



**THE IMPACT OF PERCEIVED QUALITY,
PERCEIVED VALUE, PERCEIVED PRICE
AND PERCEIVED RISK TOWARDS
PURCHASE INTENTION OF
STORE BRANDS
(A CASE STUDY OF CARREFOUR IN S.PARMAN)**

By

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**A skripsi presented to the
Faculty of Business President University
in partial fulfillment of the requirements for
Bachelor Degree in Economics Major in Management**

January 2014

CHAPTER I

INTRODUCTION

1.1 Research Background

Retail business in Indonesia has grown rapidly from year to year. It can be seen from the number of foreign retailers who tried to enter and expand their business in Indonesia market (Purba, 2012). Based on Apipudin, Data Analyst Manager from Frontier Consulting Group (2013) stated that in the last six year (2007-2012), number of modern retail outlets in Indonesia has grown up, in average 17.57% per year. In 2007, the number of retail outlets in Indonesia are as many as 10.365 outlets, and in 2011 reached 18.152 outlets spread across almost all cities in Indonesia (Apipudin, 2013). According to the Association of Indonesian Retailers (APRINDO), the growth of the retail businesses in Indonesia is between 10-15% per year. Total retail sales in 2006 is Rp 49 trillion, increased in 2011 Rp 120 trillion, meanwhile in 2012, the growth of retail reached Rp 138 trillion. It proves that retail business is growing in Indonesia.

Fast-growing modern retail sector in Indonesia has been followed by the economic growth and urbanization in Indonesia over the past decade (Dyck, et al., 2012). Indonesia is the world's fourth-largest country by population size, and Indonesia is a country with rapid economic growth that has brought changes to retail business. Other than that, Indonesia as one of the members of BRIC (Brazil, Russia, India, and China) which is have large population, area and fast-growing economic output give important global role in the future (Dyck, et al., 2012). Compared to BRICs, income per person of Indonesia lies between India and China (figure 1). It showed that Indonesia is one of the best countries to invest in and also be one of the reasons why foreign investors want to invest their money in retail sector (Purba, 2012). Moreover, in the Association of Southeast Asian Nations (ASEAN), Indonesia is the largest country and economy with a global reputation for economic dynamism (Reardon et al., 2003).

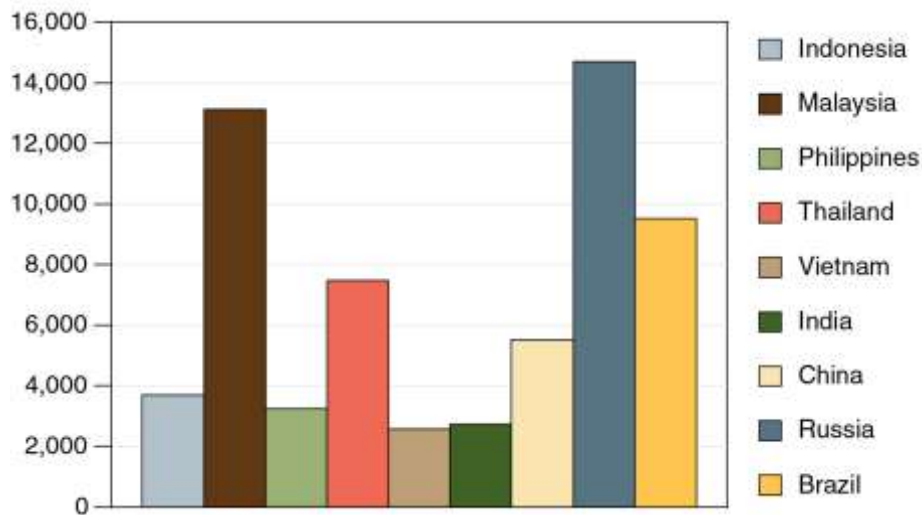


Figure 1.1: GDP/ person, at purchasing power parity (in \$)

Source: Economic Research Service calculations using World Bank Data, 2008

Modern retail in Indonesia meet characteristic of Indonesian people who are consumptive and made shopping monthly need as a recreation. Based on Nielsen survey on 2011, it shows that most of Indonesian people take shopping in retail place as a recreation, other than that retailers know how to make their consumers comfort with their places. Nielsen take some Indonesian people as respondents and conclude that, shopping in retail market give any advantages, such as: generally lower price, product always fresh, comfort and clean environment, various product in one place.

Based on Purba (2012) stated that retail development in Indonesia gives a lot of advantages for consumers, manufacturers, and also the retail players. Retail development in Indonesia signed by the number of retail outlets across in all cities, not only cities but also into the suburban area, this reason gives advantage for consumers because they can find any products easily. This plus point also makes any kind of manufacturers (toiletries, food product, drink product, fast moving consumer goods, etc.) want to display their products in their shelves. Objective of those manufacturers of course is to raise their brand image and also to sell the products quickly. In chain, retailers got advantage because they can sell their shelves stock for manufacturers and get profit from them, it is kind of symbiosis mutualism (Purba, 2012).

However, as retailers, they don't want to only sell shelf to manufacturers to get profit. In line with the growth of retail business, automatically the level of competition among the retail players becomes higher (Dyck, et al., 2012). Moreover, competition happened not only between retail players but also affect retailers and manufacturers because they compete to create a product that can satisfy their consumers and also take the profit higher (Chen, 2008).

Technology and management science is more advanced these days. It makes type, quality and also price of products sold more varied. Based on Purba (2012), it is difficult to differentiate between consumer goods and intermediate goods which have good physical appearance alone, especially if the product is packaged in an attractive packaging. Nowadays, consumers have increasing their shopping channels and also the way they shop their daily needs, such as internet and television, so consumers can decide alone where to buy and which brand to buy are becoming the harder decisions than before while consumers only can shop in traditional market (Carpenter and Fairhurst, 2005).

Furthermore, with more and more brands and products coming out among supermarkets, competitive situation makes retailers and manufacturers should make new strategies to compete each other (Chen, 2008). Retailer's ability to earn more long-term market profits and differentiate their products from other manufacturers is becoming an important mission. Moreover, it can be done with consideration if retailers can have the good image in selling quality products and also create brand image to their consumers (Dyck, et al., 2012). Based on Hansen, Singh, and Chintangunta (2006), Store Brand is one of retailer's strategies to be competitive in the market and also a way to create brand image and brand loyalty to their consumers.

Nowadays, the changes of Store Brands (also known as own brands, house brands, or private labels) from only offering their consumers with lower quality and lower price become more varieties, one of them is offering with true quality brand alternatives (Burt, 2004).

Kao Chun Chen (2008) stated that with development of Store Brands, there are plus and minus inside the development, retailers know price is the best point to attract consumers, and they usually provide store brands in lower price to

keep consumers' loyalty. Other than that, this lower price make manufacturers can offer discount promotions to compete with store brands. Therefore, store brands be created by retailers is to maintain and control product price and also give retailers opportunity to sell their own products at full price, so they can receive more profit at lower cost (Chen, 2008; Guerrero et al, 2000). Consumers divided into some segmentation, consumers who concern with brand and consumers who concern more in price, store brands exist to give alternative to get product with competitive price because store brand does not need any big promotion (Purba, 2012).

If retailers can build a successful marketing for store brands, it can strengthen consumer loyalty and also as result it can avoid price battle among competitors. For example, Tesco, as one of success retailer in the world, they build store brand in two categories, named "Value Products" and "Finest Products", success story of Tesco in developing store brand shows that their brands are competitive (Wulf et al, 2005).

Based on Nielsen (2008), In line with development of retail market in Indonesia, Indonesia noted as one of countries where the growth of quantity (units) and varieties of their store brand recorded in significant number. Hypermarket and minimarket in Indonesia competes each other to create their store brands. Marketing Director of PT. Indomarco Prismatama (Indomaret), Wiwiek Yusuf stated that in a year Indomaret launched 100-200 items of store brands. She admitted that these store brands will continue growing despite later will find their limits. Other than Indomaret, based on Adji Srihandoyo (Director of Corporate Affairs in Carrefour Indonesia) Carrefour can launch at least five items each month or sixty items in a year, and store brands growing potential in Indonesia very large. Carrefour Indonesia currently has 2000-3000 items of store brands out of total forty thousand items (Adji Srihandoyo, Director of Corporate Affairs in Carrefour Indonesia).

The existence of store brands is a bit disturbing large manufacturers who have national brand, because store brands can make consumers have another choice of products which have certain specifications, certain specification of store brands is the low price offer (Putranto, 2009).

Based on Marketing Director of PT. Indomarco Prismatama (Indomaret), Wiwiek Yusuf, she stated that in terms of quantity (units), store brands are quite a lot, but in terms of value (Rupiah), store brands contribution are still relatively small. Other than that, Satria Hamid Ahmadi (Head of Public Affairs Senior Manager of Carrefour Indonesia) said that development of quantity in Carrefour Indonesia is decreasing, shows by the latest 2010, Carrefour has 3.997 items of store brands, but in June 2011, decrease until 3.496 items. It shows that there are 501 items pulled over in store, pulled over of store brands can be happened because of quality decreases.

Hendrik Rahmanto, store manager of Carrefour in S. Parman stated that although in Carrefour Indonesia, there are a lot of store brands such as Bluesky (electronic products), Carrefour *Paling Murah*, and Carrefour Discount, if we compare it with total sales, store brands only contribute 10% of total sales, which really small. Store brands in Carrefour are launched to fulfill consumers' needs that are sensitive in price, but consumers in Carrefour S. Parman in this category not as many as the target.

Until today, existence of store brands in Indonesia create dilemma for consumers, they still thinking that store brands have lower quality compare to national brands, other than that many consumers in Indonesia do not know store brand (Purba, 2012). Purchase intention of store brands by consumers affected by consumer perception, while consumer perception towards store brands is different from one to another people (Binninger, 2008). Based on Johanes Purba (2012), Consumer perception towards store brand will be different one to another person and purchase intention of store brand can be affected by consumer perception. Meanwhile, consumers purchase intention of store brand affected by many reasons such as factor of economic, income restrictions, most of research found that consumers with lower income can drive them to buy store brands. But consumers who bought store brands do not mean all of them are coming from lower income people. Other than that, consumers have other reasons why they want to buy a product such as because of price, value, quality, and risk factors (Binninger, 2008).

Based on explanation above, so the title of the research is **The Impact of Perceived Quality, Perceived Value, Perceived Price and Perceived Risk towards Purchase Intention of Store Brands: a Case Study of Carrefour in S. Parman.**

1.2 Problem Identification

In line with development of retail market in Indonesia, Indonesia noted as one of countries where the growth of quantity (units) and varieties of their store brand recorded in significant number (Nielsen, 2008). But by time passes, Satria Hamid Ahmadi (Head of Public Affairs Senior Manager of Carrefour Indonesia) said that development of store brand (in units) in Carrefour Indonesia is decreasing, shows by the latest 2010, Carrefour has 3.997 items of store brands, but in June 2011, decrease until 3.496 items.

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1.3 Statement of Problem

So, this research is designed to answer research questions:

1. Do perceived quality, perceived value, perceived price and perceived risk have impact to purchase intention of consumers to buy store brands?
2. Which factors of perceived quality, perceived value, perceived price and perceived risk have the most impact towards purchase intention of consumers to buy store brands?

1.4 Research Objective

The purposes of the research are:

1. To find out whether perceived quality, perceived value, perceived price and perceived risk have impact on purchase intention of consumers to buy store brands.
2. To find out which factors have the most impact on purchase intention to buy store brands.

1.5 Significance of the Study

This research made with several significances which expected can be valuable for the following:

1. For the researcher, the research is being made to fulfill the requirements of completing Bachelor Degree in Economics, majoring in Management, with International Business as the concentration.
2. For future research, the research can give the additional knowledge and to strengthen and also this research can be a guideline to enhance existing knowledge about consumer perception towards purchase intention of store brand.
3. For academic, this research is expected to provide better understanding on the implementation of perceived quality, perceived value, perceived price and perceived risk as influential factors toward consumers' purchase intention.
4. For the business, especially company, this research may be useful to make a new strategy or develop current strategy to increase profit, other than that this research may provide better understanding to utilize the variables as tools to maintain consumers' purchase intention.

1.6 Definition of Terms

1. Purchase Intention is a multi-step process or consumer's decision making process, which start from collecting information about the product, try to buy a product and if they satisfied they will buy again the product by evaluated the product by subjective judgment.
2. Perceived price is consumers' perception in what they sacrifice to obtain a product they need, how much they pay usually is a main reason why they want to buy a product compare with another variables inside.
3. Perceived quality is consumer judgment about capacity/ superiority of product, how product can perform well which can meet the consumers' needs to satisfy them by evaluation of products.
4. Perceived risk is the degree of uncertainty and expected loss in purchase product that consumers feel or probability in making a wrong choice in purchase decision.
5. Perceived value is degree in which consumers focus on price they paid but they can get additional features (such as: discount, coupons, gift, etc.) where can make the product seems worth to buy by evaluation.
6. Store brand (also known as own brand, house brands or private label brands) are products that labeled by retailers' name which manufactured by other companies or product that produced by themselves and tagged as their name.

1.7 Scope and Limitation

The present research also has some limitations, which can be improved for future research if they want to. The limitations such as sample size of this research subjected to people who know what store brand is, so if the people do not know what store brand is, they cannot be respondents. Moreover, due to time limitations, research conducted in Carrefour S. Parman. For future research, it could be enlarged the area of research.

CHAPTER II

REVIEW OF LITERATURE

2.1 Theoretical review

2.1.1 Definition of brand

Based on American Marketing Association (AMA), brand is a name, term, sign, symbol to identify and differentiate one product to another product (Chen, 2008). Brand is a bridge for buyers and sellers to build a good relationship with each other because it gives consumers a source of information through signs, terms, and names (Aaker, 2004). Blackston (2003) stated that brand creates a concept of product itself for consumers, a concept that created by consumers can be different one to another.

In retail industry, brand divided into three parts such as (Esbjerg, 2004):

1. Manufacturer brand

Manufacturer brand is also known as national brand, where most of people know about this brand, because they can meet this brand in most retail stores. Most of consumers of manufacturer brand are the loyal one, because they trust and know this brand for so many years. This brand builds their image and to increase their market share by used large and national advertising. Example: Clear, Paseo, L'Oreal, etc.

2. Store/ private brand

Store/ private brand is product that produced by retailers under their own store name, but store/ private brand can be produced by another company and labeled under retail name. In most cases, store brand not as famous as manufacturer brand. Example: store brand of Carrefour named Carrefour Discount, Value Plus from Hypermart, etc.

3. Generics brand

Generics brand also known as no-name brand or unbranded products where consumers cannot find any label, trademark, name, sign for this product. Generally, this product sold on price as commodities and often

sold unpackaged. Example: most categories of fresh products (meats, vegetables, fruits), etc.

Based on Hoeffler and Keller (2003), they stated that brand can contribute and give some advantages for companies. At first, familiar brand can be one of the reasons why customers choose that product. Secondly, if customers are familiar with the brand, most of them feel confidence to buy the product and of course in the end, brand can facilitate customers' decision making process. Third, brand can assist customers to make a clear about the information of products. Fourth, brand provides group recognition for consumers whereas it can increase customers' satisfaction.

In brief, some benefits of brand that offered for consumers and companies can be seen in below table:

CONSUMERS	COMPANIES
<ul style="list-style-type: none"> • Brand as a quality signal. • Brand can be a guideline to choose a product for final purchase. • Brand as a tool to identify a product. • Brand can reduce the risk. • Brand can represent personality. 	<ul style="list-style-type: none"> • Brand can be a magnet for customer. • Brand as a sign to protect company from imitators. • Brand can create customer loyalty. • Brand as a tool to differentiate product from competitors. • Brand can be a bridge to facilitate company to offering new products in future. • Brand as a weapon in competition.

Table 2.1: Benefits of Brand for Consumers and Companies

Source: Sadat, 2009

In conclusion, the brand is an instrument of products, substitution of experience, the quality of source, and the consistent guarantee for consumers (Blackston, 2003).

2.1.2 Definition of store brand

Store brands which are also called as own brand, house brands, private label, or private brand are owned by retailers, which retailers can control and sell it by themselves (Chen, 2008). Moreover, store brands are created to distinguish products with other brands, and also to compete with national brand in terms of quality, store brands are not substitutions of national brands, although most of store brands become cheap substitutions of famous brands because they cannot compete with them in term of quality, and existence of store brands can force national brand to lower their price (Wulf et al, 2005).

Based on Purba (2012), the concept of store brand is actually an extension of brand concept and one of innovation that made by retailers to face competition. Private label, which known as private brand and store brand is a brand created and owned by retailers (Kotler and Armstrong, 2004). Harcar, Kara, Kucukemiroglu (2006), store brand or private label is products which use name of distributor or retailer and also store brand is created exclusively for one retailer where other retailer cannot use it.

Private label product defined as only trademark, which only can be found on the packaging and sold in a specific retail store in low price (Jaafar et al., 2009). Store brand is exclusively created for retailers, so retailers can control store brand in marketing activity such as advertising, packaging, wholesale price and also investment of inventory (Chen, 2008). Usually, store brand sell I low price and can be one of alternatives of product choice for consumers (Walker, 2006).

It is hard to control quality that retailers ask manufacturers to produce, if manufacturers produce bad quality goods, it will damage retailers image directly not the manufacturer, so not all products fit to be store brand, thus Yu (2007) proposes some requirements for products to be store brand:

1. Product should have lower brand loyalty.
2. There is no difference among products.
3. Not a superior quality.
4. High purchasing frequency goods (necessities).
5. Easy to control the quality of product.

6. Product is not in high-price and price sensitive goods.
7. Higher profit products.

Usually, store brands will have competition with national brand, but consumers cannot differentiate between these two brands. Generally, national brand is created by large enterprises which use large and modern equipment to produce the products, and they distribute their national brand all over country by mass media (Esbjerg, 2004). In store brand, retailers usually use small promotion and also small production cost that's why store brand can give greater profit and provide cheaper price to consumers because they can press advertising and distribution cost (Chen, 2008).

Based on Burt (2004), stated that most of store brand that produce by retailers can compete with national brand because most of the store brands are mid-high quality and low price. Many retailers have offered more innovative and qualitative products that are similar with those national brands (Binninger, 2008).

Store brand or private label is a particular and one of the special weapons in retail market, comparing with national brand's price, store brand's price is quite low, that's why this lower price can force manufacturer to lower their national brand's price and affect their profit, in this case, market share of store brand will be better (Steiner, 2004). According to Sudhir and Talukdar (2004), they shows that consumers can difference price between store brand and national brand by quality, added value and ingredients of product, afterward, consumers will choose store brand because of lower price with good quality.

Moreover, quality perception of store brand and national brand are equally, there are more consumers choose store brand over higher-priced national brand (Wulf et al., 2005).

2.1.3 Purchase Intention of Consumers

According to Chen (2008) and Keller (2001), purchase intention is purchase behavior of consumers after he/ she considered and evaluated a product, behavior of consumers can be interpreted as a key point for assuming consumers' purchasing behavior, as well as their subjective intentions. Quality perception and purchase intention have a positive relationship between them (Sudhir and

Talukdar, 2004; Sethuraman, 2003). In Kao Chun Chen research (2008), Zeithaml stated that objective price, perceived quality, and perceived value can influence consumers' purchase intention.

According to Yu (2007), consumers have different intention with diverse purchasing ways, and divided into three categories:

1. Prior planned purchasing

This purchasing behavior is pointed to consumers who always put list of their needed products before they go to stores. This kind of consumers are highly engage in search processes, they usually make a plan and list because they think this behavior can increase effectiveness and decrease impulse buying when they shop.

2. Partial planned purchasing

One of important factors while searching information is such as any purchase condition, especially highly interesting in purchase decision. Moreover, if they would like to buy any kind of familiar product, their decisions will depends of marketing strategies that put on that products such as discount, promotions which can results lower decision.

3. Unplanned purchasing

Unplanned purchasing define as buying decision where consumers made direct purchasing in store without any plan before they entering the store. This behavior is count as rapid and urgent purchase while there is no pre-purchasing to buy a good.

According to Sudhir and Talukdar (2004), they stated that purchasing factors that can influenced consumers to buy store brand is price as a key point and they do not think that brand image as an important part, and consider product quality as determining factor. Nowadays, consumers purchase store brand because it has fairly good quality yet much lower price, moreover it provide good value, that's why value by consumers is one of the factors that influenced consumers' purchase intention (Bao, 2004). Based on Jaafar (2009) research stated that consumers want to buy store brand because of intrinsic factors such as perceived quality, risk and value.

Based on above definitions, researcher concludes purchase intention is a consumer's decision making process after they evaluated product as well as their subjective judgment.

2.1.4 Consumer Perception

According to Mansor and Ali (2010), they said that consumer perception is a wide concept of consumers' behavior where they believe that internal factors (such as: employees' performance) and facilities provided by retailers play an important role in build brand image. Other researcher stated that facilities offered by the business and price of the products are factors that can affect consumer's perception (Shaw and Haynes, 2004; Sheinin and Wagner, 2003).

In line with those researchers, Jiang and Rosenbloom (2005) add that nowadays consumers become more sophisticated, they compare prices by one click in computer, non-price advantages, such as service quality which can attracting more consumers and also retain them.

Concept of consumer perception is associated with consumer satisfaction, that's why it is important for retailers to know what makes their customer satisfy while shop in the stores, satisfaction of customers will linked the excellent perception towards retailers (Miranda et al., 2005).

Based on Burn and Neisner (2006), they found that cognitive evaluation and emotional reaction are two factors that give affect to consumers buying behavior, further research of them said that cognitive evaluation give more effect than emotional reaction in explaining consumers satisfaction.

Other researcher argue that consumer perception about retail stores cannot be seen in one factor but should be seen as a whole, example for supermarket, consumers will see and evaluate this store not only by the completeness of products they sold, but also store look, cleanliness, advertisement, shopping hours, employees' performance, and others (Paulins and Geisfield, 2003).

Agreeing with those statement, Chatterjee (2007) add some statement that if retailers try so hard to fulfill what consumers will like and put everything one step forward, consumer will still have his or her own perception towards retails store, whether it will be good or bad.

2.1.5 Perceived Quality

Perceived quality is considered as one-dimensional; a higher-level, evaluative judgment which is based on the consciousness of goods about the quality attributes (Chen, 2008). The perceived quality is attributed to the evaluation of excellence or the superiority of a product (Tsiotsou, 2006). Perceived quality is one of the important points for consumer to buy a product, and consumers will compare the quality of products with regard to price within a category (Jin and Yong, 2005). According to Davis et al. (2003), perceived quality is consumers sight-seeing which directly can affect to the reputation of the firm that manufactures the product, if quality is good so reputation will be good, if quality is bad automatically reputation will be bad too.

Clemes et al. (2008) thought that although the definitions of perceived quality vary, the definitions are all formulated from the customer perspectives, what customers perceive are important dimensions of quality'. In Homer (2007), Aaker give definition that perceived quality as an important dimension of brand equity and describes it as an intangible overall feeling about a brand that, however, is usually based on underlying dimensions including characteristics of products to which the brand is attached such as reliability and performance.

Moreover, Steenkamp in Kao Chun Chen (2008) mentions perceived quality is "A mental predisposition to respond in a consistent way to quality-related aspects which is organized through learning and influences behavior. Furthermore, in Chen (2008), perceived quality can be wholly subjective or objective, because it includes subject and object interaction because they subjectively create brand image by product or service differentiation.

In Homer (2007), Aaker (1996) stated that perceived quality is identified level for whole quality of product where satisfaction valued by subjective compared to other brands' quality. Moreover, perceived quality can create subjective judgment by consumers and make differences or create level for each brand, and in the end perceived quality becomes an influence factor to buy product (Homer, 2007).

Perceived quality and actual quality are not the same, and here are the differences (Homer, 2007; Aaker, 1996):

1. Quality by consumers and manufacturers is different

Quality for manufacturers means every single attributes that contain inside product should maintain with standard. Therefore, consumers never see and consider that attribute is important for them to buy a product.

2. Prior image or knowledge

Consumers with prior knowledge of a product are inter-related with next purchasing behavior, means that if consumers have felt bad quality from former product they do not want to believe new product although it already improved their quality, it call perceived quality. In fact, actual quality of new product improved, because affected by prior image/knowledge their perception about quality of product is bad.

3. Incomplete product information

Usually, consumers are often decline important product information that makes them see the quality of product subjectively. They don't have enough time to see any important product information, so they decided to only check the most important information to evaluate product, that causes them choose a product with wrong clues.

Based on I. Leonard A. Morgan cited by Kotler (1997) in Johanes Purba (2012), he said that "Quality must be perceived by customer. Quality work must begin with the customers' need and end with the customers' perception. Quality improvement is only meaningful when they are perceived by the customer".

Based on above definitions, researcher concludes that perceived quality is consumer judgment about capacity/ superiority of product, how product can perform well which can meet the consumers' needs to satisfy them by evaluation of products.

The relation of perceived quality and consumer purchase intention

Based on Binninger (2008) and Sethuraman (2003), they found that perceived quality have important relation towards consumers' satisfaction and purchase intention of consumers. Agreeing with them, Sudhir and Talukdar (2004), they also found that there is positive relationship between perceived

quality and consistency of store brand products and store brand purchase intention.

Moreover, quality perception towards purchase intention are relative and positive, if consumers perception towards quality of store brand is good, so it can be result in purchase intention as positive relationship because probably they have intention to buy that product (Chen, 20008).

Also, according to Sudhir and Talukdar (2004) research, they found that there are some doubts in consumers towards store brand products, in terms of low price that offered by retailers, sometimes low price can affect consumers think store brand has low quality and can reduce their purchase intention.

Brand's performance can be significantly influenced by quality of product, it also available for store brand, when retailer creates higher quality products, consumers will have greater quality awareness (Binninger, 2008). Binninger (2008) added that by improving quality, store brand can earn more market share because most of consumers are price-sensitive.

Grewal et al (2004) argues that perceived quality is the first important elements that considered by consumers to evaluate a product to get intention to purchase a product, whether it is good or bad quality, it will directly affect consumers' purchasing intention

2.1.6 Perceived Value

According to Petrick (2004), perceived value of consumers can be increased by adding features or decreasing the cost for sales and also perceived value is trade off between consumer perception towards quality or benefit of product and sacrifice conducted through paid price.

According to Mokhtar et al., (2005), he stated that perceived value is a comprehensive form of overall quality of products, price offered by firm and service compared to competitors which can be consumer evaluation. Moreover, perceived value is the customer's overall assessment of the function of product based on perception what is received and what is given (Chen, 2008). In addition, perceived value can be means as the differences between perceived benefit and perceived cost (Lai and Chen, 2010; Wen et al., 2005).

Other research said that perceived value is comparing between cost and perceived benefit in specific business transaction to get the best perceived value of such a product (Kwon et al., 2007). He added some statement related to perceived value, in most cases, a product can be has a good/ bad value depend on their functional aspect, for example, when a customer buys a correction pen, they really cares how long this correction pen last, and also how well it functioned.

In the study of Ying Feng (2010), stated that perceived value is evaluation results that felt by customers, after he/ she get benefits of products by their sacrifices, and product/ services satisfied them so well.

Seth (1991) stated in Kwon (2007), there are five constructs of value: functional value (i.e., ability for functional, utilitarian, or physical performance), social value (i.e., association with one or more specific social groups), and emotional value (i.e., ability to arouse feelings or affective states), epistemic value (i.e., ability to arouse curiosity, provide novelty, or satisfy a desire for knowledge), and conditional value (i.e., result of a specific situation or set of circumstances facing the decision-maker).

Consumer's satisfaction and desire can be a tool to evaluate value, for example, consumers want to lose their weight by playing basketball, and he/ she go to sport warehouse to buy a basketball, arrived at stores he/ she buy discounted basketball. Consumer perceived value is losing their weight by bought discounted basketball. He/ she will have higher value consciousness because they got discounted basketball which is they spend less money but acquire products with higher quality (Chen, 2008; Zeithaml, 1988).

Based on above definitions, researcher conclude perceived value is degree in which consumers focus on price they paid but they can get additional features (such as: discount, coupons, gift, etc.) where can make the product seems worth to buy by evaluation.

The relation of perceived value and consumer purchase intention

Positioning of store brand products are quality suited for price to emphasize more value and also to attract consumers who are price sensitive (Sudhir and Talukdar, 2004). According to Sethuraman and Cole (1999), in Kao Chun Chen (2008), they found that if price of one product higher, it can affect to

consumers perceived risk of price and value will be lower example: consumers will buy product with higher price, because they think that product with higher price, risk inside the product is lower.

Moreover, there is a research which use three factors such as “probable purchase”, “want to purchase”, and “considered purchase” as independent variables to know relationship between perceived value and consumers willingness to purchase, and the result is positive, consumers considered and willing to buy a product if the perceive worthy value (Chen; 2008; Zeithaml, 1988).

Based on Steiner (2004), Steiner provided statement that nowadays consumers have higher sensitivity about the value of store brand products, if perceived value of store brand is good, they willing to buy it. However, store brand products were seen as bad product with low quality and low price. According to this reason, he suggested retailers to attract consumers with add extra product value while price of product still low (Steiner, 2004).

Based on some recent studies, to increase consumer’s purchase intention, retailers are changing their intrinsic characteristics such as kind of added value for money, image building, quality of product, innovation and provide unique goods (Anselmsson et al, 2008). In addition, Grewal et al (2004), in his research he found that perceived value and consumer’s purchase intention and consumer’s satisfaction are in a positive relationship.

2.1.7 Perceived Price

In the study of Zeinab and Seyedeh (2012), price can be one of the factors that can control perceived buying behavior of consumers, and strength of price also can limit purchase behavior of consumers. However, perceived price from people to people is different, because financial resources of each people also different, for people who have limited financial of course price is their first priority and take good quality product as expensive one, therefore, it can lower their purchase intention for this product (Huong, 2012). Based on Nguyen Than Huong (2012), he added that in opposite way, others may think that product with higher price has a good quality and worth it to buy, because they don’t perceived this product as expensive one.

Perceived price by consumers understood as information of price that can be understood wholly and give truly deep meaning for them (Peter and Olson, 2005). According to Clemes et al (2008), perceived price can be measured by the fairness of price to be paid, if price offered more reasonable, customer will be more satisfied with the product.

According to Kim, Xu, and Gupta (2012) research, they found that perceived price is a level of recognition by consumers to comparing between prices from one manufacture to another manufacturer. Perceived price has a direct impact for consumers to choose whether they want to buy a product or leave it, it can affect consumers through total utility (Kim et al, 2012).

Recent study according to price perception can be divided into two categories, such as: (1) explorations and identification of price fairness perceptions (Gielissen, Dutilh, & Graafland, 2008; Campbell, 2007; Bolton & Alba, 2003; Vaidyanathan & Aggarwal, 2003) and (2) found the impact of price perception on consumers' purchasing intention and behavior results (Lii & Sy, 2009; Daskalopoulou & Petrou, 2006; Xia et al., 2004).

Conceptually, perceived price fairness is defined as consumers' evaluation of whether price of product that offered by manufacturer is reasonable or not (Xia et al., 2004). Xia et al (2004) added that perceived price fairness more subjective than objective judgment because it is what consumers think but it is not merely right or wrong. Some empirical studies found that perceived price are influenced by various factors, but overall consumers rely on several factors such as past prices, competitor prices, and cost of goods sold to make comparison (Bolton et al., 2003).

Based on above definitions, researcher conclude perceived price is consumers' perception in what they sacrifice to obtain a product they need, how much they pay usually is a main reason why they want to buy a product compare with another variables inside.

The relation of perceived price and consumer purchase intention

According to Campbell (2007), his empirical finding stated that in perceived price is positively related to customer satisfaction and purchase intention. Former studies by Sudhir and Talukdar (2004), lower price is one of the

best weapons of store brands, and by their research lower priced of store brand products have positive influence on consumers' purchase intention.

Therefore, if as consumers spend less money but they get higher quality product, their price awareness and purchase intention will improve and the relation is positive (Chen, 2008).

Based on Johanes Purba (2012) research, he approved and stated that perceived price is one of the factors that tested significantly affect purchase intention.

2.1.8 Perceived Risk

According to Dehbashi and Nahavandi (2007), they stated that perceived risk is uncertainties of possible negative consequences of using that product or service. In common, definition of perceived risk is consumers' subjective expectations and judgment of a loss when they take action to buy a product while that action can produce consequences which they cannot anticipate with approximating certainty and some of which at least are likely to be un-pleasant (Liljander et al., 2009).

Based on Febrigatika (2009), perceived risk is impact that consumers want to avoid when they buy products. The concept of perceived risk that introduced by Tzeng et al (2005), he proposed that perceived risk can be conceived in terms of the uncertainty and consequences related with consumer action, the result can be or cannot be pleasant. Based on Afzal (2013), perceived risk is consumer experience after they buy a product and expected get loss experience after they used the product. If a brand existed for a long time and wants to launch a new product, consumers will feel a little bit insecure with that product although manufacturer comes from well-known brand, but well-known brand also can be a risk reliever for them to trust more on new product (Chernatory et al., 2003).

According to some researcher that stated about consumer's perceived risk, consumer's perceived risk because they feel insecure while they buy that product, that product give uncertainty, packaging that used by product too simple, low price, less well-known brands can causes consumers feeling insecure (Lim, 2003).

Based on above definitions, researcher conclude perceived risk is the degree of uncertainty and expected loss in purchase product that consumers feel or probability in making a wrong choice in purchase decision.

The relation of perceived risk and consumer purchase intention

Based on Mitchell (2003) research, he found that perceived risk and consumer purchase intention are having close relationship because most of consumers do not want get any mistakes when purchase a product. Products of store brand have different degree of risk, such as baby food or baby products are more risky than other products, such as toiletries (Chen, 2008).

According to Semejin et al (2004), he found that related with store brand, consumer purchase intention and perceived risk has close relationship but actually relationship between it is negative, the more perceived risk consumers' felt, consumers will decrease their intention to purchase a product. Agreeing with that statement, Tulin (2004) also found that relationship of perceived risk and purchase intention are closely each other but the relationship walk in opposite way, if perceived risk of a product is greater, so the purchase intention of consumers to buy that product will lower.

Researcher found that consumers of store brand like to try various products, so they are more like to take a risk. Consumers want to buy store brand products with cheaper price and also ignore risks inside the products. Moreover, consumers' perception such as risk, quality, value and price are factors that play such an important role towards purchase intention (Chen, 2008).

2.2 Previous research

No.	Title	Author	Conclusion
1.	A study of the relationship between UK consumers' purchase intention and store brand food products – Take Nottingham city consumers for example	Kao Chun Chen (2008)	The research used socio-economic status, perceived quality, perceived risk, perceived value and perceived price as independent variables towards purchase intention of store brand. It found that socio-economic status, perceived risk and perceived price do give impact for consumer to have purchase intention, while perceived value and perceived quality are not give significance impact to purchase intention.
2.	The Impact of Consumer Perception towards Purchase Intention of Private Label in Carrefour Semarang	Johanes Purba (2012)	The results of this study shows that brand loyalty, perceived price, and perceived quality proved significantly give impact to buy store brand. Brand loyalty gives higher impact than perceived price and perceived quality.
3.	The Analysis of Consumer Perception towards Consumer Behavior of Private Label	Agustina Kurniawati (2009)	This research found that involvement, perceived price, perceived risk and familiarity give significant impact to consumer behavior, while loyalty and perceived quality have no significant impact towards consumer behavior.

No.	Title	Author	Conclusion
4.	Discerning Store Brand Users from Value Consciousness Consumers: The Role of Prestige Sensitivity and Need for Cognition	Yeqing Bao and Carter A. Mandrik (2004)	Finding of the research shows that perceive value is the main factor that can affect consumers to buy store brands/ private label. Other than that, prestige sensitivity and need for cognition give impact towards store brand usage. Moreover, prestige sensitivity gives direct impact while consumers feel it.
5.	Consumer Behaviour towards Own Label: monitoring the Greek experience	Christina Boutsouki, Yorgos Zotos and Zafeiria Masouti (2008)	The result of this study found that perceived price, quality of product, location of shelf, packaging are factors that give major impact towards purchase intention.
6.	The effect of store image and service quality on brand image and purchase intention for private label brands	Paul C.S. Wu, Gary Yeong-Yuh Yeh and Chieh-Ru Hsiao (2010)	This study found that store image and service quality has a direct and positive effect on the private label image, perceived risk of private label is a mediating effect between brand image and consumers purchase intention.
7.	A Study on the Consumer Perception towards Private Label Brands with Special Reference to Big Bazaar, Coimbatore, Tamil Nadu	M. Ramakrishnan and Dr. Sudharani Ravindran (2012)	Research reveals that people younger have good perception towards private label brands rather than older. Perceived quality, trustworthy and brand image are the factors that affect their buying decision on private label.

No.	Title	Author	Conclusion
8.	Attitude towards Private Labels- example of a consumer sensory evaluation of food in Slovenia	Ales Kuhar and Tanja TIC (2008)	This research found that consumers in Slovenia have perception that private label as a lower price alternatives compare with other brands, means that consumers perception of price in private label can affect them to buy private label, hence disposable income and family size impacted buying decision on private label.
9.	Examining Perceived Risk and Its Influence on Attitude: A study on Private Label Consumers in Turkey	Yusuf Arslan, Fatih Gecti, and Hayrettin Zengin (2013)	The finding is perceived risk has influence attitudes on private label but the relationship between it is negative, if perceived risk is lower so attitude on private label will be positive.
10.	Modeling consumer responses to an apparel store brand: store image as a risk reducer	Veronica Liljander, Pia Polsa and Allard van Riel (2009)	The research found out that perceived value and quality are the main factors that can drives purchase intention of store brand, perceived risk also can affect purchase intention but nature of perceived risk is reduces purchase intention of consumers. Store image indirectly have impact to purchase intention, by reducing perceived risk and increase store brand quality perceptions.

Table 2.2: Table Previous Research of Store Brands

2.3 Theoretical framework

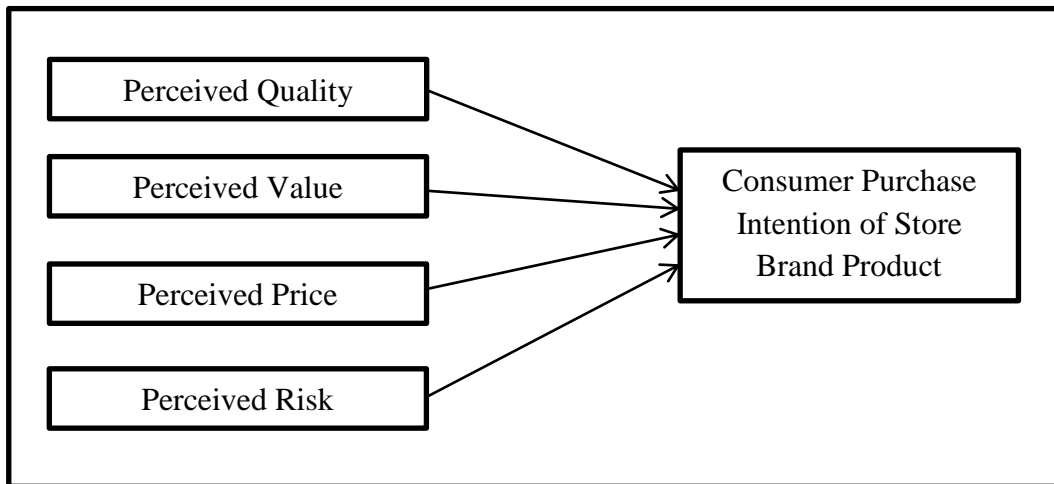


Figure 2.1: Theoretical Framework

Source: adapted from Kao Chun Chen, 2008

2.4 Hypothesis

H_{01} = perceived quality has no significance impact on consumer purchase intention of store brand.

H_{11} = perceived quality has significance impact on consumer purchase intention of store brand.

H_{02} = perceived value has no significance impact on consumer purchase intention of store brand.

H_{12} = perceived value has significance impact on consumer purchase intention of store brand.

H_{03} = perceived price has no significance impact on consumer purchase intention of store brand.

H_{13} = perceived price has significance impact on consumer purchase intention of store brand.

H_{04} = perceived risk has no significance impact on consumer purchase intention of store brand.

H_{14} = perceived risk has significance impact on consumer purchase intention of store brand.

CHAPTER III

METHODOLOGY

3.1 Research design

There are two basic types of research, such as: qualitative and quantitative (Malhotra, 2004). Qualitative analysis is the scientific approach to managerial decision making, the approach starts with data, and techniques used in qualitative techniques are used at both data collection and data analysis stages of research (Cooper and Schindler, 2006). In addition, Cooper and Schindler (2006) said that qualitative analysis includes an array of interpretive techniques which become describe, decode, translate, and other wise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in social world.

Quantitative analysis is the scientific approach to managerial decision making that used numerical data and mathematical approach (Cooper and Schindler, 2006). Based on Saunders et al, quantitative method deals with numerical data which is more focused on number, the description of number and how those numbers can describe the relationship.

Hypothesis which mentioned above in previous chapter will be treating by mathematical and statistical approach so quantitative research is used. The purpose of this research is to analyze the impact of consumer perception and purchase intention of store brands, therefore this research classified as causal research. Research design use is causal research also known as inferential statistical method.

3.2 Sampling design

3.2.1 Research Population

Population is the aggregate of all the elements, sharing some common set of characteristics that comprise the universe for the purpose of the marketing research problem (Malhotra, 2010). Based on Malhotra (2010), population can be

divided into known and unknown population, example of known population is population of lecturer in President University, unknown population like people who use shampoo three times a week. Population of this research is consumers of Carrefour in S. Parman which is included as unknown population.

3.2.2 Sample Size

Sample size is subgroup of the larger group (population) selected for participate in the research (Malhotra, 2010). As explained above, population of this research is unknown, so to find out how many sample size used, researcher used formula according to Cooper and Schindler (2006) book:

$$n = \frac{z^2 p(1-p)}{e^2}$$

Where:

Z = confident level (CL = 90% z=1.65; CL=95% z=1.96; CL=99% z=2.58)

e = sampling error (2%; 3% etc)

P = population variance or proportion estimation for one group/attribute in population

P is proportion estimation that conducted by researcher, that's why to estimate P, researcher do pre-test by spread 100 questionnaire to know how many people ever buy store brand. From 100 people, 64 people say yes they ever bought store brand, and the rest which is 36 said never bought store brand.

So, sample size of this research is:

$$n = \frac{(1.96)^2 0.64(1-0.64)}{0.05^2}$$

$$n = 354 \text{ people}$$

3.2.3 Margin of Error

Margin of error in this research is the percentage for allowing error because of using sample as representative of population (Cooper and Schindler, 2006). Margin of error depends of confidence level of interval. In this research, level of confidence is 95%, it means the margin of error is 5% or 0.05.

3.2.4 Sampling Technique

Based on Cooper and Schindler (2006) and Malhotra (2004), Sampling Techniques divided into two: probability and non-probability sampling. This research used probability sampling as the technique. Probability sampling is used when each element in population has equal probability of selection. One of the probability sampling techniques that used in this research is simple random sampling method, where each respondent have same opportunity to be chosen, and each respondent will be chose randomly.

3.3 Research instrument

In this research, researcher used primary data as the source and questionnaire as the research instrument. Questions inside it will represent each of variables. To make it easier and understandable, questionnaire spread in two languages which is Indonesian language and English.

Based on Sugiyono (2008), to get quantitative data, questionnaire used Likert-scale. Likert scale divided into scale 1 to 5 to ask respondent to rate their answers, which are:

1 = Strongly Disagree

2 = Disagree

3 = Moderate

4 = Agree

5 = Strongly Agree

Moreover, there are 6 groups of questionnaire consisted of item scales (independent and dependent variables) and demographic information. The first group of questions measured the demographic characteristics of respondents. The second, third, forth and fifth group of questions are prepared to determine the independent variables (perceived quality, perceived value, perceived price, perceived risk). The last or sixth group of questions evaluated consumer purchase intentions of Store Brand.

3.3.1 Operationalization of Variables

To find out relationship among independent and dependent variables of this research, the following table showed the source and number of items construct used.

No.	Variables	Definitions	Indicators	Questions
1.	Perceived Quality (X1)	<p>a. The perceived quality is attributed to the evaluation of excellence or the superiority of a product (Tsotsou, 2006).</p> <p>b. Perceived quality is a critical element that consumers used by comparing quality of alternatives with regard to price of category (Jin and Yong, 2005).</p> <p>c. Based on Yee and San (2011), perceived quality defined as degree to which product or services provides what customer requirements and how reliably these requirements are delivered to them.</p>	<p>1. Important criteria.</p> <p>2. Clear labeling</p> <p>3. Equal quality</p> <p>4. Reliable.</p> <p>(Dick et al, 1995; Batra and Sinha, 2000; Ailawadi et al, 2001)</p>	<p>1. I think quality is the most important choice criteria when I buy the product.</p> <p>2. I think the store brand products have clear labeling (such as: ingredients, expired date, etc.)</p> <p>3. I think the quality of store brand products as good as national brand.</p> <p>4. I think the store brand products are reliable.</p>

No.	Variables	Definitions	Indicators	Questions
	Perceived Quality (X1)	<p>d. Clemes et al. (2008) reported “Although the definitions of service quality vary, the definitions are all formulated from the customer perspective: that is, what customers perceived are important dimensions of quality”.</p> <p>e. Perceived quality is usually based on underlying dimensions including characteristics of products to which the brand is attached such as reliability and performance (Aaker, 1991; Dursun, 2011)</p> <p>Based on above definitions, Researcher concludes perceived quality as consumer judgment about capacity/ superiority of product, how product can perform well which can meet the consumers’ needs to satisfy them by evaluation of products.</p>	5. Good quality. (Delvecchio, 2001)	5. I think the store brand products seem to have good quality.

No.	Variables	Definitions	Indicators	Questions
2.	Perceived Value (X2)	<p>a. Perceived value by consumers based on what they get for what they pay (John Dyck, 2005)</p> <p>b. According to Petrick (2004) stated that perceived value is trade off between customer perception towards quality or benefit of product and sacrifice conducted through paid price.</p> <p>c. Perceived value is the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given (Kao Chun Chen, 2008; Zeithaml, 1988).</p> <p>d. Perceived value is a comprehensive form of customer evaluation of the overall quality and price of the firm's products and service compared to competitors (Mokhtar et al., 2005).</p>	<p>1. Good value.</p> <p>2. Low price.</p> <p>3. Similar packaging.</p> <p>4. Lowest price = best value.</p> <p>(Grewal et al, 1998; Zeithaml, 1988; Dick et al, 1995; Anselmsson et al, 2008)</p>	<p>1. I think appearance of store brand products generally appear to be good value.</p> <p>2. If store brand products look cheap, it puts me off buying them.</p> <p>3. I think the package of store brand products looks similar to other products</p> <p>4. I always check prices at the supermarket among brands to be sure I acquire the best value for product.</p>

No.	Variables	Definitions	Indicators	Questions
	Perceived Value (X2)	<p>e. In other words, perceived value represents the discrepancies between perceived benefit and perceived cost (Wen et al. 2005; Lai and Chen, 2010).</p> <p>Based on above definitions, Researcher concludes perceived value as degree in which consumers focus on price they paid but they can get additional features (such as: discount, coupons, gift, etc.) where can make the product seems worth to buy by evaluation.</p>	5. Worth it. (Dick et al, 1995)	5. When I buy the store brand products, I would like to be sure that I am getting my money's worth.
3.	Perceived Price (X3)	a. Zeinab and Seyedeh (2012) found that price is one of the elements of perceived behavioral control for its ability to limit the purchases of consumers, consumer's place their purchases mainly base on price.	<p>1. Price is the most important factor.</p> <p>2. Cheaper (Batra and Sinha, 1999)</p>	<p>1. I think price is the most important factor when I buy store brand products.</p> <p>2. I buy store brand products because they are cheaper options.</p>

No.	Variables	Definitions	Indicators	Questions
	Perceived Price (X3)	<p>b. Consumers have their different price perception, when they have limited financial resources, price is their first priority and they may tend to consider good quality product as expensive, therefore, that would lower their purchase intention for this product. However, others may think that the expensiveness of good quality product is worthy in return for its quality and consequently, they don't perceive this product is expensive product (Huong, 2012).</p> <p>c. Perceived price by consumer related with how price information be understood entirely by them and give deep meaning for consumers. (Peter & Olson, 2005).</p>	<p>3. Lower than expected.</p> <p>4. Lower than average market price.</p> <p>5. Comparing the best price.</p> <p>6. Saving money.</p> <p>(Grewal et al, 1998; Ailawadi, 2001)</p>	<p>3. The price of store brand products is generally lower than what I would expect than to be.</p> <p>4. The price of store brand products is lower than the average market price for similar products.</p> <p>5. I compare prices of other brands and store brands before I choose one.</p> <p>6. I can save lots of money buying store brand products.</p>

No.	Variables	Definitions	Indicators	Questions
	Perceived Price (X3)	<p>d. Perceived price can be measured by the fairness of price to be paid, the more reasonable or the cheaper price to be paid, the more satisfied the customer of product (Clemes, et al., 2008).</p> <p>e. Conceptually, perceived price fairness is defined as consumers' assessments of whether a seller's price can be reasonably justified (Xia et al., 2004)</p> <p>Based on above definitions, Researcher concludes perceived price as consumers' perception in what they sacrifice to obtain a product they need, how much they pay usually is a main reason why they want to buy a product compare with another variables inside.</p>	7.Reasonable (Ailawadi, 2001)	7. I think the price of store brand products is reasonable for shoppers, so purchasing the store brand product is a good deal.

No.	Variables	Definitions	Indicators	Questions
4.	Perceived Risk (X4)	<p>a. Perceived risk is defined as uncertainties of possible negative consequences of using a product or service and in this study; perceived risk refers to the uncertainties associated with possible negative consequences of using e-ticketing (Dehbashi & Nahavandi, 2007).</p> <p>b. Perceived risk is consumers' subjective expectations of a loss means that any action of a consumer will produce consequences which he can not anticipate with anything approximating certainty, and some of which at least are likely to be un-pleasant (Liljander et al., 2009).</p> <p>c. Perceived risk is unintended impacts or something that want to be avoided by consumers when they buy products (Febrigmatika, 2009).</p>	<p>1. Familiarly</p> <p>2. Packaging</p> <p>3. Cheapness = more risky.</p> <p>4. Uncertainty</p> <p>(Richardson et al, 1996; Steiner, 2004)</p>	<p>1. I compare prices of other brands and store brands before I choose one.</p> <p>2. I can save lots of money buying store brand products.</p> <p>3. I think the price of store brand products is reasonable for shoppers, so purchasing the store brand product is a good deal.</p> <p>4. I am uncertain which store brands provide real value for money in terms of product quality.</p>

No.	Variables	Definitions	Indicators	Questions
	Perceived Risk (X4)	<p>d. Tzeng et al. (2005), he proposes that risk be conceived in terms of the uncertainty and consequences associated with consumer actions, the result of which may or may not be pleasant.</p> <p>e. According to Zeithaml and Bitner (2003), perceived risk is an early stage of consumer buying process, if they perceived risk at first, and they will not buy that product.</p> <p>Based on above definitions, researcher concludes perceived risk as the degree of uncertainty and expected loss in purchase product that consumers feel or probability in making a wrong choice in purchase decision.</p>	5. Carefully in choosing product (Batra and Sinha, 1999)	5. When I am considering a store brand product, I will make that choice very carefully.

No.	Variables	Definitions	Indicators	Questions
5.	Purchase Intention (Y)	<p>a. Kao-Chun Chen (2008) stated that purchase intentions mean the consumer has purchase behaviors after he/she considered and evaluated the product.</p> <p>b. Halim and Hameed (2005) explain purchase intention as the number of patrons that has a proposal to buy the products in future and make repetition purchases and contact again to the specific product.</p> <p>c. Jin and Kang (2011) explains purchase intention relating four behaviors of consumers including the undoubted plan to buy the product, thinking unequivocally to purchase the product, when someone contemplate to buy the product in the future, and to buy the specific product utterly.</p>	<p>1. Store brand is worthy.</p> <p>2. Store brand is cheaper.</p> <p>3. Additional value=discount</p> <p>4. Willing to recommend others.</p> <p>5. End up with buying store brand.</p> <p>(Grewal et al, 1998; Zeithaml, 1988; Richardson et al, 1996)</p>	<p>1. I think store brand products are worth buying.</p> <hr/> <p>2. I consider purchasing the store brand products because they are cheaper.</p> <hr/> <p>3. I buy store brand products because of the discount offered.</p> <hr/> <p>4. I am willing to recommend my friends to buy store brand products.</p> <hr/> <p>5. I buy store brand products.</p>

No.	Variables	Definitions	Indicators	Questions
		<p>d. Fandos and Flavian (2006) stated that purchase intention as the projected behavior of consumers on short basis about the repetition purchase of specific product..</p> <p>e. Purchase intention is a multi-step process, start from consumer collect the information about the desired brand then evaluate its attributes, after it they thinking to buy and use the product, if consumer satisfied enough they would absolutely think again to purchase (Tariq et al, 2013).</p> <p>Based on above definitions, researcher concludes purchase intention as a consumer’s decision making process after they evaluated product as well as their subjective judgment.</p>		

Table 3.1: Operational definitions

3.4 Validity and Reliability

3.4.1 Validity

Cooper and Schindler (2006) stated that validity of scale is the extent to which it is a true reflection of the underlying variable it is attempting to measure. Malhotra (2010) stated that valid in statistic defined as the extent to which differences in observed scale scores reflect true differences among objects on the characteristics being measured, rather than systematic or random errors.

Each question should be tested whether it is valid or not. Methodology to check validity is various. According to Sardjono (2013), validity testing can be done by comparing corrected item total correlation with the r table value. So, in this study, researcher will use the comparison between the corrected item total correlations with the r table value.

Hikmawati (2012) stated that if the value of corrected item total correlation is bigger than the r table value, so the question is valid. Researcher will use 0.05 for significance level in validity test.

3.4.2 Reliability

Reliability measures how consistent or stable the ratings generated by the scale are likely to be (Cooper and Schindler, 2006). Agreeing with that statement, Aprilia Listiyani said that reliability used to measure internal consistency, by split questionnaire item into each variable. The researcher use Cronbach's alpha to measure the reliability, and the formula is:

Where:

$$\alpha = \frac{N \cdot \bar{r}}{1 + (N - 1) \cdot \bar{r}}$$

α = Instrument reliability's coefficient

r = mean correlation coefficient between variables

N = number of questions

These are the following rules to evaluate the result of Cronbach's alpha (Patel, 2013; George and Mallery, 2003, p.231):

- If $\alpha > 0,9$ means the level of reliability is excellent.
- If $\alpha > 0,8$ means the level of reliability is good.
- If $\alpha > 0,7$ means the level of reliability is acceptable.
- If $\alpha > 0,6$ means the level of reliability is questionable.
- If $\alpha > 0,5$ means the level of reliability is poor.
- If $\alpha < 0,5$ means the level of reliability is unacceptable.

According to the Uyanto (2006, p.240), he said that questionnaire will be stated as reliable or not if someone answers the questions consistent from time to time and by measurement if Cronbach's Alpha is greater than 0.7.

3.5 Data Collection Procedure

In this research, researcher will calculate data by using SPSS version 17.0 and gather data by using Microsoft Excel 2010 to find the impact from those independent variables in purchasing decision of store brand. In do research, researcher not doing it by the only assumptions but support by data-data, and data can divided into two categories:

3.5.1 Primary Data

Primary data is provide the raw data that researcher use at first to test whether the hypothesis work or not and can be used as evidence to support results (Wayne C. Booth et al, 2008). Primary data in this research were collected by questionnaire as the instrument. Questionnaire distributed directly to consumer of Carrefour S. Parman. Researcher come directly to meet the consumer to do face to face interview and ask them fulfill the questionnaire. This way took a long time but for example if you want to research tiger's living way, so researcher should go their habitat. Duration of data collection procedure is start during November until December 2013.

3.5.2 Secondary Data

Secondary data is data that researcher get from someone else who are professionals or scholarly, for example journal, previous research, books, etc.

Researchers read them to support their research and used to frame their own problem and take secondary data as the references. Secondary data can be used to support argument (Wayne C. Booth et al, 2008).

3.6 Testing the Hypothesis

Based on Steven's Scale Measurement (Ary, Jacobs, and Sorenson, 2010), data can be categorized into four categories:

- Nominal has two or more categories based on equivalence but do not have an intrinsic order. Example: gender, religion, race, etc.
- Ordinal just same with nominal has two or more categories, but it has an order or can be ranked. Example: grades, degree, rankings, etc.
- Interval, variables that have constant, equal distances between values, but do not have an absolute zero. Example: IQ standardized test, etc.
- Ratio uses numbers to indicate order and reflects a meaningful relative distance between points on the scale and has absolute zero. Example: height, age, weight, etc.

Individual responses in Likert scale treated as ordinal data because although response levels have relation position, researcher cannot presume that respondents perceive a same requirement for interval data and if seen from a statistical point this can be dangerous (Bertram, 2009). In addition, he gave example, such as: researcher cannot ensure respondents see the difference between "agree" and "strongly agree" the same as they view difference between "agree" and "neutral". "The average of 'fair' and 'good' is not 'fair-and-a-half', which is true even one assigns integers to represent 'fair' and 'good'! – Susan Jamieson (Jamieson, 2004). Based on those explanation, researcher will treat primary data as ordered categorical data, ordinal because Likert scale arrange by order, categorical because between strongly disagree, disagree, neutral, agree, strongly agree cannot be sum as one to get the result.

Before test the hypothesis there will be correlation testing and after that test hypothesis with Multinomial Logistic Regression.

3.6.1 Correlation

For correlation test, researcher will use Spearman rho. According to Malhotra (2010), Spearman rank order correlation will be used to treat ordinal data (non-parametric), as the researcher treat variables in this research as orders categorical data, Spearman Rho fit for correlation analysis in this study. The formula is:

$$r_s = 1 - \frac{6 \sum d^2}{n(n^2 - 1)}$$

Where,

R_s = Spearman correlation's value

n = number of paired ranks

d = difference between the paired ranks

According to the Wienbach and Grinnell (2007), the Spearman Rho value for correlation coefficient is within the range of -1.00 to +1.00. The -1.00 and +1.00 indicates very strong correlation while 0 indicates no correlation. The interpretation of correlation strength for spearman are "0.00 – 0.19" is very weak, "0.20 – 0.39" is weak, "0.40 – 0.59" is moderate, "0.60 – 0.79" is strong and "0.80 – 1.00" is very strong.

3.6.2 Multinomial Logistic Regression

Multinomial Logistic Regression is an extension of binomial logistic regression model; it can be used if dependent variables have more than two nominal categories (Bayaga, 2010). Based on Bayaga (2010), he said that before do multinomial logistic regression, there are some assumptions for it, such as: (1). Multinomial Logistic Regression does not assume a linear relationship between dependent and independent variables (2). Independent variables no need to be interval (3). Multinomial Logistic Regression does not require that the independents be unbounded and lastly (4). Normally distributed error are not assumed.

The formula of Multinomial Logistic Regression is:

$$Pr(y_i = j) = \frac{\exp(x_i\beta_j)}{\sum_j \exp(x_i\beta_j)}$$

Where,

$Pr(y_i=j)$ = probability of belonging to group

j, x_i = a vector of explanatory variables

β_j = are the coefficients, which are estimated using maximum likelihood estimation.

Multivariate analysis requires the basic assumptions of normality and continuous data (Bayaga, 2010). Multinomial logistic regression also have basic assumptions but in varying degree. For interval and ratio scales it will be much stronger if using multivariate analysis, but for ordinal and nominal scales are usually doesn't fit if using, multivariate analysis techniques, due to various assumptions listed above (Bayaga, 2010). So, Multinomial Logistic Regression does not need any assumptions like multivariate use such as normality, multi-collinearity, heteroscedasticity (Bayaga, 2010). Thus, it has alternative data distribution assumptions, suggesting that it generates more appropriate and correct findings in terms of model fit and correctness of the analysis regardless of any assumption.

Further explanation, Multinomial logistic regression model is a form of regression where the dependent variables are binary/ discrete/ dichotomous and the independent can be continuous or categorical or can be both. However, to test hypothesis in multinomial logistic regression, the log likelihood ratio is being used (Bayaga, 2010).

CHAPTER IV

ANALYSIS AND INTERPRETATION

4.1 Company profile

Carrefour is the largest retailer in Europe and the second largest retailer in the world after Wal-Mart and in terms of profit Carrefour as the third largest retailer after Wal-Mart and Tesco (Butz, 2008). Headquarters of Carrefour is in Boulogne Billaancourt, and mostly based in Europe, however Carrefour also located in four of the seven continents, such as: Americas, Africa, Europe and Asia.

Successful of Carrefour can be shown in financial overview 2011, their sales rose slightly driven by solid performance in emerging markets. These are the consolidated sales of Carrefour:

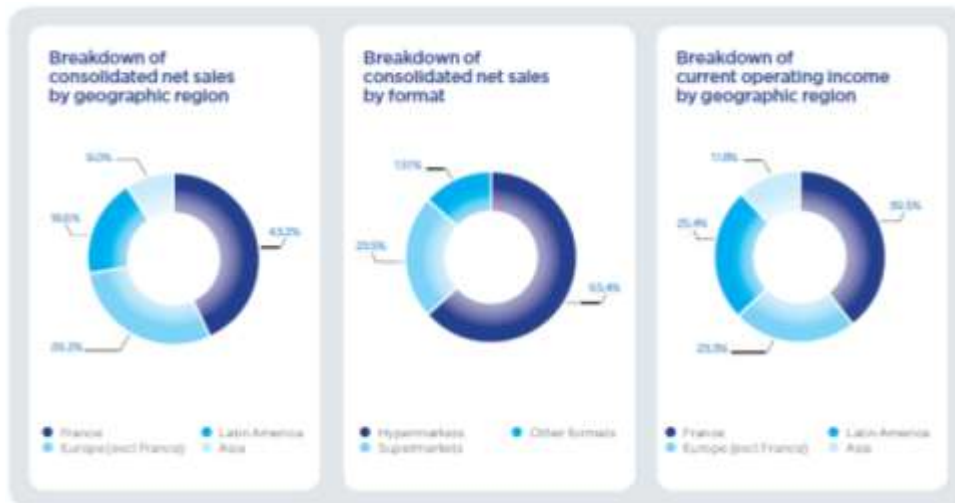


Figure 4.1: Breakdown of consolidated net sales

Source: www.carrefour.com

Carrefour is a hypermarket that specializes in selling grocery and retail items, such as: clothing, hardware, perishable, and non-perishable food items and a variety of other household items. Carrefour group currently operates in 33 countries through four store formats such as: hypermarkets, supermarkets, convenience stores, cash and carry stores. More than 412.000 employees serve

Carrefour customers each day in over 9,700 stores (As of 31 December 2011, including franchisees and partners).

HYPERMARKETS			SUPERMARKETS			CONVENIENCE STORES		
	Total	of which franchisees and partners		Total	of which franchisees and partners		Total	of which franchisees and partners
Total France	232	27	Total France	977	419	Total France	3,285	3,285
Europe (excl. France)			Europe (excl. France)			Europe (excl. France)		
Belgium	46		Belgium	437	396	Belgium	223	223
Cyprus	7		Cyprus	9		Greece	479	309
Greece	34		Greece	278	35	Italy	797	631
Italy	61	3	Italy	432	218	Poland	164	164
Poland	84		Poland	176		Spain	56	49
Romania	25		Romania	45		Other	68	68
Spain	172	6	Spain	115	5	Total Europe (excl. France)	1,787	1,444
Turkey	27		Turkey	216		Latin America		
Total Europe (excl. France)	456	9	Total Europe (excl. France)	1,708	654	Argentina	70	
Latin America			Latin America			Brazil	8	
Argentina	74		Argentina	109		Colombia	20	
Brazil	186		Brazil	41		Total Latin America	98	
Colombia	75		Total Latin America	180		TOTAL GROUP	5,170	
Total Latin America	335		Asia					
Asia			Indonesia	14				
China	203		Taiwan	3				
Indonesia	70		Total Asia	17				
Malaysia	26		Partners					
Singapore	2		Europe	2	2			
Taiwan	60		Maghreb	80	80			
Total Asia	361		Middle East	35	35			
Partners			Overseas and Dominican Republic	26	26			
Europe	10	10	Total partners	143	143			
Maghreb	3	3	TOTAL GROUP	2,995				
Middle East	43	43						
Overseas and Dominican Republic	12	12						
Total partners	68	68						
TOTAL GROUP	1,452							

CASH & CARRY STORES		
	Total	of which franchisees and partners
Total France	137	137
Europe (excl. France)		
Italy	13	1
Total Europe (excl. France)	13	1
Asia		
India	2	
Total Asia	2	
Partners		
Maghreb	2	2
Total Partners	2	2
TOTAL GROUP	154	

412,443	33	9,771
employees	countries	stores

Table 4.1: List of Carrefour Stores Worldwide

Source: Butz, 2008

Carrefour provide complete things sold in one place, both food and non-food and everything customers need to feed family, manage household and take care of everyone. Customers can choose wide range of choice from low price to high price, high to low quality, wide selection from Carrefour Store Brand and national brand. Located in town centers, rural area, feature layouts and products that Carrefour offered can meet requirements of their customer's varied lifestyle and different ways of shopping.

Products sold in Carrefour are varied, and the history is Carrefour products, a story of innovation. Carrefour was the first banner introduces its own brand in 1985. Since that year, Carrefour continues to expand their store brand with unbranded products. Keep changing and keep innovating, Carrefour make over their store brand to maximize their store brand for customers and consumers.

4.2 Data analysis

Researcher did pre-test for 30 respondents to check whether questionnaire is valid and reliable. Terms of PQL = perceived quality, PVL = perceived value, PPR = perceived price, and PRK = perceived risk.

4.2.1 Validity Test

In this study, validity checked by comparing corrected item total correlation with the r table value. Spearman r table value is being used here, and to find out the r table value just check table, and researcher get r table value 0.390 with the $df = n - k = 30 - 4 = 26$, where n is number of respondent for pre-test, k is number of independent variables. To see the table, $n = df$ and significance level used is 0.05, two tailed.

Based on Hikmawati (2012), statement will valid if corrected item total correlation $>$ r table value. And the results show below:

Variable	Corrected Item- Total Correlation	R Table Value	Status
PQL1	-0.050	0.390	Invalid
PQL2	0.149	0.390	Invalid
PQL3	0.509	0.390	Valid
PQL4	0.819	0.390	Valid
PQL5	0.803	0.390	Valid
PVL1	0.709	0.390	Valid
PVL2	0.777	0.390	Valid
PVL3	0.582	0.390	Valid
PVL4	0.683	0.390	Valid
PVL5	0.536	0.390	Valid
PPR1	0.706	0.390	Valid
PPR2	0.789	0.390	Valid
PPR3	0.437	0.390	Valid
PPR4	0.454	0.390	Valid
PPR5	0.683	0.390	Valid
PPR6	0.721	0.390	Valid
PPR7	0.740	0.390	Valid
PRK1	0.600	0.390	Valid
PRK2	0.542	0.390	Valid
PRK3	0.516	0.390	Valid

PRK4	0.537	0.390	Valid
PRK5	0.057	0.390	Invalid
PIN1	0.842	0.390	Valid
PIN2	0.794	0.390	Valid
PIN3	0.456	0.390	Valid
PIN4	0.696	0.390	Valid
PIN5	0.760	0.390	Valid

Table 4.2: Validity Results

Source: Primary Data – SPSS V.18

Based on above results, there are three statements that invalid and should be deleted which are PQL 1, PQL 2, and PRK 5, for other statements are valid because corrected item total correlation is bigger than the R-value. In the end, from total 27 statements, and left 24 statements which are valid and can be continuing to next step.

4.2.2 Reliability Test

After deleted three statements, there are 24 statements left that researcher can be proceed to next step. Reliability tested each variables of the research, in this research, there are five variables used. Based on Uyanto (2006), he said that questionnaire will be stated as reliable or not if someone answers the questions consistent from time to time and by measurement if Cronbach's Alpha is greater than 0.7.

No.	Variables	Cronbach's Alpha	N of Items	Status
1.	Perceived Quality (X1)	0.806	3	Reliable
2.	Perceived Value (X2)	0.851	5	Reliable
3.	Perceived Price (X3)	0.880	7	Reliable
4.	Perceived Risk (X4)	0.813	4	Reliable
5.	Purchase Intention (Y)	0.847	5	Reliable

Table 4.3: Reliability Results

Source: Primary Data – SPSS V.18

Based on results in table 4.3, it shows that all variables are reliable with good results. So, it can conclude that all variables are reliable and can be proceed to next step.

4.2.3 Descriptive Analysis

4.2.3.1 Respondent Profile

Questionnaire distribute directly to 354 people in Carrefour S. Parman. Demographic variables that mentioned in questionnaire such as: gender, age, income, and education. Objective of those demographics is to knowing the demographic differentiation in Carrefour S. Parman and also to know what kind of Carrefour consumers who buy in their place.

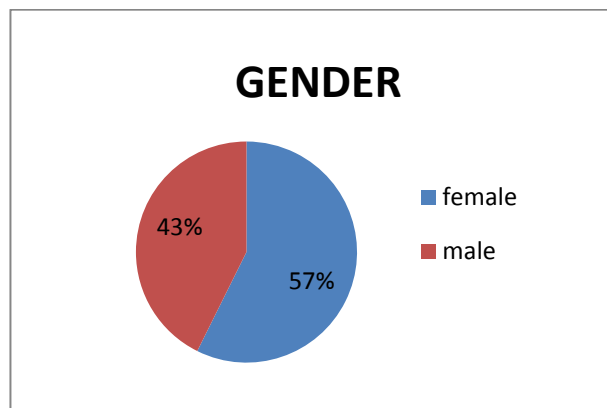


Figure 4.2: Demographic Results of Gender

Source: Primary Data – Microsoft Excel 2010

Results based on this graph shows that consumers Carrefour are mostly female in 57% (203 people) and the rest is male for 43% (151 people). It means that consumers who buy product in Carrefour not always female, but result shows that male also like to buy product in Carrefour.

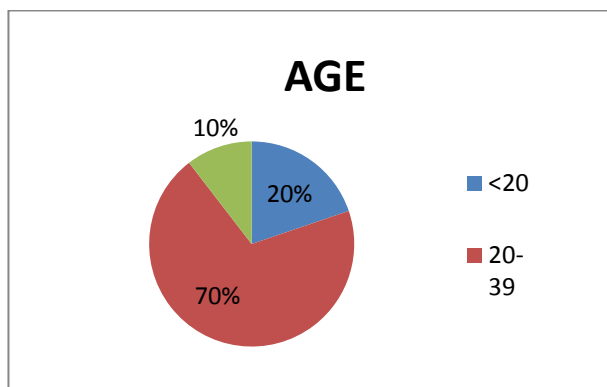


Figure 4.3: Demographic Results of Age

Source: Primary Data – Microsoft Excel 2010

This graph tells that consumers Carrefour are 70% or around 247 people out from 354 respondents are in 20-39 years old, 20% (70 people) in age younger than 20, and the rest for 10% (37 people) is in 40-64 years old. It shows that 20-39 years old are the most age who visited Carrefour because this range is productive age that has possibility to shop monthly needed in Carrefour, so we can found this range mostly in Carrefour.

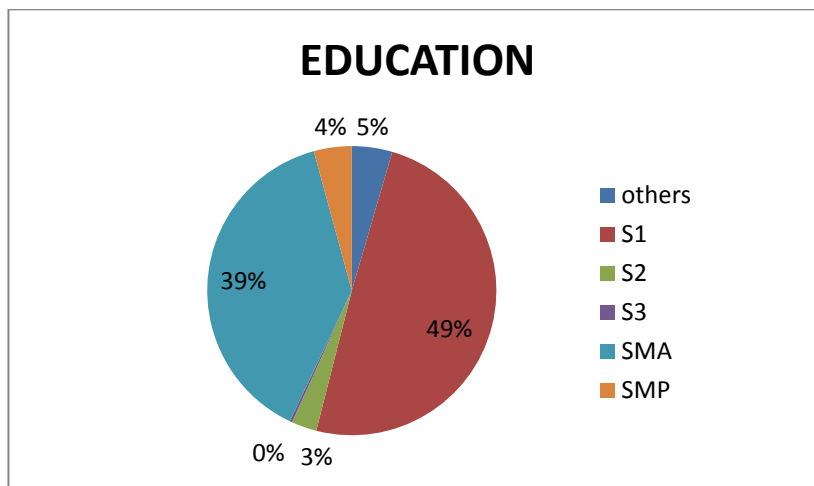


Figure 4.4: Demographic Results of Education

Source: Primary Data – Microsoft Excel 2010

This pie chart shows that most of the consumers Carrefour come from the people who are having higher education level because Carrefour as the biggest retailers, and the store image of Carrefour is good, that's why many people in high education people decide to shop in Carrefour as one of the retailers that can be trust. Consumers in bachelor degree are 49% (175 people), high school level 39% (137 respondents), others level 5% (16 people), junior high school level 4% (15 people), master degree 3% (10 people) and the rest which is doctoral degree is 0% (1 person).

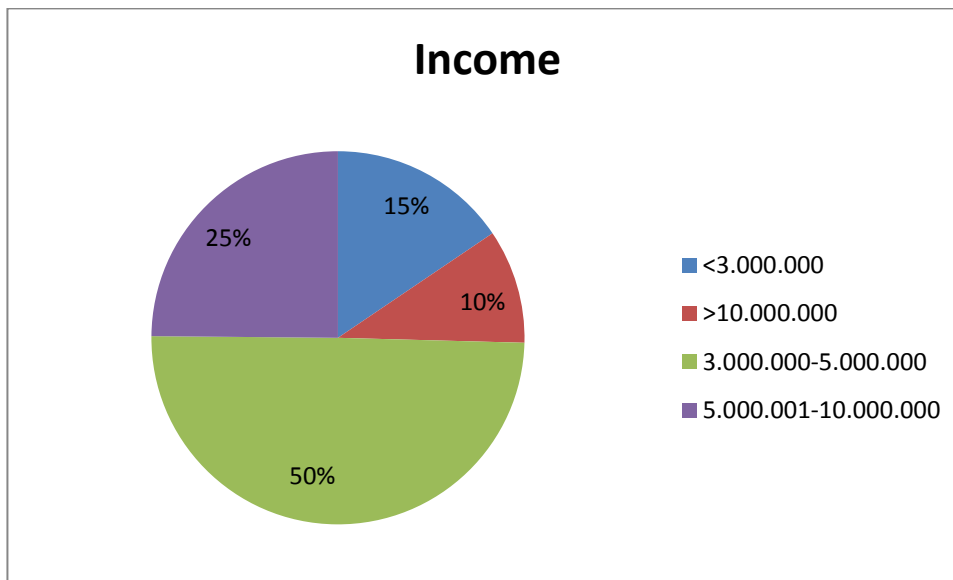


Figure 4.5: Demographic Results of Income

Source: Primary Data – Microsoft Excel 2010

This graph shows that most of the consumers Carrefour come from the people in middle income between Rp 3.000.000 – Rp 5.000.000 by 50% or around 176 people, following by people who have income between Rp 5.000.001 – Rp 10.000.000 in 25% which is 88 people, consumers in lower income < Rp 3.000.000 in 15% (55 respondents), and the rest 10% consumers Carrefour are people who have income higher than Rp 10.000.000 which is 35 people out from 354 people.

4.2.3.2 Variable Frequency

In this part, researcher would like to shows that how many people that answer in every scale, out from 354 people. This questionnaire is consisting 24 questions from 5 variables which are: perceived quality, perceived value, perceived price, perceived risk and purchase intention as dependent variable.

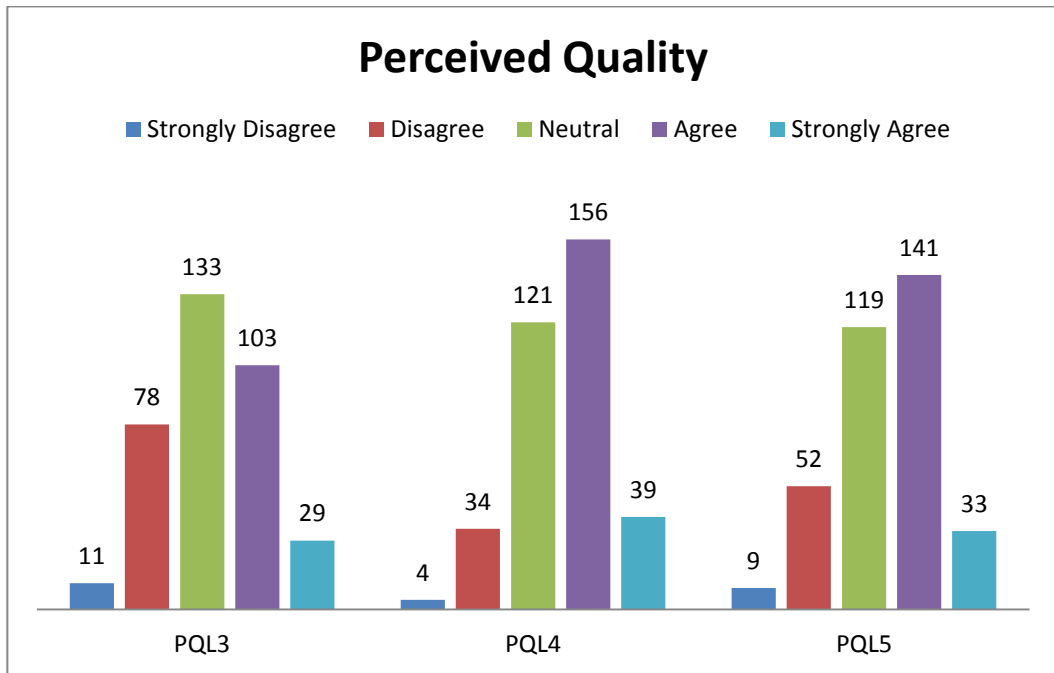


Figure 4.6: Perceived Quality

Source: Primary Data – Microsoft Excel 2010

The perceived quality consist of three statements: PQL3 is “I think the quality of store brand products as good as national brand”, PQL4 is “I think the store brand products are reliable”, and PQL5 is “I think the store brand products seems to have good quality.

From the figure 4.6, responses of respondent towards perceived quality most of them agree and neutral, means that perceived quality is one of the factors that can affect their purchase intention. Consumers in Carrefour S. Parman, most of them responded agree with every statement even though some of them more likely to be neutral with the statement that shows about perceived quality. Meanwhile, the agree responds is higher than neutral or disagree, especially for question number one, most of the respondents choose to be neutral because they do not agree or either disagree that store brand as good as national brand in terms of perceived quality.

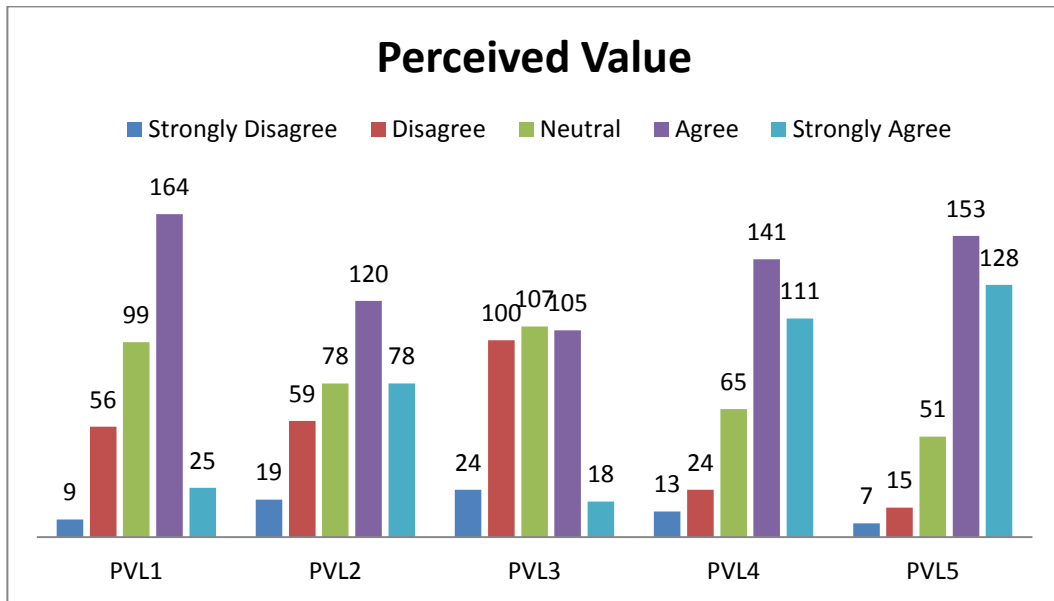


Figure 4.7: Perceived Value

Source: Primary Data – Microsoft Excel 2010

The perceived value consist of five statements: PVL1 is “I think appearance of store brand products generally appears to be good value”, PVL2 is “If store brand products look cheap, it puts me off buying them”, PVL3 is “I think the package of store brand products looks similar to other products”, PVL4 is “I always check prices at the supermarket among brands to be sure I acquire the best value for product”, PVL5 is “When I buy the store brand products, I would like to be sure that I am getting my money’s worth”.

From the figure 4.7, responses of respondent towards perceived value most of them neutral, agree and strongly agree. In statement PVL1, most of the respondents answer agree, means that they think packaging/ appearance of store brand is one of the factors that made them think whether a product has a good value or not. In PVL2, they agree that if price of the product is lower, means that store brands give more value. Responds in statement number three which is about store brand packaging shows that perception of consumers about looks about packaging compare with national brand is varied, some think that packaging of store brand looks similar with national brand, but some said disagree, and others feeling neutral.

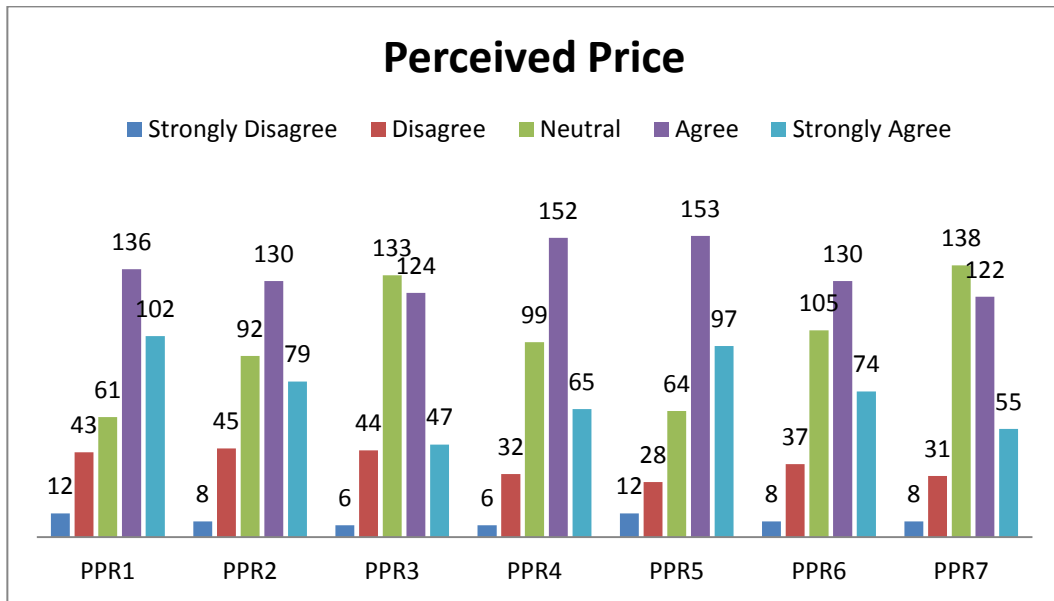


Figure 4.8: Perceived Price

Source: Primary Data – Microsoft Excel 2010

The perceived price consist of seven statements: PPR1 “I think price is the most important factor when I buy store brand products”, PPR2 “I buy store brand products because they are cheaper options”, PPR3 “The price of store brand products is generally lower than what I would expect than to be”, PPR4 “The price of store brand products is lower than the average market price for similar products”, PPR5 “I compare prices of other brands and store brands before I choose one”, PPR6 “I can save lots of money buying store brand products”, PPR7 “I think the price of store brand products is reasonable for shoppers, so purchasing the store brand product is a good deal”.

From the figure 4.8, responses of respondent towards perceived price most of them agree, means that they think perceived price as one of the important factor that can give impact towards their purchase intention of store brands in Carrefour S. Parman. Graphs stated that price is one of the important aspect for consumers to by store brand products in Carrefour, the lower price given, purchase intention of store brand will increase. If comparing statement one and five with result, we can get the answer that price is important factor. As stated in statement two, four and six, results most of them stated agree, means that lower price is one of the purchase intention factors to buy store brand products.

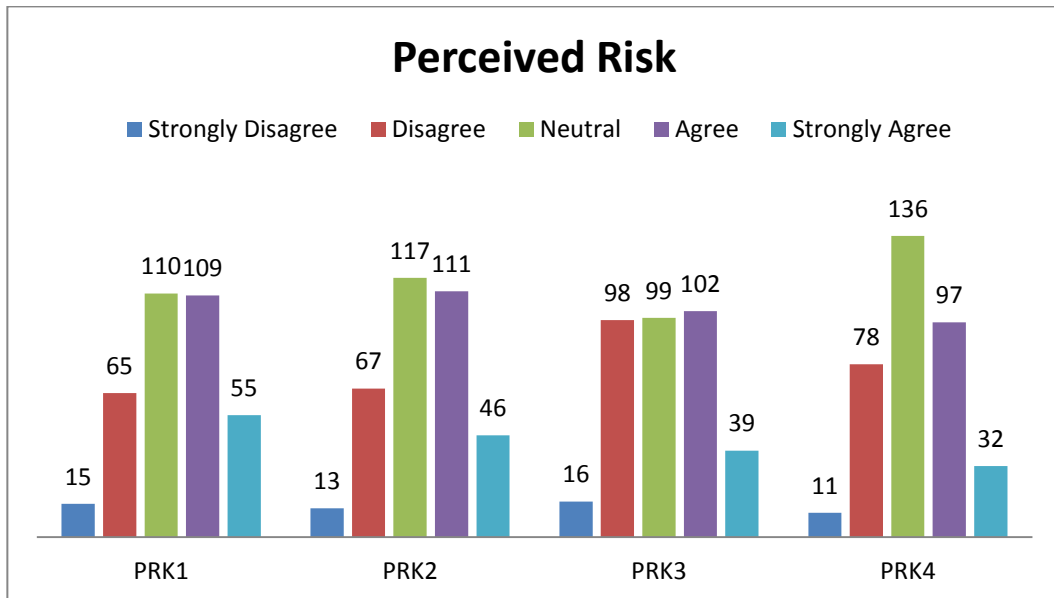


Figure 4.9: Perceived Risk

Source: Primary Data – Microsoft Excel 2010

The perceived risk consist of four statements: PRK1 is “I am not familiar with store brand products, so I prefer to buy other brands which I feel more familiar”, PRK2 “I think the package of store brand products is too basic”, PRK3 “The cheap price of store brand products represents the products may have some risks”, PRK4 “I am uncertain which store brands provide real value for money in terms of product quality”.

Relationship between perceived risk and purchase intention by theory is negative; means that if consumers perceived a product has a higher risk, purchase intention of that product will be lower. As figure 4.9 shows that, consumers feel higher perceived risk when they buy store brand products in terms of familiarity of the product, packaging and also lower price. Lower price of store brand product make consumers feel that store brand more risky to buy, so it can lower their purchase intention of store brand products. Most of them answer agree about the statement, means that they perceived high risk when buy store brand in Carrefour although Carrefour is one of the big retailer in Indonesia.

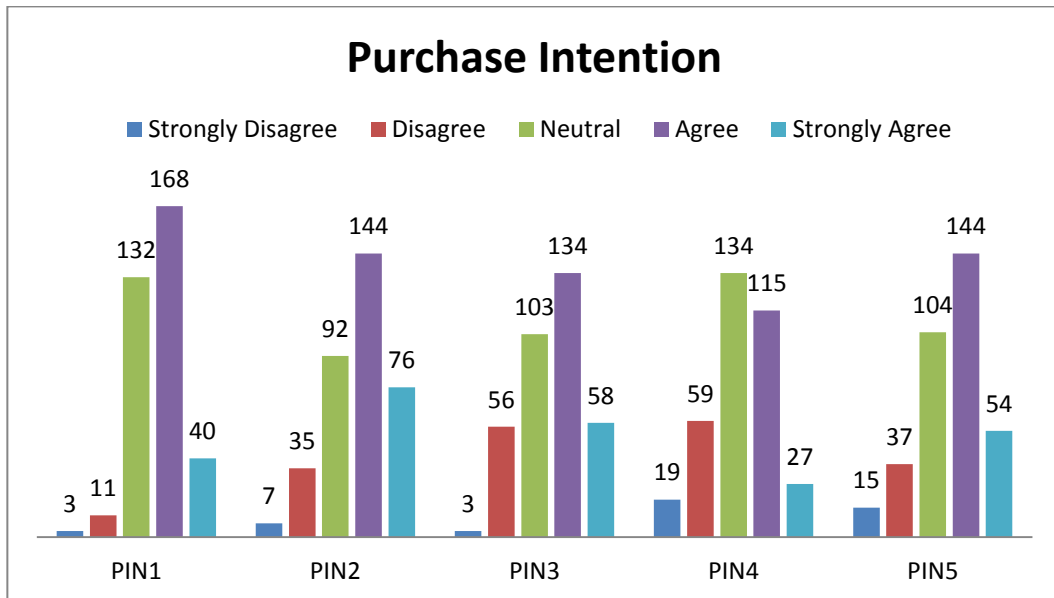


Figure 4.10: Purchase Intention

Source: Primary Data – Microsoft Excel 2010

The purchase intention consists of five statements: PIN1 “I think store brand products are worth buying”, PIN2 “I consider purchasing the store brand products because they are cheaper”, PIN3 “I buy store brand products because of the discount offered”, PIN 4 “I am willing to recommend my friends to buy store brand products”, and PIN5 “I buy store brand products”.

Figure 4.10 shows that respondents have purchase intention towards store brand products if they think that store brands are worth buying, if store brands are cheaper, if discount offered for store brand. In statement, PIN 1, respondents agree that if store brand products looks worth buying, they will buy store brand products. PIN 2, more stated about lower price offered by store brand product which make consumers want to buy the store brands. At the end, consumers buy store brand products.

4.2.4 Correlation

In this part, researcher would like to analyze the correlation of each variable by using Spearman Rank Order Correlation, and all 354 respondents were used in this test. If the significance shows < 0.05 , means that there is correlation between variables with strength based on results.

Correlations

			PQL	PVL	PPR	PRK	PIN
Spearman's rho	PQL	Correlation Coefficient	1.000	.442**	.346**	-.364**	.452**
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	354	354	354	354	354
	PVL	Correlation Coefficient	.442**	1.000	.546**	-.200**	.476**
		Sig. (2-tailed)	.000	.	.000	.000	.000
		N	354	354	354	354	354
	PPR	Correlation Coefficient	.346**	.546**	1.000	-.181**	.622**
		Sig. (2-tailed)	.000	.000	.	.001	.000
		N	354	354	354	354	354
	PRK	Correlation Coefficient	-.364**	-.200**	-.181**	1.000	-.333**
		Sig. (2-tailed)	.000	.000	.001	.	.000
		N	354	354	354	354	354
	PIN	Correlation Coefficient	.452**	.476**	.622**	-.333**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.
		N	354	354	354	354	354

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.4: Spearman Rank Order Correlation Results

Source: Primary Data – SPSS V.18

From table 4.4, it can show that correlation between independent variables and correlation between independent and dependent variables. First, results showed correlation between independent variables with dependent variable:

1. Correlation between perceived quality and purchase intention of store brand is significant, with strength 0.452 indicates as moderate correlation and nature of correlation is positive, means that if perceived quality increase so, purchase intention of store brand will increase too.
2. Correlation between perceived value and purchase intention of store brand is significant, with strength 0.476 indicates as moderate correlation and nature of correlation is positive, means that if perceived value increase so, purchase intention of store brand will increase too.
3. Correlation between perceived price and purchase intention of store brand is significant, with strength 0.622 indicates as strong correlation and nature of correlation is positive, means that if perceived price increase so,

purchase intention of store brand will increase too. Perceived price increase means if consumers think that price of store brand is worth to buy so they purchase intention will increase too.

4. Correlation between perceived risk and purchase intention of store brand is significant, with strength 0.333 indicates as weak correlation and nature of correlation is negative, means that whenever perceived risk of consumers increase, it will lower purchase intention of store brand products. Consumers think that if a product perceived risk, they will feel hesitate to purchase a product.

From above explanation, it can conclude that all independent variables have correlation with dependent variable, where perceived price indicates as the strongest correlation towards purchase intention and perceived risk indicates as the weakest correlation, while perceived value and perceived quality have moderate correlation towards purchase intention of store brand products.

From table 4.4, it can indicate correlation between independent variables, and the results are:

1. Correlation between perceived quality and perceived value is significant, with strength 0.442 indicates as moderate correlation and nature of correlation is positive, means that if perceived quality increase/decrease, perceived value will increase too.
2. Correlation between perceived quality and perceived price is significant, with strength 0.346 indicates as weak correlation and nature of correlation is positive, means that if perceived quality increase/ decrease it may/ may not affect perceived price.
3. Correlation between perceived quality and perceived risk is significant, with strength 0.364 indicates as weak correlation and nature of correlation is negative, means that if perceived quality increase/ decrease, it may/ may not affect to decrease of perceived risk. If consumers think that quality of store brands is good, automatically they will not think that products will be a risk inside.
4. Correlation between perceived value and perceived price is significant, with strength 0.546 indicates as moderate correlation and

nature of correlation is positive, means that if perceived value increase/ decrease, it will affect perceived price, because lower price is one of the best value that consumers can get, that's why there is correlation between them.

5. Correlation between perceived value and perceived risk is significant, with strength 0.200 indicates as weak correlation and nature of correlation is negative, means that if perceived value increase/ decrease, it may/ may not affect perceived risk.

6. Correlation between perceived price and perceived risk is significant, with strength 0.181 indicates as weak correlation and nature of correlation is negative, means that if perceived price increase/ decrease, it may/ may not affect perceived risk.

From above explanation, it can conclude that not all independent variables have strength correlation between one to another, it may be has correlation but weak, means that if one variables change, maybe it may affect or not affect another variables.

4.2.5 Multinomial Logistic Regression

4.2.5.1 Overall test of Relationship

Model Fitting Information				
Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	285.133			
Final	157.207	127.926	16	.000

Table 4.5: Model Fitting Information

Source: Primary Data – SPSS V.18

Model fitting information is first thing to do in Multinomial Logistic Regression because it can analyze a relationship between dependent and independent variables. It shows that the model chi-square is 127.926 with level of significance 0.000. The value of intercept (Y) before affect by independent

variables is 285.133, and final after affected by independent variables decrease to 157.207. It means that, there are relationship between overall independent variables and dependent variable.

4.2.5.2 Strength of Multinomial Logistic Regression Relationship

Pseudo R-Square

Cox and Snell	.303
Nagelkerke	.403

Table 4.6: Pseudo R- Square

Source: Primary Data – SPSS V.18

Pseudo R- Square using Cox and Snell R Square and the Nagelkerke R square value is to used to provide indication of the amount variation in the dependent variable. Cox and Snell R Square and the Nagelkerke R Square, shows that 0.303 and 0.403 respectively, means that between 30.3% and 40.3% of the variability is explained by this set of variables.

4.2.5.3 Evaluating Usefulness for Logistic Regression Models

Case Processing Summary

		N	Marginal Percentage
PIN1	.0	64	18.1%
	1.0	23	6.5%
	2.0	267	75.4%
Valid		354	100.0%
Missing		0	
Total		354	
Subpopulation		50 ^a	

a. The dependent variable has only one value observed in 26 (52.0%) subpopulations.

Table 4.7: Case Processing Summary

Source: Primary Data – SPSS V.18

To evaluate usefulness for logistic regression model start with the estimate of by chance accuracy will be used is the proportional by chance accuracy rate, computed by summing the squared percentage of cases in each group. The only difference between by chance accuracy for binary logistic models and multinomial logistic models is the number of groups defined by the dependent variables. So, number can be taking in case processing summary.

The calculation will be $0.181^2 + 0.065^2 + 0.754^2 = 0.605502$ or 60.55%. In order to consider whether the model is useful or not, the value of classification accuracy rate is 25 percent higher compare with the proportion by chance accuracy, so the calculation of proportion by chance accuracy will be $1.25 \times 60.55\% = 75.68\%$

After get the proportion by chance accuracy compared with classification accuracy rate (table shown below):

Classification				
Observed	Predicted			Percent Correct
	.0	1.0	2.0	
.0	28	0	36	43.8%
1.0	3	3	17	13.0%
2.0	13	0	254	95.1%
Overall Percentage	12.4%	.8%	86.7%	80.5%

Table 4.8: Classification

Source: Primary Data – SPSS V.18

The value of classification accuracy rate is 80.5% which is higher than the proportion by chance accuracy 75.68%. So, the model that has been used is useful.

4.2.5.4 Relationship of Dependent and Independent Variables

Effect	Model Fitting Criteria			Likelihood Ratio Tests
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	157.207 ^a	.000	0	.
PQL1	186.332	29.125	4	.000
PVL1	166.880	9.673	4	.046
PPR1	185.896	28.689	4	.000
PRK1	171.518	14.311	4	.006

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

a. This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.

Table 4.9: Likelihood Ratio Test

Source: Primary Data – SPSS V.18

From the figure 4.9 above, hypothesis can be answered by following explanations:

1. For perceived quality, the Chi-Square 29.125 prove that perceived quality coefficient is not zero in the model, while the level of significance of $0.000 < 0.05$. Means that, the null hypothesis is rejected, and concludes perceived quality has significant impact to consumer purchase intention of store brands.
2. For perceived value, the Chi-Square 9.673 prove that perceived value coefficient is not zero in the model, while the level of significance of $0.046 < 0.05$. Means that, the null hypothesis is rejected, and concludes perceived value has significant impact to consumer purchase intention of store brands.
3. For perceived price, the Chi-Square 28.689 prove that perceived price coefficient is not zero in the model, while the level of significance of $0.000 < 0.05$. Means that, the null hypothesis is rejected, and concludes

perceived price has significant impact to consumer purchase intention of store brands.

4. For perceived risk, the Chi-Square 14.311 prove that perceived risk coefficient is not zero in the model, while the level of significance of $0.006 < 0.05$. Means that, the null hypothesis is rejected, and concludes perceived risk has significant impact to consumer purchase intention of store brands.

The most significant factor is perceived quality, after that following by perceived price, perceived risk and perceived value.

PIN1 ^a		B	Std. Error	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
							Lower Bound	Upper Bound
.0	Intercept	-2.726	.352	1	.000			
	[PQL1=.0]	1.866	.425	1	.000	6.463	2.812	14.855
	[PQL1=1.0]	1.785	.463	1	.000	5.962	2.407	14.769
	[PQL1=2.0]	0 ^b	.	0	.	.	.	.
	[PVL1=.0]	1.035	.432	1	.017	2.815	1.206	6.570
	[PVL1=1.0]	.181	.607	1	.766	1.198	.364	3.939
	[PVL1=2.0]	0 ^b	.	0	.	.	.	.
	[PPR1=.0]	2.047	.424	1	.000	7.743	3.374	17.767
	[PPR1=1.0]	.529	.637	1	.406	1.698	.487	5.922
	[PPR1=2.0]	0 ^b	.	0	.	.	.	.
	[PRK1=.0]	-.702	.424	1	.098	.496	.216	1.137
	[PRK1=1.0]	-1.647	.734	1	.025	.193	.046	.812
	[PRK1=2.0]	0 ^b	.	0	.	.	.	.
1.0	Intercept	-3.084	.434	1	.000			
	[PQL1=.0]	.277	.605	1	.647	1.320	.403	4.322
	[PQL1=1.0]	1.299	.586	1	.027	3.666	1.163	11.552
	[PQL1=2.0]	0 ^b	.	0	.	.	.	.
	[PVL1=.0]	1.385	.588	1	.019	3.994	1.260	12.654
	[PVL1=1.0]	1.112	.730	1	.128	3.040	.727	12.715
	[PVL1=2.0]	0 ^b	.	0	.	.	.	.
	[PPR1=.0]	.972	.663	1	.143	2.643	.721	9.687
	[PPR1=1.0]	1.574	.683	1	.021	4.825	1.265	18.404

[PPR1=2.0]	0 ^b	.	0	.	.	.	.
[PRK1=.0]	-1.676	.794	1	.035	.187	.039	.887
[PRK1=1.0]	.043	.628	1	.946	1.044	.305	3.572
[PRK1=2.0]	0 ^b	.	0	.	.	.	.

a) The Reference Category is: 2.

b) The Parameter is set to zero because it is redundant.

Table 4.10: Parameter Estimates

Source: Primary Data – SPSS V.18

From table 4.10, results that:

1. Every disagreement on Perceived Quality will increase the likelihood that the customers do not intend to purchase store brand by 546.3%.
2. Being neutral on Perceived Quality will increase the likelihood that the customers do not intend to purchase store brand by 496.2%.
3. Every disagreement on Perceived Value will increase the likelihood that the customers do not intend to purchase store brand by 181.5%.
4. Every disagreement on Perceived Price will increase the likelihood that the customers do not intend to purchase store brand by 674.3%.
5. Being neutral on Perceived Risk will decrease the likelihood that the customers do not intend to purchase store brand by 80.7%.
6. Being neutral on Perceived Quality will increase the likelihood that the customers indifferent to purchase store brand by 266.6%.
7. Every disagreement on Perceived Value will increase the likelihood that the customers indifferent to purchase store brand by 299.4%.
8. Being neutral on Perceived Price will increase the likelihood that the customers indifferent to purchase store brand by 382.5%.
9. Every disagreement on Perceived Risk will decrease the likelihood that the customers indifferent to purchase store brand by 81.3%.

4.3 Interpretation of results

4.3.1 Perceived Quality towards Consumer Purchase Intention of Store Brand

Based on Likelihood Ratio Test and Parameter Estimates, the perceived quality have the significant impact towards the consumer purchase intention of

store brands and the nature is positive. Every disagreement on Perceived Quality will increase the likelihood that the customers do not intend to purchase store brand by 546.3%. Being neutral on Perceived Quality will increase the likelihood that the customers do not intend to purchase store brand by 496.2%. Being neutral on Perceived Quality will increase the likelihood that the customers indifferent to purchase store brand by 266.6%.

Perceived quality is the most significant factor that impacted to consumers purchase intention of store brand. Means that result stated that Indonesian consumers concern about the perceived quality of store brand.

4.3.2 Perceived Value towards Consumer Purchase Intention of Store Brand

Based on Likelihood Ratio Test and Parameter Estimates, the perceived value have the significant impact towards the consumer purchase intention of store brands and the nature is positive. Although the strength of perceived value not to strong because the level of significance closer to not significantly affect buy there is a little affect to purchase intention buy not big impact.

Based on parameter estimates, every disagreement on Perceived Value will increase the likelihood that the customers do not intend to purchase store brand by 181.5%. Every disagreement on Perceived Value will increase the likelihood that the customers indifferent to purchase store brand by 299.4%.

Perceived value is one of the factors that give impact to purchase intention but the value doesn't show strength enough towards purchase intention of store brand. Means that result stated that Indonesian consumers doesn't really concern about the additional value that included in store brand, but still if they can get best value, they will accept, although it is not a priority.

4.3.3 Perceived Price towards Consumer Purchase Intention of Store Brand

Based on Likelihood Ratio Test and Parameter Estimates, the perceived price have the significant impact towards the consumer purchase intention of store brands. Perceived price is rank as second place that give significant impact towards purchase intention of store brand. Strength between perceived price and

perceived quality are slightly closer, means that perceived price is one of the important factors too other than perceived quality.

Based on parameter estimates, every disagreement on Perceived Price will increase the likelihood that the customers do not intend to purchase store brand by 674.3%. Being neutral on Perceived Price will increase the likelihood that the customers indifferent to purchase store brand by 382.5%.

Perceived price is one of the most significant factors that impacted to purchase intention of store brand after perceived quality where the numbers shows slightly closer between one and another. Means that result in line with demographic of Indonesia where Indonesian consumers really care about the price differences between one product to another product, moreover, they especially mothers concern with different price between one retailers to another retailers with same name buy different place.

4.3.4 Perceived Risk towards Consumer Purchase Intention of Store Brand

Based on Likelihood Ratio Test and Parameter Estimates, the perceived risk have the significant impact towards the consumer purchase intention of store brands. Perceived risk is rank as third place that give significant impact towards purchase intention of store brand.

Nature of relationship between perceived risk and purchase intention is negative. As logic, if consumers do think perceived risk of store brand product is high, automatically it will decrease their feeling/ intention to purchase store brand products. Based on parameter estimates, being neutral on Perceived Risk will decrease the likelihood that the customers do not intend to purchase store brand by 80.7%. Every disagreement on Perceived Risk will decrease the likelihood that the customers indifferent to purchase store brand by 81.3%.

Perceived risk is one of the significant factors that impacted to purchase intention of store brand. Nature of people who want buy store brand is people who are risk taker. Consumers of Indonesia also one of the risk taker consumers while offered by cheaper price.

CHAPTER V

CONCLUSION AND RECOMMENDATION

In this chapter researcher would like to conclude and give recommendation based on the findings from the analysis about Impact of Perceived Quality, Perceived Value, Perceived Price and Perceived Risk towards Purchase Intention of Store Brands: a Case Study of Carrefour in S. Parman. Independent variables used such as: perceived quality, perceived value, perceived price and perceived risk while dependent variable is consumers purchase intention of store brands.

5.1 Conclusion

Retail business in Indonesia has grown rapidly from year to year. It can be seen from the number of foreign retailers who tried to enter and expand their business in Indonesia market (Purba, 2012). Based on Apipudin, Data Analyst Manager from Frontier Consulting Group (2013) stated that in the last six year (2007-2012), number of modern retail outlets in Indonesia has grown up, in average 17.57% per year.

According to the Association of Indonesian Retailers (APRINDO), the growth of the retail businesses in Indonesia is between 10-15% per year. Total retail sales in 2006 is Rp 49 trillion, increased in 2011 Rp 120 trillion, meanwhile in 2012, the growth of retail reached Rp 138 trillion. It proves that retail business is growing in Indonesia.

In line with retail growing in Indonesia, store brand products which is developing and controlling by own retailers also increasing, because retailers also want to take another profit for them. In Carrefour S. Parman in line with the retail growing, store brand also following increasing but in terms of quantity not sales, based on Henndrik Rahmanto sales of store brand in 2013 decrease from last year. That's why this research conducted to answer following research questions: (1) Are perceived quality, perceived value, perceived price and perceived risk have impact to purchase intention of consumers to buy store brands? (2) Which factor

of perceived quality, perceived value, perceived price and perceived risk impacted the most purchase intention of consumers to buy store brands?

Based on Multinomial Logistic Regression, those research questions can be answered. Perceived quality, perceived value, perceived price and perceived risk are significantly impact to purchase intention of store brand products. The relationship of perceived quality, perceived value and perceived price are positive towards purchase intention of store brand, it means that if independent variables increase/ decrease, it can affect purchase intention by same sign, example” if consumers get good perceived quality of store brand, automatically purchase intention of store brand will be good/ positive.

Other hand, perceived risk has different nature of relationship with purchase intention which is negative. Every time perceived risk of something increases, so the purchase intention will decrease. If perceived risk decrease, purchase intention will increase. It simply explain because, if a product has high risk or if consumers buy a product, their risk of buying this product increase, so purchase intention to buy this product will decrease. No one is want to get suffer/ feeling unhappy when buying a thing.

Between perceived quality, perceived value, perceived price and perceived risk, factor that give impacted the most purchase intention of consumers to buy store brands is perceived quality, following by perceived price. Actually based on number, perceived quality and perceived price is slightly closer, but perceived quality a little bit higher that perceived price. After that following by perceived risk and the last perceived value.

In conclusion, store brand is not familiar with consumer in Indonesia, most of them afraid to buy a new product which is with retailer’s name. They are afraid the quality of the product not as good as usual product. That’s why perceived quality is most important factor that can affect purchase decision, once consumers perceived good quality; they will intent to purchase it. Nature of consumers in all over the world not only in Indonesia, they like to buy things in lower price, moreover Carrefour consumers are most of with middle income where they come to Carrefour to buy family needed, so price is a sensitivity for

them to buy a product and it could be one of the reason they intent to purchase store brand product.

5.2 Recommendation

By seeing the results from analysis, there are several recommendations:

For managerial which is Carrefour as case study: as the results perceived quality is the most significant factors that impacted consumers in Indonesia. It means that, store brand products in Carrefour should have good quality in terms of packaging, taste, ingredients, composition, clear labeling and others. In terms of store brand price in Carrefour it enough to get attention of consumers, maybe Carrefour can make special promotion event especially for discount day only for store brand product to increase the sales. Or maybe, it can combine promotion of store brand with another national brand.

For future research, the researcher suggest that to elaborate the research in bigger volume of population and sample, so the researcher can get a more exact and full understanding of topic. The researcher recommend in taking the company that have a specific target market and doing the research on the target market. Research on the specific target may give more accurate data and the consumer can specify on evaluating the product which is familiar with them.

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APPENDICES

Dear Sir/ Madam,

This Questionnaire aims to **find out several factors affecting consumers' decision in purchasing store brand products**. Store brands also known private label brands that are made by specific retail stores or store chains. The retailer can manufacture goods under their own label such as **value plus from Hypermart, Paling Murah or Carrefour Discount from Carrefour, First Choice from Giant, etc**. Several kinds of store brand products such as: mineral water, sugar, tissue, cotton bud, instant noodle, jam, etc. However, national brands are nationally distributed and it can be distributed regionally or locally such as aQua, Paseo, Indomie, Gulaku, Morin, etc. Hopefully, respondent can fill in this questionnaire completely and answer truthfully or in accordance with the reality. Thank you for your help and coordination.

Kuesioner ini bertujuan untuk mencari tahu beberapa faktor yang mempengaruhi keputusan konsumen untuk membeli produk *store brand*. *Store brand* juga dikenal dengan istilah *private label brand* dimana produk ini dibuat hanya untuk toko retail itu saja dan tidak bisa didapatkan di toko retail lain. Peritel dapat memproduksi barang dibawah label mereka seperti merk: *Value Plus* dari Hypermart, *Paling Murah* atau *Carrefour Discount* dari Carrefour, *First Choice* dari Giant, dll. Jenis dari produk *store brand* seperti air mineral, gula, tisu, *cotton bud*, mie siap saji, selai, dll. Dimana merek nasional adalah produk yang dijual secara nasional dan bisa didistribusikan regional/ lokal seperti aQua, Paseo, Indomie, Gulaku, Morin, dll. Dengan penuh harapan, semoga responden dapat mengisi kuesioner secara komplit, jujur dan berdasarkan kenyataan. Terima kasih untuk bantuan dan koordinasinya.

.....
PART 1
.....

Code : _____

Silahkan centang (√) di dalam kotak.

Please tick (√) in the box.

Saya adalah konsumen Carrefour Ya Tidak
I am a consumer of Carrefour *yes* *no*

Frekuensi saya mengunjungi Carrefour dalam 1 bulan: sekali 3-4 kali
My frequency to visit Carrefour in one month is: *once* *3-4 times*
dua kali > 4 kali
Twice *>4 times*

Saya pernah membeli produk store brand di Carrefour Ya Tidak
I have purchased store brand products in Carrefour Yes No

Jenis kelamin : Laki-laki Perempuan
Gender Male Female

Umur : <20 40-64
Age 20-39 >65

Pendidikan : SMP S1 S3
Education Junior High School Undergraduate Post-graduate
 SMA S2
Senior High School Graduate

Pendapatan (Rp)/ bulan: < 3.000.000 5.000.001-10.000.000
Income (in Rp)/ month 3.000.000-5.000.000 >10.000.000

PART II

Silahkan centang (√)

Please tick (√) in the box.

1= Sangat tidak setuju 2= Tidak setuju 3=Netral 4=Setuju 5=Sangat Setuju
Strongly Disagree Disagree Moderate Agree Strongly Agree

Variables	No.	Questions	1	2	3	4	5
Persepsi Kualitas Perceived Quality (X1)	1.	Menurut saya, kualitas adalah kriteria paling penting ketika saya membeli produk. <i>I think quality is the most important choice criteria when I buy the product.</i>					
	2.	Menurut saya, produk <i>store brand</i> memiliki label yang jelas (contoh nya: label komposisi, tanggal kadaluarsa, dll). <i>I think the store brand products have clear labeling (such as: ingredients, expired date, etc).</i>					
	3.	Menurut saya, kualitas dari produk <i>store brand</i> sama bagus nya dengan merek nasional. <i>I think the quality of store brand products as good as national brand.</i>					

	4.	Menurut saya, produk <i>store brand</i> dapat dipercaya. <i>I think the store brand products are reliable.</i>					
	5.	Menurut saya, produk <i>store brand</i> terlihat memiliki kualitas yang baik. <i>I think the store brand products seem to have good quality.</i>					
Persepsi Nilai <i>Perceived Value</i> (X2)	1.	Menurut saya, penampilan dari produk <i>store brand</i> secara umum terlihat memiliki nilai yang baik. <i>I think appearance of store brand products generally appear to be good value.</i>					
	2.	Jika produk <i>store brand</i> terlihat murah, itu membuat saya membelinya. <i>If store brand products look cheap, it puts me off buying them.</i>					
	3.	Menurut saya, kemasan dari produk <i>store brand</i> terlihat sama dengan produk lainnya. <i>I think the package of store brand products looks similar to other products.</i>					
	4.	Saya selalu memeriksa harga di supermarket diantara merek-merek lain untuk memastikan saya mendapatkan nilai terbaik untuk produk tersebut. <i>I always check prices at the supermarket among brands to be sure I acquire the best value for product.</i>					
	5.	Ketika saya membeli produk <i>store brand</i> , saya ingin memastikan saya membelanjakan uang saya dengan tepat. <i>When I buy the store brand products, I would like to be sure that I am getting my money's worth.</i>					
Persepsi Harga <i>Perceived Price</i> (X3)	1.	Menurut saya, harga adalah faktor yang paling penting ketika saya membeli produk <i>store brand</i> . <i>I think price is the most important factor when I buy store brand products.</i>					

	2.	Saya membeli produk <i>store brand</i> karena merupakan pilihan yang lebih murah dari yang lain. <i>I buy store brand products because they are cheaper options.</i>					
	3.	Secara umum, harga dari produk <i>store brand</i> lebih rendah dari yang saya harapkan. <i>The price of store brand products is generally lower than what I would expect than to be.</i>					
	4.	Harga dari produk <i>store brand</i> lebih rendah dari rata-rata harga pasar untuk produk serupa. <i>The price of store brand products is lower than the average market price for similar products.</i>					
	5.	Saya membandingkan harga merek lain dan <i>store brand</i> sebelum saya memilihnya. <i>I compare prices of other brands and store brands before I choose one.</i>					
	6.	Saya lebih hemat dengan membeli produk <i>store brand</i> . <i>I can save lots of money buying store brand products.</i>					
	7.	Menurut saya, harga dari produk <i>store brand</i> masuk akal untuk pembeli, jadi membeli produk <i>store brand</i> adalah keputusan yang baik. <i>I think the price of store brand products is reasonable for shoppers, so purchasing the store brand product is a good deal.</i>					
Persepsi Resiko Perceived Risk (X4)	1.	Saya tidak terlalu kenal dengan produk <i>store brand</i> , jadi saya lebih memilih untuk membeli merek lain yang lebih saya kenal. <i>I am not familiar with store brand products, so I prefer to buy other brands which I feel more familiar.</i>					
	2.	Menurut saya, kemasan dari produk <i>store brand</i> terlalu biasa. <i>I think the package of store brand products is too basic.</i>					

	3.	Harga murah dari produk <i>store brand</i> menunjukkan produk kemungkinan memiliki resiko. <i>The cheap price of store brand products represents the products may have some risks.</i>					
	4.	Saya tidak yakin dimana <i>store brands</i> dapat memberikan nilai uang yang nyata dalam hal kualitas produk. <i>I am uncertain which store brands provide real value for money in terms of product quality.</i>					
	5.	Ketika saya mempertimbangkan produk <i>store brand</i> , saya akan memilih nya dengan hati-hati. <i>When I am considering a store brand product, I will make that choice very carefully.</i>					
Keinginan membeli <i>Purchase Intention</i> (Y)	1.	Menurut saya, produk <i>store brand</i> layak untuk dibeli. <i>I think store brand products are worth buying.</i>					
	2.	Saya mempertimbangkan untuk membeli produk <i>store brand</i> karena mereka lebih murah. <i>I consider purchasing the store brand products because they are cheaper.</i>					
	3.	Saya membeli produk <i>store brand</i> karena diskon yang diberikan. <i>I buy store brand products because of the discount offered.</i>					
	4.	Saya bersedia untuk merekomendasikan produk <i>store brand</i> kepada teman-teman saya. <i>I am willing to recommend my friends to buy store brand products.</i>					
	5.	Saya membeli produk <i>store brand</i> . <i>I buy store brand products.</i>					