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The use of private labels to influence the customer-based brand equity of South African FMCG retailers

Jasper Petrus van der Westhuizen

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Johannesburg, February 2015

ABSTRACT

The purpose of this research was to assess and evaluate the use of private label brands by South African food and grocery retailers to positively influence retailer customer-based brand equity in the fast-moving consumer goods (FMCG) industry. Brand equity and its conceptual framework consisting of multiple dimensions are drawn from the research done by Aaker (1991). In measuring brand equity from a customer's knowledge perspective, Keller (1993) developed the concept of customer-based brand equity which focuses on customers' brand knowledge and how it affects the various brand equity dimensions identified by Aaker (1991). A customer-based brand equity measurement scale was used to assess and evaluate customers' cognitive and behavioural brand equity. A quantitative cross-sectional online survey was used to collect the data.

The results of the GLM ANCOVA procedure indicated that there were significant differences between some retailers' customer-based brand equity and also within and across the brand equity dimensions that evaluated customers' knowledge and perceptions of private label brands offered by these retailers. The study further revealed that these differences are mainly centred on perceived quality and brand loyalty.

The author made use of regression analysis with overall retailer brand equity as the dependent variable and four brand equity dimensions as independent variables. The study found that private label brands do influence and, to a certain extent, explain retailer customer-based brand equity. The results of the study indicate that private label brands' loyalty, private label brands' perceived quality and private label brands' association significantly influence retailer brand equity. The control variables, ethnic group and household size, had a granular but non-significant impact on the dependent variable. Therefore, marketing managers can influence retailer brand association, perceived quality and retailer loyalty by incorporating private label brands in their brand management initiatives and promotional activities.

DECLARATION

I, Jasper Petrus van der Westhuizen, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

JASPER PETRUS VAN DER WESTHUIZEN

Signed at ……

On the …….. day of …… 20…..

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CHAPTER 1. INTRODUCTION

1.1 Purpose of the study

The purpose of this research was to assess and evaluate the use of private label brands by South African food and grocery retailers to positively influence retailer customer-based brand equity in the fast-moving consumer goods (FMCG) industry. Brand equity, and its conceptual framework consisting of multiple dimensions, is drawn from the research done by Aaker (1991). In measuring brand equity from a customer's knowledge perspective, Keller (1993) developed the concept of customer-based brand equity which focuses on customers' brand knowledge and how it affects the various brand equity dimensions identified by Aaker (1991). A customer-based brand equity measurement scale developed by Yoo and Donthu (2001) was used as the basis to assess and evaluate individual customer's cognitive and behavioural brand equity.

1.2 Context of the study

Aaker (1991) defines brand equity as the set of attributes linked to the brand that add value to a product or service. He has divided brand equity into five components, namely, brand loyalty, brand awareness, perceived quality, brand association and other proprietary assets. Keller (1993) conceptualises a brand equity model from the perspective of an individual customer. Keller (1993) defined customer-based brand equity as follows:

> *Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand (p. 1)*.

Feldwick (1996) has identified three different classes of brand equity, namely brand image, the strength of consumer attachment to the brand, and the value of a brand as an asset. From an academic perspective these first two classes, namely brand image and the strength of customer attachment to the brand relates well to the measuring model developed by Keller (1993).

Ailawadi and Keller (2004) have emphasised that product brands are different from retailer brands in that retailers can create their brand image in various unique ways, e.g., their product assortment, their location, through the quality of their services and merchandising, their credit policy, loyalty programs and so forth. This research only focuses on food and grocery retailers' use of private label brands to differentiate themselves and strengthen their customer-based brand equity. Food and grocery retailers have different tiers of private label brands aimed at different segments of the market classified according to the Living Standards Measure (LSM) groups. South Africa's population can be divided into ten groups based on the South African Audience Research Foundation (SAARF) LSM. According to Botha (2005) the SAARF LSM can be defined as follows:

> *LSM is a unique means of segmenting the South African market. It cuts across race and other outmoded techniques of categorising people, and instead, groups people according to their living standards using criteria such as degree of urbanisation and ownership of cars and major appliances (p. 129).*

Ailawadi and Keller (2004) identified four tiers of different private label brand offerings, namely, low quality generics; medium quality private labels; private labels comparable to national brands in quality, but at lower prices; and premium quality private labels priced even higher than national brands. The retailer can decide to put its own name on these products or create a new unique name for these products.

According to McCaskill (2014), South African retailers, which have achieved private label market penetration of 18 percent based on share in value sales, are doing well compared to other developing regions like China, India and Brazil who have less than 5 percent private label market penetration. However, when compared to developed regions within Europe, North America and the Pacific, it seems that South Africa is still lagging behind. Based on private label share expressed in value sales, McCaskill (2014) indicated that private label market penetration in Switzerland is 45 percent, 17.5 percent in the U.S. and 21 percent in Australia. The private label market share can be measured based on product

share in value sales or product share in volume sales. Because of the price differences between private labels and national brands using the value sales base will result in lower market share figures compared to the volume sales method. Private labels in South Africa dates back to the seventies when Pick n Pay pioneered budget house brands. This is more or less the same time Europe introduced private label brands (Rudolph, Schlegelmilch, Bauer, Franch, & Meise, 2011). There could be various reasons why South Africa has relatively low private label penetration when compared to Europe, for example, the limited number of South African manufacturers or due to South African retailers' branding strategies.

Naidoo (2011) indicated that the South African grocery retail market is highly concentrated with five main players, namely, Shoprite, Pick 'n Pay, Spar, Massmart and Woolworths, accounting for about 60 percent of the market. Woolworths has been very successful in South Africa and is a rather unique retailer when compared to the other South Africa retailers with its upmarket appeal, limited national brands and its superior quality offering. However, apart from Woolworths, there is a general perception in the South African market that private label products are inferior compared to national brands when it comes to quality - the risk involved in buying a private label product and not being able to consume it outweighs the benefit of a discounted price. Moorad (2014) indicated that private labels in Europe are typically 30 percent – 50 percent cheaper than national brands. In South Africa there is very little difference in price which ranges between 10 percent – 20 percent discount.

Limited research has been done in South Africa in analysing the effect that retailer private label brands have on retailer customer-based brand equity.

1.3 Problem statement

The research problem is to assess and evaluate the influence that food and grocery retailers' use of private label brands have on retailer customer-based brand equity in the South African FMCG industry.

1.4 Significance of the study

Limited research has been done in South Africa on retailer customer-based brand equity and how food and grocery retailers can influence brand equity through the use of private label brands. Aaker's brand equity model (Aaker, 1991) and Keller's customer-based brand equity model (Keller, 1993) are widely used and accepted as valid and comprehensive. Therefore the use of these models should give retailers and manufacturers of brands more insight when formulating brand equity strategies.

The study provides guidance to both retailers and manufacturers of national brands to enable them to strategically position themselves to increase or defend market share and improve profitability.

Pepe, Abratt, and Dion (2012) indicated that retailers can increase their profitability by managing their product mixes within categories consisting of a balanced portfolio of private label products and national brands. However, their research indicated that there is a trade-off between customer private label loyalty and retailer category profitability. Customers prefer a full assortment and that an over emphasis on private labels in a specific category will result in diminishing category performance. This is consistent with Corstjens and Lal (2000) indicating that retailers can use quality private label brands to generate store differentiation, store loyalty and store profitability. This however, is only true if a significant portion of customers buy store brands and the quality of store brands have reached an acceptable threshold (Corstjens & Lal, 2000).

Anselmsson and Johansson (2009) found that the retailer's overall product variety image strongly correlate with customers' perceived value of private label products in specific categories. It is assumed that loyalty towards a retailer is influenced by the customer's perceived value of the retailer's private label products. Ailawadi, Pauwels, and Steenkamp (2008) have broken down behavioural loyalty into three categories namely share of shopping trips, share of wallet, and share of items purchased. They have established that private label brands' increase in share of wallet and increase in share of purchases are related positively to store loyalty. However this is not the case for heavy private label

brands shoppers because they are more focused on savings and are loyal to private labels in general rather than to one retailer's private label brands.

Morton and Zettelmeyer (2004) indicated that where retailers introduce private label brands in categories to imitate a leading national brand it strengthens their bargaining power over supply terms with manufacturers of national brands. In another study done in the United States by Lamey, Deleersnyder, Steenkamp, and Dekimpe (2012) it was found that private labels gain permanent market share during economic contraction cycles. They indicated that retailers use these economic downturn cycles to promote and invest in their own private label brands more intensely compared to national brands who cut back on new-product introductions, advertising and promotional activities in these periods.

1.5 Delimitations of the study

This research focused on customer-based brand equity of food and grocery retailers in the South African FMCG industry. Retailers have various means at their disposal that will differentiate themselves from other retailers and improve their brand image and awareness as indicated by Ailawadi and Keller (2004). This research however, only focused on food and grocery retailers' use of private label brands to influence and strengthen their customer-based brand equity. Only shoppers that buy the bulk of their food and groceries at the top South African food and grocery retailers have been included in the study. The retailers included are Checkers, Pick n Pay, Shoprite, Spar and Woolworths. As a result, the majority of the customers included in this research inherently fall within the top-end of South Africa's LSM population groups.

1.6 Definition of terms

Brand - Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers (AMA, 1960).

Brand associations – According to Kotler and Armstrong (2013, p. G1), “All brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that become linked to the brand node”.

Brand awareness – According to Kotler and Armstrong (2013, p. G1), “Consumers’ ability to identify the brand under different conditions as reflected by their brand recognition or recall performance”.

Brand equity – According to Kotler and Armstrong (2013, p. G1), “The added value endowed to products and services”.

Brand loyalty - The situation in which a consumer generally buys the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category (AMA, 1960).

Private label – According to Beneke (2010, pp. 205-206), “Private label brands are available in a multitude of formats. There are, essentially, three varieties of private label brands. The first being a representative brand, which is a private label brand that through its name and packaging announces that it is produced and solely owned by the retailer. The second being an exclusive private label brand, which is owned and produced by the retailer, yet this fact, is not explicitly conveyed to the consumer through brand name and packaging. The last type is confined labels. These are brands that are not owned by the retailer but are found exclusively in their stores”.

1.7 Assumptions

The following assumptions have been made regarding the study:

a) The respondents have the required information, and are willing to share it.

b) The respondents understand the questions asked and answer it honestly and accurately

1.8 Chapter closure

Chapter 1 presents an understanding of the problem environment and outlines the research problem of interest and provides the necessary rationale for undertaking the study. Chapter 2 provides a literature review on the key themes of relevance to the study. Chapter 3 sets out the research methodology and research limitations. Chapters 4 presents the results and Chapter 5 discusses these results, taking into account the problem statement, literature review and proposition. Chapter 6 concludes the research paper and offers recommendations for marketing managers based on the results of the study which is followed by areas for future research.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

This Chapter contains a literature review on the key themes of relevance to the study. The Chapter starts by giving some background as to how private label brands have developed over the years and the stigma attached to the label. The literature review continues by reviewing literature on brand equity, customer-based brand equity and their conceptual dimensions that enabled the author to develop testable propositions about the influence private label brands have on retailers' customer-based brand equity.

2.2 Background discussion

Retailers in general need to appreciate the contribution and role private label brands play in their long-term business strategies and marketing management initiatives. Until recently private label brands were thought of as generic product offerings that challenged manufacturers' national brands by means of a price-value proposition and had the stigma of inferior quality leading to low levels of trust and confidence. Despite this, food and grocery retailers have expanded their private label brands across the marketplace into various different categories.

Retailers' strategies and motives that led to the expansion and success of private label brands have received attention from a research perspective. Studies have indicated the retailers gain bargaining power over suppliers if they introduce private labels in relevant categories (Morton & Zettelmeyer, 2004). Another well-known reason why retailers have focused on private label brands are because they represented high margins due to their me-too approach following the category leader without investing in research and development and with limited marketing effort (Pepe et al., 2012). However, this trend is changing and, in some instances, private label brands have exceeded national brands' capacity to deliver on consumer interest, visibility, involvement and appeal commanding parity pricing for their products.

A not so well-known reason food and grocery retailers introduce private label brands is to influence consumers' choices. This notion is explained by Dawson (2013) as follow:

> *The retailer decides on the items to be displayed for sale and how these items are merchandised into product ranges and categories. Branding is an integral part of this sales activity, with retailers increasing their control over branding of food and grocery products and in so doing often determining the composition of the products offered to consumers (p. 339).*

All these reasons mentioned above are important and should form part of a retailer's overall marketing strategy. However, this research paper aims to understand the influence private labels have on retailer brand equity. As indicated by Jordaan (2012); and Cuneo, Lopez, and Yagüe (2012) private label brands should be managed in the same way manufacturers manage their brand portfolios. Dawes and Nenycz-Thiel (2013) have suggested that retailers who want to use private labels as a way to increase their store loyalty should focus on less frequently bought categories and invest in higher priced, good quality private labels. They have also indicated that if retailers use their own names on private labels, even though risky, it increases the link between the retailer and their private labels resulting in higher store loyalty. Another reason why retailers might consider using their own names on their private label products is because research has shown that FMCG choices are very strongly influenced by familiarity (Szymanowski, 2013). In other words, if a customer has experience in using a retailer's private label brand, he or she is familiar with the retailer's private label brand and as a result, will increase familiarity across multiple categories where the retailer is using the same private label brand name.

To further explore the impact of private label brands on retailer brand equity, it is necessary to identify and make use of an appropriate brand equity model. Brand equity has many forms and definitions, such as brand awareness, brand associations, perceived quality, brand loyalty, and other proprietary brand assets (Aaker, 1991); brand knowledge, such as brand awareness and brand associations (Keller, 1993); favourable impressions, attitudinal dispositions, and behavioural predilections (Rangaswamy, Burke, & Oliva, 1993); incremental

utility (Kamakura & Russell, 1993); and overall quality and choice intention (Agarwal & Rao, 1996).

Aaker (1991) defined Brand Equity as:

> *Brand Equity is a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers (p. 7).*

There are various approaches in measuring brand equity which include Customer-based measures (Keller (1993); Yoo and Donthu (2001)); Product-market level outcome measures (Ailawadi, Lehmann, and Neslin (2003)); and Financial-market level measures (Abratt and Bick (2003)). Keller (1993) developed a conceptual framework to measure and manage brand equity from a customer's perspective and refers to it as customer-based brand equity. Keller (1993) defined customer-based brand equity as follow:

> *Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand. A brand is said to have positive (negative) customer-based brand equity when consumers react more (less) favourably to an element of the marketing mix for the brand than they do to the same marketing mix element when it is attributed to a fictitiously named or unnamed version of the product or service (p. 1).*

Bick (2009) pointed out the differences between brand equity and customer equity and summarised the most influential financial measures from a company's perspective in measuring brand equity, customer equity and shareholder value. This study adopts the customer-based brand equity model developed by Keller (1993) in measuring the cognitive and behavioural brand equity at the individual consumer level through a consumer survey.

2.3 Retailer customer-based brand equity

Agarwal and Rao (1996) indicated that when measuring brand equity one should take into account that brand equity is constructed out of various dimensions,

specifically retailer brand image and, as a result, retailer brand equity can be influenced in various ways (Ailawadi & Keller, 2004). The author is cognisant of the fact that retail brands are considered to be service brands but by focusing on retailers' private label products, it is imperative to take into account studies relating to product brands. Therefore for purposes of this research Brand Equity collectively consists of four dimensions (Aaker (1991); Aaker (1996); and Keller (1993)).

The four dimensions as defined by Aaker (1996) that make up brand equity have been summarised by Bick (2009):

a) *Brand awareness: the strength of a brand's presence in the consumer's mind, and measured by recognition and recall;*
b) *Brand loyalty: the willingness of customers to repurchase the same brand;*
c) *Perceived quality: the reason-to-buy of many customers, for which they are prepared to pay a price premium; and*
d) *Brand associations: the attributes that consumers associate with a brand (p. 125).*

Jara and Cliquet (2012) have emphasized the fact that retail brands should be considered as service brands. However, Jara and Cliquet (2012, p. 140) also indicated that, "the performance of retail brands depends on the same factors as those of other brands". Their research was based on Keller's (Keller, 1993) conceptualisation of customer-based brand equity to which they have added two additional dimensions, namely, a corporate dimension and a service dimension. The author does not explore these new dimensions but would like to point out that the research done by Jara and Cliquet (2012) made use of a quantitative model and revealed that retail brand awareness and perceived quality systematically explained the performance of the retail brand.

Buil, de Chernatony, and Martínez (2013) developed a multidimensional store brand equity model consisting of three dimensions, namely, store image, perceived value and store awareness. They have indicated that according to their model, store brand equity positively influences customer satisfaction and in turn,

positively influences customer loyalty towards the store. Their research was based primarily on the brand equity constructs developed by Aaker (1991); and Keller (1993). A further attempt to create a multidimensional retailer brand equity model was made by Gil-Saura, Ruiz-Molina, Michel, and Corraliza-Zapata (2013). The results of their study indicated that store image, perceived value and store awareness should be seen as retailer brand equity dimensions and that customer satisfaction plays a mediating role in the relationship between store brand equity and store loyalty. In this study, the author has focussed on the influence retailers' private label brands have on their brand equity and not on the additional services retailers deliver to their customers and the influence that may have on their brand equity. Therefore the author reverts to the models developed by Aaker (1991); and Keller (1993) respectively, as discussed earlier in this Chapter which were developed specifically for brands relating to products.

In a study done by Kremer and Viot (2012) it was found that private label brands positively influence retailer brand image. This is consistent with an earlier study done by Collins-Dodd and Lindley (2003) who found a positive relationship between customer perceptions of retailers' private label brands and their associated retailer image and attitudes toward retailers' brands in general. These studies imply that a retailer's brand equity can be influenced by private label brands due to the influence these private label brands have on customers' perceptions of and attitudes toward retail brands.

In a recent study conducted by Choi and Huddleston (2014), the brand equity dimensions developed by Aaker (Aaker, 1991) and Keller (Keller, 1993) respectively were applied and confirmed in their study analysing the different effects named private brands compared to generic private brands have on retailer brand equity. Their study indicated that a retailer using its own name on private label products has a stronger, positive impact in the formation of perceived quality, retailer loyalty and retailer association than generic private label products. In the decision-making process brand name plays a role by helping consumers choose a most preferred product (Jiang, 2004). Therefore private label brands are expected to result in higher retailer equity if it has the retailer's name on it than a generic (no name) private label product (Choi & Huddleston, 2014).

Customer-based brand equity occurs when the customer is conversant with the brand and holds some positive, strong, and distinctive brand associations in memory (Keller, 1993). Marketers should recognize the various effects their marketing initiatives have on brand knowledge (brand awareness and brand associations) and that the long-term success of all future marketing activities for a brand is significantly affected by the knowledge about the brand in customer memory that has been established by the firm's short-term marketing programs (Keller, 1993). Therefore any marketing initiative relating to private label brands could potentially impact on retailers' brand equity and ultimately their future financial success.

2.3.1 *Brand equity dimensions*

Even though the dimensions are dealt with separately, research studies have indicated that these dimensions are inter-related (Buil, Martínez, & de Chernatony, 2013). By using structural equation modelling they have indicated that brand awareness positively impacts perceived quality and brand associations. To further explore the relevant brand equity dimensions a detailed analyses of each based on the available literature was done.

Brand awareness – Aaker (1996) identified different levels of brand awareness namely top-of-mind, recognition, brand dominance, recall, brand knowledge and brand opinion. He also indicated that brand awareness could affect perception and attitude. According to Keller (1993), brand name awareness, which consists of brand recall and brand recognition, relates to the probability that a brand will come to mind and the ease with which it does so. Brand recognition requires customers to correctly distinguish the brand as having been seen or heard previously. Brand recall on the other hand relates to the customer's ability to retrieve the brand from memory when given the product category.

Customer perception and attitude are generally accepted as important constructs in consumer behaviour. Percy and Rossiter (1992) developed a strategic model that considers the interaction between brand awareness (recognition and recall) and brand attitude which in their case is the interaction between the underlying motivations driving behaviour and the involvement associated with the purchase

decision. Macdonald and Sharp (2000) found that consumers use brand awareness as a heuristic and show a degree of disinterest in changing their routine and trying something different.

Retailer personality traits such as dependability, sophistication and empathy positively influences retailer awareness and in this context, retailer customer-based brand equity (Das, Datta, & Guin, 2012).

Brand association / image – According to Keller (1993, p. 3), brand image can be defined as, "perceptions about a brand as reflected by the brand associations held in customer memory". Brand association has three major categories, namely attributes, benefits and attitudes. Associations can vary according to their favourability, strength and uniqueness. According to Janiszewski and Van Osselaer (2000), brand names help customers recall key product information, for example, the brand name association to a product benefit helps a person understand a product's positioning, and the brand name association to a product category helps a person recognise potential usage situations.

Brand loyalty - Aaker (1996) defined brand loyalty as the customer's willingness to repurchase the same brand. The view presented by Oliver (1999) conforms with Aaker's as he defines brand loyalty as:

> *A deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour (p. 34).*

Chaudhuri and Holbrook (2001) indicated that brand loyalty affects brand trust which in turn affects overall brand performance. Pepe, Abratt, and Dion (2011) established that superior quality private label products increase customers' trust in both a retailer's brand and store. Retailer loyalty is also influenced by retail marking initiatives such as pricing, range, store format and ambiance and targeted loyalty tools such as loyalty programmes (Bellini, Cardinali, & Ziliani, 2011).

Perceived quality – According to Zeithaml (1988, p. 3), “perceived quality can be defined as the consumer's judgment about a product's overall excellence or superiority”. It is different from objective or actual quality which, in some cases, resembles attitude and a judgement usually made within a customer’s evoked set (Zeithaml, 1988). Therefore, it resembles the reason-to-buy of many customers who are prepared to pay a price premium (Aaker, 1996). Therefore the consumer's judgment about a product's overall excellence or superiority justifies the price premium they are willing to pay for the brand. However retailers do not necessarily have premium prices for their private label brands.

Perceived quality affects other brand equity dimensions. Hoch and Banerji (1993) found that the most important driver for private label share is perceived quality. It shows that the consumers discriminate between the retailer’s private label and other brands on the retailer’s shelf, but it might further imply that the consumer discriminates between the various retailers because of their private label offerings. In addition, Steenkamp and Dekimpe (1997) and Corstjens and Lal (2000) have indicated that retailers offering private label brands engender loyalty. Vahie and Paswan (2006) also indicated that private label brand perceived quality positively influence retailer store image. Nies and Natter (2012) have found empirical evidence that private label brand perceived quality does influence customers’ perceptions about retailer image.

Each retailer has its own exclusive private label brands only available at its retail stores. Managing private label brands is complex and as indicated earlier, the larger retailers, such as the ones included in this study, have different tiers of private label brands across various product categories and make use of different naming conventions for their private labels. Therefore even in instances where a retailer’s private label brands does not have brand equity in itself, there is an implicit assumption that by offering a combination of private label brands and national brands the retailer can positively influence its customer-based brand equity.

2.3.2 *Proposition*

Retailer customer-based brand equity to a large extent depends on private label brands and customers' perceptions of these brands.

This proposition is based on work done by Hoch and Banerji (1993); Steenkamp and Dekimpe (1997); Corstjens and Lal (2000); De Wulf, Odekerken-Schröder, Goedertier, and Van Ossel (2005); Labeaga, Lado, and Martos (2007); Cuneo et al. (2012); and Choi and Huddleston (2014) who have indicated that there is evidence that private label brands influence retailer association, retailer awareness, perceived quality and retailer loyalty. Figure 1 is a schematic illustration of the proposition and the implied relationships.

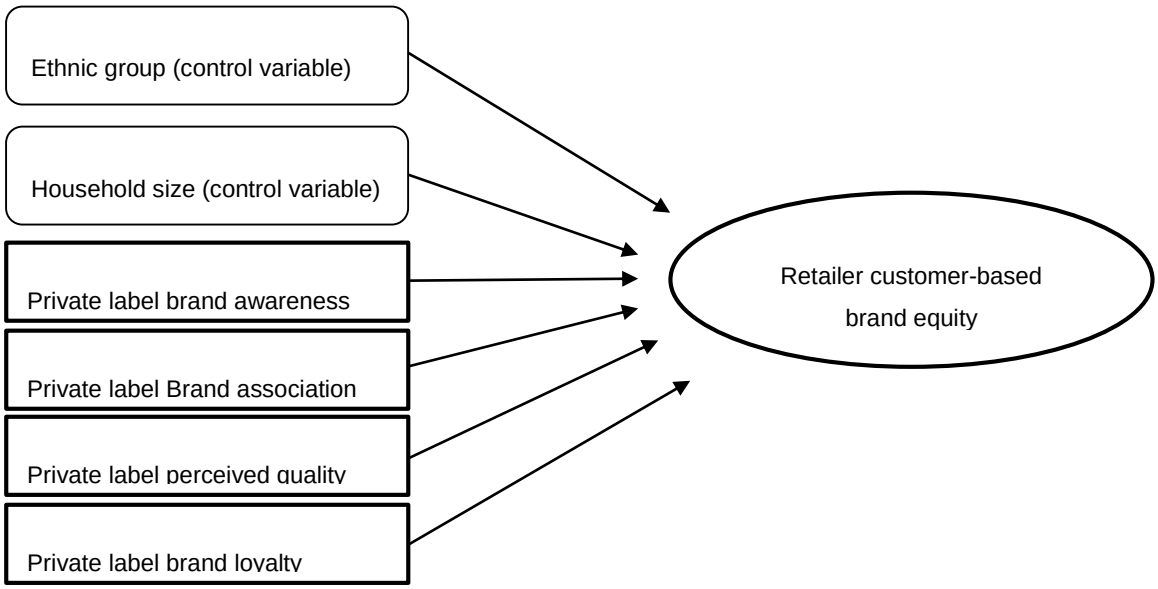


Figure 1: Schematic illustration of the research proposition

2.4 Conclusion of literature review

The literature review leaves an uncertainty as to whether private label brands influence retailer customer-based brand equity due to the fact that the limited number of previous studies available have all focused only on the influence private label brands have on the individual brand equity dimensions separately but not in total as a single brand equity construct. This research paper has made

use of the well know brand equity constructs developed by Aaker (1991); and Keller (1993). To assess and evaluate the influence a retailer's private label brands have on its customer-based brand equity, a testable proposition has been developed based on the brand equity dimensions discussed in the literature review.

The author therefore offers his proposition that retailer customer-based brand equity to a large extent depends on private label brands and customers' perceptions of these brands.

CHAPTER 3. RESEARCH METHODOLOGY

3.1 Introduction

This section outlines the methodology used to conduct this research. It starts with the research design and research instrument that were used. Issues of data collection and analysis in relation to this study are provided, followed by a discussion on the validity and reliability of this study.

3.2 Research methodology / paradigm

The nature of this research lends itself to a quantitative cross-sectional survey. Variable reliability was improved by making use of a seven point Likert scale which is a well-established multiple-item measure. Examples of researchers that have used the same approach include Yoo and Donthu (2001), Washburn and Plank (2002), Pappu, Quester, and Cooksey (2005), Kocak, Abimbola, and Özer (2007) with a satisfactory outcome.

Their main purpose was to develop a multi-dimensional customer-based brand equity scale. Various analysis techniques can be applied ranging from factor analysis, structural equation modelling and regression analysis. Therefore a quantitative approach allowed the author to empirically measure the influence private labels have on customer-based brand equity.

3.3 Research Design

A cross-sectional web based survey was conducted making use of a questionnaire containing a combination of demographic questions and subject matter questions. Keller (1993) distinguishes between a direct and an indirect approach in testing customer-based brand equity. This research adopted the indirect approach in assessing the potential sources of customer-based brand equity by measuring brand knowledge (i.e., brand awareness, brand loyalty, etc.).

Advantages of a web based survey, according to Bryman (2012) are:

- Low cost due the elimination of travelling, printing and posting expenses associated with other approaches.
- Attractive formats and built in functionality due to software capabilities.
- Fewer unanswered questions due to built in controls within the questionnaire.
- Better data accuracy due to the automated data entry into the database.

Disadvantages of a web based survey, again according to Bryman (2012) are:

- Lower response rate compared to other approaches.
- Restricted online population.
- Possible confidentiality and anonymity issues.

According to Nielsen (2014, p. 3), “While an online survey methodology allows for scale and reach, it provides a perspective on the habits of existing Internet users, not total populations”. In addition, survey responses are based on claimed behaviour, rather than actual metered data.

3.4 Population and sample

3.4.1 *Population*

According to (Bryman, 2012, p. 714), “population is the universe of units from which a sample is to be selected”. The research population is derived from a 2013 All Media and Products Survey (AMPS) survey. The AMPS survey incorporates consumer bulk grocery (food, beverages, toiletries, household cleaning materials) shopping destinations per LSM group. According to SAARF (2013), 65 percent of the food and grocery shoppers are female versus a mere 35 percent male, hence the sample was stratified accordingly. To be more relevant to the household, only food and grocery shoppers between the ages 25 years to 50 years were included in the sample.

Only shoppers that buy the bulk of their food and groceries at Shoprite, Checkers, Checkers Hyper, Pick n Pay, Pick n Pay Hypermarket, Spar and Woolworths have been included in the survey. As a result the majority of the retailer customers

included in this research inherently fall within the top-end of South Africa's LSM population groups.

Gauteng represents approximately 70 percent of all private label sales (SAARF, 2013) followed by the Western Cape. Therefore the sample has been stratified accordingly to improve the quality and accuracy of the data collected.

3.4.2 *Sample and sampling method*

A stratified random sampling technique was used to administer an online customer survey. Respondents were randomly sampled from a population that was divided into categories (strata) (Bryman (2012). The target sample size is 200 respondents. As explained and motivated in the previous section, the following quotas were applied a) 65 percent female, b) aged between 25 years and 50 years, and c) 70 percent residing in Gauteng. The stratified random sample was selected from a customer database managed by Answered Insights that consists of more than 30 000 retailer customers situated across South Africa.

3.5 The research instrument

The author used a survey type questionnaire that was originally developed by Yoo and Donthu (2001) as the basis to develop a research instrument. Washburn and Plank (2002) have independently assessed and evaluated the model developed by Yoo and Donthu (2001) and concluded that it was an acceptable measure of customer-based brand equity, but indicated that due to the complexities and magnitude of factors influencing brand equity further research is required. The questionnaire has been slightly modified to be more relevant within a South African context and focused on retailers' food and grocery private labels.

In addition to the customer-based brand equity questions, the questionnaire incorporated the following demographics: age, gender, province, household income, population group and household size.

3.6 Procedure for data collection

A professional research entity called Answered Insights converted the Microsoft Word questionnaire into an online survey using the latest in web-based technologies that allow respondents to access the survey by making use of various devices like smartphones, iPads, tablets, laptops and personal computers. The respondents received an email introducing the survey and requesting them to follow the link to access the web survey. The target population fell within the LSM 7-10 bracket and therefore it was assumed that the majority would have access to the internet and an email account. The database from which the sample was selected has more than 30 000 respondents.

Once all the quotas were achieved and the 200 sample sized was reached Answered Insights converted the data into a CSV file and handed it over to the author for analysis and interpretation.

3.7 Data analysis and interpretation

By making use of a professional research entity that allowed the author to stratify his sample, the author strove to achieve a representative sample which is accurate and complete. To ensure reliability, the author made use of the Cronbach's alpha that was developed by Cronbach (1951), to test internal consistency when summarising relevant items into their respective dimensions. This allowed the author to obtain one value per respondent for each of the multi-dimensional brand equity scale variables. Question 8 (Appendix A) was designed to test these multi-dimensional brand equity variables. Ideally the Cronbach alpha per dimension should be greater than 70 percent as indicated by Westergaard, Noble, and Walker (1989). Final variable scores were achieved by making use of confirmatory factor analysis method.

An initial linear regression analysis was run together with fit diagnostics, for example, residuals, outliers and normality plots. Once satisfied with the diagnostic outcomes all data assumptions were recorded whereafter, overall fit was assessed by considering the results of R-squared and ANOVA F which was

developed by Fisher and Yates (1949). Inferences were made based on the significance of the slopes.

3.8 Limitations of the study

The sample size of 200 respondents was achieved by making use of a professional research entity. The author realised that some retailer consumers have been excluded due to the survey being conducted online. However, the impact of this exclusion should not result in unreliable and invalid conclusions. It was indicated earlier that the majority of the target population that shop at the retailers under review reside in the upper half of the LSM groupings.

3.9 Validity and reliability

Reliability in this context refers to the extent to which the author's data collection techniques and analysis procedures would yield consistent findings. Validity in this context was concerned with whether the findings are really what they appear to be. The research has been designed in order for it to be generalizable and the assumptions made are valid.

3.9.1 *External validity*

Bryman (2012) has defined external validity as:

> *A concern with the question of whether the results of a study can be generalised beyond the specific research context in which it was conducted (p. 711)*.

As per the SAARF (2013) report, the majority of people shopping at the specific retailers in this research are in the upper portion of the LSM groupings 7 to 10. Some shoppers do not have access to the internet and were therefore excluded from this online survey.

3.9.2 *Internal validity*

In relation to the author's use of a questionnaire, internal validity according to Saunders, Saunders, Lewis, and Thornhill (2011, p. 372), "means you are concerned that what you find with your questionnaire actually represents the reality of what you are measuring". Therefore the data collected from respondents was analysed using appropriate analysis methods. Bryman (2012) has defined internal validity as:

> *A concern with the question of whether a finding that incorporates a causal relationship between two or more variables is sound (p. 712).*

The use of well-established brand equity models like those developed by Aaker (1991) and Keller (1993) contributed to the internal validity of the measurement scales and analysis methods applied in the research.

3.9.3 *Reliability*

Saunders et al. (2011) has defined reliability as:

> *The extent to which data collection technique or techniques will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from the raw data (p.600).*

By focusing only on the main retailer shopper, i.e. females within the age group 25 to 50 years the author attempted to achieve reliability. As indicated earlier 70 percent of private label purchasing occurs in the Gauteng province therefore with the research being conducted only in relation to respondents residing in Gauteng, the author strove to achieve more reliable results.

3.10 Demographic profile of respondents

The target age group for the sample was customers between the ages 25 and 50 years. Table 1 below indicates that the majority of the respondents (40.5 percent) are between the ages 25 and 30 years followed by customers between the ages

30 and 35 years who represents 26 percent of the total sample. Respondents between the ages 41 and 50 years represented only 15 percent of the total sample. There were no discrepancies between the targeted age group that was initially planned and the results that were obtained.

Table 1: Age of respondents

Age group				
Age group	**Frequency**	**Percent**	**Cumulative Frequency**	**Cumulative Percent**
25-30	81	40.50	81	40.50
30-35	52	26.00	133	66.50
36-40	37	18.50	170	85.00
41-45	22	11.00	192	96.00
46-50	8	4.00	200	100.00

Table 2 indicates that 65 percent of the respondents are female and 35 percent are male. The results are in-line with the planned quotas that were specified.

Table 2: Gender of respondents

Gender				
Gender	**Frequency**	**Percent**	**Cumulative Frequency**	**Cumulative Percent**
Female	130	65.00	130	65.00
Male	70	35.00	200	100.00

The planned quota for respondents residing in Gauteng was 70 percent. Table 3 indicates that this quota was achieved. Respondents staying in the Western Cape represents 21 percent of the sample followed by respondents staying in KwaZulu-Natal who represents 5.5 percent of the total sample.

Table 3: Province in which respondent resides in

Province				
Province	**Frequency**	**Percent**	**Cumulative Frequency**	**Cumulative Percent**
Eastern Cape	3	1.50	3	1.50
Free State	1	0.50	4	2.00
Gauteng	140	70.00	144	72.00
KwaZulu-Natal	11	5.50	155	77.50
Mpumalanga	1	0.50	156	78.00
North West	1	0.50	157	78.50
Northern Cape	1	0.50	158	79.00
Western Cape	42	21.00	200	100.00

There were no representative quotas set for respondents based on their ethnic groups. Table 4 below indicates that the majority of the respondents are white (56 percent) followed by African (25 percent), Coloured (10.5 percent), Indian (8 percent) and Asian (0.5 percent) being the minority.

Table 4: Ethnic groups of respondents

Ethnic group				
Ethnic group	**Frequency**	**Percent**	**Cumulative Frequency**	**Cumulative Percent**
African	50	25.00	50	25.00
Asian	1	0.50	51	25.50
Coloured	21	10.50	72	36.00
Indian	16	8.00	88	44.00
White	112	56.00	200	100.00

Table 5 indicates that most of respondents (44 percent) have households consisting of 3 to 4 persons, including themselves. They are followed by respondents with household of 2 persons (31.5 percent), households with 5-6 persons (16.5 percent), households with only 1 person (6 percent) and lastly household with more than 7 persons (2 percent).

Table 5: Household size of respondents

Heads				
Heads	**Frequency**	**Percent**	**Cumulative Frequency**	**Cumulative Percent**
1	12	6.00	12	6.00
2	63	31.50	75	37.50
3-4	88	44.00	163	81.50
5-6	33	16.50	196	98.00
7+	4	2.00	200	100.00

The respondents were asked to indicate how much of their monthly food and grocery expenditure they spend on private label items. Table 6 indicates that 87 percent of respondents spent 50 percent or less on private label items. There were 21 respondents (10.5 percent) who indicated that they spend between 51 percent and 75 percent of their monthly food and grocery bill on private label items.

Table 6: Private label spend of respondents

Private label spend				
Private label spend	**Frequency**	**Percent**	**Cumulative Frequency**	**Cumulative Percent**
1.Between 0% and 5%	36	18.00	36	18.00
2.Between 6% and 10%	47	23.50	83	41.50
3.Between 11% and 25%	45	22.50	128	64.00
4.Between 26% and 50%	46	23.00	174	87.00
5.Between 51% and 75%	21	10.50	195	97.50

Private label spend				
Private label spend	**Frequency**	**Percent**	**Cumulative Frequency**	**Cumulative Percent**
6.Between 76% and 100%	4	2.00	199	99.50
7.I only buy retailers' own brands	1	0.50	200	100.00

Table 7 below gives the reader a better understanding why respondents decided on a specific retailer as their primary food and grocery store based on various dimensions influencing retailer image that were identified by Ailawadi and Keller (2004). There are two main dimensions namely retailer image with the following sub-dimensions: store access, store atmosphere, store pricing and promotions, cross-category assortment, within-category assortment and brand assortment with the following sub-dimensions: private labels and manufacturer brands. The stores in the study include Checker, Pick n Pay, Shoprite, Spar and Woolworths. The results were derived from combining the answers of question 2.1 and question 7 (Appendix A). The respondents needed to indicate which one of the stores they consider to be their primary food and grocery store (question 2.1) and in question 7 they needed to rank from 1 to 6 which of these dimensions they consider to be the most important to the least important.

Table 7: Dimensions of retailer image based on respondents' primary store

Primary Store	Variable	N	Mean
Checkers	**Store access**	57	3.30
	Store atmosphere	57	3.96
	Pricing & promotion	57	2.26
	Cross-category assortment	57	4.05
	Within-category assortment	57	3.53
	Brand assortment	57	3.89

Primary Store	Variable	N	Mean
Pick n Pay	**Store access**	94	2.80
	Store atmosphere	94	3.95
	Pricing & promotion	94	2.64
	Cross-category assortment	94	3.83
	Within-category assortment	94	3.64
	Brand assortment	94	4.15
Shoprite	**Store access**	10	3.10
	Store atmosphere	10	3.90
	Pricing & promotion	10	1.80
	Cross-category assortment	10	3.90
	Within-category assortment	10	3.50
	Brand assortment	10	4.80
Spar	**Store access**	19	2.32
	Store atmosphere	19	3.89
	Pricing & promotion	19	3.11
	Cross-category assortment	19	3.32
	Within-category assortment	19	4.11
	Brand assortment	19	4.26
Woolworths	**Store access**	20	3.25
	Store atmosphere	20	4.15
	Pricing & promotion	20	3.00
	Cross-category assortment	20	4.15
	Within-category assortment	20	2.70
	Brand assortment	20	3.75

Table 7 indicates that from the sample of 200 respondents, 94 indicated that Pick n Pay is their primary store, followed by Checkers with 57 respondents, Woolworths with 20 respondents, Spar with 19 respondents and lastly Shoprite with 10 respondents. Pricing and promotion is the most important category for

respondents shopping at Shoprite (mean = 1.80), Checkers (mean = 2.26) and Pick n Pay (mean = 2.64). For respondents that indicated that Spar is their primary store, accessibility (mean = 2.32) was their main consideration and for respondents that indicated that Woolworths was their primary store within-category assortment (mean = 2.70) was ranked as their most important consideration.

Table 8 below indicates the demographic per ethnic group by primary store as selected by each respondent.

Table 8: Ethnic group by primary store

	Table of Ethnic group by Primary Store					
	Ethnic group	Primary Store				
		Checkers	Pick n Pay	Shoprite	Spar	Woolworths	Total
Frequency	African	10	28	4	4	4	50
Percent		5.00	14.00	2.00	2.00	2.00	25.00
Row %		20.00	56.00	8.00	8.00	8.00	
Collective %		17.54	29.79	40.00	21.05	20.00	
	Asian	0	1	0	0	0	1
		0.00	0.50	0.00	0.00	0.00	0.50
		0.00	100.00	0.00	0.00	0.00	
		0.00	1.06	0.00	0.00	0.00	
	Coloured	5	12	2	1	1	21
		2.50	6.00	1.00	0.50	0.50	10.50
		23.81	57.14	9.52	4.76	4.76	
		8.77	12.77	20.00	5.26	5.00	
	Indian	5	6	1	1	3	16

	2.50	3.00	0.50	0.50	1.50	8.00
	31.25	37.50	6.25	6.25	18.75	
	8.77	6.38	10.00	5.26	15.00	
White	37	47	3	13	12	112
	18.50	23.50	1.50	6.50	6.00	56.00
	33.04	41.96	2.68	11.61	10.71	
	64.91	50.00	30.00	68.42	60.00	
Total	57	94	10	19	20	200
	28.50	47.00	5.00	9.50	10.00	100.00

Table 8 indicates that the majority of the respondents were White (56 percent), followed by Black (25 percent), Coloured (10.5 percent), Indian (8 percent) and Asian (0.5 percent). Across all ethnic groups, Pick n Pay (47 percent) was indicated as the primary store followed by Checkers (28.5 percent).

Table 9 indicates the average household head count per primary store as selected by each respondent.

Table 9: Household head count by primary store

	Table of Household head count by Primary Store					
	Head count	**Primary Store**				
		Checkers	**Pick n Pay**	**Shoprite**	**Spar**	**Woolworths**	**Total**
Frequency	**1 (Group 1)**	2	7	0	2	1	12
Percent		1.00	3.50	0.00	1.00	0.50	6.00
Row %		16.67	58.33	0.00	16.67	8.33	
Collective %		3.51	7.45	0.00	10.53	5.00	

2 (Group 2)	18 9.00 28.57 31.58	29 14.50 46.03 30.85	4 2.00 6.35 40.00	5 2.50 7.94 26.32	7 3.50 11.11 35.00	63 31.50
3-4 (Group 3)	28 14.00 31.82 49.12	36 18.00 40.91 38.30	5 2.50 5.68 50.00	8 4.00 9.09 42.11	11 5.50 12.50 55.00	88 44.00
5-6 (Group 4)	9 4.50 27.27 15.79	18 9.00 54.55 19.15	1 0.50 3.03 10.00	4 2.00 12.12 21.05	1 0.50 3.03 5.00	33 16.50
7+ (Group 5)	0 0.00 0.00 0.00	4 2.00 100.00 4.26	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	4 2.00
Total	57 28.50	94 47.00	10 5.00	19 9.50	20 10.00	200 100.00

The majority of the households included in this study consist of 3-4 persons (44 percent), followed by households with 2 persons (31.5 percent). All households included in this study, no matter how many persons are within the household, indicated that Pick n Pay is their primary store followed by Checkers.

CHAPTER 4. PRESENTATION OF RESULTS

4.1 Introduction

The author offers his proposition that retailer customer-based brand equity to a large extent depends on private label brands and customers' perceptions of these brands. This Chapter discusses the results arising from the empirical investigation of the influence private labels have on retailer customer-based brand equity. I first discuss the four dimensions of brand equity, also referred to as factors, and their reliability. I then discuss the correlations and descriptive statistics of the major variables included in the regression analysis, followed by the regression results.

4.2 Results pertaining to proposition

4.2.1 *Brand equity dimensions*

Question 8 (Appendix A) of the questionnaire incorporated a multi-item scale consisting of ten items that were grouped into four factors based on the research done by Yoo and Donthu (2001) and Washburn and Plank (2002). These factors resemble the four brand equity dimensions. These dimensions include private label brand association, private label brand awareness, private label perceived quality and private label brand loyalty. Each respondent needed to answer the same ten questions for the five different retailers included in this study by indicating whether they agree or disagree by making use of a seven point Likert scale. The items related to the different factors were then converted into one variable per factor using their means. The Cronbach coefficient alpha for Woolworths relating to private label brand association had the lowest alpha (alpha = 0.68, standardised = 0.70), all the other factors for Woolworths and the other retailers had Cronbach coefficient alpha's above 0.73 (standardised = 0.73) and therefore each of these factors were satisfactory. Table 10 is a summation of the results per retailer.

Table 10: Summary of customer-based brand equity scale per retailer

Variable	Indicator	PnP	CH	SH	SP	WW
I can easily recognise this retailer's own food and grocery brands from other competing brands	AW	1,138	1,068	933	1,008	1,099
I have never bought food & groceries under this retailer's own brands, but would like to	AS_1	568	671	709	711	755
This retailer's own brands are always cheaper than other big well-known brands	AS_2	949	958	891	866	812
This retailer's own brands offers good value for money (i.e. you get more than what you expected)	AS_3	999	946	830	934	1,008
Average brand association score per respondent	AS	1,012	979	887	933	941
This retailer's own brands is of the highest quality food & groceries	QL_1	917	870	770	917	1,128
This retailer's own brands have always been similar in quality to that of big brands	QL_2	952	890	772	943	1,069
Any new food and grocery items introduced by this retailer will most likely be of very high quality	QL_3	951	887	758	909	1,091
Average perceived quality score per respondent	QL	945	882	762	921	1,099
This retailer's own brands would be my first choice when buying quality food & groceries	LY_1	803	792	705	821	1,017
I trust this retailer's own brands for food & groceries	LY_2	1,010	918	758	936	1,117
I would be happy if I could only find this retailer's own brands in the store and no other brands of food & groceries	LY_3	674	689	655	746	912
Average brand loyalty score per respondent	LY	830	793	704	833	1,015
It makes sense to buy for this retailer	BE_1	936	860	734	860	956
Even if other retailers' products are the same I preference this one	BE_2	941	855	725	850	976
Even if other retailers are as good I preference this one	BE_3	916	855	739	853	1,004
It is smarter to buy from this retailer	BE_4	970	861	737	849	982
Average BE score per respondent	BE	956	877	748	870	980

Note: N = 200, AS = Brand association, AW = Brand awareness, QL = Perceived quality, LY = Brand loyalty, BE = Overall retailer brand equity, PnP = Pick n Pay, CH = Checkers, SH = Shoprite, SP = Spar, WW = Woolworths, Orange = Highest score, Yellow = 2nd highest score.

Woolworths scored the highest in most questions followed by Pick n Pay.

After this process, each dimension had one factor per retailer. The respective factors across the five retailers were then converted into one variable for private label brand association (alpha = 0.79, standardised = 0.80), one variable for private label brand awareness (alpha = 0.66, standardised = 0.67), one variable for private label perceived quality (alpha = 0.77, standardised = 0.77) and one variable for private label brand loyalty (alpha = 0.80, standardised = 0.80).

Also included in question 8 was a multi-item scale consisting of four items relating to overall brand equity. The same process as above was followed to derive one variable per retailer for overall brand equity with Pick n Pay having the lowest Cronbach coefficient alpha at 0.86 (standardised = 0.86). Overall retailer brand equity was then derived by using the mean of the overall brand equity variables of the five stores (alpha = 0.74, standardised = 0.74).

4.2.2 *Correlations and descriptive statistics*

For purposes of the regression analysis that follows, 1 respondent out of the original sample of 200 was deleted to adjust for outliers. Hence from here on the sample size is 199. Table 11 below shows the descriptive statistics of the major variables. As indicated above, 56 percent of respondents were white and the average household consists out of 3 to 4 people. Private label brand awareness (5.24) and private label brand association (4.76) had the two highest scores followed by private label perceived quality (4.62) and private label store loyalty (4.16). Overall retailer brand equity has a mean of 4.45.

Table 11: Descriptive statistics

Simple Statistics						
Variable	**N**	**Mean**	**Standard Deviation**	**Sum**	**Minimum**	**Maximum**
White (Ethnic)	199	0.55779	0.49790	111	0	1
Head count	199	2.76884	0.86855	551	1	5
Brand awareness	199	5.24121	0.91127	1043	3	7
Brand association	199	4.76382	1.00980	948	2	7
Perceived quality	199	4.62312	0.90658	920	3	7
Brand loyalty	199	4.16080	1.07978	828	2	7
Overall retailer brand equity	199	4.45226	0.98293	886	2	7

Table 12 below sets out the correlations of the major variables which is followed by a discussion of the results.

Table 12: Correlations

Pearson Correlation Coefficients, N = 199 Prob > |r| under H0: Rho=0							
	1	**2**	**3**	**4**	**5**	**6**	**7**
1.White ethnic group	1.00000						
2.Head count	-0.03903 0.5842	1.00000					
3.Brand awareness	-0.11993 0.0916	0.10909 0.1251	1.00000				
4.Brand association	-0.26905	0.04685	0.61656	1.00000			

Pearson Correlation Coefficients, N = 199 Prob > |r| under H0: Rho=0							
	1	**2**	**3**	**4**	**5**	**6**	**7**
	0.0001	0.5111	<.0001				
5.Perceived quality	-0.22563 0.0014	0.04274 0.5489	0.63634 <.0001	0.77946 <.0001	1.00000		
6.Brand loyalty	-0.30859 <.0001	0.08830 0.2149	0.53012 <.0001	0.76685 <.0001	0.82064 <.0001	1.00000	
7.Overall retailer brand equity	-0.31167 <.0001	0.09941 0.1624	0.55986 <.0001	0.73403 <.0001	0.76469 <.0001	0.81147 <.0001	1.00000

As can be seen in Table 12, loyalty has high correlations with quality ($r = .82$, $p < .01$) and association ($r = .76$, $p < .01$) and a negative correlation with the dummy variable “white ethnic group” ($r = -0.31$, $p < .01$). Association has a high correlation with awareness ($r = 0.61$, $p < .01$) and also a negative correlation with the dummy variable “white ethnic group” ($r = -0.27$, $p < .01$). Brand equity has high correlations with association ($r = .73$, $p < .01$), quality ($r = .76$, $p < .01$), and loyalty ($r = .81$, $p < .01$) and a negative correlation with the dummy variable “white ethnic group” ($r = -0.31$, $p < .01$).

Table 13 compares the means of each brand equity dimension per store together with each store’s overall brand equity score based on the seven point Likert scale used in the survey.

Table 13: Comparison of brand equity dimensions across stores

Variable	Mean	Median	Std Dev	25th Pctl	75th Pctl	Minimum	Maximum
AS_PnP	5.06	5.00	1.28	4.00	6.00	1.00	7.00
AS_CH	4.89	5.00	1.14	4.00	6.00	1.00	7.00
AS_SH	4.43	4.00	1.34	4.00	5.00	1.00	7.00
AS_SP	4.66	5.00	1.28	4.00	6.00	1.00	7.00
AS_WW	4.70	4.00	1.37	4.00	6.00	1.00	7.00
AW_PnP	5.68	6.00	1.18	5.00	6.00	1.00	7.00
AW_CH	5.34	6.00	1.19	5.00	6.00	1.00	7.00
AW_SH	4.66	5.00	1.58	4.00	6.00	1.00	7.00
AW_SP	5.04	5.00	1.23	4.00	6.00	1.00	7.00
AW_WW	5.49	6.00	1.33	4.00	7.00	1.00	7.00
QL_PnP	4.72	5.00	1.23	4.00	6.00	1.00	7.00
QL_CH	4.40	4.00	1.33	4.00	5.00	1.00	7.00
QL_SH	3.81	4.00	1.38	3.00	4.00	1.00	7.00
QL_SP	4.60	5.00	1.19	4.00	5.00	1.00	7.00
QL_WW	5.49	6.00	1.15	5.00	6.00	1.00	7.00
LY_PnP	4.15	4.00	1.29	3.00	5.00	1.00	7.00
LY_CH	3.96	4.00	1.42	3.00	5.00	1.00	7.00
LY_SH	3.52	4.00	1.48	2.00	4.00	1.00	7.00
LY_SP	4.16	4.00	1.35	3.00	5.00	1.00	7.00
LY_WW	5.08	5.00	1.34	4.00	6.00	1.00	7.00
BE_PnP	4.79	5.00	1.20	4.00	6.00	1.00	7.00
BE_CH	4.40	4.00	1.33	4.00	5.00	1.00	7.00
BE_SH	3.75	4.00	1.46	3.00	4.00	1.00	7.00
BE_SP	4.37	4.00	1.35	4.00	5.00	1.00	7.00
BE_WW	4.92	5.00	1.45	4.00	6.00	1.00	7.00

Note: N = 199, AS = Brand association, AW = Brand awareness, QL = Perceived quality, LY = Brand loyalty, BE = Overall retailer brand equity, PnP = Pick n Pay, CH = Checkers, SH = Shoprite, SP = Spar, WW = Woolworths.

Pick n Pay had the highest scores for private label brand association (5.06) and private label brand awareness (5.68). Woolworths however, has the highest

scores for private label perceived quality (5.49), private label brand loyalty (5.08) and overall retailer brand equity (4.92).

4.2.3 *Comparison of Means – Analysis of covariance*

Through the use of the General Linear Model (GLM) in performing an analysis of covariance (ANCOVA) the author compares the brand equity means of the five different retailers. Multiple factors were also taken into account, namely the brand equity dimensions and categorical variables like gender, ethnic group and household size. The GLM ANCOVA procedure tests whether the means across all variables are the same and if the means within each variable are the same. Table 14 indicates that the overall test is significant (F = 100.01, p = <.0001), indicating strong evidence that the means across all variables are different. According to a significance level of 5% (α = 0.05).

Table 14: GLM ANOVA procedure

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	21	1375.847072	65.516527	100.01	<.0001
Error	973	637.413230	0.655101		
Corrected Total	994	2013.260302			
R-square	0.683393				
Brand Equity - Mean	4.461307				

Note: N = 199; Effective sample size = 995; DF = Degrees of freedom

Table 15 indicates the results of the individual means analysis and the effect thereof. The author made use of the Type III SS analysis model due to the inclusion of covariates in the model, even though the groups are considered to be balanced. Clark (2011) explained Type III SS as follows:

> *Type III SS gives the sum of squares that would be obtained for each variable if it were entered last into the model. That is, the effect of each variable is evaluated after all other factors have been accounted for. Therefore the result for each variable is equivalent to what is obtained with*

Type I SS analysis when the variable enters the model as the last one in the ordering (p. 1).

Type III SS is therefore not sample size dependent and considered to be a marginal approach instead of a sequential or a hierarchical approach (Langsrud, 2003).

Table 15 indicates that customer responses across the five retailers included in this study did not differ significantly for sources AS2 (p = 0.56), AS3 (p = 0.30), AS (p = 0.37), QL1 (p = 0.76), QL2 (p = 0.14), LY (p = 0.78), Age (p = 0.92), Female (p = 0.96), Head_grp (p = 0.10) and White_Eth (p = 0.18). In contrast to these variables the following variables did have significant differences within themselves Retailer (p < .0001), AW (p = 0.04), AS1 (p = 0.0002), QL3 (p < .0001), QL (p = 0.02), LY1 (p = 0.0001), LY2 (p < .0001), LY3 (p = 0.0003).

Table 15: GLM ANOVA procedure – Type III SS analysis

Variable	Source	DF	Type III SS	Mean Square	F Value	Pr > F
Retailer	Retailer	4	20.87083306	5.21770827	7.96	<.0001
I can easily recognise this retailer's own food and grocery brands from other competing brands	AW	1	2.82553002	2.82553002	4.31	0.0381
I have never bought food & groceries under this retailer's own brands, but would like to	AS1	1	9.07861182	9.07861182	13.86	0.0002
This retailer's own brands are always cheaper than other big well-known brands	AS2	1	0.22157239	0.22157239	0.34	0.5610
This retailer's own brands offers good value for money (i.e. you get more than what you expected)	AS3	1	0.69041879	0.69041879	1.05	0.3049
Average brand association score per respondent	AS	1	0.52713817	0.52713817	0.80	0.3699
This retailer's own brands is of the highest quality food & groceries	QL1	1	0.06161804	0.06161804	0.09	0.7591
This retailer's own brands have always been similar in quality to that of big brands	QL2	1	1.44844465	1.44844465	2.21	0.1374

Variable	Source	DF	Type III SS	Mean Square	F Value	Pr > F
Any new food and grocery items introduced by this retailer will most likely be of very high quality	QL3	1	38.92753948	38.92753948	59.42	<.0001
Average perceived quality score per respondent	QL	1	3.32767802	3.32767802	5.08	0.0244
This retailer's own brands would be my first choice when buying quality food & groceries	LY1	1	10.84808109	10.84808109	16.56	<.0001
I trust this retailer's own brands for food & groceries	LY2	1	11.67494319	11.67494319	17.82	<.0001
I would be happy if I could only find this retailer's own brands in the store and no other brands of food & groceries	LY3	1	8.71019490	8.71019490	13.30	0.0003
Average brand loyalty score per respondent	LY	1	0.05049696	0.05049696	0.08	0.7813
Respondent age	Age	1	0.00670644	0.00670644	0.01	0.9194
Gender	Female	1	0.00184461	0.00184461	0.00	0.9577
Household head count group	Head_Grp	1	1.75941093	1.75941093	2.69	0.1016
White ethnic group	White_Eth	1	1.20267819	1.20267819	1.84	0.1758

Note: N = 199; Effective sample size = 995; DF = Degrees of freedom; Head_Grp: 1 = 1 person, 2 = 2 people, 3 = 3-4 people, 4 = 5-6 people, 5 = 7 plus people; PL = Private label brands; "Non-white ethnic group" is the reference variable for the "White ethnic group" dummy variable; "Male" is the reference variable for the "Female" dummy variable

Table 16 sets out the estimated retailer brand equity least squares means (LSMEANS) values with Pick n Pay (4.74) ranking first, followed by Checkers (4.50), Spar (4.40), Shoprite (4.30) and lastly Woolworths (4.30). Table 13 however, ranked Woolworths (4.92) first, Pick n Pay (4.79) second based on actual means achieved. As stated earlier, the difference in the values are because the GLM ANCOVA procedure tests whether the means across all variables are the same and if the means within each variable are the same. In this case, significant differences were identified within private label perceived quality and private label brand loyalty and across retailer brand equity. The GLM procedure makes adjustments for these differences between means and as a

result the estimated brand equity value per retailer was either increased or decreased accordingly.

Table 16: GLM ANOVA – Least squares means (LSMEAN)

The GLM Procedure Least Squares Means Adjustment for Multiple Comparisons: Tukey-Kramer					
Retailer		**Brand Equity LSMEAN**	**Standard Error**	**Pr > |t|**	**LSMEAN Number**
Checkers		4.49530212	0.05865647	<.0001	1
Pick n Pay		4.74313703	0.06000183	<.0001	2
Shoprite		4.29777104	0.06131542	<.0001	3
Spar		4.40228302	0.05793287	<.0001	4
Woolworths		4.29517514	0.06449342	<.0001	5
Least Squares Means for effect Retailer Pr > |t| for H0: LSMean(i)=LSMean(j) Dependent Variable: Brand Equity					
i/j	**1**	**2**	**3**	**4**	**5**
1		0.0237	0.1247	0.7962	0.1771
2	0.0237		<.0001	0.0005	<.0001
3	0.1247	<.0001		0.7280	1.0000
4	0.7962	0.0005	0.7280		0.7243
5	0.1771	<.0001	1.0000	0.7243	

Table 16 further indicates that there are significant differences between the brand equity scores of Pick n Pay compared with Checkers, Shoprite, Spar and Woolworths respectively but not any significant differences amongst the other retailers when compared with each other.

4.2.4 *Regression analysis*

To further investigate the influence customers' knowledge and perceptions about private label brands have on retailer customer-based brand equity the author made use of linear regression analysis which included other relevant control

variables as discussed later. An initial linear regression shows no major assumption violations. An analysis of multicollinearity through VIFs and Condition Numbers, autocorrelation through the Durbin Watson test, and the possibility of non-linearity through partial residual plots did not suggest these assumptions are violated. Correlations between independent variables suggest strong possibility of endogeneity effects, however, theory and literature (Aaker (1991); Keller (1993)) suggest that these independent variables are not related. When considering testing for outliers some influential outliers may exist as suggested by high Cook's Ds and DF Betas. One influential outlier was deleted from the original 200 sample which had exceptionally unusual points therefore the final sample size is 199.

The overall fit of the final model is good, with R-square = .71, adjusted R-square = .70, and ANOVA F significant at 1% as seen in Table 17 below.

Table 17: Regression analysis

Variables	**B**	**SE**	**P value**	**β**	**CONF_INT**
Intercept	0.52*	0.27	0.0574	0.00	-0.02 to 1.06
White ethnic group	-0.14*	0.08	0.0834	-0.07	-0.30 to 0.02
Head count	0.03	0.04	0.4345	0.03	-0.05 to 0.12
Brand awareness	0.09	0.06	0.1121	0.08	-0.02 to 0.20
Brand association	0.15**	0.07	0.0250	0.16	0.02 to 0.28
Perceived quality	0.20**	0.09	0.0178	0.19	0.04 to 0.37
Brand loyalty	0.43***	0.07	0.0000	0.47	0.29 to 0.56
R-square	0.7106				
Adjusted R-square	0.7015				
ANOVA F	78.57***				

*Note: N = 199; B = unstandardized effect; SE = standard error; β = standardised effect; CONF_INT = confidence interval; *** = p < .01; ** = p < .05; * = p < 0.10; "Non-white ethnic group" is the reference variable for the "White ethnic group" dummy variable.*

As set out in Table 17, the most influential predictor of retailer customer-based brand equity in this study is a moderate effect from customer private label brand

loyalty (B = .43, β = .47, p < .01), followed by some association with customer perceived private label quality (B = .20, β = .19, p < .05) and customer private label association (B = .15, β = .16, p < .05) providing support for the proposition. Retailer customer-based brand equity has a slight negative association with customers belonging to the white ethnic population (B = -0.14, β = -0.07, p < .10) however, this is only significant for a 90 percent confidence level.

4.3 Summary of the results

To end off this Chapter, the results can be summarised by highlighting the main items. The respondents participating in this study reside mainly in Gauteng (70 percent), were mainly between the ages 25 years and 35 years (85 percent) and were predominantly female (65 percent). All most half of the households (44 percent) consist of 3 to 4 people of which 56 percent were white and 25 percent black. The respondents indicated that 64 percent of them spend less than 25 percent of their monthly food and grocery expenditure on retailer private label brands. 47 percent of respondents indicated that Pick n Pay was predominantly their primary retailer for food and groceries.

The GLM ANCOVA procedure tested whether the means across all variables were the same and if the means within each variable were the same. The overall test is significant (F = 100.01, p = <.0001), indicating strong evidence that the means across all variables are different, according to a significance level of 5% (α = 0.05). The following variables did have significant differences within themselves Retailer (p < .0001), AW (p = 0.04), AS1 (p = 0.0002), QL3 (p < .0001), QL (p = 0.02), LY1 (p = 0.0001), LY2 (p < .0001), LY3 (p = 0.0003). There are significant differences between the brand equity scores of Pick n Pay compared with Checkers, Shoprite, Spar and Woolworths respectively but not any significant differences amongst the other retailers when compared with each other.

The overall fit of the final regression model is good, with R-square = .71, adjusted R-square = .70, and ANOVA F significant at 1%. Retailer customer-based brand equity in this study is a moderate effect from customer private label brand loyalty

(B = .43, β = .47, p < .01), followed by some association with customer perceived private label quality (B = .20, β = .19, p < .05) and customer private label association (B = .15, β = .16, p < .05) providing support for the proposition.

The proposition held that retailer customer-based brand equity to a large extent depends on private label brands and customers' perceptions of these brands. The evidence from the study shows that, based on a customer's knowledge of a retailer and its private label offerings the customer's cognitive brand association, brand loyalty towards and perceived quality of that retailer's private label offerings do influence retailer brand equity. Therefore the author's proposition is supported by the empirical results and can be accepted.

CHAPTER 5. DISCUSSION OF THE RESULTS

5.1 Introduction

This chapter discusses the results from the research as presented in Chapter 4.

5.2 Discussion pertaining to retailer customer-based brand equity and the influence of private label brands

The study showed that there are strong correlations between brand loyalty with quality ($r = .82$, $p < .01$) and brand loyalty with brand association also referred to as brand image ($r = .76$, $p < .01$). This is consistent with Steenkamp and Dekimpe (1997)'s view that for customers to be loyal to store brands, they need to have a favourable image and that retailer image in turn, is influenced by perceived quality. Grewal, Levy, and Lehmann (2004) suggested that retailer image has an impact on perceived value and in turn, influences customer loyalty. In their model, store image has three main facets, namely, store as a brand, national brands and store brands (private labels). This study only focussed on the impact private labels have on store image and the same applies to perceived value and customer loyalty.

On an individual basis Woolworths, who had the highest overall retailer brand equity score, had the highest average score for the question regarding its private label brands offering value for money and also for the dimensions relating to perceived quality and brand loyalty. Apart from Woolworths, Pick n Pay has the highest overall retailer brand equity which, interesting enough, to some extent agrees with the study done by Beneke (2010) in respect of customer perceptions about private labels in South Africa.

Naidoo (2011) indicated that the South African grocery retail market is highly concentrated with five main players, namely, Pick 'n Pay, Shoprite Group, Spar, Massmart and Woolworths accounting for about 60 percent of the market. In this context, it is therefore not surprising that brand awareness does not play an important role in influencing retailer brand equity. The study showed that within

the South African market, customers are well aware of the major retailers together with their private label brand offerings due to the high concentration of these retailers in urban areas, especially in Gauteng.

De Wulf et al. (2005) found that brand equity in respect of national brands is much higher than for private labels as brands in their own right. By blindfolding customers, they asked customers to rate the quality of various orange juice brands consisting of national brands and private label brands. When blindfolded the customers rated the private label brands as the best quality products compared to national brands but without the blindfolds the customers rated the national brands as having the highest quality. However, Corstjens and Lal (2000) found that quality private label offerings can be an instrument for retailers to generate store loyalty and store differentiation. Focusing on brand behavioural loyalty, Erdem, Zhao, and Valenzuela (2004); Labeaga et al. (2007); and Anselmsson and Johansson (2009) found that in certain categories private labels can build retailer brand equity. They found that behavioural loyalty and hence brand equity depends on the customer's perceived risk attached to a category, the price of the private label compared to the national brand and whether the quality of the private label offerings are consistently acceptable.

Beneke and Zimmerman (2014) took a different angle and have done research on the impact retailer store image has on private label brands and found that at a granular level such relationships do exist. However, this angle is in contrast with this study. The angle adopted in this study is in line with the empirical studies done by Pepe et al. (2011) who found that retailer image and profitability are influenced by the overall brand assortment available at the store. Therefore this study has considered the impact private label brands have on retailer brand equity but, the author realises that if the impact of national brands and hence the full brand assortment within categories were to be taken into account, he would have gained more insight and different results.

The results of the GLM ANCOVA procedure indicated that there were significant differences between some retailers' customer-based brand equity and also within and across the brand equity dimensions that evaluated customers' knowledge and perceptions of private label brands offered by these retailers.

Based on a global survey done by McCaskill (2014), 57 percent of respondents from Africa and the Middle East indicated that they are loyal to national brands compared with 50 percent globally. The main reason, as indicated by respondents, is due to poor quality perceptions associated with private label offerings in these regions. In South Africa, Woolworths is well known for its high quality product offerings and its focus on private label brands. In this study, Woolworths achieved the highest ratings for private label perceived quality, private label brand loyalty and overall retailer brand equity. This confirms the view of McCaskill (2014) who indicated that if customers' concerns in respect of product quality are addressed, customers' loyalty towards private label brands will increase and as a result, improve retailer brand equity.

5.3 Conclusion

The author made use of regression analysis with overall retailer brand equity as the dependent variable and four brand equity dimensions as independent variables. The study found that private label brands do influence and to a certain extent, explain retailer customer-based brand equity. The results of the study indicates that private label brand loyalty, private label perceived quality and private label brand association significantly influence retailer brand equity. Various control variables have been considered, but the model found that only ethnic group and household size had a granular but non-significant impact on the dependent variable.

The results of this study contribute to the empirical knowledge based on previous studies conducted by various authors who respectively found that private label brands do influence customer loyalty towards a retailer ((Corstjens & Lal, 2000); (Labeaga et al., 2007); perceived quality of the retail store ((Hoch & Banerji, 1993); and (Erdem et al., 2004)); and retailer awareness, retailer association, perceived quality and retailer loyalty (Choi & Huddleston, 2014). All these variables form part of the multidimensional brand equity scale used in this research paper and as a result, retailer customer-based brand equity.

The author offered the proposition that retailer customer-based brand equity to a large extent depends on private label brands and customers' perceptions of these brands. The evidence from the study shows that based on a customer's knowledge of a retailer and its private label offerings, the customer's cognitive brand association, brand loyalty towards and perceived quality of that retailer's private label offerings do influence retailer brand equity therefore the author's proposition can be accepted.

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

6.1 Introduction

The overriding purpose of this research was to assess and evaluate the use of private label brands by South African food and grocery retailers to positively influence retailer customer-based brand equity in the fast-moving consumer goods (FMCG) industry. This chapter presents the concluding remarks drawn from the research study followed by recommendations aimed at South African marketing managers and concludes with ideas for future research areas relating to this topic.

6.2 Conclusions of the study

Authors like Kamakura and Russell (1993); Bick (2009); Pepe et al. (2011); and Pepe et al. (2012) have attempted to quantify brand equity by using scanner data together with other financial information. Keller (1993) pointed out that brand equity can also be measured from a customer knowledge perspective, hence the term customer-based brand equity. Yoo and Donthu (2001); and Washburn and Plank (2002) have developed a multidimensional customer-based brand equity scale which was slightly adjusted and utilised in this study to measure the influence private label brands have on retailer customer-based brand equity.

The study made use of existing brand equity constructs developed by Aaker (1991); and Keller (1993) and therefore did not attempt to introduce a new brand equity model for retailers, but rather confirmed the relevance of these existing constructs. The study focused primarily on retailer brand assortment within the South African context and no other possible retail brand dimensions like retailer image including accessibility and store atmosphere (Ailawadi & Keller, 2004).

The results of the GLM ANCOVA procedure indicated that there were significant differences between retailers' customer-based brand equity and also within and across the brand equity dimensions that evaluated customers' knowledge and perceptions of private label brands offered by these retailers. The study further

revealed that these differences are mainly centred on perceived quality and brand loyalty.

South Africa's private label brands have come a long way since the late 1970s when retailers initially launched them in the market. European countries are leading the way and setting the standard for retailers across the globe. The study indicated that South African retailers have ample ground to further improve their brand equity by focusing their marketing strategies to positively influence customers' knowledge and opinions of their private label brands, especially in the areas of perceived quality and brand loyalty.

The author made use of regression analysis with overall retailer brand equity as the dependent variable and the four dimensions (private label brand awareness, private label brand association, private label perceived quality and private label brand loyalty) as independent variables; the study found that private label brands do influence and to a certain extent, explain retailer customer-based brand equity.

6.3 Recommendations

The results of the study indicate that private label brand loyalty has the most significant influence on retailer brand equity. Brand loyalty leads to certain marketing advantages (Aaker (1991); Chaudhuri and Holbrook (2001); and Ailawadi et al. (2008)) and overall retailer profitability. The results also show that private label perceived quality is highly correlated with private label brand loyalty and is the second most influential variable impacting on retailer brand equity. Therefore retailers should focus on the quality and customers' perceived quality of their private label brands which should lead to increased brand loyalty and in turn retailer brand equity.

Ailawadi and Keller (2004) have emphasised that retailer brands are different from product brands in that retailers can create their brand image in various unique ways. This study has endeavoured to empirically show that private label brands do influence retailer customer-based brand equity, herefore marketing managers can influence retailer brand association, perceived quality and retailer loyalty by incorporating private label brands in their brand management initiatives

and promotional activities. Retailers should also take into account that if they use their own brand name on their private label products, it has a greater influence on their brand equity than making use of generic (no name) brands (Choi & Huddleston, 2014).

To achieve the optimum margin across the store in their given categories, retailers must offer the right product at the right price by understanding customer demands ((Pepe et al., 2012); and (McCaskill, 2014)). Globally private label brands have the biggest market share where customers perceive little differentiation within categories that are commodity driven (McCaskill, 2014). Retailers in Europe indicated that although private label market share has stayed stagnant for the last ten years at around 45 percent, their success thus far can be attributed to their building brand equity by investing in brand management activities and providing customers with products at all price points (McCaskill, 2014). Therefore, South African retailers should continuously strive to obtain customer demand insights through point of sale data and customer preferences that can be obtained from loyalty program data and in store or online promotional activities. This will allow retailers to position their private label offerings more strategically to increase brand loyalty and store profitability. However, the author does realise that other factors also influences retailer private label profitability including the different tiers within and across categories and the various suppliers a retailer can choose from (Ter Braak, Dekimpe, & Geyskens, 2013).

6.4 Suggestions for further research

Further research should be conducted to investigate what product categories within retail stores are most prone for private label success and therefore have the greatest impact in customer-based brand equity. This research has also not considered the impact of private label brand labelling and packaging and whether it should have the retailer's name on or not. Beneke (2010) identified at least three varieties of private label brands, namely, a representative brand, an exclusive private label brand and confined labels. Further research should be conducted to understand how these different brand strategies impact on retailer brand equity.

The study has identified that in most instances store pricing and promotional activities are the most important consideration for customers doing their bulk food and grocery shopping. Further research should be done to investigate the impact private label promotional activities have on customer loyalty and overall retailer brand equity.

Electronic platforms and online shopping are increasingly popular in South Africa and this leads to the question as to what retailers' private label marketing strategies should be within an online environment. Within their stores retailers can strategically position their private label brands in prominent places and next the leading brands within categories.

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APPENDIX A

Actual Research Instrument

Definitions and instructions to the online survey developer:

- All words/sentences in blue or highlighted in yellow are instructions to the person developing the online survey and should not be included in the survey presented to the respondents.
- OMO = "One Mention Only" which refers to a question where respondents can only choose one answer.
- MMP = "Multi Mentions Possible" which refers to a question where respondents can mention more than one answer.

QUESTIONNAIRE

1. Please indicate how many people are there living in your household and who you have to provide for in terms of food and groceries? (OMO)
    a. 1 person, i.e. only myself
    b. 2 people, i.e. myself and 1 other person, be it my spouse/partner, a child or another family member
    c. 3-4 people (including myself)
    d. 5-6 people (including myself)
    e. 7 or more people (including myself)

2. Now we are going to have a look at your buying behaviour for food & groceries. (rotate order of retailers)

2.1 Please indicate, at which one of the following stores you frequently buy the majority of your monthly food & groceries? (Choose only one)

2.2 Which other stores do you also buy from during the month?

	Q.2.1 Mostly buy from (OMO)	Q.2.2 Also buy from (MMP)
Pick 'n Pay		
Checkers		
Shoprite		
Spar		
Woolworths		
None of the above		**N/A**
Any other store: SPECIFY:	**N/A**	

NOTE: IF "NONE OF THE ABOVE" IS SELECTED IN Q.2.1 CLOSE INTERVIEW.

3. Imagine that you have 21 points that represent your total monthly expenditure on food and groceries. How would you divide the points amongst these stores based on where you shop over an average one month period? ***NOTE: please ensure all 21 points are used and the total adds up to 21.***

	Number of points
Pick 'n Pay	
Checkers	
Shoprite	
Spar	
Woolworths	
Total	**(need to be 21)**

4. From what you know or have seen, which of these retailers have their own brands (also known as "private labels" or "house brands") of food & groceries? (rotate order of retailers) **Awareness**
   a. Pick 'n Pay
   b. Checkers
   c. Shoprite
   d. Spar
   e. Woolworths
   f. None of the above (CLOSE INTERVIEW)

5. Do you buy any of these retailers' own brands (also known as "private labels" or "house brands") of food & groceries? Please tell me how often, if at all, you buy this retailer's own brands?

Rotate order of retailers:	Always	Sometimes	Seldom	Never
Pick 'n Pay				
Checkers				
Shoprite				
Spar				
Woolworths				

6. Approximately, what percentage of your monthly food & grocery expenditure do you spend on retailers' own brands (also known as "private labels" or "house brands")? (OMO)
   a. Less than 5%
   b. Between 6% and 10%
   c. Between 11% and 25%
   d. Between 26% and 50%
   e. Between 51% and 75%
   f. More than 75%
   g. I ONLY buy retailers' own brands

7. From the list below please rank the different factors from the most important to the least important when deciding at which retailer you want to do your monthly bulk food and grocery shopping.

		Rank using numbers 1 to 6. (1 being most important and 6 being least important)
A	The location of the store and the distance I need to travel to reach it.	
B	The pleasantness of the store atmosphere (i.e. store colour, lightning, music, space, service delivery, etc.).	
C	Store pricing and promotions (i.e. every-day-low-prices versus huge promotions on specific products).	
D	The variety of products the store offers (cross-category assortment, i.e. food, clothing, gardening, etc.).	
E	The variety of products/items to choose from within a specific category (within-category assortment).	
F	The brand assortment of the store, including well-known brands as well as the retailer's own brands (also known as "private labels" or house brands").	

8. In this question we are only going to focus on retailers' own brands. In the table below is a list of statements made by customers in the past and we would like to know whether you agree or disagree with these statements by using the provided 7 point scale. For ease of use each section will focus on one retailer at a time. **Rotate retailers. Repeat 8.1 for Checkers, Shoprite, Spar and Woolworths.**

8.1 By focusing only on **Pick n Pay**'s own brands, please indicate if you agree with each of the statement listed below.

		1 (Strongly disagree)	**2** (Disagree)	**3** (Somewhat disagree)	**4** (Neither Agree nor Disagree)	**5** (Somewhat agree)	**6** (Agree)	**7** (Strongly agree)
a	I can easily recognise this retailer's own food and grocery brands from other competing brands. **Awareness**							
b	This retailer's own brands are always cheaper than other big well-known brands. **Association**							
c	This retailer's own brands is of the highest quality food & groceries. **Quality**							
d	I have never bought food & groceries under this retailer's own brands, but would like to. **Association**							
e	This retailer's own brands would be my first choice when buying quality food & groceries. **Loyalty**							
f	This retailer's own brands have always been similar in quality to that of big brands. **Quality**							
g	This retailer's own brands offers good value for money (i.e. you get more than what you expected). **Association**							
h	I trust this retailer's own brands for food & groceries. **Loyalty**							
i	Any new food and grocery items introduced by this retailer will most likely be of very high quality. **Quality**							

j	I would be happy if I could only find this retailer's own brands in the store and no other brands of food & groceries. **Loyalty**							
k	It makes sense to buy from this retailer instead of any other retailer, even if they are the same. **BE**							
l	Even if another retailer has the same products as this retailer, I would prefer to buy from this retailer. **BE**							
m	If there is another retailer as good as this retailer, I prefer to buy from this retailer. **BE**							
n	If another retailer is not different from this retailer in any way, it seems smarter to purchase from this retailers. **BE**							