

Involvement and Continuous Patronage: Indicators of Consumer's Intention to Purchase towards Private Label Brand Extensions

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Abstract. This paper examines the relationship between involvement, brand loyalty and consumer's willingness to buy the extension products from private stores that sell apparels. The results that emerge from the study are (i) Involvement play a significant role in the decision making for apparels and influence the brand loyalty. (ii) Consumer's evaluation towards the extension from apparel store brands is influenced by relevance and similarity. Further, the outcome also indicates that consumer's reaction towards the extension product category (non-durable or durable) is influenced by brand association.

Keywords: private store brand, involvement, loyalty, association, extension

1. Introduction

Private brands are products that are developed by retailers and made available for sale only through retailers. Private brands help retailers gain higher margins; add diversity to the product line; differentiated offering; provide higher leverage to negotiate with established brands; and help to develop strong customer loyalty. Launching of new brands and making it successful requires considerable amount of money, time and innovative strategies. Hence the brand managers prefer to leverage their powerful brands rather than building a new brand from scratch. Brand extension is a marketing strategy in which a firm manufactures and markets a product with a well established same parent brand name but in a different product category (Sheinin Daniel A,1998). One of the factors that are most directly related to brand preference is consumer involvement in a specific product category (Lachance et. al., 2003). Consumer's involvement in products was believed to moderate considerably their reactions to marketing and advertising stimuli (Kapferer and Laurent,1986). Hawkins and Stephen (1992) proved that low involvement purchasing tends to be habitual whereas high involvement requires planning. Leclerc and Little (1997) confirmed that brand loyalty interacted with product involvement. Repeat purchase behaviour for a high involvement product was an indicator of brand loyalty; whereas repeat purchase for a low involvement product implies habitual purchase behaviour. Prus and Randall (1995) described brand loyalty as driven by customer satisfaction, and involve a commitment on the part of the customer. Brand loyalty is reflected by a combination of attitudes (intention to buy again and/or buy additional products or services from the same company, willingness to recommend the company to others, commitment to the company demonstrated by a resistance to switching to a competitor) and behaviors (repeat purchasing, purchasing more and different products or services from the same company, recommending the company to others).

This paper aims to examine the role of involvement in predicting brand decision of private store brand apparels and its influence on the loyalty attitude of the buyers. Our study also focuses on finding out consumer's intension to purchase the extended products of private store apparel brands.

2. Review of Literature

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One of the factors that were most directly related to brand sensitivity was consumer involvement in a specific product category (Lachance et. al., 2003). Consumer's involvement in products was believed to moderate considerably their reactions to marketing and advertising stimuli (Kapferer and Laurent, 1986). Reichheld (2003) found that similarity between brands was more likely to create confusion when attention and product involvement was low. Depending on their level of involvement, individual consumers differed in the extent of their decision process and their search for information.

Marketing processes such as advertising and sales attempted to create a long term commitment by the customer that increased brand awareness and repeat purchases, and therefore, brand loyalty. Zeithaml (2000) stated that brand loyalty as being either behavioral or attitudinal. The behavior approach included criteria such as repeat purchase, share-of-wallet, and word of mouth referrals, whereas the attitudinal approach consisted of criteria like commitment, trust or emotional attachment. The attitudinal approach was that customers felt a sense of belonging or commitment to the good or service. Baldinger and Rubinson (1996) examined the link between attitude and behavior and found that the stronger the attitudinal commitment, the more likely consumers were to remain loyal.

The key for the success of brand extensions is the consumers' acceptance of the new product under the original brand. Researchers suggested that the success of brand extension depends on the perception of how well the extension products match the original brand in consumers' brand cognitive process. The more similar the consumer perceives between the extension product and original brand, the easier the brand extension will be accepted [Qingguo Ma et al,2010]. Existing literature reveals that brand affect and similarity between core and extension product categories as important factors (Aaker & Keller, 1990). Later several researchers examined the impact of other variables like brand association, advertisement (market support), brand image, perceived quality direction and sequence of extension, congruence, attitude etc., The finding of Park et al.,(1991) showed a brand whose image is mainly based on brand unique abstract association like style, status and prestige may be more extendible than one with strong association with specific functional aspects like convenience, durable, reliable etc., Consequently, Broniarczyk & Alba(1994) established that brand –specific-association may dominate the effects of brand affect and category similarity when consumer knowledge of the brand is high. Sobodh and Reddy (2001) stressed that for making an extension proposal successful, the product attribute association and image need to be linked in the consumers mind.

3. Objectives

- To examine the relationship between antecedents of involvement and brand choice of apparel products from private stores.
- To find out whether product involvement influences brand loyalty
- To understand consumers' reaction towards the extended products of private store brands

4. Research Methodology

Two private stores, Big Bazaar and Pantaloons that sell men's apparel under their own brand names have been chosen for this study. A free association test was conducted to identify the brand association of these store names. Based on the association identified, relevant extension products are shortlisted with the help of a pretest, where the data were collected from 50 students. The brand names, association and their extension are shown in table 1. This study focuses only on men's apparels. Mall-intercept method was used to gather data from the target respondents in Chennai city. Students who have made purchase of men's apparel in these stores were approached and sought their cooperation in collecting their opinion. A sample of 50 students from each store was collected which leads to a total sample of 100 respondents.

Table 1: Proposed Extensions

Name	Association	Extension
Pantaloon	Style	Sun glasses
Life style	Softness (of the fabric)	Face cream

Involvement has been measured by adopting Consumer Involvement Profile scale developed by Kapferer and Laurent (1986). The scale developed by Quester and Lim(2003) for brand loyalty has been used in this study. Consumers' evaluation towards the brand extension was measured by 6 items, comprising of similarity, fit, transferability, affect, difficulty and confidence. Reliability is measured with help of Cronbach's alpha statistic whose values range from .80 to .85

5. Analysis and Discussion

To examine the relationship between antecedents of involvement and brand choice, Consumer Involvement Profile (CIP) developed by Kapferer and Laurent (1986) has been used in this study. It has been established the consumers' involvement with the apparel products considerably influences their judgment on brand selection. The rotated component matrix shows the extraction of four factors. All items have factor loading greater than 0.5 with the exception of one item the 'risk importance', the loading of which is 0.326. The total variance summarized explains 69.98 percent of the variance of four factors extracted from the analysis. The four factor solution emerged for branded apparel shows that 'interest' and 'pleasure' items merged in factor 1, while distinct factors emerged for 'risk probability', 'sign' and 'risk importance'. Only two out of three items are included in the last factor, i.e, 'risk importance'.

From the analysis, it can be seen that the items of 'interest' and 'pleasure' have loadings of on factor 1. Consumers seem to have higher degree of interest in apparels as they fulfill the basic need of any human being. The respondents exhibited interest in buying private store brands because they feel joy when making the brand choice. The color combination, latest designs, and desires to wear fashionable garments are the reasons for more interest. Since the respondents are students, they derive pleasure in shopping of one their favorite products. That is why the hedonic value of the product is also high. Hence 'interest' and 'pleasure' have merged and emerged as the most significant factor. Consumers say that the subjective probability of making a poor choice is also important while buying a ready to wear apparel. Hence, 'risk probability' measured by four item (confusion in choosing, unsure of right choice, difficulty in selection and uncertain about the decision) has emerged as the next important factor. 'Sign' items are loaded clearly on factor 3. Consumers buy apparels of private store brands for various reasons such as comparatively economical, trust on the store name and the kind of relationship the store maintains. The fourth factor is loaded by two items of 'risk importance'. The perceived importance of potential negative consequences associated with poor views of respondents is not significant and hence is extracted as the last factor.

To accomplish the objective of examining whether product involvement influences brand loyalty, multiple regression has been used. The four dimensions of involvement obtained through factor analysis are treated as independent variables, whereas brand loyalty is used as a dependent variable. The adjusted R² implies that 39% of the variation on the brand loyalty is explained by the four variables of involvement used in the study. The F value obtained is 100.064 (P<0.000) and ascertained that there is a significant relationship between dependent and independent variables. An examination of t-values shows that 'Interest and Pleasure' (t=19.09), 'Risk Probability' (t=3.08), and 'Sign' (t=6.13) contributed significantly to the prediction of brand loyalty, while 'Risk Importance' (t=-0.93) has a negative and non significant relationship with brand loyalty. It appears that respondents' perceived probability of risk associated with a wrong choice of private store brand is critical. Hence, 'risk probability' has a significant relationship with brand loyalty. The negative standardized beta coefficient of 'risk importance' implies that as and when consumers' perceived importance of potential negative consequence linked with making a poor selection decrease, the tendency of being loyal increases.

To understand consumers' reaction towards the extended products of private store brands, multiple regression is attempted to find out the influence of transferability, difficulty, confidence, relevance, affect and similarity (Independent variables) on purchase intension of the consumers (Dependent variable). Table 2 shows outcome of the regression analysis carried out individually for Pantaloons and Life Style. Both the regressions are significant with F -values 123 and 108 respectively.

Table 2 :Table shows the summarized results (co-efficients) of Multiple regression analysis between purchase intention & other variables.

Brand	Extension	R ²	T	D	C	R	Af	Sim	F-Value
Pantaloon	Sun glasses	0.592		0.21	0.31	0.45		0.33	Sig
Life Style	Face cream	0.508			0.21	0.36	0.42	0.29	Sig

The co-efficient whose t- values are significant are only shown. (P < 0.005)

In the case of Pantaloon, the contribution of four significant variables, namely difficulty, confidence, relevance, and similarity, is 59.2 percent in explaining the variation in purchase intension. Among these independent variables, relevance is the most contributing dimension leading to purchase intension followed by similarity and confidence. The t-value of difficulty (2.96) shows that respondents feel that it would be difficult for Pantaloon to manufacture sun glasses. This result is further strengthened by the outcome that the respondents expressed that Pantaloon can not transfer (t= 0.81) the technology to produce sunglasses. Similarly, affect has also emerged as a non-significant dimension with t-value of 1.09. This provides a clean indication that respondents are unlikely to like Pantaloon diversifying into sunglasses. However, the remaining variables offer a positive direction as the students felt that it is highly relevant for Pantaloon to sell sunglasses. The underlying reason could be that the association of Pantaloon is fashion, and obviously the students would have felt that the same attribute can be transferred to the extended product also. The respondents' opinion that the image of the mother brand and the extended product category are similar and hence reacted positively to this dimension.

While probing into outcome of the results obtained for Life Style, the contribution of four significant variables, namely, confidence, relevance, affect and similarity, is 50.8 percent in clearing up the variation in purchase intension. With in these independent variables, affect is the most causative dimension of purchase intension followed by relevance and similarity. The t value of confidence (2.86) shows that respondents have enough confidence about the extension idea of Life Style into Face cream market. In the extension of Lifestyle brand, 'transferability' and difficulty are the two variables which have non-significant t- value. This offers a perfect indication that respondents are showing their unwillingness towards the extension of Life style brand into Face cream. Anyway, the remaining variables provide a positive picture as the students felt that they would like (affect) the face cream product launched under Life style brand name. The fundamental motive could be that the association of Life Style is 'Soft', and in fact the students would have shown their strong faith about the transferability that the same attribute to the extended product too.

6. Managerial Implications and Future Research

The outcome of the factor analysis offers worthy point for the corporate. The importance of risk associated with a wrong choice is not at all considered by the users of apparels of private store brands. This might be due to the fact that the price is much cheaper when compared to the national or multinational brands. This finding strengthens the point that low price of the products prevents it from being perceived as status symbol. But the issue is, can the private store brand increase and match the price at par with the multinational brands and by doing so, do not they loose their advantage of being economical? Further research in this direction may generate more information. Another useful input that the brand managers can gain from the results of regression analysis is that respondents' interest in patronizing the private brand. This shows that the consumers are willing to support the local brands provided if they are positioned in the right platform. Hence, future research should focus on finding the loyalty behavior of users towards various categories of private store brands. The results of the regression analysis provide fruitful insights to brand executives to make the extension proposals successful. Especially for stores that sells apparels, consumer look for relevance between the core brand name and extension product category. Managers can also note that whether the extension is into non-durable or durable is not a prime aspect that influences consumer's judgments. The purchase intension of consumers is favorable only if the 'association' of the parent brand is logically leveraged to introduce new products.

7. Conclusion

It is concluded that consumer level of involvement with the product they intend to buy helps them to make appropriate brand choice and subsequently influence their loyalty attitude. Brand association plays a pivotal role in influencing the purchase intension of consumers for extension proposals. For brand managers,

this study suggests quite strongly that any strategic planning regarding the extension of private store brands to other categories are to based on the thorough understanding of the components of involvement, meaningful leveraging of the loyalty attitude and the type of association that a private store brand registered in the minds of the consumers.

8. References

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