

Examining the Antecedents of Store Brand Purchase Intention: A Contingency Approach

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Abstract

International retailers engage in active promotion of store brands to generate higher profit margin, increase store traffic and improve store differentiation. However, consumers from the Asia Pacific markets remain unconvinced to purchase store brands albeit such intensified promotional activities. Building on previous studies regarding socio-demographic profiling of store brand customers and factors influencing store brand proneness, this study adopts the contingency approach to (1) explore the influence of perceived risk, perceived quality, and familiarity on store brand purchase intention in an eastern context, (2) investigates the influence of perceived risk from a multidimensional perspective, (3) tests the moderating effects of gender and age on the proposed relationships. This study examines the antecedents of store brand purchase intention in a cross-sectional survey using a sample of 220 adult shoppers in Malaysia. The results from structural equation modelling analyses suggest that performance risk, perceived quality and familiarity have significant effect on store brand purchase intention. Familiarity emerged to be the most important factor in predicting store brand purchase intention in a collectivistic culture. Retailers operating in the eastern countries have to reposition store brands as a favourable household brand extension rather than a comparable national brand alternative. In addition, the bootstrap analysis result indicates that age has a moderating effect on the links between financial risk, physical risk, perceived quality and store brand purchase intention. Older age group are more influenced by financial risk, physical risk and perceived quality. Retailers may consider treating the older age group as a distinct segment and tailor their store brand marketing strategies to this group differently.