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The Positioning of Premium Private Label Brands

A thesis in partial fulfilment of the requirements for the degree of Master of Business Studies
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ABSTRACT

Premium Private Label brands are commanding eye-level shelving space in New Zealand's supermarkets. With eye-catching packaging and labelling they are attempting to position themselves against established National brands. The question of whether consumers perceive premium Private Label brands as occupying the same perceptual space as these established National brands was the focus of this research. In four FMCG product categories, the positioning of the premium Private Label brand, Select, was compared to that of two National brands and a budget Private Label brand, using on-line surveys. In none of the categories was Select perceived as occupying the same perceptual space as the established National brands, though it was clearly differentiated from its budget counterpart.

These findings suggest that, while premium Private Label brands such as Select may never threaten the market position of a dominant National brand, they could compete for the position currently held by weaker National brands in some product categories. This research also confirmed that, generally, New Zealand consumers have positive attitudes towards Private Label brands, but there is some doubt that they fully trust the quality of Private Label brands. Consumers are also more likely to purchase Private Label brands in particular categories, and more likely to do so if they are locally sourced.

To avoid any cannibalisation between the premium and budget Private Label brands it is vital retailers maintain the perceptions of quality separation. Communication messages, therefore, need to convey premium Private Label brands' quality, value for money, and that the ingredients are locally sourced. Retailers could build further premium Private Label brand trust and familiarity by in-store taste trials and free samples.

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1.0 INTRODUCTION

1.1 Background

For centuries brands have distinguished one product or service from another. Some brands grew to represent powerful entities, often becoming iconic symbols with meanings beyond the physical product or service. This intangible aspect of brands has been the focus of many streams of academic literature and public debate. Some researchers and practitioners believe brands allow differentiation and can build brand loyalty through repeat purchase. Accordingly, brand manufacturers promote brands in the hope of creating equity, differentiation, and loyalty.

Many consumers have grown up with particular brands; therefore, they can have historical or sentimental associations. In the fast moving consumer goods (FMCG) industry, brands with product ingredients that were locally sourced and manufactured often dominated. They had a quality assurance advantage compared with imported products whose source of ingredients and production processes were often unknown. In New Zealand these manufacturers employed mostly local staff. Thus, the brands they produced had historical, better quality perceptions, local ingredients, local production, and indirect economic benefits attached to them. Manufacturers with large market shares pushed these brand benefits in their marketing communications. Accordingly, the manufacturers of these brands, also known as National brands, commanded premium prices for their brands, and positioned them as superior quality.

However, this scenario created a gap in the FMCG market. A segment whose needs were not being met was price-conscious grocery shoppers. Hence, in the latter half of the 20th century a new brand entrant in grocery supermarkets began to have an effect: the retailer's own label. Manufactured by another entity, it was labelled to reflect a 'Private' brand, and produced exclusively for the customers of a particular supermarket chain or group of grocery stores. Schutte (1969) defined Private Label brands as "products owned and branded by the organisations whose primary objective is distribution rather than production" (cited in Kara Rojas-Mendez, Kucukemiroglu & Harcar, 2009, p. 128). Throughout the literature, Private Label brands are termed, 'Own Brands', 'Retailer Brands', 'House Brands' or 'Store Brands' (Anchor & Kourilov, 2009). These terms are used interchangeably throughout this thesis.

Some Private Label brands had strong connections to the retailer's store name; for example, Woolworths 'Select' was marketed throughout Woolworths supermarket chains. Other Private Label brands were marketed without connections to the store. For example, Delhaize, a large Belgian retailer, launched its economy Private Label brand under the independent name '365' (Geyskens, Gielens & Gijsbrechts, 2010). Aldi, a major German hard discounter chain, sells only Private Label brands, but does not use its own brand name on any of them (Ailawadi & Keller, 2004).

These Private Label brands were positioned as a much lower priced alternative to the more well-known National brands. On average, they were priced 20 - 40% lower than their competitors (Kara et al., 2009). They were 'undecorated' brands and usually given little advertising or promotional support. According to Sjostrand (A C Nielsen, 2006), they were brands that lacked "product innovation, packaging development, brand personalities and positioning" (p. 2). This minimal approach to their marketing efforts was the rationalisation for their lower prices. Consumers' perceived them as lower priced and therefore lower quality brands (Goldsmith, Flynn, Goldsmith & Stacey, 2010; Nenycz-Thiel & Romaniuk, 2010). These Private Label brands' penetration across categories was limited. However, despite these limitations they met the needs of some price-conscious grocery shoppers.

On the other hand, these budget Private Label brands did not meet the needs of grocery shoppers who valued quality, but did not want to pay high prices for it. Retailers realised if they offered another Private Label brand that reflected quality and value they could meet this need. As a result, premium Private Label brands became more prominent. They slowly expanded into many categories, improved their quality and packaging, and were given more advertising and promotional support. These later offerings were differentiated from the earlier budget version by their higher prices that were usually just a little less than the weakest National brand in the category. If the term 'premium' was not on the products' packaging, it was implied in their promotional messages.

These premium Private Label brands challenged manufacturers' brands on quality and value (Goldsmith et al., 2010; Nenycz-Thiel & Romaniuk, 2010). Dick, Jain, and Richardson (1996) go further and assert that own brands in the United Kingdom are "on a par with the big National and International brands" (p. 27). Sjostrand, CEO of AC Nielsen Europe, believes Private label brands have strengthened their appeal through offering more than just a price differential. Despite the implied quality improvements through retailer assurances that

their Store brands meet certain quality standards, more effective communication, increased advertising in a wider range of media, upmarket packaging, prominent shelf placement and, in many categories, a lower price differential, consumers continue to prefer National brands over Private Label brands (Kara et al., 2009).

Practitioners and academics recognised this Private Label brand expansion and questioned the potential impacts these brands could have on market structures. A large amount of research investigated issues such as whose market share they were taking, who the Private Label brand consumers were, if they were a profitable investment, and what was their optimal position. Private Label brand expansion continued, and nowadays supermarket shelves commonly have a premium Private Label brand range positioned against the leading National brands, along with several other Private Label brand offerings. However, until recently, consumers' perceptions of premium Private Label brand ranges have not been widely researched. Not a lot is known about how premium Private Label brands are affecting National brand's positions or if they have succeeded in differentiating themselves from the budget Private Label brands on quality and value. Similarly, it is not clear whether retailers have accomplished their objective of positioning premium Private Label brands as equal in quality to National brands.

In New Zealand, even less is known about grocery shoppers' attitudes towards Private Label brands or the typical Private Label brand buyer. The research reported here was designed to address these issues. Its findings will provide a deeper understanding of Private Label brands' impacts on market structures and of consumers' purchase choices. Marketers and practitioners can use this knowledge to plan appropriate strategies and communication messages for their brands.

1.2 Private Label Brand Key Trends

To determine the relative importance of Private Label brand impacts in the FMCG market, it is first necessary to examine and analyse Private Label brands' key trends. The following section describes Private Label brands' reported trends and concludes with a summary of their impacts.

1.2.1 Private Label brand growth

Globally, in the FMCG's market, Private Label brands have recorded considerable growth. Figures published in 2005 by the global information research firm, AC Nielsen, inclusive of

data from 38 countries and in 80 categories, showed that almost 17% of the value of retail sales between April 2004 and March 2005 could be accredited to Private Label Brands. In the preceding year Private Label Brands accounted for 12% of total sales. AC Nielsen's figures (2010) also reveal how Private Label brand unit and dollar share rose in 2009. In comparison to their 2008 figures, unit share increased by 31.3% from 16.6% to 20.8%, and dollar share rose 21.8% from 17.0% to 21.8% (<http://www.marketingcharts.com/topics/behavioural-marketing/private-label-brands-make-gains-in-weak-economy-128031>). Increases in Private Label brand market share have been noted by many researchers (Batlas & Argouslidis 2007; Baltas, Doyle & Dysan, 1997; Batra & Sinha (2000); Burton, Lichtenstein, Netemeyer & Garretsen, 1998; Hyman, Kopf & Lee 2010; Kwon, Lee & Kwon, 2008; Nenycz-Thiel, Sharp, Dawes & Romaniuk, 2010; Olbrich & Grewe, 2009; Sayman & Raju, 2004; Sayman, Hoch & Raju, 2002; Sinha & Batra, 1999; Steiner, 2004; Sudhir & Talukdar, 2004; Veloutsou, Gioulistanis & Moulinho 2004; Walsh & Mitchell, 2010).

Kara et al. (2010) have asserted the popularity of Private Label brands is due to several related factors. Their arguments in support of this claim are that well-organised large retailers have the capability to develop their own brands and the budgets to promote them. Kara et al. also believe loyalty levels towards National brands are changing, and that consumers have improved attitudes towards Store brands due to their improved product quality. Sales figures also reveal that in the FMCG's market Private Label brands are growing at a faster rate than National brands and achieving higher penetration levels; also evidence of their increasing popularity (AC Nielsen, 2005; Corstjens & Lal 2000; de Wulf, Odekerken-Schröder; Goedertier & Van Ossel 2005; McNeill & Wyeth, 2011).

1.2.2 Private Label brand rates of global adoption

Another trend in Private Label brands is the variation in their adoption between countries. Countries in Europe record the highest level of Private Label brand shares of total retail sales at an average of 22% (Batlas & Argouslidis, 2007). Batlas and Argouslidis believe the market share of Private Label brands is the result of the oligopolistic conditions of supermarkets in some European countries. AC Nielsen (2011) report that Private Label brand consumption is 46% in Switzerland, 42% in the United Kingdom, 32% in Germany and 28% in France (data were collected in 2009). Singh (AC Nielsen, 2006) claims Private Label brand success in Europe is due to the fact that they offer a functional benefit. Consumers have less time to spend making purchase decisions and since Private Label brands mostly offer a single

functional benefit without emotional attributes needing evaluation too, the purchase decision process is simplified.

1.2.3 Private Label brand category penetration

Private Label brands have also experienced category growth, as evidenced by the increase in product categories registered in the Private Label Manufacturers Association's (PLMA) annual yearbook. First published in 1992, PLMA's yearbook had fewer than 200 categories of Private Label brands. In 2010, their yearbook contained more than 700 categories of Private Label brand products. In Europe, in 2006, AC Nielsen reported the presence of over 2,600 Private Label brand categories. However, Batra and Sinha (2000) report this Private Label brand growth is highly uneven between categories.

Categories with the highest Private Label penetration also vary geographically. Coriolis Research (2002) reported that in the United Kingdom, in 1998, dairy accounted for 65.4% of Private Label brand sales, paper products 52.1%, frozen 48.6%, household 37.6%, alcoholic beverage 36.8%, dry grocery 36.1%, cold beverage 33.3%, health and beauty 19.6%, and confectionary 15.5%. In New Zealand, in 2006, AC Nielsen report that the top 10 Private Label brand categories by dollar value were fresh milk, bread, natural cheese, toilet tissues, cereals, carbonated soft drinks, frozen vegetables, cooking oils, biscuits and pre-packed bacon. The top ten value shares of Private Label brands, by category sales worldwide, were reported by AC Nielsen (2005) as aluminium foil 49%, refrigerated complete ready meals 47%, milk 43%, garbage refuse bags 40%, frozen meat/poultry/game 39%, frozen fish/shellfish/seafood 39%, frozen vegetables 38%, shelf stable vegetables 36%, kitchen paper towels 33%, and cheese 33%.

1.2.4 Private Label brand tier expansion

Another change in Private Label brand markets is the number tiers available. Once, Private Label brands had a single low priced and low quality offering (Dick, et al., 1996). Now stores may have numerous distinct Private Label brand tiers. For example, they may provide budget, standard, or premium ranges as well as specialized ranges (Anchor & Kourilova, 2009). Or, as Geyskens et al. (2010) affirm, retailers seek to position Private Label brands in terms of good, better and best quality. Some tiers now offer promises such as 'environmentally friendly' or 'good and healthy life' (AC Nielsen, 2006).

This multi-tiered structure is evident in New Zealand supermarkets. One of the two major food chains in New Zealand, Progressive Enterprises, who own the Countdown, Woolworths and Foodtown chains, offer six different ranges of Private Label brands: Home Brand, Signature Range, Select, Essentials, Freeform and Naytura. The last three are minor specialised ranges. Home Brand is their generic offering, while Signature Range and Select are considered their premium ranges.

The other major supermarket chain, Foodstuffs, who operate the New World, Four Square and Pak'n'Save supermarkets, offers two tiers of Private Label brands. Their lower priced 'Budget' brand has approximately 400 products, mostly in commodity goods. Their other Private Label brand, 'Pams', is positioned as a premium brand and supplies around 1000 products at a higher price than Budget products but lower than most National brand products.

Although not in all Countdown stores yet, Progressive Enterprises are rolling out yet another range of Private Label brand products exclusive to Countdown Stores under the brand names Value, Countdown, and Finest. The Value brand is promoted as 'affordable'; the Countdown brand is promoted as 'good quality at value for money,' and the Finest brand is promoted as 'something different, something of exceptional quality' (www.progressive.co.nz/our-brands/value,-countdown-and-finest). In total, Progressive Enterprises are offering nine variations of Private Label brands.

1.2.5 Private Label brand market share in New Zealand

New Zealand is also experiencing a growth trend in Private Label brands similar to the global pattern. In 2002, Coriolis Research reported New Zealand's Private Label brand market share at 10%. The latest figures from AC Nielsen (2011) list New Zealand's Private Label brand market share as 18%, ahead of Australia at 14%. However, the data for these figures were from 2008 and 2009. By comparison, the weighted global average Private label brand share was reported as 14.9% (AC Nielsen, 2011).

1.2.6 Private Label brand buyer profiles

The characteristics of Store Brand buyers are also changing, although there is conflicting evidence as to the typical profile of a Store brand shopper. Dick, Jain and Richardson (1995) found that in the USA, older households are less likely to buy Store brands, but middle-income families, especially larger sized families, are more likely to buy Store brands.

Hoch (1996) discussed Private Label brands relative to price sensitivity and demographics. Using scanner data from an American supermarket chain, Hoch found that areas with a demographic mix of more elderly, larger households, more women working outside the home, and higher percentages of Afro-Americans and Hispanics tended to be more aware of price, and therefore more likely to buy a Private Label brand.

One anomaly Hoch (1996) discovered was that “higher levels of education were associated with lower price sensitivity and were also associated with better Private Label brand performance” (p. 92). Hoch’s (1996) and Dick, et al., (1995) studies were both conducted in the USA, and in similar years, yet they found conflicting results, particularly regarding the older age group and their likelihood of purchasing Store brands. These conflicting findings suggest further research is needed before a profile of a typical Private Label brand buyer can be established with accuracy.

Research carried out in Europe by Batlas and Argouslidis (2007) found no associations between consumers who are prone to buying Store brands and spending per grocery trip, or monthly grocery spend, family size, gender and age. However, they did find an anomaly in that consumers with “higher levels of education and higher income were more Store brand prone” (p. 336). Batlas and Argouslidis believe demographics are not a good indicator of consumer’s willingness to buy Store brands but rather product quality is what drives Store brand purchases.

Kara et al. (2009) surveyed main household grocery shoppers in the United States and found that Store brand buyers were older, females with low incomes who shop frequently and spend more on groceries a month than those grocery shoppers who were not Store brand buyers. They also reported Store brand buyers considered price, loyalty, and availability as important, whereas national brand buyers considered quality, trust, prestige and loyalty as important.

Based on their global survey data AC Nielsen (2010) describe the profile of a Store brand buyer as middle-income earners (\$30,000 - \$70,000) who live in suburban or rural areas and have three or more household members with a younger female head of household. They also found the fastest growing Private Label brand segment was families with annual earnings of \$100,000 and over.

1.2.7 Other Private Label brand trends

One other key trend noted by AC Nielsen (2005; 2011) is that “the higher the concentration of retailers the greater the share of Private Label” (p. 27, 2005). As supermarkets have consolidated, their buying power has increased. As a result, they have the ability to fund Private Label brand programmes, and provide marketing support (Kara et al., 2009). Another trend was described by Parsons and Ballantine (2011). Their research showed that the country-of-origin of Private Label brands affects consumers’ perceptions of the brand. Parsons and Ballantine (2011) believe country of origin has a “profound effect on Private Label product” and that Private Label brand consumers prefer a product that is locally sourced (p. 11).

1.3 Research Reports on Private Label Brand Beliefs

According to AC Nielsen’s 2011 Global Survey Report 37% of 27,000 respondents across 53 nations perceived Private Label brands to be a good alternative to name brands. On quality, 29% thought Private Label brands were as good as name brands, with 35% of the respondents believing some Private Label brands are of a higher quality than name brands. For price/value, 40% said Private Label brands were usually extremely good value for money and only 22% said brand name products were worth the extra price. Just over a third of all respondents thought that Private Label brands were meant for those on tight budgets or those who cannot afford the best brand. Almost half of Private Label brand consumers purchase the brand in up to five categories and one in three bought Private Label brands in six to ten categories.

AC Nielsen’s same global online survey also measured the Private label brand perceptions of New Zealanders. They reported that 41% of New Zealand respondents believe most Private Label brands’ quality is as good as name brands, with 30% saying Private Label brands are as good as name brands. Only 14% thought that private Label Brands were not suitable products when quality really mattered. However, almost half of the respondents thought Private Label brands have cheap-looking packaging. Overall, 47% thought Private Label brands are a good alternative to name brands (AC Nielsen, 2011).

1.4 Summary of Private Label Brand Impacts

The key trends discussed in the previous sections highlight some of the changes occurring in the FMCG industry. As a result of Private Label brands’ growth, the competition between

retailers and manufacturers has intensified. More Private Label brands fill the shelf space previously dominated by National brands. Budget Private Label brands were usually placed in the supermarket's less desirable lower shelves. Nowadays, premium Private Label brands occupy the optimal eye-level shelf spaces, alongside the leading National brands. In some categories it is the weaker National brands who occupy the lower shelves. Consequently, the premium Private Label brands' packaging and price differential are more obvious to consumers.

Clearly, in New Zealand supermarkets there is a situation where premium Private Label brands are competing for the same 'perceptual space' in consumers' minds. However, even if consumers' do perceive the physical improvements in premium Private Label brands, thus far little research has determined whether these perceptions are transferred to premium Private Label brands' overall quality (Sayman, Hoch & Raju, 2002). In particular, little is known about where consumers' position premium Private Label brands in comparison to National brands and whether they perceive any quality differences between economy and premium Private Label brands.

1.5 Research Relevance and Purpose

Previous research has examined Private Label brand market structures and their relevance to retailers, and manufacturers (Davies, 1998; Hoch, 1996; Hoch & Banjeri, 1993; Olbrich & Grewe, 2009; Pauwels & Srinivasan, 2004; Quelch & Harding, 1996; Steiner, 2004). Often this research has focused on the market share implications for retailers and manufacturers and on whether Private Label brands are a profitable investment (Cotterill & Putsis, 2000; Hoch, Montgomery & Park, 2004; Raju, Sethuraman, & Dhar, 1995). The variation of Private Label brand penetration across categories has also been studied (Dhar & Hoch, 1997; Sayman & Raju, 2004); Hansen, Singh, & Chintagunta, 2006). Some of this research was supported with empirical evidence due to the availability of supermarket scanner data (Walsh & Mitchell, 2010). Much of this research had limited value to this current study as it was more concerned with the implications for retailers and manufacturers than consumers. To establish Private Label brands and National brands current perceived market positions this study did examine the research that investigated Private Label brand effects on market structures. Key Private Label brand trends from AC Nielsen (2005, July 2006, November 2006, 2010, 2011) and Robobank (2011) research reports were also reviewed.

A small amount of research investigated consumers attitudes to Private Label brands and their willingness to buy Private Label brands (Dick et al., 1995; McNeill & Wyeth, 2011; Walsh & Mitchell, 2010; Zeilke & Dobblesstein, 2007). However this research was not of concern to this study as the objective was to determine premium Private Label brands' position relative to National brands, and it did not attempt to measure consumers' purchase intentions.

Other studies tried to determine to what extent demographics influenced Private Label brand attitudes (AC Nielsen, 2010; Batlas & Argouslidis, 2007; Dick et al, 1995; Hoch, 1996; Kara et al., 2009). These studies were examined and the conflicting findings discussed, as a secondary purpose of this present research is to examine consumers' general attitudes to Private Label brands and uncover any demographic or behavioural influences on Private Label brand perceptions.

Another body of research has examined consumers' perceptions of Private Label brands (Anchor & Kourilova, 2009; Batra & Sinha, 2000; de Wulf, Odekerken-Schröder, Goedertier & Van Ossel, 2005; Dick et al., 1996; Erdem, Zhao & Vanenzuela, 2004; Geykens, Gielens & Gijsbrechts, 2010; Kara et al., 2009; Miquel, Calliure, Aldas-Manzano, 2002; Nenycz-Theil & Romaniuk, 2009). The findings of these researchers laid the foundation for this study by identifying some of the key brand attributes that influence consumers' perceptions of Private Label brands.

From the perspective of this research, however, the most relevant studies were those that focussed on the brand positioning. While there is some brand positioning research only a small stream of it has investigated Private Label brand positioning (Choi & Coughlan, 2006; Raju, Setheraman, & Dhar, 1995; Sayman et al., 2002; Nenycz-Theil & Romaniuk, 2009). Some of these studies suggest optimal positioning strategies for retailers or manufacturers, but few address Private Label brand positioning from a consumers' perspective. Even less research has identified the position held by premium Private Label brands when compared with Manufacturers' brands. One very recent study that has addressed this issue is the research of Nenycz-Thiel and Romaniuk (2010). Their study and its findings are discussed in section 2.3.5.

This research proposes that the outcome of the competition between National brands and Premium Private Label brands, and the success of the Private Label brand's apparent positioning strategy, will be determined by consumers' perceptions of the different brands.

This research is designed to test the extent to which Progressive Enterprises has achieved their goal of positioning its premium Private Label brand Select against established manufacturers' brands in the minds of New Zealand's grocery shoppers. In addition, the research aims to uncover any attitudinal variables that might be influencing Private Label brand perceptions by examining grocery shoppers' attitudes to Private Label brands in general. Demographic and behavioural influences on grocery shoppers' Private Label brand perceptions will also be examined.

2.0 PRIVATE LABEL BRANDS AND POSITIONING

2.1 Introduction

The following literature review is divided into two chapters. The first chapter discusses the research that investigates changes in FMCG market structures due to the growth in Private Label brands and the effects on manufacturers, retailers, and consumers. The structures within the FMCG market are of interest to this research as they can indicate both the competitive situation and the position premium Private Label brands are likely to hold. A large number of studies on consumers' perceptions of Private Label brands are also examined. These studies are of particular relevance to this study as brand positioning is determined by measuring consumers' perceptions of specific brand attributes. Previous research in this area will help signal those brand attributes consumers use to evaluate and position premium Private Label brands.

The second chapter includes studies that discuss the importance of positioning strategies as well as studies that critique the limitations of brand positioning. These studies also offer helpful definitions of positioning and their theoretical foundations, providing a greater appreciation of positioning. A small number of Private Label brand positioning studies are included. Although their main focus was on providing an optimal position to benefit the retailer, they provide more knowledge on where retailers are attempting to position their Private Label brands. Only one of these studies examined whether consumers' position economy and premium Private Label brands differently, and it did not measure a premium Private Label brand's position relative to National brands. Nevertheless, it has relevance as its findings support this researcher's reasoning that it is consumers' perceptions of brands that determine their position.

2.2 Private Label Brands

2.2.1 Introduction

The growth of Private Label brands in the FMCGs' industry has altered market structures and impacted on the three key market participants: consumers, retailers, and manufacturers. In particular, Private Label brands marketed as premium quality have further altered the market's dynamics. Economy (or budget) Private Label brand entry initiated competition

between retailers and manufacturers. Retailers had control of the allocation of shelf space while National brand manufacturers controlled production, and although competitive, the relationship was interdependent. By sacrificing quality, economy Private Label brands were positioned on a lower price differential and had minimal packaging and marketing costs. Most National brands competed in the better quality/higher price position, with substantial advertising support.

The launch of premium Private Label brands altered this retailer/manufacturer relationship by intensifying the competition. Premium Private Label brands have attempted to position themselves as a high quality but slightly lower priced alternative to the well-known National brands, creating a new situation in the market place. Premium Private Label brands have filled a gap in the market that National brand manufacturers are unlikely to meet, as lowering their prices could signal a decline in quality (Morton & Zettlemeyer, 2004). While it might appear that consumers are the beneficiaries of this increased competition through increased brand choice and lower prices, research has shown this may not always be the case. A large body of research which has focused on the Private Label brand impacts on market structures is discussed below.

2.2.2 Private Label brand effects on market structures

One of the earliest debates over Private Label brands' potential to affect market structure and brand positioning was initiated by Quelch and Harding (1996). However, the main focus of their discussion was that Private Label brand market share was threatening National brands' market share. Quelch and Harding pointed out that manufacturers should be concerned about the growth of Private Label Brand and its implications on market structures and positioning, but that manufacturers should not over-react to this potential threat for two reasons. First, they contended that Private Label Brand market share is a reflection of economic circumstances. Private Label brand market shares rise in slumping economies and decrease in strong economic periods. However, they did not mention the state of the economy in the United States at that time. Their second argument for minimising the alleged Private Label Brand threat was that manufacturers have market control because they produce 50% of the Private Label Branded goods in the United States FMCG's market. Instead of over-reacting to Private Label Brand growth, Quelch and Harding suggested manufacturers treat the threat objectively in the same way they would treat any brand-name competitor.

Further discussion by Quelch and Harding (1996) identified several factors that suggest Private Label Brands were more than just a threat during times of economic recession. They cited their improved quality; the development of premium Private Label Brands; the success of Private Label in European supermarkets; Private Label Brand category expansion, and the emergence of new channels as the reasons why Private Label brands were making an impact in FMCG markets.

However, Quelch and Harding (1996) still believed National brands could withstand these threats because consumers use brand names to assess quality at point-of-sale when time pressed to check alternatives. They confirmed that in 1994 a DBD Needham survey indicated 60% of American consumers preferred the security and value of a National brand compared with Private label brands. This is not surprising, as it was before the introduction of premium Private Label brands.

Other reasons why Quelch and Harding (1996) asserted National brands have the ability to combat Private Label threats were that, over time, National brands have built up customer equity. They supported this assertion by reporting that in the two years between 1991 and 1993 forty of the top fifty brands on the Equitrend survey in the United States were still the same. As well, on the Equitrend list of top 100 brands in the United States only five were Private Label brands. According to Quelch and Harding, another main point of support that would enable National brands to resist the Private label threat is that National brands are valuable to retailers because, if not stocked, consumers can change stores and that, apart from the odd exception, Private Label brands do not have the power to build store traffic. They also warned that too much emphasis on Private Label brands could dilute and alter store image.

Following this discussion on the strengths and weaknesses of Private Label brands' ability to affect National brand market share, Quelch and Harding (1996) provided advice on how National brands might counteract the negative impacts of Private Label brands. However, none of the strategies they provided was supported with evidence of their success after implementation. Despite having no empirical evidence to support their defensive strategies, Quelch and Harding's conceptual discussion illuminated the potential threats to National brands from Private Label brands' expanding market share and suggested there would be changes to market structures in the future. In hindsight, however, Quelch and Harding underestimated the strength of Private Label brands. Over time, Private Label brands have

continued to grow their market share, consequently National brand market share has declined. In 2009, US industry figures recorded store brands were up more than 6% to 23.7% in unit share, while national brands had declined by 1.7% (PLMA, 2010).

Once Quelch and Harding (1996) had identified the potential threat to National brands from Private label brands many other studies addressed the effects of Private Label Brand growth trends. Hoch, Montgomery and Park (2004) investigated how the growth in Private Label brands was impacting on National brands and the market's overall structure. They analysed 225 consumer packaged goods categories using US data from the annual Marketing FactBook between 1987 and 1994. By examining Private Label brand and National brand category level buying characteristics and marketing spending patterns Hoch et al. were able to confirm that during that time period Private Label brands exhibited a growth trend while National brand's growth remained constant. They believe this pattern exists because retailers control Private Label brand marketing mix decisions and in doing so influence the decisions of their competitors. For example, retailers have the ability to quickly restock, change in-store shelf placement, piggyback on National brand promotions, and re-direct store traffic to their Private Label brands. National brands have to rely on negotiations with retail management to implement these marketing activities.

Hoch et al. (2004) also observed that although Private Label brands take small amounts of market share from all competitors, it is the smallest brands in a category that lose the most market share to Private Label brands. As a result of their analyses, using an extensive data set over a long period of time, Hoch et al. were able to conclude that Private Label brand growth is the result of unique circumstances, and as such their influence cannot be thwarted by traditional competitive brand strategies.

Pauwels and Srinivasan (2004) examined FMCGs' market structures from all three perspectives: National brand manufacturers, retailers and consumers. Having obtained scanner data from a large United States supermarket chain, they selected four categories: hot breakfast cereal, toothbrushes, paper towels, and bath soap, and analysed their data using time series techniques. The categories were selected because they had a new Store brand entry in the 36-week time period. Pauwels and Srinivasan's time series analysis revealed that Store brand entry benefits premium National brand manufacturers through increased revenues. Their reasoning is that premium National brands do not compete directly with Store brands. Instead, premium National brands tend to react by increasing their new product

varieties to offset any volume losses to Private Label brands. Alternatively, premium National brands differentiate themselves by raising prices to imply product quality. However, weaker National brands tend to retaliate with lower prices and more promotion. Therefore, these weaker National brands are affected by Store brand market entry.

According to Pauwels and Srinivasan (2004), retailers benefit from Store brand entry through high unit margins on the Store brand and premium National brands that have raised their prices. However, this is only the case when there is higher category demand, and it is not consistent across all categories. In their analysis, only the hot breakfast cereal category demonstrated higher category demand after Store brand entry. Pauwels and Srinivasan found no evidence of Store brand entry increasing store traffic or overall revenue, but noted that consumers benefit through increased product assortment in some categories and from increased National brand promotional activity. Pauwels and Srinivasan acknowledge their research is limited in that they used data from one supermarket chain and did not include analysis on the effects of premium Private Label brands; however, their research corroborates Hoch et al.'s (2004) findings that Store brand entry takes market share from weaker National brands.

The claim that consumers are thought to benefit from Private Label brand entry due to lower price differentials and increased brand choice is challenged by Soberman and Parker (2006), who point out that as retailers have launched their own brands they have withdrawn weaker National brands from their supermarket shelves. Consequently, consumers' brand choice in some categories is often restricted to one or two National brands and a Store brand. Further, Soberman and Parker also question the notion that Store brands' lower prices do benefit consumers as, in many categories, average prices have increased. According to Soberman and Parker, these higher-than-average category prices are due to increased National brand advertising employed by National brand manufacturers in an attempt to gain back sales lost to Private Label brands. Even though Private Label brands appear cheaper than National brands, in some categories, consumers may actually pay more for a Private Label brand than if only National brands were offered. Private Label brands have, therefore, altered the pricing structures to benefit retailers, but to the detriment of consumers and producers of National brands. National brands cannot raise prices without making the price gap between themselves and the premium quality Private Label brands unacceptable to consumers. To this extent Private Label brands are controlling the market structure in FMCG.

Soberman and Parker's (2006) findings of decreased product variety and increasing average prices when Private Label brands are included in a category were confirmed in a study by Olbrich and Grewe (2009). This study tested six years of sales data from the ready-made meals category in 72 German discount stores, supermarkets, and hypermarkets between 2000 and 2005. The indicators they used to measure the consequences of competition between national brands and Private Label brands were product variety, prices per kilo and a store's absolute turnover. Their study showed a considerable decrease in the variety of products available during the six years, and that the number of National brands delisted was greater than the newly listed Private Label brands. They also evidenced significant price increases for both brand types, along with a decline in total store turnover figures. Olbrich and Grewe concluded that even though taxes or other aspects could have impacted on their results, the proportion of Private Label brands in German supermarkets and hypermarkets has increased, but store turnover has not necessarily increased by the same proportion, although turnover did increase in discount stores after Private Label brand listings increased. Olbrich and Grewe's longitudinal study did not establish causal relationships, but did allow them to make relevant empirical observations.

Current research by Schreijen (Robobank, 2011) concurs with Hoch et al.'s (2004) and Pauwels and Srinivasan's (2006) findings that minor National brands are losing market share to Private Label brands. Schreijen believes that, due to Private Label brand market share growth and the increases in premium Private Label brand ranges, competition between National brands has increased. He also believes the number of second grade National brands (B-brands) offered in future will be reduced. Further, he posits the fiercest competition will be between the B-brands themselves, and in many categories, the number of products offered will be reduced to retailers' own brands (ROB) plus one National brand. Schreijen reports that the structure of retailers Own brand plus one strong National (A-brand) brand is becoming commonplace in mature product categories, such as frozen snacks and vegetables. Schreijen's research confirms the market place changes initiated by Private Label brand expansion.

Until recently, Private Label brand research has not included premium Private Label brand effects on market structures. However, Geyskens et al. (2010) examined how the introduction of economy or premium Private Label brands influenced consumers' choices. First, they classified the quality variations in Private Label brand tiers as low (economy), medium (standard), and high (premium). These quality perceptions were determined by a panel of expert judges and consumers who were regular category users, while taking into

consideration retailers' apparent positioning strategies. To justify their research methodology, theoretical links were made to context effects because "consumers' choice preferences are influenced by which other products are in their choice set" (p 792). Geyskens et al. chose three context effects that are widely used in marketing and psychology behavioural research, namely similarity, attraction and compromise. They expected a compromise effect would increase the utility of standard Private Labels and mainstream quality brands and, as a result, increase choice probability when an economy Private Label was introduced. While this current research will not examine Private Label brand choice probabilities, Geyskens et al.'s study was useful to this research because it determined the various quality levels amongst Private Label brands.

To develop their experiment, Geyskens et al. (2010) used economy, standard, and premium Private Label brands along with mainstream and premium National brands in the corn flakes and canned soup categories. They sourced scanner panel data drawn from two major United Kingdom supermarkets, Asda and Sainsburys, between 1993 and 2006. This setting was chosen because Geyskens et al. believe the United Kingdom was the global leader in developing three tiered Private Label programmes. They found the introduction of an economy Private Label brand cannibalises standard Private Label brands, and the introduction of a premium Private Label brand cannibalises both the economy and standard Private Label brands. They theorised that this is "partly due to brand similarity effects...and is consistent with the divided brand loyalty argument" (p. 804). Furthermore, they believed that when quality variations are altered to distinguish Private Label brand tiers, a brand's strength dilutes.

Conversely, the introduction of an economy Private Label brand in a category benefits a mainstream National brand's market share because of the attraction effect. Geyskens et al. argue that in these conditions consumers switch away from the top-quality National brand to the mainstream National brand, which becomes more appealing due to a compromise effect. This effect was strong and consistent in their data. However, their results for premium Private Label brand effects on premium National brands were mixed. Only two out of four cases demonstrated significant increases in National brand market shares when premium a Private Label brand was introduced to the category.

Geyskens et al.'s (2010) study contributes to overall Private Label brand knowledge by classifying Private Label brand tiers and showing market share effects resulting from

consumers' altered brand choices when premium Private Label brands are introduced in FMCG categories. Premium Private Label brands are also the focus of this current research, but instead of examining Private Label effects on consumers' brand choices, it aims to determine where Private Label brands are positioned according to the perceptions of consumers.

This mid-section of the chapter summarises the impacts Private Label brands are having in the FMCG industry. Quelch and Harding's (1996) pivotal study highlighted the potential of Private Label brands to affect manufacturer's brands. The research that followed examined this issue more closely and also included Private Label brand impacts on retailers and consumers. Several researchers (Hoch et al., 2004; Olbrich & Grewe, 2009; Pauwels & Srinivasan, 2004; Schreijen, 2011; Soberman & Parker, 2006) were consistent in discovering it was the weaker National brands that were losing market share to Private Label brands. As a result, consumers face less brand choice and increased average prices in some categories (Soberman & Parker, 2006). Meanwhile, retailers are thought to gain by higher unit margins, but research has shown profits from Private Label brands are in categories where there is high demand (Pauwels & Srinivasan, 2004).

This present study only found one published study that examined market structures inclusive of premium Private Label brands. Geyskens et al.'s (2010) study confirmed that, since the introduction of premium Private Label brands, consumers' brand choices are less in some categories. Furthermore, they discovered premium Private Label brands were cannibalising other Private Label brands. While this body of research has more relevance for retailers, manufacturers, and consumers, it does have value for this research. These changed market structures give an indication of the intense competitive situation in the FMCG industry, and the extent to which Private Label brands control marketing activities. They also give an indication of how retailers and manufacturers are likely to position their brands. However, the focus of this current research is to discover whether consumers perceive that retailers have succeeded in positioning premium Private Label brands alongside National brands.

2.2.3 Consumers' perceptions of private label brands

A large amount of research has examined consumers' perceptions of Private Label brands. Richardson, Jain and Dick (1996) began a stream of research that investigated which consumers were more likely to buy Store brand grocery items and what factors motivated this decision. From their 1994 study that assessed the impacts of extrinsic and intrinsic cues on

Store brand evaluation, Richardson et al. found extrinsic cues had the greater impact. They noted other earlier research had found that socioeconomic, perceptual, and individual difference variables were associated with Store brand proneness. Subsequently, they hypothesised the constructs of perceived value for money, perceived risk, perceived quality variation, extrinsic cue reliance, familiarity, intolerance of ambiguity, and the socioeconomic variables of higher income, education, age, and household size would influence consumers' willingness to buy Store brands.

Richardson et al. (1996) intercepted mall shoppers in a United States city, 19.7% of whom returned questionnaires that evaluated National and Private Label brands in 28 grocery categories. They found the most important single construct for predicting willingness to buy Store brands was familiarity. Perceived value for money, family income, family size, and perceived risk had some impact on willingness to purchase Store brands, but to a much lesser degree than familiarity. While extrinsic cues had strong effects on some constructs, in others the extrinsic effects were indirect; however, Richardson et al. believed they were still noteworthy effects.

As a result of their findings, Richardson et al. (1996) advised retailers to increase Store brand familiarity through in-store tests and free samples. Additionally, they advised improvements to extrinsic cues such as packaging, price and brand names would help improve consumers' quality perceptions of Store brands. This study has some weaknesses in that the response rate was low, measures were self-reported, and by their own admission, random errors in the model were likely, due to its inability to capture global differences in consumers' perceptions across all product categories. Nonetheless, the study provided a foundation of relative Private Label constructs for further investigations.

In a further study Richardson (1997) measured and compared consumers' brand attitudes towards two Store brands and five products by conducting a field experiment that randomly intercepted mall shoppers in United States. Shoppers were asked to taste a Store brand product then complete a questionnaire. A Store brand condition of one familiar brand and one unfamiliar brand was used in the experiment's design so as not to limit the ability to generalise results. If subjects were exposed only to a familiar Store brand, evaluations would not be applicable to all Store brands. Price and ingredients were held constant in order to reduce any confusion over brand image or compositional differences.

Richardson (1997) analysed the data from 338 respondents and found that consumers did rate the Store brands as familiar or unfamiliar but perceived all Store brands as similar in quality, and there was little variation in their willingness to purchase a Store brand that was either familiar or unfamiliar. Thus, Richardson confirmed the hypothesis that consumers do not perceive Store brands as differentiated. However, a specific premium Store brand was not included in the brands tested so this study does little to signal consumers' Store brand perceptions in markets with multiple-level Store brands as used in this research.

Regarding Store brand chain penetration, Richardson (1997) selected 28 store brand products typically found in grocery baskets and administered questionnaires by mall intercepts, 905 of which were returned. By comparing observed and predicted market shares using averaged market shares across three supermarket chains, Richardson was "95% certain that Store brand market shares do not deviate significantly from those expected on the basis of chain penetration" (p. 396) thus, confirming the hypothesis that Store brand market share is consistent with chain penetration.

Batra and Sinha's (2000) exploration of consumers' preferences for Private Label brands or National brands relative to the elements of perceived risk, reported the trend of overall Private Label brand growth, but pointed out the variation in Private label brand category share. Since little was known about the underlying causes of this category variation, their research focused on consumer-level perceptions of inter-category differences. Batra and Sinha used the concept that levels of perceived risk are determined by performance, financial or social factors (Dunn, Murphy, & Skelly, 1986 as cited in Batra & Sinha, 2000). They further defined risk as the consequences of making a purchase mistake, and the risk of variability in quality. They also suggested a third determinant of category perceived risk would involve the 'search versus experience' aspect. Brand experience qualities are described as taste, smell, colour, and texture attributes confirmed by product use. Search attributes are described as a product's functional use, for example, the ingredients used, quality standards or specifications. Thus, Batra and Sinha hypothesised, consumers are more likely to buy Private Label brands in categories where there are low consequential risks, lower quality variation, and more accurate written descriptions of important product attributes (search aspect), instead of a brand that required experience through prior usage.

Batra and Sinha (2000) used 12 products: ground coffee, powered laundry detergent, canned tomato paste, tea bags, liquid laundry detergent, gift wrap, soft drinks, greeting cards, frozen

orange juice, cold and flu medicines, sheet fabric softeners and canned tomatoes to question mall-intercepted shoppers in the United States, who had purchased any of the named products in the last month, about their perceptions of risk when buying Private Label brands. Respondents were asked to complete two or three surveys, thus 263 successful intercepts yielded 753 usable questionnaires. The four variables of consequences of purchase mistake, quality variation, search/experience, and degree of price consciousness were estimated using factor analysis.

Batra and Sinha's (2000) findings showed that, as the consequences of purchase risk decrease the probability of purchasing Private Label brand increases. Correlated with the risk variable was the degree of quality. The likelihood of a Private Label brand purchase increases when quality perceptions increase. Batra and Sinha report that uncertainty about Private Label brand quality was a key concern when consumers consider a switch from National brand to Private Label brands. Their results also showed "consumers buy fewer Private Label brands if a category's benefits require actual trial/experience instead of searching through package label information" (p.188). However, the products Batra and Sinha used included medicines and this could have a confounding effect on the results of the variable trial/experience versus package labelling. Overall, their research emphasised that purchase risk and quality perceptions are important when considering consumers' Private Label brand purchase intentions.

As well as perceived risk, personal involvement is also thought to impact on consumers' perceptions of Private Label brands. Miquel, Callipure and Aldas-Manzano (2002) modelled the decision process used when a consumer chooses a Store brand over a National brand. In particular, they hoped to shed light on why Private Label brand purchase is varied across categories. Miguel et al. believed Private Label brand attitudes are changing and agree with Batlas (1997) that Store brands are gaining popularity as consumers' trust in their quality increases. Miquel et al. reviewed the literature on purchase involvement and summarised the important variables linked to purchase: the degree of product knowledge consumers have, the number of product attributes under consideration, and the capacity of the individual to perceive any brand differences. Thus, they included these variables in their model and used data obtained from 400 personal interviews with grocery shoppers in Spain to test the impact of personal involvement in the purchase decision process.

Miquel et al. (2002) tested six categories: milk, sliced white bread, oil, beer, bleach, and toilet paper. Respondents were randomly assigned any two categories. Their model highlighted some significant associations between the tested variables that allowed them to conclude that personal involvement with the product category does impact on Store brand purchase decisions. However, the effect is indirect, and it can be either positive or negative. Higher consumer involvement means greater knowledge, which interrelates positively to the number of attributes and brands being evaluated. These relationships can lead to greater Store brand knowledge which, in turn, leads to a greater likelihood of a Store brand purchase. However, if greater knowledge of a category creates favourable perceptions towards a National brand, then the opposite applies: a National brand will be preferred over a Store brand. As a result of their findings, Miquel et al. confirmed that Store brand acceptance is dependent on reducing the perceived differences between Store brands and National brands.

Batra and Sinha (2000) and Miquel et al. (2002) researched consumers' Private Label brand perceptions in the United States and Spain, respectively, whereas Erdem, Zhao and Valenzuela (2004) examined consumer Store brand preferences, perceptions and risk across three countries, the United States, United Kingdom, and Spain. The framework for Erdem et al.'s study involved the concepts of brand equity and consumer choice when uncertainty was present. They believed consumers learn about quality levels through experience with a product. If product consistency is present during this time, then consumers' perceived risk of quality variations is decreased.

Erdem et al. (2004) used scanner data to test consumers' brand choices on laundry detergents from all three countries, and toilet paper and margarine from United States and Spain. They used an economics-based demand model to estimate consumers' brand choices associated with Store brands and National brands under conditions of uncertainty. They found strong empirical support for their theory that consumer uncertainty, learning and perceived risk play important roles in consumers' attitudes to Store brands. They also found consumers' attitudes towards risk, price, and quality to some extent explain market share differences between Store brand penetration in United States and Europe. According to Erdem et al., consumers in United Kingdom and Spain consider Store brand quality less important, are less likely to perceive Store brands as a risky choice, and are more price sensitive than consumers in the United States. Overall, Erdem et al. argued that any marketing activities depend on the category and on consumers' quality, price, and risk sensitivities in each country.

Kwon, Lee and Kwon (2008) continued the small stream of Private Label brand research that has addressed the levels of consumer product involvement and the role of search versus experience relative to Private Label brand perceptions. Previous research by Miquel et al. (2002), discussed above, argued an increase in product involvement increased a consumers knowledge and would indirectly lead to a Store brand purchase. Batlas (1997) does not agree on this point. His study on determinants of store brand choice found a negative relationship between levels of product involvement and the willingness to buy Store brands.

In support of Batlas' findings, Kwon et al. reasoned that utilitarian value was important when evaluating low involvement products. Therefore, they hypothesised Store brand purchase intent would increase as perceived product involvement diminished. Kwon et al. also predicted value consciousness and switching costs would impact on Private Label brand perceptions. They argued that, since the quality of Private Label brands has improved, they would attract value-conscious consumers seeking quality relative to price. Furthermore, they believed value consciousness would “moderate the effect of product involvement, product type and switching costs on Private Label brand purchase” (p. 113).

Kwon et al. (2008) pre-tested 16 products for high and low product involvement, search versus experience effects, and switching costs on 111 university students in the United States. Shampoo, glue sticks, juice, wine, pain killers, and bottled water were the six final products chosen for a random survey of 337 university students. These products were selected because they were thought to have the highest and lowest involvement, search, and switching costs.

Kwon et al. (2008) found “that value consciousness was a strong predictor of Store brand purchase” (p. 109). Their results also led them to conclude that in categories where product involvement and switching costs are low consumers are more receptive to Private Label brand purchasing. They found value consciousness was consistent in its prediction of Private Label brand purchase intent regardless of the level of involvement. Also found to have an effect on Private Label brand purchase, was the need to search for product information. When a product was clearly perceived as having information that helped the purchase decision, compared with using the product to gain experience, Private Label brand purchase intent was higher. This knowledge is helpful for retailers who can promote Private Label brand value and provide more product information on packaging to enhance search properties.

Another study that found value consciousness was related to perceptions of Store brands was carried out by Kara et al. (2009), who examined the different factors affecting Store brand

purchase behaviour. They reasoned that consumers' Store brand perceptions include higher order constructs, such as value consciousness. Value consciousness has lower level constructs such as learning and familiarity that take place during previous purchase experiences. Therefore, Kara et al. proposed, "consumers' previous experience with Store brands would have a significant positive effect on their evaluation of Store brands" (p. 130). In their study they collected data on consumers' involvement levels, brand loyalty, price perceptions, quality perceptions, familiarity, intolerance of ambiguity, and perceived risk. They surveyed main household grocery shoppers from Pennsylvania, and found significant links between value consciousness, experience, perceptions of Store brands, and the reported behaviour towards the store, but these relationships were weak.

Walsh and Mitchell (2010) investigated consumers' perceptions and attitudes towards premium Private Label brands, and their purchase intentions. They believe that consumers who intend to buy Private Label brand have favourable predispositions towards them. Furthermore, they believe there is a shift in consumers' perceptions of Private Label brands in that premium Private Label brands are no longer attached to a low-quality image, but are now seen as comparable in quality to National brands. Therefore, they reasoned, brand consciousness would not affect consumers' intentions to buy Private Label brands.

Based on the Expected Utility Theory that predicts consumers should select the brand alternative with the most utility, Walsh and Mitchell (2010) expected the quality value of Private Label brands would positively affect consumers' intentions to buy Private Label brands. Despite the changed attitudes towards premium Private Label brands, Walsh and Mitchell asserted that low price would still be an important decision making cue for some Private Label brand purchasers. Last, they asserted the new, higher quality Private Label brands would negate the past social stigma of using Private Label brands.

Walsh and Mitchell (2010) selected the four product categories of cookies, granola bars, chocolate bars, and sweet corn, based on the fact they had high Private Label brand penetration and familiarity. They obtained data from personal interviews in two samples from two German cities. One sample was used for testing their conceptual model, the other was for validating their model. Walsh and Mitchell found no relationship between brand consciousness and intention to buy Private Label brands. Additionally, Walsh and Mitchell were able to verify that consumers derive quality and emotional and price-related value from Private Label brands, but found no social value effects. However, they acknowledge that the

lack of social value may have been because the products they chose were not usually consumed in a highly social context. Walsh and Mitchell's empirical research suggests that, since the introduction of premium Private Label brands, consumers' intentions to buy Private Label brands is influenced by more variables than price alone. This confirms the findings of Zielke and Dobbelsstein (2007), who found that the influence of price on Private Label brand purchasing was minor and nonlinear. These findings are helpful to this research as they indicate consumers will position Private Label brands on more attributes than price.

Where a product originates from is another factor that is believed to influence consumers' perceptions of Private Label brands. Parsons and Ballantine (2011), researching the effects of country-of-origin and Private Label brand merchandise from the perspective of New Zealand consumers, believed that, in FMCG, an increase in globally sourced product has brought an awareness that production standards vary across countries. At the same time, supermarkets have increased their supply of better value products through Private Label brand offerings that can be sourced from any number of International countries.

According to Parsons and Ballantine (2011) many studies link country-of-origin effects to ethnocentrism, patriotism, and nationalism. Thus, when Store brands are also included in any parameters of country-of-origin it becomes even more complex, due to the link between Store brand and Store image. To clarify country-of-origin parameters, Parsons and Ballantine characterised 'foreign' sourcing as follows: "uni-national products that are locally made with a local brand name, or foreign made carrying a foreign brand name, and bi-national products that may be foreign made but carry a local brand name, or are locally made but carry a foreign brand name" (p. 2). They saw the necessity to also include bi-national store brands that were "locally made products with a foreign-owned Store brand's name, or brands that are foreign-made and carry a locally owned Store's brand name"(p. 3) in their country-of-origin framework. Another consideration when measuring country-of-origin effects is that cultural closeness between countries can determine how 'foreign' a brand is perceived. For example, New Zealand and Australia could be perceived as culturally close, while New Zealand and China could be perceived as culturally distant.

To measure country-of-origin effects on Store brands and Store ownership, Parsons and Ballantine (2011) conducted three studies using the same sample in an experimental online site that simulated the participants' actual shopping process. Subjects were asked which brands they would most likely purchase, and saw screen pictures of brands side by side with

text below, relevant to the country-of-origin effect being measured. For example, if foreign sourced was the variable being tested, the brand might have ‘made in New Zealand’ under one brand, and ‘made in Spain’ under the other brand. Subjects were also asked to evaluate the brands on expected quality, value, and risk on a 10-point Likert scale, and to answer some demographic questions. Subject recruitment used a snowball approach. The first study used seven categories: peanut butter, toilet tissue, canned peaches, dry pasta, fresh strawberries, frozen corn, and chocolate bars. The manipulations were National and Store brands, and foreign or local country-of-origin. Parsons and Ballantine found consumers perceived National brands as better quality than Store brands, especially if they were locally manufactured, suggesting a brand’s country-of-origin does impact on perceived quality ratings. However, in terms of value they found, “locally sourced Store brands can be seen as equal to or exceeding the locally sourced National brand” (p. 7). For the risk variable, a locally sourced National brand was perceived as having the least risk in six out of seven categories.

For their second study, Parsons and Ballantine (2011) measured shoppers’ responses to local or foreign store ownership using the three categories of bacon, apple sauce, and potato chips. They expected a local store would have the support of loyal customers and their results supported this expectation. Regardless of the source of a Store brand, consumers preferred a locally owned store.

Parsons and Ballantine’s (2011) third study measured cultural proximity of Store brands and National brands’ country-of-origin. A sample of 60 subjects from the original 240 was asked to select brands from the two categories of fruit juice and pretzels. Eight countries were chosen to represent cultural proximity. China, with the least cultural proximity to New Zealand, and Australia, with the most cultural proximity, were selected for use in the experiment. Irrespective of whether a Store or National brand was used, China was the least preferred source for the brands in the two categories. Preference for a New Zealand or an Australian sourced product was mixed. Overall, “a local product was preferred and a product from a culturally close country was perceived as a close alternative” (p. 11). Parsons and Ballantine concluded that Store brands are more likely to have positive perceptions if they are locally sourced and the store is locally owned. If the Store brand is foreign-sourced, it will be perceived more favourably if it is sourced from a country with close cultural proximity to New Zealand. This study is particularly useful for retailers and manufacturers of Store brands who may wish to clearly identify the ‘local’ content of their products and ‘local’ ownership

of their store. Parsons and Ballantine's findings are useful for this study as it is expected the source of Private Label brands will be an influencing factor on the perceptions of grocery shoppers being tested in this study.

McNeill and Wyeth (2010) also examined Private Label brands from a consumer's perspective. Their research investigated the motivations for Private Label brand grocery purchase among New Zealand consumers relative to premium Private Label brands. They acknowledged that previous research had identified risk, quality, and value perceptions as important because they influence consumers' pre-purchase intentions. McNeill and Wyeth discuss the fact that extrinsic cues have more influence in the in-store environment. Thus they believed consumers' purchase intentions are separated by pre-supermarket decision factors and in-store stimuli. On this basis they hypothesised experience, such as product use, would influence pre-purchase preference and that promotions and packaging would influence Private Label brand preference in-store.

McNeill and Wyeth (2010) examined the perceptions of risk in further depth and linked it to the three elements of finance, performance, and social risks. Based on research by Zielke and Dobbelsstein (2007) that found social risk lowered consumers' willingness to purchase Private Label brands, McNeill and Wyeth expected social factors, such as referent group perceptions, to moderate pre-purchase attitudes. They also believed that quality perceptions of Private Label brands would not be as important an influence as experience, because Private Label brands have been available for some time. There were two other variables McNeill and Wyeth considered influential on Private Label brand preferences: undifferentiated categories where consumers have little brand preference, and nostalgia for branded products with a long history or strong brand images.

To test their hypotheses, McNeill and Wyeth (2010) used 12 households as cases for the study and conducted in-depth interviews along with a grocery cupboard audit. The same households were given a self-completion questionnaire on purchasing behaviour. The results were processed using thematic analysis and a conceptual model. McNeill and Wyeth concluded the factors most likely to influence Private Label brand purchase were clearly split between pre-purchase intent and actual purchase. Important pre-purchase factors were rational and linked to product, experience, and quality. However, McNeill and Wyeth believed, that once in-store, emotional responses to "promotions, packaging, branding cues,

nostalgia or social factors” (p. 107) often influenced a subject who had Private Label brand purchase intentions to change their minds and purchase national branded goods instead.

McNeill and Wyeth (2010) concluded that Private Label brands are “beginning to be seen as brands in their own rights [and] the risk once associated with not choosing a branded product in particular categories is lessening” (p. 108). The value of this research is restricted by the use of a small convenience sample. Of the 12 households examined, none had more than one child, thus results may not generalise to the whole population, and data used in the thematic analysis are open to the researchers’ subjective bias. While this research does not provide empirical evidence to support the variables McNeill and Wyeth chose as moderators of Store brand purchase intent, it has value as an exploratory study that gives insight into how Private label brand decisions might be made.

2.2.4 Private Label brand summary

The studies reviewed in this latter section of the chapter took different approaches to determine consumers’ perceptions or willingness to buy Private Label brands. However, the researchers uncovered some commonalities in the brand attributes thought to influence these perceptions. Some studies showed agreement in that they found perceptions of quality variations could increase or decrease the likelihood of Private Label brand purchase (Batra & Sinha, 2000; Erdem et al., 2004; McNeill & Wyeth, 2010; Richardson et al., 1996; Walsh & Mitchell, 2010). Further, Erdem et al. (2004) found that if a product’s consistency is constant consumers’ perceived risk of quality variations is reduced.

Other researchers agreed perceived risks would influence consumers’ perceptions of Private Label brands and their intention to buy them (Batra and Sinha, 2000; Erdem et al., 2004; McNeill & Wyeth, 2010; Richardson et al., 1996). They determined that when consumers’ believe Private Label brands have financial, social, or performance risks, they are less likely to have positive perceptions of Private Label brands. Richardson et al., on the other hand, argued that familiarity is the most important brand construct for increasing a consumer’s willingness to buy Private Label brands.

Miquel et al. (2002) believe the level of personal involvement or knowledge influences consumers’ perceptions of Private Label brands, but the effect is indirect. However, Batlas (1997) disagreed that personal involvement is more likely to increase Private Label brand purchase intent because his study found a negative relationship between levels of product

involvement and willingness to buy. Batlas' (1997) conclusion would be of concern if this research were to measure consumers' Private Label brand purchase intentions. However, it is not the focus of this research. On the other hand, Miquel et al.'s point that personal involvement indirectly effects consumers' Private Label brand perceptions may influence their evaluations of Private Label brand attributes. Consumers use brand attributes to evaluate brands, and empirical research that identifies these important attributes will add validity to any key brand attributes identified in this research.

Two of the more recent studies of consumers' Private Label brand perceptions maintain that value consciousness is a strong predictor of Private Label brand purchase (Kara et al., 2009; Kwon et al. 2008). Additionally, in New Zealand a very recent study by Parsons and Ballantine (2011) concluded that Private Label brands are more likely to have positive perceptions if they are locally sourced and the store is locally owned.

The studies that identified consumer-level perceptions of Private Label brands are a useful foundation for this research and will add validity to its findings. As this research aims to determine Private Label brands' positions from consumers' perspectives, it is expected it will also find that quality variations, risk, familiarity, consistency, value consciousness and source, or similar variables, will have an influence on consumers' perceptions of those Private Label brands being investigated.

2.3 Brand Positioning

2.3.1 Introduction

Brand positioning is widely promoted as a crucial marketing strategy that drives consumers' brand choice (Romanuik, 2001). It is also considered important to an organisation through its ability to provide competitive advantage and differentiation (Dickson & Ginta, 1987 as cited in Sujon & Bettman, 1989). In addition, it is thought to help build brand equity, brand loyalty, and store loyalty with the ultimate goal of enhancing profits (Collins-Dodd & Lindley, 2002; Corstjens and Lal, 2000; Hoch & Banerji, 1993). The concepts of competitive advantage, differentiation, brand equity, loyalty, store loyalty, and a brand's ability to increase market share or profits are widely debated in the marketing literature. There is no consensus that brand positioning can provide these benefits. While indirectly relevant to this research, they are not the issues being examined so they are not reviewed here. However, brand positioning has some inherent problems and these are explored in section 2.3.2. The chapter then defines

positioning and explains its theoretical foundations. A small body of research on Private Label brand positioning is examined along with a brief overview of common positioning measurement methods.

2.3.2 Brand Positioning limitations

There are various problems relating to the concept of positioning. One is that it is a twofold concept involving the perceptions of both an organisation and its consumers, and these perceptions may differ. Organisations may have a desired brand position that they attempt to convey through marketing strategies, such as communication messages, pricing, packaging, store choice, and within-store shelf placement. This positioning may reflect a feature or an emotional benefit, or it may reflect quality or best value for money. However, consumers may not perceive the brand as having the proposed feature or the degree of quality suggested. Consumers' emotional responses are also varied and change with time, making it difficult to maintain a brand's position. Other problems concerning brand positioning are the need to identify the key attributes used by consumers when determining a brand's position, along with the need to identify which measurement method will best determine a brand's position. Despite these inherent problems, brand positioning has been successfully implemented in some cases and the outcomes empirically evaluated.

2.3.3 Brand positioning defined

In the late 1980s, Ries and Trout (1986, as cited in Green and Muller, 2002) pioneered the idea that the perceptions held in a consumer's mind are ultimately what determine a brand's position. They reasoned that, in order to make their brand choice easier, consumers hold key brand attributes in their minds and screen out many of a brand's marketing messages. This reasoning raised the question of which key attributes best determine a consumer's brand perceptions. Although many marketing textbooks have been written on the brand positioning concept and strategies, they do not often provide empirical evidence to support the theories presented.

To examine what key attributes consumers use to position a brand, later researchers have provided definitions and links to its theoretical foundations. Romaniuk (2001) defined positioning as a central brand activity achieved by selecting specific brand attributes and connecting them to the brand through the use of marketing communications. According to Romaniuk, the theoretical basis for brand positioning is the Associative Network Theories of

Memory, whereby consumers take specific pieces of attribute-related information into their memories to create a brand's image. Green and Muller (2002) proposed an expanded definition of positioning: "the marketing decisions and activities that shape and maintain a specific brand's image based on key attributes and relative to competing brands [are] in the consumer's mind" (p. 180). Green and Muller asserted that brand positioning is a critical means of brand differentiation, but provided no empirical evidence to support the claim that positioning succeeds in differentiating brands.

2.3.4 Optimal Private Label brand positioning strategies

While some research has defined brand positioning and its theoretical basis, other research has investigated how to position a brand and how to achieve optimal positioning strategies. Bhat and Reddy (1998) examined the earlier work of Park, Jaworski and McInnis (1986), which that claimed that consumers' needs were either functional or symbolic, and that brands could be positioned to fulfil these needs. However, Bhat and Reddy were critical of this claim because they were unsure whether symbolism and functionality were "two distinct concepts or were two ends of one brand concept continuum" (p.33). This issue was the focus of Bhat and Reddy's (1998) research.

In order to make their research link to a fundamental theory of brand positioning, Bhat and Reddy (1998) discussed two main consumer behaviour schools of thought regarding consumer's needs and motivations in purchase decisions. One school of thought is that consumers make judgements on brand attributes to maximise total utility. However, this theory is criticised because it does not account for emotional responses. Therein lies the other school of thought: consumers also have emotional responses that motivate purchase decisions. Bhat and Reddy linked their argument to more recent consumer behaviour theory that acknowledges a combination of utility and emotional motivations in the purchase decision process. On this basis, they concluded that both functional/utilitarian and symbolic/expressive motivations are drivers of consumer needs and, furthermore, brands could be positioned to satisfy either or both of these needs.

As well as linking positioning strategies to founding theory, Bhat and Reddy (1998) supported their theoretical conclusion with empirical evidence. They tested the dimensions for brand functionality and symbolism using pairs of brands, one functional and one symbolic, in five categories. For example, in the watch category a Timex was representative of a functional brand and a Rolex represented a symbolic brand. The authors worked with a

focus group to develop functionality and symbolism adjectives for use in a questionnaire that was administered to graduate students. Factor analysis was conducted and, based on their results, and theoretical reasoning, Bhat and Reddy confirmed that functionality and symbolism are distinctly separate concepts, implying that brands can be positioned on either or both dimensions. Indeed, Bhat and Reddy assert that brands can be positioned on several concepts and still be widely accepted, but warn that if the concepts are not well implemented, this can cause consumer confusion.

Bhat and Reddy's (1998) findings laid the theoretical foundations for positioning and clarified the issue that consumers can position brands on either functionality or symbolic dimensions or both. The ability of consumers to be motivated by functionality and symbolic dimensions has a bearing on this research as consumers may use these dimensions when evaluating and deciding between National and Private Label brands.

Aaker and Shansby (2001) also recognised that a brand's position was important in prompting consumers' choice decisions. Moreover, they believed that positioning strategies help keep marketing programmes consistent, but did not support this belief with evidence. Aaker and Shansby identified six main approaches for developing positioning strategies: attribute, price-quality, use or application, product class, and the competitor. They also recommended six steps for implementing positioning strategies: identify competitors, evaluate competitors, determine the competitors' positions, analyse customers, select the position, and monitor the position. Whilst Aaker and Shansby provide approaches for developing and implementing positioning strategies, these are based on anecdotal examples rather than empirical evidence. Consequently, there is no assurance the positioning approaches they mentioned will achieve successful outcomes.

Given brand positioning's importance to marketers and retailers, the lack of empirical evidence of its efficacy is cause for concern. Romaniuk (2001) noted brand positioning research has focused on comparisons of brand image or positioning measurement and that few studies have tested which attributes best position a brand - further evidence that positioning outcomes are over-looked. Green and Muller (2002) observed that many marketing textbooks have presented positioning measurement techniques but argued that these texts have insufficient depth of information for practical measurement applications in the market place.

To bridge this gap in positioning knowledge, Romaniuk (2001) undertook a study to determine which attributes best measure a brand's position. She pointed out that determining the right brand attributes is a major consideration for marketing communication decisions as the opportunity to communicate is usually limited to a simple message founded on one attribute. She also stated that the reasoning for seeking the 'best' brand position is linked to the belief that it will secure greater customer loyalty. Although her study focused on positioning strategies for financial services, her results highlighted some key considerations for any brand positioning decisions.

In the past, product category attributes were the basis for positioning strategies, because research indicated there was a relationship between these attributes, the brand, and preferred brand choice (Romaniuk, 2001). If the link between brand preference and the product category was strong, then, Romaniuk theorised, the benefit would be "the inhibiting effect on recall of other brands in the category" (p. 112). However, since most organisations want to position their brand as distinctly separate from other brands Romaniuk believed a wider range of attributes would be the best predictor of main brand used.

In order to test her theories, Romaniuk (2001) focused on four brands and tested six brand positioning types across 11 positioning attributes, then measured customers' probability of switching financial services. Her aim was to identify any positions that were consistently strongly related to customer vulnerability. However, she found none from a single brand. Romaniuk's results thus allowed her to conclude that better brand positions were found when all brands were competitive, and that there was little variation across most attributes across all brands. The implications for marketers wishing to develop positioning strategies, is that because effective marketing attributes are quickly copied, brands can end up with very similar perceptions. Therefore, unique positioning may not be feasible. Instead, Romaniuk stressed that how a brand's position is communicated may be the driver for achieving a distinct brand position.

A second conclusion from Romaniuk's (2001) research is that if unique positions are reached, they are difficult to sustain over time. This is because consumers' sources of key attributes used in positioning a brand can be based on sentiments that change over time. According to Romaniuk, this suggests that perceptions and interactions with the product category as a source of communication may be more useful than employing techniques that ask consumers to identify what they perceive as areas of differentiation between brands. Romaniuk's

research has contributed to the brand positioning debate by highlighting the reasons why positioning strategies should be developed and measured from a consumer's perspective. To date, very little research has addressed this issue; hence, the focus of this current research is Private Label brand positioning from a consumer's perspective.

A different perspective on brand positioning measurement methods was offered by Romaniuk and Sharp (2000), who investigated the use of "known patterns in image data to determine brand positioning" (p.219). Their study introduces a method of brand positioning based on consumers' attribute and brand associations to form an overall brand image. Knowledge of usage and attribute response patterns helped them remove the expected bias from their data collected by free choice responses from 600 customers in a service market in order to reveal a brand's position. They claim this method is more beneficial than perceptual mapping because it clearly shows when a brand's score is higher or lower than expected thereby allowing changes or improvements to the marketing mix. Perceptual maps do not allow this distinction; although, they can include an 'ideal' brand against which existing brands can be compared.

2.3.5 Private Label brand positioning

Although their research focused on Store brand performance and its entry effects on market structure, Raju, et al. (1995) proposed an optimal Store brand position. After using a demand model to predict Store brands' positioning and market share they used Infoscan supermarket data on 426 grocery products and found the their demand model's predictions matched their supermarket data. Subsequently, they concluded that the most beneficial Store brand strategy for a retailer was to compete in a category where there were two National brands of equal status, and that when there are a large number of National brands in a category, profits are more likely to increase. While this research may be useful for retailers' positioning decisions, it assumed price was the only motivation for Store brand purchase and did not consider consumers' perspectives.

Research that did test Private Label brand positioning strategies relevant to retailers and consumers' perceptions was undertaken by Sayman, et al. (2002), who aimed to identify the optimal Store brand positioning strategy for retailers wanting to maximise category profits. They addressed three Private Label brand positioning issues. First, based on observational data, they established that United States and Canadian supermarkets were using strategies whereby Private Label brands were targeting the leading National brands. Second, they used

scanner data to analyse demand-price relationships and concluded that positioning high quality Store brands against the leading National brands led to greater competition. As a result they concluded category profits were being maximised.

The third positioning issue Sayman et al. (2002) addressed focused on consumers' perceptions of Store brand positioning. To measure these perceptions they tested consumers' responses to questions concerning similarities between Store brands and National brands. Main household shoppers were asked to rate coloured pictures of one Store brand and five National brands in eight different product categories on product quality and physical appearance, as well as overall product similarities. By examining the means of the paired rating tasks, Sayman et al. concluded that when Store brands target National brands explicitly, consumers do perceive the positioning attempt by physical placement, but this perception does not carry over to include similarity perceptions of either product quality or overall similarity. What is more, they found that a Store brand is more likely to be perceived as similar to the second or third ranked National brand, rather than the leading National brand.

To add further support to their findings, Sayman et al. (2002) referred to the earlier work of Dhar and Hoch (1997), which recognised that Store brands can do well in categories with high brand concentration, and to the work of Rubel (1995, as cited in Sayman et al.) that suggested Store brands do well when there is a distinct category leader, as consumers can easily make brand comparisons. Sayman et al.'s study confirmed that Store brands can do well, but only in certain conditions, and they warn that there is little evidence of Store brands positioned against category leaders being successful.

Further research centred on finding optimal positioning strategies for Private Label brands relevant to National brand competitors was carried out by Choi and Coughlan (2006). They noted that in the late 1980s "improvements in both packaging and features as well as quality have been partially responsible for Private Label sales growth in United States grocery retailing" (p. 79). Choi and Coughlan sought to demonstrate how relationships between quality and feature positioning affect the profitability of Private Label brands. Additionally, they wanted to demonstrate how the optimal Private Label brand position is affected by the extent of feature differentiation in the competing National brands.

First, Choi and Coughlan (2006) described the difference between quality and feature differentiation. An example of quality differentiation is price, whereas feature differentiation

refers to a product's different sizes, forms, or packaging. On the basis that in many real-world cases retailers use both feature and quality positioning messages, they included both characteristics in a utility maximising demand model and tested consumer evaluations of one Private Label brand and two National brands. They used a convenience sample of nine respondents and asked them in what categories they had purchased both Private Label and National brands. Their mathematical based model allowed them to conclude, "that private label brand's optimal positioning strategies are dependent on the relative feature positions of National brands as well as the relative quality of the Private Label brand itself" (p. 89). Further, they asserted that in a category where "National brands are differentiated, a high quality Private label brand should position close to a stronger National brand and a low quality Private Label brand should position itself closer to a weaker National brand. When the National brands are undifferentiated, the Private Label brand should differentiate from both National brands" (p. 79).

Although Choi and Coughlan's (2006) study was based on consumer utility theory, its focus was on the best positioning outcomes for retailers. It assumes differentiation can be achieved and maintained when research shows any differences or new innovations between brands in FMCG (where there is low involvement in the decision process) are easily and quickly copied by competitors. Also, the use of a complicated mathematical model to measure consumer demand may be difficult for most marketing practitioners to implement. The study's robustness is further weakened by the use of a small sample of nine subjects. Nonetheless, it has contributed to the body of Private Label research by establishing the importance of using both feature and quality cues to communicate and measure a brand's positioning strategy.

A recent study that investigated how brand users and non-brand users position Private Label brands was carried out by Nenycz-Thiel and Romaniuk (2009). Their study concentrated on ascertaining what factors shape consumers' perceptions of Own Label brands. According to Nenycz-Thiel and Romaniuk, people inherently form associations with brands which act as cues to measure brand quality or brand appropriateness in meeting their needs within a product category. This view was based on the Associative Network Theories of Memory that hypothesizes consumers store specific brand information linked in networks within their memories. Stored brand information is later retrieved and assumed to help consumers evaluate evoked brand alternatives and aid purchase decisions.

Nenycz-Thiel and Romaniuk (2009) proposed Private label brand cues are stored in consumers' memories as distinctive new sub-categories because they have specific qualities, such as price, that differentiate them from National brands. They also argued that Private Label brands are judged by extrinsic cues such as packaging or advertising rather than by intrinsic cues such as flavour and colour. This argument supports Richardson, Dick and Jain (1994), whose earlier study also found consumers' evaluations of store brands are mainly based on extrinsic cues, and this may explain why many Private Label brands are now providing more up-market packaging that is equivalent to, or sometimes innovative and superior to, many National brands. The findings of both these researchers suggest that when testing consumers' evaluations of brand attributes, extrinsic cues are more likely to influence their perceptions.

Nenycz-Thiel and Romaniuk (2009) used a method of brand association by free choice responses to obtain data from almost 600 respondents who were interviewed by telephone. The questions asked related to three categories inclusive of Private label brands offered in four Australian supermarket chains. Each Private label brand was categorised by users and non-users through the use of the question, 'Which of the following brands have you bought in the last twelve months?' Nenycz-Thiel and Romaniuk then examined how Private Label brands were categorised and what informational cues were used to discriminate between them.

The results provided strong support for the hypothesis that Private Label brands are stored as a sub-category in consumers' memories. They also confirmed that there are some attributes consumers use to separate Private Label and National brands. For categorisation cues Nenycz-Thiel and Romaniuk (2009) concluded that price was the strongest positive discriminator followed by the negative cues of quality and risk. They also determined that "there were differences between users and non-users in the categorisation of brands into Private Label and National brands but only for negative attributes, there were no significant differences in the way users and non-users employ low price to categorise Private Label and National brands, [and] the trust attribute was a significant differentiator for non-users, but not for users" (p. 261).

Overall, Nenycz-Thiel and Romaniuk (2009) concluded that consumers' perceptions of Private Label brands have not changed from the lower price, therefore lower quality reasoning used in the past, despite the introduction of premium ranges that are promoted as

higher quality. Moreover, they claim a halo effect occurs in that there is an unconscious transfer of the low quality perception to any Private Label brand. Their final conclusion was that any attempts to change Private Label brand perceptions would be difficult but essential if Private Label brand repositioning is to succeed.

Further research by Nenycz-Thiel and Romaniuk (2010) examined consumers' perceptions of Private Label brand tiers. They maintained that traditionally Private Label brands were positioned to offer consumers a price advantage but believed premium Private Label brands are being offered to create a point of difference from other retailers. They concur with Kara et al. (2009) that retailers are trying to achieve this positioning through packaging, word associations and advertising, but question whether consumers perceive differences between the tiers of Private Label brands. Based on categorisation research by Cohen and Basu (1987) and Bettman (1989), Nenycz-Thiel and Romaniuk explored this issue.

The concept of categorisation proposes that consumers do not evaluate a brand in isolation, rather a brand is considered in relation to its category. Consumers therefore, "organise their brand beliefs about products around category-relevant factors (e.g., consumption goals, product functions, common properties, clear or ideal instances) rather than a set of single brand attitudes or beliefs" (Cohan & Basu, 1987, p. 470). Furthermore, as Nenycz-Thiel and Romaniuk (2010) pointed out, categorisation aids consumers' information processing by reducing uncertainty around brand judgements. Also, when these category beliefs are kept in a consumer's memory there are links to expectations about a brand's attributes that, if strong, are difficult to influence. Nenycz-Thiel and Romaniuk theorised that the information cues consumers used to categorise brands would reveal any distinctions between premium and value (economy) private label brands.

To test their theory Nenycz-Thiel and Romaniuk (2010) used 6000 Tesco supermarket club members and analysed their responses to brand attribute questions on coffee and tea categories. Respondents were asked to link a list of brands and a list of attributes developed by industry and marketing experts. They found consumers did differ in the attributes they link to premium Private Label brands compared with the attributes they link to value (economy) Private Label brands. Examples of attributes positively linked to premium Private Label brands were 'high quality ingredients' and 'would taste good'. Thus, Nenycz-Thiel and Romaniuk concluded consumers do distinguish between Private Label brands' premium and

value tiers. However, they have not yet examined if the same cues are used to categorise National brands or differentiate between National brands and Private Label brands which is the focus of this research.

2.3.6 Brand positioning summary

The literature discussed in this section highlighted the importance of brand positioning strategies (Romaniuk, 2001). At the same time, the literature review revealed brand positioning has inherent problems in that there is often a difference between consumers' perceptions of a brand's position and the organisation's positioning objective. Furthermore, identifying the key attributes consumers use to position a brand is difficult. According to Romaniuk (2001), consumers take specific pieces of attribute related information into their memories to create a brand's image thus, Romaniuk links brand positioning to the Associative Network Theories of Memory. Romaniuk's (2001) study provided a theoretical understanding for this current study and highlighted the importance of identifying relevant brand attributes in positioning applications.

Other research focused on optimal positioning strategies for Private Label brands relative to National brands. Sayman et al. (2002) concluded that when Store brands target National brands explicitly, consumers do perceive the physical position of Store brands but this perception does not carry over to a product's overall quality. Choi and Coughlan (2006) concluded that Store brands optimal positioning strategies are dependent on the Private Label brand itself as well as the relevant positions of the National brands. However, Nenycz-Thiel and Romaniuk (2009) concluded consumers' perceptions of Private Label brands has not changed from the lower priced, lower quality image of the past, despite the introduction of premium ranges that are promoted as higher quality. Moreover, they claim a halo effect occurs in that there is an unconscious transfer of the low quality perception to any Private Label brand. Nenycz-Thiel and Romaniuk argue that any attempts to change Private Label brand perceptions would be difficult but essential if Private Label brand positioning is to succeed. This research attempts to answer the question of whether it is possible to change consumers' perceptions of Private Label brands so that these brands occupy the same perceptual space as established National brands.

3.0 METHODOLOGY

3.1 Phase 1: Identification of Brand Attributes

The primary objective of this research was to test the extent to which Progressive Enterprises has achieved their goal of positioning its premium Private Label brand, 'Select' against established manufacturers' brands in the minds of grocery shoppers in New Zealand. Methods of measuring a brand's position rely on first identifying the brand attributes consumers use to position a brand in a 'perceptual space' in their minds. "The greater the perceived difference among brands or products on a particular feature, the more important that feature is in establishing the perceptual space for those brands or products" (Fearon, 1982 p. 26). Therefore, the first phase of this research was designed to identify the key attributes grocery shoppers use to distinguish between brands.

One way to determine the terminology consumers use to perceive brand differences and similarities is in-depth interviews with a sample of grocery shoppers. However, this method has been criticised for its inability to uncover answers at consumers' subconscious level. In other words, the verbal answer they form may not include their sub-conscious thoughts. Another weakness of this technique is that in a face-to-face interview the way a question is posed may bias responses (Rogers & Ryals, 2007). This method is, therefore, not suitable for determining a brand's position where underlying brand attributes are examined.

A tool that does allow underlying brand constructs to emerge is Kelly's repertory grid. This grid was developed by a psychologist, George Kelly. It was based on the Theory of Personal Constructs which believes "people construe things as 'similar to' some things and 'different from' others" (Rogers & Ryals, 2007 p. 597). Its main value is that it allows the respondents, rather than the researcher, to provide the terminology by which they perceive brand similarities and differences. Thus, it makes an ideal tool for identifying the terms grocery shoppers use to describe brand attributes. Using Kelly's repertory grid for eliciting descriptors from subjects is endorsed by several researchers (Buttle, 1985; Fearon, 1982; Marsden & Littler, 2000; Rogers and Ryals, 2006).

For this study, four commonly-purchased FMCG were selected: canned apricots, canned salmon, frozen beans and tea bags. Within each category four brands were chosen: two leading manufacturer's brands and two Private Label brands. The Private Label brands were the premium brand, Select, and the budget brand, Home Brand. They are currently sold at

supermarkets owned by Progressive Enterprises. The 16 brands were then photographed, and 16 cards were produced. Any differentiating features were removed by digital manipulation. According to Richardson (1997), it is important to reduce any confusion over brand image or compositional differences. For example, a label with a heart tick might influence a subject's response to say the brand is different because it is healthy rather than describe the brand's core construct.

A survey protocol was designed to stimulate a subject's perceptions of similarities and differences of the selected brands (see Appendix A). First, the subjects answered a screening question to ensure they were familiar with all the products. All the subjects were eligible to continue as they were familiar with the selected products. The interviewer then placed three cards, each showing one of the brands in a product group in front of the subjects and asked, "Please look at the cards and answer the following three questions: 'Which two brands are different from the third?' 'What qualities do the two brands have in common?' 'What is the opposite quality the third brand has?'"

If descriptors of the brand distinctions were not specified, then a fourth question was asked, "What are the important features you look for when you are buying products in this category?" Subjects were, therefore, able to add any other relevant descriptors that may apply to other brands not included for testing. Finally, the subjects were asked to rate the four brands selected on overall quality on a scale of 0 to 10. This question had the purpose of pre-testing subjects before the main online survey, to ensure there were perceived quality differences between the brands.

The procedure was pre-tested on five randomly selected subjects before use with a larger, randomly selected convenience sample of 20 participants. The interviews were carried out between February and March 2010. For each brand, the 20 subjects were shown three cards in the four possible combinations (see Appendix A for the combinations). Responses to the questions were written down by the researcher. After 10 interviews, no new attributes were generated, thus the attribute list was exhaustive. The attributes from individual subjects were collated into groups of similar terms. For example, the terms: "well-known, know the producer, known brand, recognizable brand, familiar brand" were expressed often. This group of words became one attribute called, 'familiar'. From this process seven common attributes of quality, value for money, consistency, expensive, reliability, familiarity, and taste were identified. Except for taste, these descriptors are consistent with the brand

attributes previously identified in the literature review (Batra & Sinha, 2000; Erdem et al., 2004; Kara et al., 2009; Kwon et al., 2008; 2004; Miquel et al., 2002; Richardson et al., 1996). The ratings of the brands' overall quality ranged from 2 to 9, suggesting the 20 subjects did perceive quality differences between the brands.

Other common descriptions of the brands were drawn from the open-ended question, 'What are the important features you look for when you are buying products in this category?' Several answers to this question related to the source of the product, and prompted the comment, 'they are made by the same manufacturer'. These two responses were the basis for two of the questions on general attitudes towards Private Label brands in the on-line surveys conducted in phase two of this research.

3.2 Phase 2: Positioning Measurement Methods

Measurement of grocery shoppers' perceptions of the premium Private Label brand, Select relative to National brands requires an appropriate positioning measurement method. The main methods for measuring a brand's position include multidimensional scaling, factor analysis, multiattribute compositional models, and discriminant analysis. Each method allows perceptual mapping; a graphical plot of the inter-relationships between brands with the distance between the brands or products illustrating how different or similar they are.

Multidimensional scaling uses similarity or preference ratings based on a brand's proximity to another. The advantage of this method is that the outcomes are based on consumer judgements and do not rely on the attributes asked. Its limitations are the difficulties of interpretation and the fact that it only considers dimensions of existing brands, therefore making evaluations of new brands problematic. Also, it is not useful if only a few brands are in a consumers' evoked set, as the analysis requires at least seven or eight brands to make a map with two or three dimensions, and similarity judgements can be unreliable. As this research is only testing four brands, multidimensional scaling is unsuitable (Gwin & Gwin, 2003).

Factor analysis rates brands on their attributes and is based on dimensions explained by their variance, through investigating correlations among the attributes. Factor analysis is thought to have the advantage of reducing many attributes to manageable key dimensions and these dimensions are quite easy to determine from the factor loadings. Problems can occur, as there is a reliance on the attributes asked instead of a focus on how important the attributes are to

consumers. This research does not expect to find large numbers of evaluative brand attributes; therefore, it is not the most appropriate positioning measurement tool (Gwin & Gwin, 2003).

Multiattribute and compositional models (for example, conjoint analysis) are another positioning measurement tool often used to build a perceptual map. The models make use of consumers' substitutions between attributes and product compositions to determine the utilities of groups of attributes. The limitations of these models are the need to make further analysis to show brand positioning relative to competitors and segments. If there are large numbers of brands involved the data collection is time consuming and expensive (Gwin & Gwin, 2003).

Discriminant analysis also rates brands based on their attributes, but differs in that it determines linear combinations of differentiating attributes. It allows the plotting of attribute vectors as well as group centroids, which aid interpretation of the axes and help explain the position of the brand. The distance between the brands or products illustrates how different or similar they are. The weaknesses of discriminant analysis are the difficulty of making non-subjective judgements when naming the dimensions and, as in Factor Analysis, there is a reliance on the attributes asked instead of a focus on how important the attributes are to consumers.

Nevertheless, discriminant analysis is a suitable positioning method for this current research. The main advantage of this method is that it shows the extent of any perceived similarities or differences, and can discriminate on a single feature rather than requiring groups of similar features, thereby simplifying respondent decisions (Fearon, 1982). It also allows a greater understanding of the underlying dimensions of the selected brands' similarities and differences. For example, Theingi and Purchase (2011) used discriminant analysis to determine whether the variation of resources in small and medium organisations and the resources of their intermediaries had any impact on their performance. Through the use of a perceptual map that displayed the different levels of performance and the firms' demographic variables they identified that firms with high levels of resources performed better than those with low levels of resource support.

Similarly, Gendall and Fearon (1982) used discriminant analysis to identify the position of a new flavoured milk product, Zap. The New Zealand Dairy Board (NZDB) wanted to position this milk based product in the soft drink beverage category with the aim of targeting

teenagers. Gendall and Fearon concluded teenagers positioned Zap more closely to Fresh Up (an apple based drink) and ordinary milk than with Coca-Cola and other ‘fizzy’ drinks; thus, the NZDB had not succeeded in positioning Zap as a soft drink.

3.3 Survey Design and Implementation

Four on-line surveys, one for each product category, were administered to quotas of Smile City commercial panelists. While there are other methods of surveying such as telephone, mail or mall-intercept surveys, an online survey was considered the most efficient and cost effective alternative. More importantly, its advantages are the fast response rates, and because responses are fed directly into computer databases, access to results is also fast and simple. As well, incorporating multi-media elements is relatively easy (Van Ryzen, 2008). Conversely, the disadvantages of on-line surveys are that on-line panel members may not be representative of users in general or the New Zealand population. Recruiting for these panels is usually voluntary, but is often encouraged with on-going rewards, making the sample potentially different from a random sample drawn from the general population. The information is self-reported, relying on participants’ recall and willingness to respond truthfully (Van Ryzen, 2008). Nevertheless, in this case it is not expected respondents who have volunteered would deliberately provide information that is not true.

The questionnaire was formatted using a Qualtrics survey builder. Once formatted it was pre-tested by the researcher and three colleagues who encountered no down-loading or flow-through problems. As another means of pre-testing only the apricots category was released live on 14 October, 2010. In three hours when the minimum quota of 150 completed questionnaires was reached the survey was closed. Given that no problems were recorded, the other three surveys were released simultaneously on the 15th October. The achieved sample sizes ranged from 158 to 209 respondents.

Invited participants first saw a welcome page with instructions on how to proceed, and were advised that the survey would take around seven minutes. They were also directed to a tab option that if clicked would connect them to an information sheet about the survey, its purpose, who the researcher was, who they could contact, what happens to the data, how they could access future results, and clearly given an option to withdraw without any disadvantage to themselves (see Appendix B). The second window was a filter question to ensure the participant was a main household grocery shopper. If they were not, they were thanked for

their participation and informed of how to receive their Smile City reward points. Those that met the criteria continued into the main survey.

The main survey was divided into four sections. The first section showed respondents a brand image and asked them to rate it on the seven pre-determined attributes using seven semantic differential scales (see Appendix C). Semantic differential scales are widely used in marketing to provide quantitative interval data and measure subjects' attitudes to brands or other objects.

The second section asked respondents to rate the four brands they had just seen on overall quality rankings on a scale between 0-10 using a drag-across dial. The third section was designed to examine grocery shoppers' attitudes to Private Label brands in general, as a secondary objective of this research was to probe into the reasons why there are perceived differences between premium Private Label brands and National brands. The same seven attributes were used in agree/disagree Likert scale questions. Additional questions on source of the product, beliefs about whether the same manufacturers that make National brands are the manufacturer of Private Label brands were developed from the previous subjects' responses and the work of previous researchers (Parsons & Ballantine, 2011). Whether respondents bought in some categories, but not others was also included as the issue of Private Label brand inter-category differences was discussed in the literature (Batra & Sinha, 2000; Dhar & Hoch, 1997; Walsh & Mitchell). This section also asked respondents about the frequency of their purchasing of store brands.

The final section asked respondents for some demographic and behavioural information to verify whether these factors have any influence on grocery shoppers' perceptions of Private Label brands. Demographic questions are also a way to check the composition of samples for any obvious biases. Once the survey was completed the respondents were thanked for their participation and redirected to Smile City to collect their reward points.

4.0. RESULTS

4.1 Introduction

To analyse and interpret the survey data the following analytical approach was taken. First, the demographic characteristics of the four samples were compared. They had very similar characteristics, demonstrating the results for each product category are not confounded by differences in the characteristics of those grocery shoppers who responded to the surveys (see Appendix D - Demographic Tables). The gender demographic was split 60% female, and 40% male. As women tend to shop more than men, this proportional split was expected. The age groups from 18 to 60 years ranged from 13% to 20%. The respondents for the 61 to 70 year-old age group was slightly above this range at 25% to 28% and, the over seventy year-olds were 4% to 8%. However, the slightly higher proportion of respondents in the 61 to 70 year-old age group is not enough to have biased the results. The characteristics of education and personal annual income were very similar. Overall, no obvious biases were observed.

For each of the four product categories, data for the whole survey sample were used to describe the market. Although the figures in the relevant tables are self-reported estimates from a purposive sample of shoppers, rather than actual sales, there is no reason to believe they do not reflect the current structure of the canned apricot, canned salmon, frozen beans and tea bag markets in New Zealand.

Non-buyers were removed from the samples, on the grounds that it is the perceptions of category users that are most relevant to product positioning, and overall brand quality perceptions among category users were compared. The same analysis was repeated separately for Progressive Enterprises' and Foodstuff's shoppers on the grounds that shoppers who do not shop at Woolworths, Countdown, Fresh Choice or Foodtown may not have been exposed to Select or Home Brand. Individual brand constructs were then analysed for category users who mostly shopped at Progressive Enterprises' stores.

Having established Select's overall quality rating in relation to other brands, it was planned to use discriminant analysis as a form of multidimensional scaling to reveal which specific brand attributes explain Select's relative brand positioning and to illustrate this position on

perceptual maps. However, in the case of apricots, salmon and tea bags, more than 85% of the variance in the attribute variables analysed was explained by one significant dimension only. Consequently, constructing two-dimensional plots was not justified for these product groups. Nevertheless, the relative locations of the group centroids along the one significant dimension do confirm Select's position among the brands analysed, and the discriminant function coefficients can be used to label the dimension in each case.

The fourth category, frozen beans, had two significant dimensions that explained 82% and 13%, respectively, of the variance in the original variables. A two-dimensional perceptual map using Group Centroids and the attribute vectors defined by the discriminant function coefficients is described and displayed in section 4.4.4.

Following these product category analyses, a combined sample (n=765) was analysed to examine survey respondents' attitudes to Private Label brands in general. Relationships between main household grocery shoppers' attitudes, four demographic variables, and two behavioural variables were examined.

4.2 Canned Apricots

4.2.1 The canned apricot market

Canned apricots are bought by 86% of the 168 respondents in the sample, though only 77% reported buying canned apricots in the last year (see Table 1). The canned apricot market is dominated by the Watties brand, which is the main brand for half respondents and accounted for more than 60% of their canned apricot purchases in the previous 12 months. Select accounted for only 17% of 'last year' sales and less than 5% of main brand share. In this category Select (\$1.79) is priced below the National brands (Watties \$2.20; Oak \$2.19) but well above Home Brand (\$1.09). An interesting feature of the market is the main brand share of Home Brand, which appears to buck the double jeopardy trend by being slightly higher than the main brand share for Oak. Normally, Home Brand's main brand share would be expected to be between 5% and 10%, based on its market share relative to Oak and Select.

Table 1: Canned Apricot Brand Shares

Brand (n = 168)	Bought in Last Year %	Main Brand %
Watties	62.5	51.2
Oak	38.1	12.5
Home Brand	26.2	13.1
Select	17.3	4.8
Other	7.7	4.8
None/Never buy	22.6	13.7

4.2.2 Canned apricot brand perceptions

Overall, Watties was rated the highest quality brand by the 145 category users; there was no significant difference between the ratings for Oak and Select but these brands were rated as significantly higher in quality than Home Brand (see Table 2). These ratings reflect the relative market shares of Watties and Oak, but the ratings of Select and Home Brand presumably reflect a real difference in the quality of these two store brands, or, at least, the successful creation of a difference in perceptions of their quality among grocery shoppers.

Table 2: Overall Quality Rating of Brands

Brand (n = 145)	Overall Rating
Watties	8.1 ^a
Oak	6.2 ^b
Select	5.8 ^b
Home Brand	5.3 ^c

Note: Figures in table are mean scores on a scale from 0 to 10.

Significant differences between means denoted a, b, and c ($p < .05$).

A one-way ANOVA showed significant differences among the mean quality scores for the canned Apricot brands $F(3, 668) = 60.24, p = .000$ (see Appendix E for Post Hoc tests)

4.2.3 Canned apricot brand perceptions among Progressive Enterprises' shoppers

Among the 145 respondents who bought apricots, there was no difference in the overall quality rating of Watties or Oak between those who shopped most at Progressive Enterprises Stores and those who shopped most at Foodstuffs or other stores. However, the quality ratings of Select and Home Brand were higher among Progressive Enterprises shoppers (see Table 3). The conclusion is, therefore, that in the stores where Select is available, it is perceived as equal to Oak in terms of quality and significantly better than Home Brand.

Table 3: Quality Ratings by Store Group

Brand	Overall Quality Rating	
	Progressive Enterprises (n = 58)	Foodstuffs/Other (n = 87)
Watties	8.2 ^a	8.2
Oak	6.2 ^b	6.2
Select	6.1 ^b	5.6 ^c
Home Brand	5.4 ^c	5.1

Note: Figures in table are mean scores on a scale from 0 to 10.

Significant differences between means denoted a, b and c ($p < .05$).

On individual brand constructs, Progressive Enterprise shoppers who buy canned apricots perceive Select as similar to Oak on quality, consistency, reliability, familiarity and taste. However, Home Brand was also perceived as similar to Oak and Select on reliability, familiarity and taste. Select and Home Brand were considered the best value for money but Watties, despite being considered the most expensive brand, was also considered as similar value for money as the two Private Label brands. On all constructs, Watties is significantly different from Oak (see Table 4). In conclusion, on individual quality constructs, Progressive Enterprises shoppers consider Select as similar to Oak but not a serious competitor for the position occupied by Watties.

Table 4: Comparisons of Brand Constructs: Progressive Enterprises' Shoppers

Constructs (n = 58)	Mean Construct Ratings			
	Watties	Oak	Select	Home Brand
Quality	5.8 ^a	4.6 ^b	4.6 ^b	4.0 ^c
Value for Money	5.0 ^a	4.6 ^b	5.2 ^a	5.2 ^a
Consistency	5.6 ^a	4.9 ^b	4.9 ^b	4.4 ^c
Expense	4.8 ^a	4.1 ^b	3.6 ^c	2.7 ^d
Reliability	5.7 ^a	4.9 ^b	4.7 ^b	4.5 ^b
Familiarity	5.9 ^a	5.1 ^b	4.9 ^b	5.0 ^b
Taste	5.6 ^a	4.6 ^b	4.4 ^b	4.2 ^b

Note: Figures in table are mean values of semantic differential scores from 1 to 7, where 1 is low and 7 is high.
Significant differences between means denoted a, b, c and d ($p < .05$).

4.2.4 Canned apricots Discriminant Analysis

In the canned apricot category, 87% of the variance in the original variables was explained by the one statistically significant dimension. At one end of this dimension are the attributes high quality and expensive and at the other end poor value for money, hence the dimension is labelled 'quality/price'. On this 'quality/price' dimension Watties is clearly located well apart at one end (see Figure 1), and Select is positioned well below Oak, but above Home Brand. These relative brand positions are consistent with overall quality ratings reported earlier (see Table 2).

Figure 1: Canned Apricot Function With Brands at Group Centroids

High Quality/Expensive		Poor Value for Money	
1	1	1	1
1.07	.27	-.32	-1.01
Watties	Oak	Select	Home Brand

4.3 Canned Salmon

4.3.1 The canned salmon market

Canned Salmon is bought by 81% of the 194 respondents in the sample, although only 77% reported buying canned salmon in the last year. Sealord and John West brands dominate the canned salmon market. They are the main brand of choice for over a third of respondents and each brand was bought by more than 50% of purchasers in the previous 12 months. Select accounted for only 19% of ‘last year’ purchases and holds just 3% of main brand share. On price, Select (\$2.55) is mid-range between John West (\$3.31), Sealord (\$3.01), and Home Brand (\$1.97). Surprisingly, the budget brand Home Brand is ranked slightly higher than Select on main brand share and bought ‘last year’. However, the difference between these two Private Label brands is minimal and therefore the results do not suggest a distinct separation between the two brands’ positioning. All four brands demonstrate a typical double jeopardy trend in that brand penetration decreases roughly proportionally as ‘main brand’ share decreases (see Table 5).

Table 5: Canned Salmon Brand Shares

Brand (n = 194)	Bought in Last Year %	Main Brand %
John West	56.7	37.1
Sealord	53.1	34.0
Home Brand	20.6	4.1
Select	18.6	3.1
Other	7.7	3.1
None/Never buy	23.2	18.6

4.3.2 Canned salmon brand perceptions

Among the 158 category users, John West and Sealord are rated the highest quality brands; there was no significant difference between their ratings. However, the two National brands have significantly higher mean quality ratings than Select, which in turn is significantly

higher than the mean for Home Brand (see Table 6). Although these ratings reflect no perceived difference between the quality of the National brands, they do reflect a clear difference in quality perceptions between the two Private Label brands and the National brands.

Table 6: Overall Quality Rating of Brands

Brand	
(n = 158)	Overall Rating
John West	7.9 ^a
Sealord	7.7 ^a
Select	5.7 ^b
Home Brand	5.1 ^c

Note: Figures in table are mean scores on a scale from 0 to 10.
Significant differences between means denoted a, b and c ($p < .05$).

A one-way ANOVA showed significant differences between the mean quality scores for the canned Salmon brands $F(3, 772) = 117.01, p = .000$ (see Appendix E for Post Hoc tests)

4.3.3 Canned Salmon brand perceptions among Progressive Enterprises' shoppers

Among the 158 respondents who bought canned salmon, there was no significant difference between those who shopped most at progressive Enterprise stores and those who shopped most at Foodstuffs or other stores in the overall quality ratings of John West, Sealord or Home Brand. The overall quality rating of Select was higher among Progressive Enterprise's shoppers than among Foodstuffs' shoppers, but still significantly lower than the rating of John West and Sealord (see Table 7). The conclusion is that canned salmon shoppers exposed to Select perceive it as a higher quality product than those who are not exposed to it, but even this group does not consider it equivalent to the two National brands.

Table 7: Quality Ratings by Store Group

Brand	Overall Quality Rating	
	Progressive Enterprises (n = 59)	Foodstuffs/Other (n = 99)
John West	7.8 ^a	7.9
Sealord	7.8 ^a	7.7
Select	6.1 ^b	5.5 ^c
Home Brand	5.2 ^c	5.0

Note: Figures in table are mean scores on a scale from 0 to 10.

Significant difference between means denoted a, b, and c ($p < .05$).

On individual brand constructs, those respondents who buy canned salmon and shop at Progressive Enterprise stores perceive John West and Sealord as similar on all constructs. Select is rated as lower than these two brands on most constructs but rated slightly higher than Home Brand. One exception is familiarity, where Select and Home Brand are not significantly different but are still viewed as less familiar than either of the National brands. The other exception is in the value for money construct, on which all four brands are rated as similar value for money, despite the fact that Select and Home Brand are both perceived as less expensive than the National brands (see Table 8). In conclusion, on individual quality constructs, Progressive Enterprise shoppers consider Select superior to Home Brand but inferior to John West and Sealord.

Table 8: Comparisons of Brand Constructs: Progressive Enterprises' Shoppers

Constructs (n = 59)	Mean Construct Ratings			
	John West	Sealord	Select	Home Brand
Quality	5.9 ^a	5.6 ^a	4.6 ^b	3.8 ^c
Value for Money	5.0 ^a	5.1 ^a	4.9 ^b	4.9 ^b
Consistency	5.6 ^a	5.5 ^a	4.9 ^b	4.3 ^c
Expense	4.8 ^a	5.0 ^a	3.7 ^b	2.9 ^c
Reliability	5.6 ^a	5.6 ^a	4.7 ^b	4.2 ^c
Familiarity	5.6 ^a	5.7 ^a	4.8 ^b	4.5 ^b
Taste	5.4 ^a	5.4 ^a	4.4 ^b	4.0 ^c

Note: Figures in table are mean values of semantic differential scores from 1 to 7, where 1 is low and 7 is high.

Significant difference between means denoted a, b, and c ($p < .05$).

4.3.4 Canned salmon Discriminant Analysis

In the canned salmon category, 96% of the variance in the original variables was explained by the one statistically significant dimension. At one end of this dimension are superior taste and expensive, and at the other end is poor value for money, hence the dimension is labelled 'taste/price'. On this taste/price dimension quite closely spaced together at one end are Sealord and John West. Select is positioned well apart from these two brands towards the other end of the dimension, but above Home Brand (See Figure 2). These brand positions are consistent with the quality ratings reported earlier (see Table 6).

Figure 2: Canned Salmon Function With Brands at Group Centroids



4.4 Frozen Beans

4.4.1 The frozen bean market

Frozen beans are bought by 87% of the 207 respondents in the sample with 82% reporting buying them in the last year (see Table 9). Watties dominates the frozen bean market; it is the main brand of choice and was bought by more than 70% of the purchasers in the previous 12 months. McCain, also a National brand, has much smaller main brand share than Watties, but was bought by more than 40% of last year's purchasers. By contrast, the Private Label brands, Select and Home Brand, both hold less than 5% of main brand share and both were bought by approximately 19% of purchasers in the previous 12 months. Select (\$4.10) is priced well below McCain (\$5.10) and Watties (\$4.90), but well above home Brand (\$2.85).

Table 9: Frozen Beans Brand Shares

Brand (n = 207)	Bought in Last Year %	Main Brand %
Watties	72.5	55.1
McCain	41.1	16.9
Select	18.8	4.8
Home Brand	19.3	3.9
Other	10.1	5.8
None/Never buy	18.4	13.5

4.4.2 Frozen beans brand perceptions

Overall, Watties and McCain are rated as the highest quality brands, followed by Select and Home Brand. Ratings of all four brands are significantly different, suggesting a perception of quality differences between the brands. There is also a clear separation of overall quality perceptions between the two National brands and two Private Label brands.

Table 10: Overall Quality Rating of Brands

Brand (n=179)	Overall Rating
Watties	8.2 ^a
McCain	7.3 ^b
Select	5.8 ^c
Home Brand	5.2 ^d

Note: Figures in table are mean scores on a scale from 0 to 10.

Significant differences between means denoted a, b, c and d ($p < .05$).

A one-way ANOVA showed significant differences among the quality scores for the frozen beans $F(3, 824) = 108.03, p = .000$ (see Appendix E for Post Hoc tests).

4.4.3 Frozen beans perceptions among Progressive Enterprises' shoppers

The quality ratings for each brand by both Progressive Enterprises and Foodstuffs' shoppers reflected the same order of ranking as all respondents who buy frozen beans. However, Progressive Enterprise shoppers rated the overall quality of Select and Home Brand higher than did Foodstuffs' shoppers, but these ratings are still significantly lower than the ratings

for McCain or Watties (see Table 11). To conclude, frozen bean shoppers exposed to Select perceive it as higher quality than those who are not exposed to it. They also perceive it as higher quality than Home Brand but do not consider it to be of the same quality as either of the National brands.

Table 11: Quality Ratings by Store Group

Brand	Overall Quality Rating	
	Progressive Enterprises (n = 71)	Foodstuffs/Other (n = 108)
Watties	8.1 ^a	8.3
McCain	7.1 ^b	7.4
Select	6.1 ^c	5.5
Home Brand	5.5 ^d	5.0

Note: Figures in table are mean scores on a scale from 0 to 10.

Significant difference between means denoted a, b, c and d ($p < .05$).

Respondents who shop mostly at Progressive Enterprise stores rated nearly all individual quality constructs significantly higher for Watties than for McCain. The exceptions were the value for money construct, where all four brands were considered similar value for money, and expense, where the two National brands were rated similarly (but more expensive than the Private Label brands). However, these same shoppers perceived Select as similar to McCain on value for money, consistency, reliability and familiarity. Home Brand was also considered similar to McCain on value for money and familiarity and similar to Select on taste, but the latter result is expected because they are both Progressive Enterprises' exclusive brands (see Table 12). Generally, on individual brand constructs, there is no distinct separation between perceptions of Select and McCain, but there is a clear distinction between these two brands and perceptions of either Watties or Home Brand.

Table 12: Comparisons of Brand Constructs: Progressive Enterprises' Shoppers

Constructs (n = 71)	Mean Construct Ratings			
	Watties	McCain	Select	Home Brand
Quality	5.9 ^a	5.2 ^b	4.6 ^c	4.1 ^d
Value for Money	5.1 ^a	4.7 ^b	5.2 ^a	5.1 ^a
Consistency	5.8 ^a	5.1 ^b	4.9 ^b	4.5 ^c
Expense	4.8 ^a	4.7 ^a	3.9 ^b	3.1 ^c
Reliability	5.7 ^a	5.2 ^b	4.9 ^b	4.3 ^c
Familiarity	6.0 ^a	5.2 ^b	4.9 ^b	4.8 ^b
Taste	5.4 ^a	5.0 ^b	4.4 ^c	4.1 ^c

Note: Figures in table are mean values of semantic differential scores from 1 to 7, where 1 is low and 7 is high.
Significant differences between means denoted a, b, c and d ($p < .05$).

4.4.4 Frozen beans Discriminant Analysis

In the frozen beans category, on the first dimension, which explains 82% of the variance of the original variables, high quality/expensive attributes are at one end and poor value for money and unreliable are at the other end, hence the dimension is labelled 'quality/price' (see table 13). The second dimension explains 13% of the variance and has the high consistency attribute at one end with the unreliable attribute at the other end, hence it is named 'always the same'.

Table 13: Frozen Beans Discriminant Functions

Function	Eigenvalue	% of Variance	Canonical Correlation	Wilks' Lambda
1	.617	82.2	.618	.544 $p < .000$
2	.097	12.9	.297	.879 $p < .000$

The results for the two frozen beans discriminant function coefficients (see Table 14), and group centroids (see Table 15) are displayed below.

Table 14: Frozen Beans Canonical Discriminant Function Coefficients

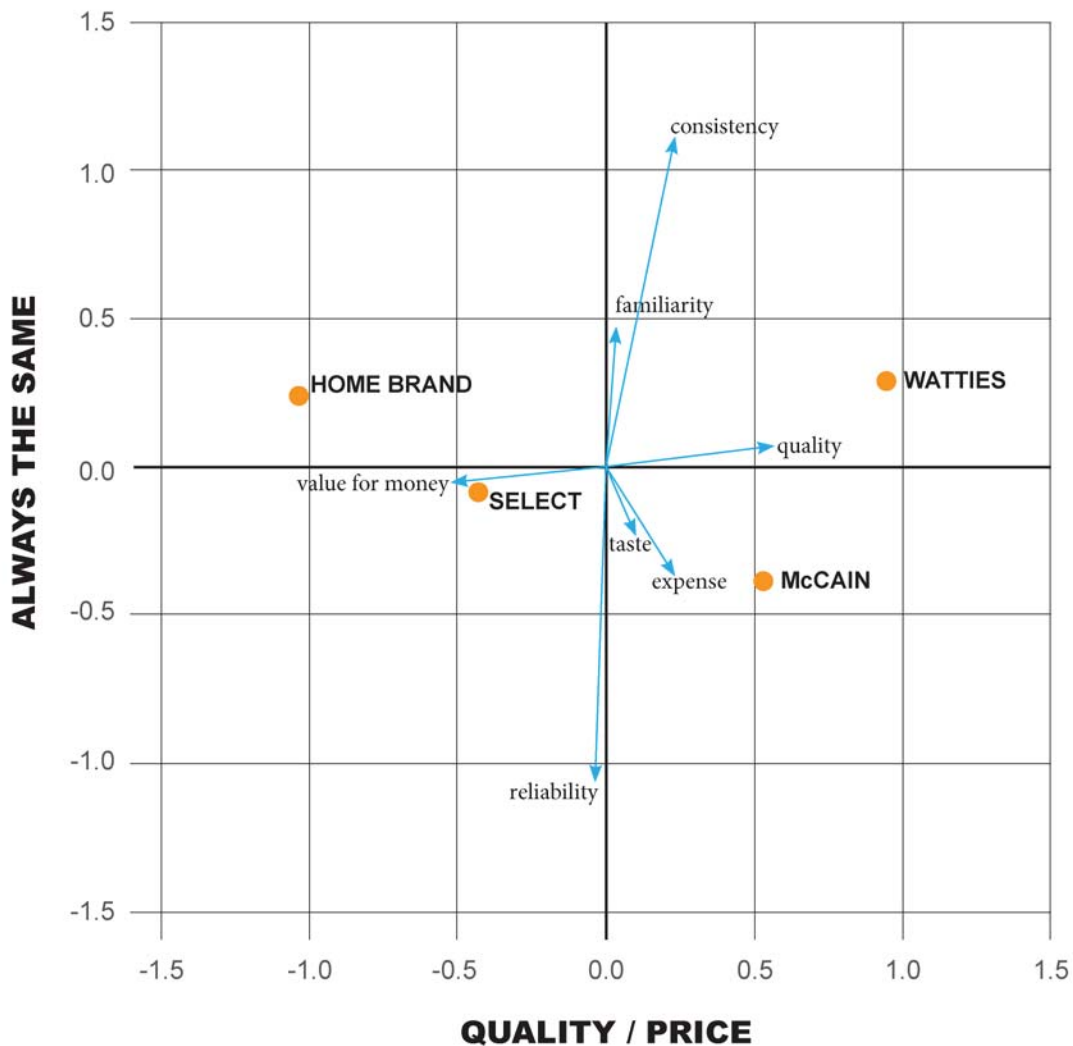
	Function	
	1	2
Quality	.552	.149
Value for Money	-.543	-.098
Consistency	.228	1.103
Expense	.313	-.311
Reliability	-.029	-1.038
Familiarity	.047	.490
Taste	.094	-.204

Table 15: Frozen Beans Functions at Group Centroids

Frozen Bean Brand	Function	
	1	2
Watties	.957	.366
Select	-.452	-.196
McCain	.518	-.397
Home Brand	-1.023	.227

A two dimensional perceptual map confirming Select's position, as perceived by category users who shop at progressive Enterprise Stores, is plotted and shown below in Figure 3.

Figure 3: Perceptual Map: Frozen Beans



The perceptual map of frozen beans illustrates the positions of the four brands relative to their distinguishing attributes. It clearly confirms Select is not positioned in the same perceptual space as Watties, McCain, or Home Brand. Value for money, and reliability are the attributes consumers' believe best describe Select. Watties is described by the attributes quality, familiarity, and consistency. McCain is described by taste and expense. The relationships between the brands' group centroids and any of the attribute vectors can be determined by drawing a perpendicular line from the centroid to the attribute vector or its extension.

4.5 Teabags

4.5.1 The teabag market

Teabags are bought by 94% of the 196 respondents in the sample, with 92% reporting buying them in the last year. Bell is the main brand of choice of nearly 40% of respondents in the teabag market and accounted for more than 60% of their purchases during the previous year. Other brands were the main brand of 34% of respondents and accounted for almost 40% of their purchases in the previous year. This reflects the large number of brands and partitions in the teabag market (other significant brands include Dilmah, Twinings, Lipton, and PG Tips, and there are also a variety of herbal and flavoured teas). Select had the smallest main brand share of only 1%, while Home Brand registered nearly 5% of main brand share.

Pricing in this category puts Select (\$4.79) just below Bell (4.99) but above the other National brand, Choysa (\$4.20). Home Brand (\$2.48) is priced well below the other brands. Overall, the brand shares reflect a typical double jeopardy pattern, with the exception of Choysa, which has a higher penetration than expected relative to its main brand share (see Table 13).

Table 16: Teabags Brand Shares

Brand (n = 196)	Bought in Last Year %	Main Brand %
Bell	62.2	39.3
Choysa	36.7	14.8
Home brand	12.8	4.6
Select	5.6	1.0
Other	39.8	34.2
None/Never buy	7.9	6.1

4.5.2 Teabag brand perceptions

Overall, Bell and Choysa are rated as the highest quality brands followed by Select and Home Brand. All four brands' ratings are significantly different, suggesting relative quality

differences are perceived between the brands. There is also a distinct separation between the quality perceptions of the National and Private Label brands (see Table 14).

Table 17: Overall Quality Rating of Brands

Brand	
(n=184)	Overall Rating
Bell	7.7 ^a
Choysa	7.0 ^b
Select	4.8 ^c
Home Brand	4.1 ^d

Note: Figures in table are mean scores on a scale from 0 to 10.

Significant differences between means denoted a, b, c and d ($p < .05$).

A one-way ANOVA showed significant differences among the mean quality scores for the teabags brands $F(3, 780) = 134.16, p = .000$ (see Appendix E for Post Hoc tests).

4.5.3 Teabag brand perceptions among Progressive Enterprises' shoppers

Progressive Enterprise shoppers rated Select as better overall quality than Home Brand but rated Bell and Choysa as having much higher, yet similar overall quality. In contrast, Foodstuffs' shoppers perceived an overall quality difference between the two National brands but also perceived Select as having better overall quality than Home Brand (see Table 15). The conclusion is that Progressive Enterprises' shoppers who buy teabags perceive a quality difference between Select and Home Brand but even this group does not consider the overall quality of Select as comparable to the National brands.

Table 18: Quality Ratings by Store Group

Brand	Overall Quality Rating	
	Progressive Enterprises (n=73)	Foodstuffs/Other (n=111)
Bell	7.3 ^a	8.0 ^b
Choysa	7.0 ^a	7.0
Select	4.9 ^b	4.7
Home Brand	4.0 ^c	4.1

Note: Figures in table are mean scores on a scale from 0 to 10.

Significant difference between means denoted a, b, c and d ($p < .05$)

Those who buy teabags and mostly shopped at Progressive Enterprises' stores rated Select and Home Brand as significantly different from the National brands on all individual brand constructs except the value for money construct, where all four brands had similar ratings (see Table 16). This is interesting, given that Select and Home Brand are less expensive than Bell or Choysa. Overall, teabag shoppers who are exposed to Select perceive it as better than Home Brand but do not consider it a contender for the position held by the National brands.

Table 19: Comparisons of Brand Constructs: Progressive Enterprises' Shoppers

Constructs (n =73)	Mean Construct Ratings			
	Bell	Choysa	Select	Home Brand
Quality	5.1 ^a	4.9 ^a	3.7 ^b	3.0 ^c
Value for Money	4.9 ^a	5.0 ^a	4.9 ^a	4.7 ^a
Consistency	5.3 ^a	5.5 ^a	4.4 ^b	3.8 ^c
Expense	4.1 ^a	4.0 ^a	3.2 ^b	2.6 ^c
Reliability	5.3 ^a	5.4 ^a	4.3 ^b	3.8 ^c
Familiarity	6.0 ^a	5.5 ^b	3.8 ^c	3.3 ^d
Taste	5.0 ^a	4.6 ^b	3.9 ^c	3.3 ^d

Note: Figures in table are mean values of semantic differential scores from 1 to 7, where 1 is low and 7 is high.

Significant differences between means denoted a, b, c and d ($p < .05$).

4.5.4 Teabags Discriminant Analysis

In the Teabags category, 92% of the variance in the original variables was explained by the one statistically significant dimension. At one end of this dimension is the high familiarity attribute and at the other end are the poor value for money and inferior taste attributes, hence

this dimension is labelled ‘familiarity/taste’. On this ‘familiarity/taste’ dimension at one end are Bell and Choysa, at the other end Select is positioned above Home Brand (see Figure 4). These positions are consistent with the results of the overall quality ratings reported earlier (see Table 14).

Figure 4: Teabags Function With Brands at Group Centroids

High Familiarity		Poor Value for Money/Inferior Taste	
1	1	1	1
.98	.72	-.57	-1.13
Bell	Choysa	Select	Home Brand

4.6 Store Brand Attitudes

Respondents’ attitudes to Store brands in general are shown in Table 17. Because the proportion of Don’t Know responses was generally low (under 3%) and relatively consistent across statements, they are excluded from the analyses reported. Over 86% of the sample agreed that Store brands are usually cheaper than other brands; less than 4% did not agree. However, only 65% of the respondents agreed Store brands offer good value for money. Overall, most of the sample (86%) perceive Store brands as cheaper than other brands but only two-thirds perceive them as being good value for money, suggesting there is a price-quality trade off whereby a lower price differential lowers consumers’ perceptions of Store brands’ quality.

More than 40% of respondents agreed you can generally trust the quality of Store brands, with just over the same number remaining neutral on this dimension. Overall, a majority of the sample do not believe Store brands generally have quality they can trust.

While over a third of the sample believes a Store brand’s quality can be trusted and that its reliability, consistency and taste are comparable to other brands, the majority of the sample did not agree with this view, consequently this may also negatively influence their perceptions of a Store brand’s quality and value for money.

Just over 75% of the sample disagreed that they would never buy a Store brand; 73% were in agreement that they were happy to buy Store brands in some categories but not others. Nearly 60% the sample often buys a Store brand. A majority of the sample was not happy to buy Store brands that are not sourced from New Zealand or Australia. More than half of the sample believes Store brands are made by the same manufacturers that make other brands but almost 20% of the sample did not know who manufactures Store brands.

Overall, these results reflect a positive attitude towards Store brands, with three quarters of the sample indicating they would buy a Store brand and most of the sample confirming they often buy Store brands (but only in some categories) and are more likely to do so if they are sourced from New Zealand or Australia. However, there is some doubt about the ability to trust a Store brand's quality or that their reliability, consistency and taste are as good as other brands.

Table 20: Store Brand Attitudes

Statements	Attitude Responses %		
	Agree	Neutral	Disagree
Store brands are usually cheaper than other brands	86.2	10.1	3.7
Store brands offer good value for money	64.9	28.0	7.2
You can generally trust the quality of store brands	42.4	43.3	14.3
Store brands are as reliable as other brands	43.0	37.1	19.9
Store brands are as consistent as other brands	41.0	36.6	22.4
Store brands taste as good as other brands	36.1	36.0	27.9
I often buy store brands	59.7	16.8	23.4
I would never buy store brands	5.6	18.3	76.1
I am happy to buy store brands in some categories but not others	72.5	18.1	9.4
Store brands are made by the same manufacturers that make other brands*	57.3	36.4	6.3
I am happy to buy store brands sourced from New Zealand or Australia, but not from other places	51.3	30.8	17.9

Note: Strongly agree/agree and strongly disagree/disagree responses are combined

*Don't Know 19.5%

4.7 Store Brand Attitudes: Demographic and Behavioural Influences

Analysis of main household grocery shoppers' attitude statements revealed some significant associations between them and the demographic variables age, gender, education and personal annual income, but in all instances they were not strongly related. A similar pattern emerged from analyses of these attitudes by frequency of purchase of Store brands and weekly grocery expenditure.

4.7.1 Age

As main household grocery shoppers age they do not buy Store brands as often as younger main household grocery shoppers, but this relationship is not statistically significant.

Table 21: Age and How Often Store Brands are Bought

I often buy Store Brands	Age Group (years)				Total
	18 - 25	26 - 40	41 - 60	61 - 80	
Agree	53 70.7%	127 62.3%	129 55.4%	140 58.6%	449 59.8%
Neutral	11 14.7%	38 18.6%	41 17.6%	38 15.9%	128 17.0%
Disagree	11 14.7%	39 19.1%	63 27.0%	61 25.5%	174 23.2%

Chi-square = 9.15, 6 df, $p < .165$

However, age does have a significant effect on whether main household grocery shoppers believe Store brands are good value for money. As main household grocery shoppers age they are less likely to believe Store brands offer good value for money (see Table 19).

Table 22: Age and Store Brand Value for Money

Store brands offer good value for money	Age Group (years)				Total
	18 - 25	26 - 40	41 - 60	61 - 80	
Agree	60 80.0%	150 74.3%	143 61.9%	130 54.9%	483 64.8%
Neutral	13 17.3%	44 21.8%	65 28.1%	87 36.7%	209 28.1%
Disagree	2 2.7%	8 4.0%	23 10.0%	20 8.4%	53 7.1%

Chi-square = 29.7, 6 df, $p < .000$

Although not statistically significant, younger main household grocery shoppers are slightly more inclined than older main household grocery shoppers to believe Store brands are cheaper, that generally you can trust their quality, and that they are as reliable and as consistent as other brands and taste as good. Younger main household grocery shoppers are also more likely than older main household grocery shoppers to disagree they would never buy a Store brand.

Older main household grocery shoppers are more likely than younger main household grocery shoppers to think that Store brands are made by the same manufacturers that make other brands and are happier to buy Store brands in some categories but not in others, although this relationship is not statistically significant. Older main household grocery shoppers are also not as happy to buy Store brands that are not sourced from New Zealand or Australia.

4.7.2 Gender

There was no significant difference between how often women and men buy Store brands, or their beliefs that Store brands taste the same as other brands (see Table 20). However, significantly fewer men than women disagreed they would never buy a Store brand. Slightly more women than men thought Store brands were cheaper than other brands. However, despite its statistical significance the association is weak.

Table 23: Gender and How often Store Brands are Bought

Often buy Store brands	Gender		Total
	Female	Male	
Agree	274 60.2%	180 59.0%	454 59.7%
Neutral	69 15.2%	59 19.3%	128 16.8%
Disagree	112 24.6%	66 21.6%	178 23.4%

Chi-square = 2.6, 2 df, $p < .269$

Even though they are not significant relationships, slightly more women than men also think Store brands offer good value for money and that you can generally trust their quality (see Table 21). Women, more than men, also believe Store brands are as reliable and consistent as other brands and that they are made by the same manufacturers that make other brands.

Significantly more women than men are happy to buy Store brands in some categories but not others. Significantly fewer men than women are happy to buy Store brands sourced from New Zealand and Australia but not from other places.

Table 24: Gender and Store Brands are Good Value for Money

Store brands offer good value for money	Gender		Total
	Female	Male	
Agree	301 66.9%	188 61.8%	489 64.9%
Neutral	120 26.7%	91 26.9%	211 28.0%
Disagree	29 6.4%	25 8.2%	54 7.2%

Chi-square = 2.07, 2 df, $p < .323$

4.7.3 Education

Main household grocery shoppers without formal qualifications are not likely to buy Store brands as often as those main household grocery shoppers who have formal qualifications. This relationship is statistically significant (see Table 22).

Table 25: Education and How Often Store Brands are Bought

Often buy Store brands	Education				Total
	No formal qualification	School C, UE Bursary	Tertiary below University	University Degree	
Agree	62 47.0%	142 64.0%	150 61.5%	100 61.7%	454 59.7%
Neutral	33 25.0%	32 14.4%	32 13.1%	31 19.1%	128 16.8%
Disagree	37 28.0%	48 21.6%	62 25.4%	31 19.1%	178 23.4%

Chi-square 16.2, 6 df, $p < .013$

Main household grocery shoppers with formal qualifications are significantly more likely than main household grocery shoppers with no formal qualifications to believe Store brands are usually cheaper and offer good value for money (see Table 23). Moreover, main household grocery shoppers with formal qualifications are significantly more likely to disagree they would never buy a Store brand. Also, although not statistically significant, main household grocery shoppers who have university degrees are not as happy to buy Store brands that are not sourced from New Zealand or Australia as main household grocery shoppers with high school, tertiary or no formal qualifications.

Table 26: Education and Store Brand Value for Money

Store brands offer good value for money	Education				Total
	No formal qualification	School C, UE Bursary	Tertiary below University	University Degree	
Agree	63 48.5%	151 68.6%	162 66.4%	113 70.6%	489 64.9%
Neutral	53 40.8%	57 25.9%	61 25.0%	40 25.0%	211 28.0%
Disagree	14 10.8%	12 5.5%	21 8.6%	7 4.4%	54 7.2%

Chi-square 21.7, 6 df, $p < .00$

The more educated a main household grocery shopper is the more likely they are to believe Store brands are as reliable and consistent as other brands and that Store brands taste as good as other brands. Regardless of whether they had formal qualifications, or not, just over half of main household grocery shoppers believe Store brands are made by the same manufacturers as make other brands. Main household grocery shoppers with formal qualifications are more likely to agree they are happy to buy Store brands in some categories but not others, as those main household grocery shoppers with no formal qualifications. However, these relationships are not statistically significant.

4.7.4 Personal Annual Income

Personal income affects Private Label brand attitudes in that, higher income earners do not buy Store brands as often as those who have lower incomes, and are more likely to agree they would never buy a Store brand (see Table 24). As highlighted in Table 24, main household grocery shoppers who earn over \$60,000 annually are less likely to buy Store brands often compared with those main household grocery shoppers who earn less than \$60,000. The more personal income increases the less likely main household grocery shoppers are to agree that you can trust Store brand's quality or that they are good value for money (See Table 25). However, these results are not statistically significant.

Table 27: Personal Annual Income and How Often Store Brands are Bought

Often buy Store brands	Personal Annual Income (\$)				Total
	<30,000	30,001 - 60,000	60,001 - 100,000	>100,000	
Agree	190 60.3%	180 62.7%	61 55.0%	19 48.7%	450 59.8%
Neutral	49 15.6%	45 15.7%	24 21.6%	7 17.9%	125 16.6%
Disagree	76 24.1%	62 21.6%	26 23.4%	13 33.3%	177 23.5%

Chi-square 5.8, 6 df, $p < .442$

Moreover, as personal income increases main household grocery shoppers are significantly more likely to believe Store brands are not as reliable or consistent as other brands, although the pattern for consistency is clearer and stronger than for reliability. Those earning higher incomes are also more likely to think Store brands do not taste as good.

Table 28: Personal Annual Income and Store Brand Value for Money

Store brands are	Personal Annual Income (\$)				Total
	<30,000	30,001 - 60,000	60,001 - 100,000	>100,000	
Agree	199 64.2%	196 68.5%	69 62.2%	21 53.8%	485 65.0%
Neutral	95 30.6%	67 23.4%	34 30.6%	12 30.8%	208 27.9%
Disagree	16 2.1%	23 8.0%	8 7.2%	6 15.4%	53 7.1%

Chi-square 10.5, 6 df, $p < .104$

Higher income earners are more likely to think Store brands are made by the same manufacturers, are not as happy to buy in some categories, and are not as happy to buy them if they are not sourced from New Zealand or Australia.

However, only reliability and consistency were statistically significant in the Personal Annual Income attitude statements.

4.7.5 Weekly Grocery Spend

There is a significant but weak relationship between weekly grocery spend and how often Store brands are bought. Those main household grocery shoppers who spend less than \$50 a week buy Store brands almost twice as often as those main household grocery shoppers who spend over \$250 a week. Even so, 35% of those who spend over \$250 agree that they often buy Store brands (see Table 26).

Table 29: Weekly Grocery Spend and How Often Store Brands are Bought

I often buy store brands	Grocery Spend (\$ weekly)						Total
	<50	51-100	101-150	151-200	201-250	>250	
Agree	26 65.0%	135 61.9%	153 65.9%	88 55.3%	38 53.5%	14 35.0%	454 59.7%
Neutral	9 22.5%	35 16.1%	34 14.7%	26 16.4%	13 18.3%	11 27.5%	128 16.8%
Disagree	5 12.5%	48 22.0%	45 19.4%	45 28.3%	20 28.2%	15 37.5%	178 23.4%

Chi-square = 20.7, 10 df, $p < .023$

Although only bordering on significance, the more a main household grocery shopper spends per week on groceries the less likely they are to trust a Store brand's quality. Likewise, main household grocery shoppers who spend more money per week on groceries are significantly less likely to agree they taste as good as other brands. Belief that a Store brand offers the same consistency as other brands also decreases as weekly grocery spending increases. Attitudes concerning value for money and reliability follow the same pattern but are not statistically significant.

Even though there was a significant association between the belief that Store brands are made by the same manufacturers that make other brands, the relationship was weak and the belief was similar across all spending levels, with the exception of those who spent between \$201 and \$250 a week, which appears a slight anomaly.

Main household grocery shoppers who spend less than \$50 a week are not as happy to buy Store brands in some categories and not others as main household grocery shoppers who spend over \$50 per week. Main household grocery shoppers were significantly happier to buy Store brands sourced from New Zealand and Australia but not from other places, the more they spent on groceries per week.

In summary, a main household grocery shopper is more likely to have a favourable attitude to Store brands if they are young, female, have some form of formal education, earn less than \$60,000 per year and spend under \$150 a week on groceries. These shoppers are more likely to believe a Store brand's quality can be trusted, that they offer good value for money, and that they are usually cheaper than other brands. Also, they are more likely than older main grocery shoppers to consider Store brands as reliable and as consistent as other brands.

Older, main household grocery shoppers do not buy Store brands as often as younger main household grocery shoppers and are only happy to buy them in some categories if the Store brands are sourced from New Zealand or Australia. Older main household grocery shoppers are more likely than younger main household grocery shoppers to believe Store brands are made by the same manufacturers that make other brands. All other statistically significant results not displayed here are in Appendix F.

4.7.6 Age Group and Personal Income

Both age and annual personal income affect main household grocery shoppers' perceptions of the value for money offered by Store brands. Those earning under \$60,000 are more likely to agree than those earning more than \$60,000 that Store brands offer good value for money, but the effect is weak. Within each income group younger main household grocery shoppers are more likely to agree with the value for money concept, but the effect is only significant for those earning less than \$60,000. Thus, the group that most strongly agrees Store brands offer good value for money are younger, lower income earners (see Table 27).

Table 30: Age Group and Personal Income – Store Brand Value for Money

Store brands offer good value for money	Age (years)			
	18 - 35	36 - 59	Over 60	Total
Earn under \$60,000				
Agree	56	148	112	316
	81.2%	67.3%	54.4%	63.8%
Neutral	11	52	79	142
	15.9%	23.6%	38.3%	28.7%
Disagree	2	20	15	37
	2.9%	9.1%	7.3%	7.5%
Earn over \$60,000				
Agree	4	44	19	67
	66.7%	58.7%	52.8%	57.3%
Neutral	2	37	24	62
	33.3%	27.6%	44.4%	29.5%
Disagree	0	8	4	12
	.0%	10.7%	11.1%	10.3%

Chi-square 21.8, df 4, $p < .000$; Chi-square 1.1, df 4, $p < .891$

Age and annual personal income also affect how often main household grocery shoppers are likely to buy a Store brand, but not significantly. Those earning under \$60,000 are more likely to agree than those who earn over \$60,000 that they often buy Store brands. Main household grocery shoppers under 35 years are more likely to agree they often buy Store brands than those who are older than 35 years. Accordingly, the group most likely to often buy Store brands are also younger, lower income earners.

4.7.7 Age Group and Weekly Grocery Spend

Both age and amount spent each week on groceries significantly affect main household grocery shoppers' perceptions of Store brands' value for money, but the effect is weak. Within each age group, regardless of how much is spent on groceries each week, younger main household grocery shoppers are more likely to agree that Store brands offer good value for money than are older grocery shoppers. Within income groups substantially more grocery shoppers under 35 years old, who spend over \$150 a week on groceries, consider Store

brands good value for money than those grocery shoppers that are under 35 years, who spend \$150 or under a week on groceries (see Table 28).

Table 31: Age Group and Weekly Grocery Spend - Store Brand Value for Money

Store brands offer good value for money	Age (years)			
	18 - 35	36 - 59	Over 60	Total
Spend \$150 and under				
Agree	41 77.4%	111 67.7%	109 56.5%	261 63.7%
Neutral	12 22.6%	39 23.8%	70 36.3%	121 29.5%
Disagree	.0 0%	14 8.5%	14 7.3%	28 6.8%
Spend Over \$150				
Agree	19 86.4%	83 61.9%	24 44.4%	126 60.0%
Neutral	1 4.5%	37 27.6%	24 44.4%	62 29.5%
Disagree	2 9.1%	14 10.4%	6 11.1%	22 10.5%

Chi-square 13.6, df 4, $p < .009$; Chi-square 13.7, df 4, $p < .008$

Age and amount spent each week on groceries have a significant effect on how often main household grocery shoppers are likely to buy Store brands. Those who spend less than \$150 a week on groceries are more likely to agree they often buy a Store brand, than those who spend over \$150 a week on groceries, but the effect is weak. Within the age groups shoppers less than 35 years old and spending less than \$150 a week on groceries are more likely to agree they often buy a Store brand, although the effect is only significant for those who spend under \$150 a week.

In conclusion, main household grocery shoppers, who buy store brands more often and think they are good value for money, are generally young, low income earners, who spend less on groceries.

5.0 DISCUSSION AND CONCLUSIONS

5.1 Discussion and Competitive Implications

Over the last decade, penetration of Private Label brands has increased significantly. At the end of 2009, they constituted 18% of FMCG market share in New Zealand (AC Nielsen, 2011) compared with 10% in 2002 (Coriolis Research, 2002). They are currently offered in most product categories at two or three quality/price levels. Once positioned as a cheaper, lower quality alternative to National brands, they now offer premium quality ranges that are positioned alongside the leading National brands.

Sayman et al. (2002) observed that in Canadian and United States' supermarkets, Private Label brands were targeting leading National brands. Retailers are trying to accomplish this positioning through up-market packaging and in-store shelf placement next to leading National brands, thereby implying equality with them. These positioning strategies were reported by Choi and Coughlan (2006), Geykens et al. (2010) and, in New Zealand, by Progressive Enterprises' management (C. Douglas, pers. Comm., May 29, 2010). Additionally, brand quality for better value is implied through the price of premium Private Label brands, which is usually similar to National brands.

The purpose of this present study was to determine how consumers perceive Private Label brands and National brands. Specifically it sought to determine whether the premium Private Label brand 'Select' has been successfully positioned alongside National brands according to the perceptions of grocery shoppers. In addition, it attempted to uncover any attitudinal variables that might be influencing Private Label brand perceptions by examining grocery shoppers' attitudes to Private Label brands in general. The research aimed to determine if any demographic or behavioural variables have a significant influence on grocery shoppers' Private Label brand perceptions. It also highlights some important considerations for retailers, consumers and manufacturers, who are the three key Private Label brand market participants.

In the four product categories tested, this research found little evidence that the premium Private Label brand Select is perceived as a direct competitor to any of the well-known National brands. For example, in the Canned apricots category, Select was rated as similar to the weaker National brand, Oak, but clearly not a contender for the number one market position of Watties. In the three other categories tested, Canned salmon, Frozen beans, and Tea bags, the perceived quality of Select was significantly lower than the two leading

National brands. These results endorse the previous research of Sayman et al. (2002), who concluded that when Private Label brands target National brands explicitly, consumers perceive the positioning by physical placement, but this perception does not carry over to include perceptions of either product quality or overall similarity. Furthermore, they found Private Label brands are more likely to be perceived as similar to the second or third ranked National brand rather than the leading National brand.

Also concurring with these findings, is Hoch et al.'s (2004) research which determined it was the smallest brands in a category that lose the most market share to Private Label brands. Pauwels and Srinivasan (2004) also found supporting evidence that weaker National brands are being affected by Private Label brands. Their study found weaker National brands had to fight Private Label brand effects by lowering prices and increasing promotions. Other research by Soberman and Parker (2006) found when Private Label brands are included in a category, the variety of brands offered decreases. Schreijen (2011) also confirmed minor National brands were losing market share to Private Label brands and, as a consequence, predicted that many product categories will only offer Private Label brands and one National brand in the future. For retailers this means the competition between their Private Label brands and National brands will intensify, and there is also greater risk of cannibalisation between the Private Label brands increasing. Leading manufacturers' brands have the opportunity to communicate their quality and trustworthiness, taking advantage of consumers' historical and sentimental associations with their brands. Consumers, however, may not benefit from the increased competition due to reduced brand choice and increased average category prices.

The impact of Private Label brands on minor National brands is also reflected in the overall structure of the FMCG market. Globally, Private Label brand market shares have increased at the expense of National brands' market shares. In German supermarkets, Olbrich and Grewe (2007) found evidence that the number of National brands delisted was greater than the number of newly listed Private Label brands. Sales figures also reveal that, in the FMCG market, Private Label brands are growing at a faster rate than National brands and achieving higher penetration levels (AC Nielsen, 2005, 2008; Corstjens & Lal, 2000; de Wulf et al., 2005; McNeill & Wyeth, 2011).

This current research found Select's position relative to the Manufacturers' brands varied in the four categories tested, which suggests the degree of success in positioning Private Label

brands is category dependent. Previous research supports these findings, and as Choi and Coughlan (2006) concluded, “the optimal positioning of Private Label brands depends on the relative positions of National brands, as well as the relative quality of the Private Label brand itself” (p. 89). Private Label brand category variation was also confirmed by Nenycz-Thiel and Romaniuk (2010), who found consumers do not evaluate a brand in isolation. Instead, they take into account category relevant factors. Batra and Sinha (2000) also found consumers’ perceptions of Private Label brands were related to inter-category differences. Their research determined that these inter-category variations were due to the perceived risk of making a purchase mistake when buying Private Label brands. Furthermore, this risk was higher when brands within the category were perceived as substantially different in quality and required a consumer to have had experience of them. However, the four categories tested in this research were all food products. Therefore, in this current research it is likely the perceived risks of making a purchase mistake were higher than if non-food items had been tested, and as a consequence respondents’ quality judgements may have been affected.

Besides demonstrating a separate position from the National brands, in all four categories tested Select was also clearly separated from its budget counterpart, Home Brand, on overall quality ratings. This finding confirms that consumers do perceive quality differences between premium and economy Private Label brands and this is consistent with Nenycz-Thiel and Romaniuk’s (2010) findings. Based on their study which found the attributes consumers use to compare premium and economy Private Label brands were not similar, they concluded consumers’ perceive the quality of economy and premium Private Label brands as different. Jointly these findings indicate retailers need to maintain this quality separation to avoid any cannibalisation between their Private Label brands.

A further finding of this current research is that most New Zealand grocery shoppers hold positive attitudes towards Private Label brands. Most of the sample confirmed they often buy Private Label brands, but only in certain categories. Research by AC Nielsen (2010) also found New Zealanders hold positive attitudes to Private Label brands. Nielsen’s global online survey measured how New Zealanders perceived Private Label brands, and found 47% of New Zealanders thought Private Label brands were a good alternative to name brands. This finding has advantages for retailers, who can promote the growing use and popularity of Private Label brands to help reduce the social risk of buying them.

However, this research found Private Label brands have more likelihood of being purchased often if they are sourced from New Zealand or Australia. This finding concurs with Parsons and Ballantine (2011), who found that Private Label brands are more likely to have positive perceptions if they are locally sourced and the store is locally owned. Moreover, they found that if a Private Label brand was foreign sourced, it would be perceived more favourably if it was sourced from a country in close proximity to New Zealand, for example, Australia. This finding suggests retailers could decrease negative attitudes towards a Private Label brand's source by emphasising local product sourcing on labelling, as well as in their advertising and promotions. On the other hand, manufacturers can also stress their locally grown and sourced advantage.

The Private Label brand attitudes examined in this research revealed that, generally, consumers have some doubt about trusting Private Label brands' quality, or whether their reliability, consistency, and taste are as good as other brands. Erdem et al (2007) tested Private Label brand attitudes in the United Kingdom, USA, and Spain, and found that as well as being category dependent consumers' attitudes were sensitive to quality, price and risk. Erdem et al.'s research supports the findings of this research that not all New Zealanders trust the quality of Private Label brands. Retailers with Private Label brand offerings therefore need to build further trust in their brands. Free samples and in store taste trials are examples of promotional strategies to help build trust in Private Label brand quality by allowing consumers to experience the product without risk.

However, in their Australian study, Nenycz-Thiel and Romaniuk (2009) concluded that consumers' perceptions of Private Label brands have not changed from the lower priced, lower quality image of the past. Moreover, they claimed a halo effect occurs in that there is an unconscious transfer of this low quality perception to premium Private Label brands. This current research has found that some New Zealand consumers still doubt the quality of Private Label brands, but has not determined whether this doubt is the result of a halo effect.

Generally, a large majority of grocery shoppers perceive Private Label brands as cheaper than other brands, but fewer perceive them as being good value for money. This suggests there is a price-quality trade off whereby a lower price differential lowers consumers' perceptions of Private Label brands. Similarly, Kara et al. (2009) noted significant links between value consciousness, experience, perceptions of Store brands, and the reported behaviour towards the store in the USA, but found that these relationships were weak.

Main household grocery shoppers' attitudes and the demographic variables of age, gender, education, and personal annual income and Private Label brand attitudes were examined, and some significant associations were found; but these were not strong. Relationships between attitudes and the behavioural variables of frequency of purchase and weekly grocery expenditure followed a similar pattern. Those grocery shoppers most likely to have a favourable attitude to Private Label brands are young, female, have some form of formal education, earn less than \$60,000 a year, and spend under \$150 a week on groceries. This same group are also more likely to think Private Label brands are good value for money and buy them more often. The related characteristics of young, low income, and lower grocery spend suggests price or value for money are important drivers of Private Label brand perceptions. Walsh and Mitchell (2010) agree that low price is an important decision-making cue for some Private Label brand purchasers, but believe premium Private Label brands' quality will remove the past social stigma of using Private Label brands. However, McNeill and Wyeth (2011) believe that older people in New Zealand have many years' experience with National brands; they are more familiar and they trust them more than Private Label brands. National brand producers could, therefore, capitalise on this familiarity.

While there has been some inconsistency amongst the research on which demographic variables have the most influence on Private Label brand purchase intent, three studies show some support for the relationship between Private Label brand attitudes and demographics found in this research. In the USA Dick et al. (1995) found older households are less likely to buy Private Label brands, and middle-income, especially larger-sized families, are more likely to buy Private Label brands. Kara et al. (2009) found that American Private Label brand buyers were older, female, and those on low incomes who shop frequently. AC Nielsen's (2010) global survey described the profile of a Private Label brand buyer as middle-income earners (\$30,000 - \$70,000) with a younger female head of household. Knowledge of which consumers are more likely to buy Private Label brands allows retailers to emphasise in their advertising and promotional materials the 'value' benefit to specifically target the younger, female, lower income earning grocery shopper.

5.2 Conclusions

This research has confirmed that the premium Private Label brand Select has not been successfully positioned alongside National brands according to the perceptions of New Zealand consumers - at least not yet. However, since Select is a relatively new brand it is

unrealistic to expect it would occupy the same perceptual space as well-established National brands so soon after its market entry. Select has, however, successfully positioned itself apart from its budget counterpart, Home Brand, confirming that consumers do perceive quality differences between economy and Private Label brands.

The findings of this research suggest product category matters and that, as Choi and Coughlan (2006) concluded, “the optimal positioning of Private Label brands depends on the relative positions of the National brands as well as the relative quality of the Private Label brand itself” (p. 89). Hence, Select (and similar premium retailer brands) may not threaten an iconic National brand such as Watties in the near future, but could compete for the positions currently held by weaker National brands in some categories.

This research also confirms that, generally, New Zealanders have positive attitudes towards Private Label brands but there is doubt that they fully trust the quality of Private Label brands. They are also more likely to purchase Private Label brand in particular categories, and more likely to do so if they are sourced locally, implying communication messages need to convey premium Private Label brands’ quality, value for money, and that locally sourced ingredients.

These results are consistent with previous research that found consumers’ do perceive quality differences between economy and Private Label brand brands. It is also consistent with previous Private Label brand attitude research and suggests a typical profile of a Private Label brand buyer. More important, it adds support to the very few studies that have tested the newer premium Private Label brands from a consumers’ perspective. In particular, it is one of the first studies to identify the perceived position of a premium Private Label brand from a consumer’s perspective.

5.3 Limitations and Future Research

This study had some limitations that suggest opportunities for further research. The analysis relied on information collected through an online survey using a commercial panel. Online surveys can have coverage error, though New Zealand now has over 80% of its population connected to the Internet (AUT University, 2010). However, on-line panel members may not be representative of Internet users in general or the New Zealand population. A further concern when using commercial panels is that respondents may be motivated to participate for rewards (Van Ryzin, 2008). Nevertheless, the findings of this research were clear and

consistent, suggesting that any sample bias would have to be very large to change the conclusions drawn.

The information analysed was self-reported. Identifying respondents purchase behaviour by self-reporting relies on consumers' recall and willingness to respond and is not as reliable as using actual sales data. However, there is no reason to believe those respondents who volunteered to take this survey would deliberately provide information that was not true, nor is there any reason to believe the estimated market shares do not reflect the current market structures of the categories tested.

The positioning analysis used pre-determined attributes rather than allowing respondents free choice. While pre-determining the attributes did not allow for the possibility that an important evaluative attribute was not included, the attributes used in the testing were previously identified using a method of free-choice until an exhaustive list of attributes was found. Additionally, the brand attributes identified in this research match, or are similar to, the attributes previous researchers have identified, adding to their robustness. Nonetheless, this method still assumed the right attributes were identified. As well, these attributes were not measured by their relative importance. Future research could replicate this research using free-choice to elicit the descriptive attributes and determine their relative importance before use. Alternatively, research could measure the importance of the attributes in the quantitative phase and weight the attributes by their importance.

The research involved a limited number of brands and product categories. Testing more brands would allow for more discriminant validity, and the use of more categories would provide further confirmation of the perceived positioning differences between categories. All four product categories tested were food items, where the perceived risk is greater than for a commodity item such as toilet paper. A wider variety of categories would help confirm whether the results found were generalizable across other categories.

The sample sizes for the individual product categories were relatively small (between 150 and 209). As some groups did not have sufficient numbers they did not allow cross-tabulation of categorical variables. However, the combined sample did allow analysis of the relationships between the attribute and demographic variables.

Finally, while this research found Private Label brands' positions varied across the four categories tested, it did not determine the underlying causes of this variation. Choi and

Coughlan (2006) suggested that where Private Label brands position themselves is determined by the degree of differentiation among the National brands. Future research could be undertaken to measure Private Label brand positioning relative to the differentiating features among the National brands.

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APPENDICES

APPENDIX A: Convenience Sample Questionnaire

Please place a tick next to any products that you are not familiar with.

Canned Apricots

- ☐ Watties
- ☐ Select
- ☐ Oak
- ☐ Home Brand

Canned Red Salmon

- ☐ John West
- ☐ Home Brand
- ☐ Sealord
- ☐ Select

Tea Bags (100)

- ☐ Bell
- ☐ Choysa
- ☐ Select
- ☐ Home Brand

Frozen Beans

- ☐ Select
- ☐ Home Brand
- ☐ McCains
- ☐ Watties

Questionnaire No. _____

Answer Sheet

Canned Apricots P1

Q1. Which two brands are different from the third?

Q2. What quality do the two have in common

Q3. The opposite quality that the third product has

Q4. What are the important features you look for when you are buying products in this category?

Brand Ranking by Overall Quality

Home Brand		Oak		Select		Watties	
------------	--	-----	--	--------	--	---------	--

Researcher Card Combinations:

Canned Apricots

Ap1	Oak	Watties	Select
Ap2	Select	Oak	Home Brand
Ap3	Oak	Home Brand	Watties
Ap4	Watties	Select	Home Brand

Canned Salmon

Cs1	Home Brand	John West	Select
Cs2	Sealord	Select	Home Brand
Cs3	Select	John West	Sealord
Cs4	John West	Sealord	Home Brand

Frozen Beans

Fb1	Select	Watties	McCain
Fb2	McCain	Home Brand	Watties
Fb3	Watties	Select	Home Brand
Fb4	Home Brand	McCain	Select

Tea Bags

Tb1	Choysa	Home Brand	Select
Tb2	Home Brand	Choysa	Bell
Tb3	Bell	Select	Home Brand
Tb4	Select	Bell	Choysa

APPENDIX B: Survey Information Sheet

[Home](#) > [Learning](#) > [Departments](#) > [School of Communication, Journalism and Marketing](#) > [Research](#) > [Surveys](#) > [Pam Feetham Brands](#)



MASSEY UNIVERSITY
TE KUNENGA KI PŪREHUROA

INFORMATION SHEET FOR PARTICIPANTS.

Thank you for showing an interest in this research. Please read this information sheet carefully before deciding whether or not to participate. If you decide to participate, thank you. If you decide not to take part there will be no disadvantage to you of any kind and I thank you for considering my request.

What is the Aim of the Project?

This project is being undertaken as part of a Masters programme in Marketing at Massey University. The major aim of this project is to explore consumers' impressions of various fast moving consumer goods.

What Type of Participants are being sought? All participants must be grocery shoppers aged between 18 and 60 years old. I am seeking a wide range of participants within this age group.

What will Participants be Asked to Do?

Should you agree to take part in this project, you will be presented with some pictures of branded grocery products and a related survey to complete. It should only take between 5 to 10 minutes to complete the questions.

Can Participants Change their Mind and Withdraw from the Project?

You may withdraw from participation in the project at any time and without any disadvantage to yourself of any kind.

What Data or Information will be Collected and What Use will be Made of it?

The survey will ask you questions regarding various common grocery products. Specifically, questions will ask you about your attitude toward various features of the products, and products like them, and how often you buy them.

Confidentiality and anonymity are assured as you will not be asked to give your name; therefore, no responses can be traced back to any individual.

The questions have been reviewed and ethically approved by the School of Communication, Journalism and Marketing.

What use will be made of the Information Collected?

The data collected will be securely stored in such a way that only Pam Feetham and her supervisor Professor Philip Gendall will be able to gain access to it. At the end of the project any information will be destroyed immediately except that, as required by the University's research policy, any raw data on which the results of the project depend will be retained in secure storage for five years, after which it will be destroyed.

The results of the project may be published, and will be available in the Central Library at the Massey University. You are most welcome to request a copy of the results of the project should you wish.

What if Participants have any Questions?

If you have any questions about this project, either now or in the future, please feel free to contact:

The Researcher (Masters Student):

Pam Feetham

P.M.Feetham@massey.ac.nz

Supervisor:


Professor Philip Gendall

P.Gendall@massey.ac.nz

(03) 447 3417

Page authorised by Head of School, School of Communication, Journalism and Marketing Last updated on Tuesday 28 June 2011

APPENDIX C: On-line Survey



MASSEY UNIVERSITY
COLLEGE OF BUSINESS
KAUPAPA WHAI PARIRI

Welcome

Dear SmileCity Resident

Thank you for clicking through to our survey; it should take you around seven minutes to complete.

The survey is being conducted by researchers from Massey University. To read a full information sheet on the survey, please click here:

[Information Sheet](#)

To go directly to the survey please click on the 'Next >>' button at the bottom right of the page

Once you click the 'Next >>' button you cannot go back and change your answers. If you lose your connection to the Internet or this survey at any point, please click the link provided in the email you received and it will take you back to the point where you left off.

0% 100%

[>>](#)

Survey Powered By [Qualtrics](#)



Are you the main grocery shopper for yourself or your household?

- ☐ I do all the grocery shopping
- ☐ I do most of the grocery shopping
- ☐ I share the grocery shopping equally
- ☐ I don't do much or any grocery shopping

0%  100%

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Survey Powered By [Qualtrics](#)



On each of the next four pages you will see a picture of a common branded supermarket product. Please give us your opinion of this brand on each of the features listed below the picture. It doesn't matter if you have never bought or tried the particular brand, or even the particular product. Please just give us your impression of each brand based on what you know about the brand itself or what you think the product would be like.

0%  100%





WATTIES CANNED APRICOTS

For each of the statements below, please click on the button that best expresses your opinion, or impression, of **Watties canned apricots**.

Low quality	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	High quality
Poor value for money	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Good value for money
Inconsistent	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Consistent
Inexpensive	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Expensive
Unreliable	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Reliable
Unfamiliar	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Familiar
Inferior taste	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Superior taste

0% 100%

>>



SELECT CANNED APRICOTS

For each of the statements below, please click on the button that best expresses your opinion, or impression, of **Select canned apricots**.

Low quality	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	High quality
Poor value for money	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Good value for money
Inconsistent	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Consistent
Inexpensive	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Expensive
Unreliable	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Reliable
Unfamiliar	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Familiar
Inferior taste	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Superior taste

0% ☐ 100%





OAK CANNED APRICOTS

For each of the statements below, please click on the button that best expresses your opinion, or impression, of Oak canned apricots.

Low quality	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	High quality
Poor value for money	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Good value for money
Inconsistent	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Consistent
Inexpensive	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Expensive
Unreliable	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Reliable
Unfamiliar	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Familiar
Inferior taste	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Superior taste

0% 100%





HOME BRAND CANNED APRICOTS

For each of the statements below, please click on the button that best expresses your opinion, or impression, of Home Brand canned apricots.

Low quality	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	High quality
Poor value for money	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Good value for money
Inconsistent	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Consistent
Inexpensive	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Expensive
Unreliable	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Reliable
Unfamiliar	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Familiar
Inferior taste	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Superior taste

0% ☐ 100%





Based on their OVERALL QUALITY please rate each of the four brands below from 0 to 10; where 0 is lowest quality and 10 is highest quality.

	0	1	2	3	4	5	6	7	8	9	10
Home Brand: Quality rating out of 10	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Select: Quality rating out of 10	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Watties: Quality rating out of 10	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Oak: Quality rating out of 10	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

0% 100%

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PRIVATE LABEL BRANDS

Now, we have some questions about private label brands, which are sometimes called store brands. These are brands like Woolworths Select, Woolworths Home Brand, Pams and Budget. Please read the statements below and then indicate whether you agree or disagree by clicking ONE button beside each statement.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't know
Store brands are usually cheaper than other brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store brands offer good value for money	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You can generally trust the quality of store brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store brands are as reliable as other brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store brands are as consistent as other brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I often buy store brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store brands taste as good as other brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would never buy a store brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store brands are made by the same manufacturers that make other brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am happy to buy store brands in some categories but not in others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am happy to buy store brands sourced from New Zealand or Australia, but not from other places	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

0%  100%

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Finally, some questions about you.

In the last 12 months, which of the following brands of canned apricots have you ever bought?

- ☐ Watties
- ☐ Select
- ☐ Oak
- ☐ Home brand
- ☐ Other
- ☐ Have never bought apricots

Which brand of canned apricots is your main brand (the brand you buy most often, or would look for first if you went to buy canned apricots)?

- ☐ Watties
- ☐ Select
- ☐ Oak
- ☐ Home brand
- ☐ Other
- ☐ Never buy canned apricots

About how much would you spend on groceries each week for you and your family (if you have a family)?

- ☐ Less than \$50 a week
- ☐ Between \$51 and \$100 a week
- ☐ Between \$101 and \$150 a week
- ☐ Between \$151 and \$200 a week
- ☐ Between \$201 and \$250 a week
- ☐ More than \$250 a week

Where do you do most of your grocery shopping?

- ☐ Countdown
- ☐ Foodtown
- ☐ Four Square
- ☐ Fresh Choice
- ☐ New World
- ☐ Pak n Save
- ☐ Woolworths
- ☐ Other

Are you?

- ☐ Female
- ☐ Male

Which of these best describes your highest formal qualification?

- ☐ No formal qualification
- ☐ School qualifications (Proficiency, School C, UE, Bursary)
- ☐ Trade qualification (apprenticeship)
- ☐ Certificate or Diploma below Bachelor's level
- ☐ Bachelor's degree
- ☐ Post-graduate or higher qualification

Which of the following categories best describes your own yearly income from all sources before tax?

- ☐ \$20,000 or less
- ☐ \$20,001 - \$30,000
- ☐ \$30,001 - \$40,000
- ☐ \$40,001 - \$60,000
- ☐ \$60,001 - \$80,000
- ☐ \$80,001 - \$100,000
- ☐ \$100,001 or more

In which year were you born?

0%  100%

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Survey Powered By [Qualtrics](#)



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KAUPAPA WHAI PARIHI

Your responses have been recorded. Thank you very much for your help.

Now, please click on the link below return to SmileCity.

<http://www.smilecity.co.nz/earn/rewardsurvey.aspx?codes=irdnmfjyhf>

0%  100%

Survey Powered By [Qualtrics](#)

APPENDIX D: Demographic Tables

A.D.1 Table: Canned Apricots Respondent Demographics

Demographic Variable		Percent
Gender	Female	54
	Male	46
	Not recorded	4
Age range (years)	18 - 30	20
	31 - 40	18
	41 - 50	13
	51 - 60	18
	61 - 70	27
	71 - 80	4
Education	No formal qualification	15
	High school qualifications	30
	Trade qualification	10
	Tertiary Certificate or Diploma	22
	Bachelor's Degree	14
	Postgraduate Degree	8
Personal Income (annual)	\$20,000 or less	24
	\$20,001 - \$30,000	15
	\$30,001 - \$40,000	19
	\$41,001 - \$60,000	23
	\$61,001 - \$80,000	9
	\$80,001 - \$100,000	4
	\$100,000 or more	7
Weekly Grocery Spend	Less than \$50	5
	\$51 - \$100	27
	\$101 - \$150	32
	\$151 - \$200	20
	\$200 - \$250	10
	More than \$250	5

A.D.2 Table: Canned Salmon Respondent Demographics

Demographic Variable		Percent
Gender	Female	60
	Male	40
	Not recorded	.5
Age range (years)	18 - 30	19
	31 - 40	18
	41 - 50	16
	51 - 60	14
	61 - 70	28
	71 - 80	5
Education	No formal qualification	16
	High school qualifications	34
	Trade qualification	7
	Tertiary Certificate or Diploma	21
	Bachelor's Degree	16
	Postgraduate Degree	7
Personal Income (annual)	\$20,000 or less	26
	\$20,001 - \$30,000	21
	\$30,001 - \$40,000	14
	\$41,001 - \$60,000	22
	\$61,001 - \$80,000	7
	\$80,001 - \$100,000	3
	\$100,000 or more	5
Weekly Grocery Spend	Less than \$50	6
	\$51 - \$100	32
	\$101 - \$150	28
	\$151 - \$200	19
	\$200 - \$250	10
	More than \$250	5

A.D.3 Table: Frozen Beans Respondent Demographics

Demographic Variable		Percent
Gender	Female	60
	Male	40
	Not recorded	0
Age range (years)	18 - 30	17
	31 - 40	17
	41 - 50	18
	51 - 60	14
	61 - 70	26
	71 - 80	8
Education	No formal qualification	20
	High school qualifications	25
	Trade qualification	12
	Tertiary Certificate or Diploma	25
	Bachelor's Degree	10
	Postgraduate Degree	9
Personal Income (annual)	\$20,000 or less	23
	\$20,001 - \$30,000	17
	\$30,001 - \$40,000	16
	\$41,001 - \$60,000	21
	\$61,001 - \$80,000	12
	\$80,001 - \$100,000	7
	\$100,000 or more	4
Weekly Grocery Spend	Less than \$50	4
	\$51 - \$100	28
	\$101 - \$150	30
	\$151 - \$200	25
	\$200 - \$250	7
	More than \$250	6

A.D.4 Table: Tea Bags Respondent Demographics

Demographic Variable	Percent
Gender	Female
	Male
	Not recorded
Age range (years)	18 - 30
	31 - 40
	41 - 50
	51 - 60
	61 - 70
	71 - 80
Education	No formal qualification
	High school qualifications
	Trade qualification
	Tertiary Certificate or Diploma
	Bachelor's Degree
	Postgraduate Degree
Personal Income (annual)	\$20,000 or less
	\$20,001 - \$30,000
	\$30,001 - \$40,000
	\$41,001 - \$60,000
	\$61,001 - \$80,000
	\$80,001 - \$100,000
	\$100,000 or more
Weekly Grocery Spend	Less than \$50
	\$51 - \$100
	\$101 - \$150
	\$151 - \$200
	\$200 - \$250
	More than \$250

APPENDIX E: Post Hoc Tests

A.E.1 Table: Canned Apricots Quality Rating

Brand (n = 168)	Subset for alpha = .05		
	1	2	3
Home Brand	5.26		
Select		5.79	
Oak		6.12	
Watties			8.06
	Sig.	1.00	.087
Duncan ^a			

A.E.2 Table: Canned Salmon Quality Rating

Brand (n = 194)	Subset for alpha = .05		
	1	2	3
Home Brand	4.96		
Select		5.60	
Sealord			7.55
John West			7.72
	Sig.	1.00	1.00
Duncan ^a			

A.E.3 Table: Frozen Beans Quality Rating

Brand (n = 207)	Subset for alpha = .05			
	1	2	3	4
Home Brand	5.12			
Select		5.69		
McCain			7.26	
Watties				8.14
	Sig	1.00	1.00	1.00
Duncan ^a				

A.E.4 Table: Tea Bags Quality Rating

Brand (n = 196)	Subset for alpha = .05			
	1	2	3	4
Home Brand	4.02			
Select		4.75		
Choysa			6.87	
Bell				7.62
	Sig	1.00	1.00	1.00
Duncan ^a				

APPENDIX F: Significant Cross-tabulation Tables

A.F.1 Table: Age and Store Brand Source

Happy to buy if sourced from NZ or Australia	Age Group (years)				Total
	18 - 25	26 - 40	41 - 60	61 - 80	
Agree	32 45.1%	85 42.5%	132 58.4%	126 53.4%	375 51.2%
Neutral	23 32.4%	75 37.5%	58 25.7%	69 29.2%	225 30.7%
Disagree	16 22.5%	40 20.0%	36 15.9%	41 17.4%	133 18.1%

Chi-square 12.9, 6 df, $p < .044$

A.F.2 Table: Gender and Store Brands are Cheaper

Store brands are usually cheaper than other brands	Gender		Total
	Female	Male	
Agree	401 88.7%	249 82.5%	650 86.2%
Neutral	38 8.4%	38 12.6%	76 10.1%
Disagree	13 2.9%	15 5.0%	28 3.7%

Chi-square 6.08, 2df, $p < .048$

A.F.3 Table: Gender and Never Buy Store Brands

I would never buy a Store brand	Gender		
	Female	Male	Total
Agree	18 4.0%	24 8.0%	42 5.6%
Neutral	70 15.7%	66 22.1%	136 18.3%
Disagree	357 80.2%	209 69.9%	566 76.1%

Chi-square 11.45, 2df , $p < .003$

A.F.4 Table: Gender and Buy Store Brands in Some Categories

Happy to buy Store brands in some categories but not others	Gender		
	Female	Male	Total
Agree	346 76.7%	202 66.2%	548 72.5%
Neutral	65 14.4%	72 23.6%	137 18.1%
Disagree	40 8.9%	31 10.2%	71 9.4%

Chi-square 11.57, 2df , $p < .003$

A.F.5 Table: Gender and Store Brand Source

Happy to buy if sourced from NZ or Australia	Gender		
	Female	Male	Total
Agree	245 55.6%	135 45.0%	380 51.3%
Neutral	116 26.3%	112 37.3%	228 30.8%
Disagree	80 18.1%	53 17.7%	133 17.9%

Chi-square 10.96, 2df, $p < .004$

A.F.6 Table: Education and Store Brands are Usually Cheaper

Store brands offer are usually cheaper than other brands	Education				Total
	No formal qualification	School C, UE Bursary	Tertiary below University	University Degree	
Agree	98 76.0%	199 90.5%	210 86.1%	143 88.8%	650 86.2%
Neutral	25 19.4%	12 5.5%	24 9.8%	15 9.3%	76 10.1%
Disagree	6 4.7%	9 4.1%	10 4.1%	3 1.9%	28 3.7%

Chi-square 26.50 10 df, $p < .003$

A.F.7 Table: Education and Never Buy Store Brands

I would never buy a Store brand	Education				Total
	No formal qualification	School C, UE Bursary	Tertiary below University	University Degree	
Agree	9 6.9%	12 5.5%	14 5.9%	7 4.5%	42 5.6%
Neutral	36 27.5%	27 12.4%	50 20.9%	23 14.7%	136 18.3%
Disagree	6 4.7%	9 4.1%	10 4.1%	126 80.8%	566 76.1%

Chi-square 16.56, 6df, $p < .011$

A.F.8 Table: Personal Annual Income and Store Brands are Reliable

Store brands are as reliable as other brands	Personal Annual Income (\$)				Total
	<30,000	30,001 - 60,000	60,001 - 100,000	>100,000	
Agree	140 44.9%	126 44.1%	40 36.7%	16 41.0%	322 43.2%
Neutral	112 35.9%	113 39.5%	43 39.4%	8 20.5%	276 37.0%
Disagree	60 19.2%	47 16.4%	26 23.9%	15 38.5%	148 19.8%

Chi-square 14.42, 6df, $p < .025$

A.F.9 Table: Personal Annual Income and Store Brands are Consistent

Store brands are as consistent as other brands	Personal Annual Income (\$)				
	<30,000	30,001 - 60,000	60,001 - 100,000	>100,000	Total
Agree	134 43.4%	121 42.9%	41 38.0%	9 23.1%	305 41.3%
Neutral	113 36.6%	109 38.7%	33 30.6%	13 33.3%	268 36.3%
Disagree	62 20.1%	52 18.4%	34 31.5%	17 43.6%	165 22.4%

Chi-square 19.98, 6df, $p < .003$

A.F.10 Table: Weekly Grocery Spend and Store Brands are Consistent

Store brands are as consistent as other brands	Grocery Spend (\$ weekly)						Total
	<50	51-100	101-150	151-200	201-250	>250	
Agree	14 36.8%	103 48.6%	102 44.0%	53 34.0%	26 37.7%	8 20.5%	306 41.0%
Neutral	17 44.7%	72 34.0%	85 36.6%	58 37.2%	21 30.4%	20 51.3%	273 36.6%
Disagree	7 18.4%	37 17.5%	45 19.4%	45 28.8%	22 31.9%	11 38.2%	167 22.4%

Chi-square 23.58 10df, $p < .009$

A.F.11 Table: Weekly Grocery Spend and Manufacturers of Store Brands

Store brands are made by the same manufacturers	Grocery Spend (\$ weekly)						Total
	<50	51-100	101-150	151-200	201-250	>250	
Agree	18 56.3%	107 59.1%	114 58.5%	68 55.7%	27 50.9%	19 57.6%	353 57.3%
Neutral	14 43.8%	69 38.1%	71 36.4%	37 30.3%	21 39.6%	12 36.4%	224 36.4%
Disagree	0 0.0%	5 2.8%	10 5.1%	17 13.9%	5 9.4%	2 6.1%	39 6.3%

Chi-square 20.66, 10df, $p < .024$ **A.F.12 Table: Weekly Grocery Spend and Store Brand Source**

Happy to buy if sourced from NZ or Australia	Grocery Spend (\$ weekly)						Total
	<50	51-100	101-150	151-200	201-250	>250	
Agree	13 32.5%	112 53.6%	121 53.3%	83 53.2%	27 38.6%	24 61.5%	380 51.3%
Neutral	18 45.0%	61 39.2%	75 33.0%	41 26.3%	23 32.9%	10 35.6%	228 30.8%
Disagree	9 22.5%	36 17.2%	31 13.7%	32 20.5%	20 28.6%	5 12.8%	133 17.9%

Chi-square 19.30, 10df, $p < .037$