<Table 1> Demographic Characteristic

Items		Frequency	Percentage
Sex	female	187	62
	male	115	38
	Whole	302	100
Age	20.	92	31
	30.	86	28
	40.	100	33
	Over 50.	24	8
	Whole	302	100
Marriage state	Single	120	40
	Married	182	60
	Whole	302	100

Educational level	Less than the high school graduate	83	27
	The attending university and graduation	209	69
	The attending graduate school and graduation	10	4
	Whole	302	100

2. Operational Definition of Variables and Measurement

All variables used in this study were measured by using 5-point Likert-type scales ranging from 'absolutely disagree'(1) to 'absolutely agree'(5). The image of retailers were measured by four items such as the preference of a retailer, the variety of good products, comfortableness of shopping, and favorable impression for a retailer. Sales promotion was measured by three items such as 'having a good image for products caused by sales promotion', 'reducing uncertainty for strange products', and attention of sales promotion. Trust for retailers were measured by four items such as trust for a retailer, favorable feelings for a retailer, confidence of a retailer, and credibility of a retailer. Atmosphere of retailers were measured by three items such as visual appeal for shopping environment, shopping experience caused by better atmosphere of retailer, and comfortable feeling from good atmosphere. Retailer's brand image was measure by three items such as reputation of retailer's brand image evaluated by family, friends, or neighbor, reputation of its image compared to competition brand, and overall reputation evaluated by market. Price was measured by four items such as importance of price when purchasing products, lower price comparison with quality, low price compared to neighboring retailers, and low price compared to similar products in a same store. The utility was measured by three items such as amounts of utility, utility for additional service, and various utilities from products. Trust for manufacturers were measured by four items such as trust for a manufacture, favorable feelings for a manufacture, confidence of a manufacture, and credibility of a manufacture. The perceived quality were measured by four items such as quality of products, functions of products, appearance of products, and overall quality. Customer satisfaction was measured by

three items such as overall satisfaction, happiness, and dealing. Trust was measured by four items such as confidence, faith, honesty for PB products, and no trick. Preference was measured by four items such as recommendation of buying PB products to other persons, introducing advantages of PB, repurchasing PB, and overall preference of PB.

<Table 2> Operational definition of variables

Variables	Concept	explanation
independent variables group	retailer image	overall impression or impression for the retailer formed over a certain period as the buyer of a store
	sales promotion	a expedient to reduce the cost spending in experimenting a brand which consumers rarely use usually.
	retailer attribute	retailers trust
	atmosphere	customer belief for goodwill and trust to retailer
	retailers brand image	atmosphere existing in store like music, lighting design, air and interior., etc
	price	the belief to the brand or emotion that consumers feel a specific company and brand
	product attribute	monetary value expressing the amount to be needed to price for goods and service
	utility	a degree of the minimum satisfaction to product need
	manufac -turer	manufacturer trust
	perceived quality	customer belief for goodwill and credibility to manufacturer
parameter / dependent variables	customer satisfaction	subjective quality that customers feel as quality of an aspect of indirect evaluation
	trust	status to satisfy customers need and expectation, repurchased goods and service as a result which responds to customer expectations
	preference	expectation or truth that opponent acts on with goodwill
		a degree that customer would really like to buy retailers brand product and these attitude leads to a positive and concrete purchase behavior

IV. Results

1. Testing of Scale's Reliability and Validity

Analysis of the reliability test can be found by determining the degree of consistency between the multivariate analysis. It means the dispersion of the

measurements when same concepts are repeatedly measured. Ways to measure reliability include test-retest reliability, split-half reliability, item-total correlation, Chronbach's Alpha, etc. In this study, reliability was assessed through internal consistency Chronbach's Alpha value using SPSS 12.0. Reliability can be considered high if the alpha coefficient value is greater than 0.5 for all the questions and greater than 0.9 for each question while in general, an alpha coefficient greater than 0.7 means that there are no problems with reliability. Results of the confirmatory factor analysis showed that reliability for individual factors according to the Cronbach a values were in excess of 0.7. Nunnally and Bernstein(1994) proposed a general standard of 0.7 or higher and thus, the results of the measured variables generally have high internal consistency and all of the scales' reliability can be acknowledged (<Figure 2>).

Validity sees if the concept or property has been accurately measured. In this study, to test the suitability of the research model, absolute fit index in chi-square () statistic, CFI, AGFI, RMR, and standard fit index NFI are set as evaluation categories. To test the suitability of models used in structural equation analysis, there are many fit indices but one index cannot be used to determine the model's suitability. In the structural equation analysis model proposed by this study, fit index values (refer to <Table 3>) are as follows: Chi-Square 1364.053, X²/df 1.577, RMR 0.204, NFI 0.745, Probability Level 0.000, RMSEA 0.049, PNFI 0.681, and PCFI is 0.811.

<table 3> the validation test of a research

Standard in assessment.	P	X ² /df	CFI	AGFI	PNFI
Analyzed result	0.000	1.577	0.815	0.816	0.681
Measurement level	P<0.05	X ² /df<5	CFI>0.9	0.8	PNFI>0.6
Standard in assessment.	PCFI	RMR	NFI	RMSEA	
Analyzed result	0.811	0.204	0.745	0.049	
Measurement level	PCFI>0.6	Small number is better	NFI>0.9	0.05<RMSEA<0.10	

<Figure 2> Results of factor analysis

	1	2	3	4	5	6	7	8	9	10	11	12	Cronbach Alpha
Trust for manufacturers	0.848	0.112	0.066	0.077	0.007	0.059	0.028	0.106	0.107	0.143	0.116	0.017	0.923
	0.841	0.171	0.070	0.084	0.124	0.115	0.022	0.128	0.051	0.178	0.127	-0.028	
	0.838	0.092	0.061	0.080	0.008	0.075	0.093	0.074	0.022	0.103	0.075	0.210	
	0.829	0.122	0.097	0.146	0.029	0.153	0.071	0.101	-0.003	0.121	0.034	0.083	
Trust for retailers	0.105	0.818	0.198	0.123	0.149	0.100	0.091	0.031	0.023	0.085	0.022	0.047	0.858
	0.098	0.779	0.084	0.098	0.178	-0.054	0.037	0.120	0.016	0.080	0.128	-0.035	
	0.124	0.766	0.145	0.064	0.177	0.083	0.166	0.143	0.054	-0.008	0.101	0.026	
	0.192	0.707	0.172	0.120	0.081	-0.012	-0.048	0.098	0.199	0.026	-0.032	0.092	
Image for retailers	-0.030	0.104	0.733	0.157	0.119	0.098	0.066	0.017	0.120	0.037	0.142	0.041	0.822
	0.169	0.224	0.705	0.038	0.230	0.113	0.077	0.209	0.153	0.009	-0.007	-0.016	
	0.097	0.108	0.697	0.088	0.151	0.011	0.119	0.093	0.045	0.119	0.133	0.145	
	0.141	0.321	0.675	0.145	0.219	0.088	0.040	0.172	0.086	-0.033	0.108	0.067	
Preference	0.115	0.119	0.135	0.768	0.047	-0.032	0.116	0.136	0.023	0.121	0.002	-0.034	0.776
	0.128	0.163	0.123	0.714	0.209	0.053	0.160	0.100	-0.027	0.180	0.132	0.061	
	0.173	0.086	0.265	0.683	-0.072	0.106	0.132	0.104	0.122	-0.065	-0.027	0.207	
	0.015	0.086	-0.056	0.580	0.151	0.238	0.191	0.188	0.014	-0.144	-0.065	0.154	
Retailer's Brand image	0.050	0.184	0.216	0.143	0.816	-0.017	0.047	0.083	0.131	0.086	0.009	0.103	0.856
	0.114	0.217	0.213	0.104	0.765	-0.020	0.069	0.019	0.138	-0.031	0.131	0.131	
	0.005	0.216	0.231	0.042	0.727	0.071	0.050	0.124	0.179	0.081	0.143	0.033	
	0.110	0.031	0.133	0.086	0.079	0.774	0.149	0.100	-0.036	-0.011	-0.006	-0.024	
Price	0.144	-0.034	0.060	-0.051	0.050	0.693	0.234	0.151	-0.085	0.116	-0.071	-0.061	0.705
	0.177	0.133	0.190	0.084	-0.001	0.663	-0.101	-0.145	0.035	0.060	0.090	0.221	
	0.027	-0.025	-0.146	0.148	-0.143	0.646	-0.149	-0.018	0.136	0.253	0.182	-0.020	
	-0.039	0.190	0.178	0.181	-0.044	0.122	0.732	-0.064	0.011	0.031	0.104	0.104	
Trust	0.144	-0.006	0.022	0.179	0.198	0.110	0.719	0.050	-0.020	-0.067	0.062	0.048	0.719
	0.093	-0.002	0.048	0.172	0.009	-0.035	0.646	0.253	0.099	0.172	0.083	0.037	
	0.041	0.276	0.139	-0.055	-0.065	-0.071	0.435	0.286	0.153	0.334	-0.133	0.245	
	0.000	0.175	0.196	0.029	0.117	-0.012	-0.059	0.674	0.014	0.155	0.081	0.254	
Perceived quality	0.147	0.132	0.118	0.198	-0.020	0.117	0.137	0.661	0.082	0.001	0.063	0.171	0.704
	0.276	0.117	0.186	0.199	0.060	0.051	0.233	0.579	0.179	-0.172	-0.038	0.082	
	0.198	0.101	-0.031	0.301	0.173	0.006	0.101	0.526	-0.096	0.145	0.151	-0.167	
	-0.004	0.103	0.103	0.032	0.067	-0.011	0.056	-0.027	0.746	0.063	0.115	0.348	
Atmosphere	0.074	0.195	0.149	0.036	0.280	0.091	0.021	0.137	0.741	-0.142	-0.092	-0.009	0.703
	0.117	0.001	0.107	0.028	0.120	-0.060	0.050	0.046	0.726	0.194	0.176	-0.158	
	0.414	0.102	-0.008	-0.008	0.035	0.173	0.068	0.035	0.032	0.704	0.082	0.112	
	0.441	0.056	0.137	0.141	0.126	0.207	0.084	0.093	0.129	0.637	0.045	-0.011	
Utility	0.443	0.099	0.159	0.123	0.073	0.349	0.085	0.036	0.017	0.534	0.055	0.019	0.828
	0.097	0.018	0.137	-0.050	0.054	0.060	0.014	0.086	0.059	-0.006	0.784	0.144	
	0.202	0.195	0.094	0.062	0.125	0.066	0.269	0.056	0.168	0.078	0.648	-0.239	
	0.163	0.103	0.369	0.113	0.173	0.013	0.055	0.061	0.019	0.151	0.513	0.230	
Sales promotion	0.147	0.127	0.123	0.141	0.160	0.023	0.136	0.187	0.051	0.102	0.056	0.700	0.753
	0.170	-0.124	0.203	0.293	0.124	0.063	0.130	0.336	0.049	0.029	0.070	0.491	
	0.309	0.059	0.015	0.068	0.162	0.054	0.282	0.258	0.062	-0.101	0.275	0.376	

2. Hypothesis testing

Hypotheses were tested for the effect of selection properties (retailer, product, and manufacturer properties) on perceived quality during purchase of PB products, effect of perceived quality on customer satisfaction, effect of customer satisfaction on preference through customer trust, and effect of customer satisfaction on preference. Since the study focuses on testing the structural relationships between the concepts of the research model, AMOS 6.0 which uses covariance structure analysis to effectively test such relationships is used. When a more complex analysis is required compared to regression analysis or factor analysis of the analysis model design, AMOS 6.0 uses a structural

equation model to test the hypothesis.

In this study, retailer properties were distinguished by retailer image, sales promotion, retailer trust, store atmosphere, retailer PB image while product properties were distinguished by price and effectiveness. Also, manufacturer property used manufacturer trust as an independent variable. Based on findings of prior studies, the following research hypothesis was formed and tested (confidence level 90%)

<Table 4> Hypothesis testing

Research model		Estimate	S.E.	C.R.	P
Retailer attributes	Retailer image	.125	.025	4.941	.000
	Sales promotion	.105	.022	4.721	.000
	Trust for retailer	.060	.023	2.556	.011
	Atmosphere	.082	.021	3.834	.000
	Retailer's brand image	.094	.023	4.064	.000
Products attributes	Price	.311	.024	12.904	.000
	Utility	.225	.022	10.413	.000
Manufacturer attributes	Trust for manufacturer	.065	.022	2.896	.004

<Table 5> Hypothesis testing

Research model		Estimate	S.E.	C.R.	P
Perceived quality	→ Customer satisfaction	.625	.093	6.746	.000
Customer satisfaction	→ Trust	.623	.072	8.647	.000
	→ Preference	.411	.083	4.936	.000
Trust	→ Preference	.278	.065	4.252	.000

The testing results of all the composite hypotheses ranging from perceived quality to preference was tested as in <Table 5>.

Looking at the results of this study, retailer image, sales promotion, retailer trust, store atmosphere, retailer PB image, product price, product effectiveness, and

manufacturer trust has a positive(+) effect on perceived quality while positive(+) effects were found in the following relationships: perceived quality on customer satisfaction, customer satisfaction on customer trust, and customer trust on preference. And the results matched that of previous research studies as well. Most previous customer satisfaction studies were done on customer satisfaction regarding products and services and comprehensive research on customer trust along with relationship between factors has been minimal. Thus, this study performed a comprehensive research on customer research where factors affecting customer satisfaction were comprehensively analyzed. Whereas previous studies used performance, price, brand, design, service, store name, brand name, etc. as antecedent factors for perceived quality, this study used PB-related retailer, product, and manufacturer properties as antecedent variables. Based on a clear understanding of perceived quality of the antecedent variables and outcome variables for the causal relationship, this study proposed a new perspective on marketing implications and from an academic point-of-view.

V. Conclusion

According to the results of this study, most previous customer satisfaction studies were done on customer satisfaction regarding products and services and comprehensive research on customer trust along with relationship between factors has been minimal. Also, previous PB-related studies revealed only some relationships between variables with little research done on relationships between PB and manufacturer, retailer, and product properties. Thus, the academic implications of this study is as follows:

First, this study views perceived quality as an antecedent factor to customer satisfaction, customer satisfaction as an antecedent factor to customer trust and customer preference, customer trust as an antecedent factor to customer preference, and comprehensively analyzed the effect of each factor on perceived quality and customer preference. Therefore, analysis of measurements of each variable used in this study and structural causal relationship of perceived quality, customer satisfaction, customer trust, and customer preference revealed by the results of this study can be connected to be used as reference materials for future studies.

Second, whereas previous studies used performance, price, brand, design, service, store name, brand name, etc. as antecedent factors for perceived quality, this study used PB-related retailer properties (retailer image, sales promotion, retailer trust, store atmosphere, retailer PB image), product properties (product price, product effectiveness), and manufacturer properties (manufacturer trust) as antecedent variables. Thus, this study connected variables that can be applied practically with antecedent theories through preliminary research to present a new academic perspective.

Also, the practical implications of the findings are as follows: In regards to factors that affect consumer's perception of quality to enhance customer preference for PB, they were distinguished by retailer, product, and manufacturer properties and specifically confirmed through empirical analysis. The factor with the largest effect on perceived quality is product property and customer's perceived quality of PB products is overall satisfaction in effectiveness which includes price and product quality. When purchasing PB products, most important antecedent variable considered by the customer explains that even if the two products have the same price, PB may be purchased due to good quality while even if the PB product is cheaper, PB product may not be purchased due to poor effectiveness. Since PB buyer is a group that values product effectiveness and comparative price as well, if the PB quality is uneven and much inferior compared to the National Brand (NB) and falls below the customer standard from an effectiveness standpoint, it is important to note that the PB buyer can engage in brand switching at any time.

In addition, when customers perceive the quality of PB, retailer properties with the most effect are in the following order: retailer image, sales promotion, retailer PB image, store atmosphere, and retailer trust. Thus it is important to continuously show excellence of retailer image, retailer PB image, and shop atmosphere to the customers when selling PB products. Since sales promotion activities have a significant impact on perceived quality of PB products, ongoing promotion methods for PB products must be considered. Finally, manufacturer trust of the manufacturer property has been found to affect perceived quality of PB products but product quality is of the greatest interest by customers.

Although this study provides various implications, it has the following limitations: In this study, three types of variables in retailer, product, and manufacturer properties

are used to analyze the factors that affect perceived quality. Such property variables are based on that of antecedent studies and may somewhat lack the aspects to explain the effect on perceived quality so the results may change if more different variables were included to the study.

Accordingly, the following recommendations are made regarding future studies on this matter.

First, this study uses variables centered on causal relationships based in antecedent studies which is somewhat lacking when trying to explain the effect of antecedent variables on perceived quality by properties so a more accurate and meaningful study results can be obtained if the research uses various variables which are needed by actual companies.

Second, since preference is a dynamic concept that is subject to change as consumer experiences accumulate over time, this study is limited by relying on a latitudinal designed questionnaire during a fixed point in time. Thus, a more useful implication can be derived if a parallel longitudinal research can be done based on future time flow.

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〈 국문초록 〉

글로벌화 물결과 인구의 성장 및 구조변화, 소득수준의 향상, 소비자의 라이프스타일과 구매행위가 합리적이고 실용적인 방향으로 변화하는 등 경제 전반에 걸친 환경의 변화는 유통산업에도 큰 변혁을 초래하고 있다. 이러한 변화에 힘입어 대형마트는 2003년을 기점으로 백화점을 제치고 국내 최고 업체로 자리매김하게 되었다. 그러나 대형마트 업계의 급속한 외형적인 성장에도 불구하고 동종업체간의 경쟁뿐만 아니라 업체간의 경쟁이 심화되고 있다. 따라서 대형마트는 치열한 경쟁에서 살아남고, 수익성을 향상시키기 위한 차별화전략의 하나로 유통업체 브랜드(private brand; 이하 PB)개발하였다. 다양한 품질 및 가격을 주도하는 PB 개발은 소비자의 구매행위의 변화에 대응할 수 있는 기회의 확대와 제조업체에 대한 영향력 강화, 제조업체 상표(national brand)에 대한 견제, 유통업체 상품기획 능력 향상 등 여러 가지 이점의 제공과 급변하는 유통환경에 대응하기 위한 수단이므로 PB는 더욱 주목받고 있다.

PB에 대한 업계 및 학계의 지속적인 관심에도 불구하고 PB 상품과 관련된 속성(유통업체속성, 상품속성, 제조업체속성)의 관계 및 품질 지각에 미치는 연구와 품질 지각이 고객만족, 고객신뢰, 결과적으로 선호도로 이어지는 상관관계에 대한 통합적인 연구가 여전히 부족하다. 본 연구는 고객선호도와 선행변수들과의 관계를 체계적으로 밝혀 유통업체의 PB 전략 수립 및 실행에 유용한 지침을 제공하고자 하는 목적을 가지고 있다.

분석 결과 첫째, 유통업체 이미지, 판매촉진, 유통업자 신뢰, 분위기, 유통업체 상표이미지, 상품가격, 상품효용, 제조업체 신뢰가 높을수록 지각된 품질이 높아진다는 것을 확인했다. 둘째, 지각된 품질이 높을수록 고객만족이 높아지고, 고객만족이 높을수록 고객신뢰 및 선호도가 높아지고 고객신뢰가 높을수록 선호도가 높아지는 것으로 조사되었다. 이러한 실증분석 결과는 지각된 품질에 영향을 미치는 선행요인과 결과요인에 대한 보다 명확한 이해를 바탕으로 PB상품의 마케팅 전략을 수립하는데 유용하게 활용할 수 있을 것이다.

주제어 : PB(Private Brand), 대형마트, 지각된 품질, 고객만족

