

Examining Private-Label Brand Equity Dimensions: Do Brand Equity Dimensions Differ for Different PLBs of the Same Store?

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Abstract

Private-label brands (PLB) today are a well-established facet in many product categories worldwide, and as such have increasingly captured the attention of researchers. Even so, the consumer-based brand equity (CBBE) of PLBs (PL-CBBE) has remained largely unexplored (Cuneo et al 2012). To help fill this void, this study examines the CBBE and its underlying dimensions of two different product category PLBs (Great Value, Equate) of the same retailer (Wal-Mart).

The specific research objectives are to: 1) Examine consumer purchase behaviors for PLBs in general, and for the Great Value and Equate brands to determine consumers' acceptance level of PLBs by comparing the purchase behaviors associated with Great Value and Equate; 2) Develop measurement scales for PL-CBBE, and examine the significance of the relationships of the PL-CBBE dimensions of the Great Value and Equate brands; and 3) Compare the mean values of the PL-CBBE of the two brands to determine if the underlying dimensions differ, given both are offered by the same retailer (Wal-Mart).

Following prior brand equity research based on the initial foundation established by Aaker (1991) and Keller (1993), we conceptualized the PL-CBBE theory as being comprised of multiple constructs, and measured it with eight brand equity dimensions: brand awareness, perceived quality, brand association, perceived value, perceived risk, retail store loyalty, PLB loyalty, and overall PLB equity. An online survey-instrument was designed to measure the above listed dimensions for the PL-CBBE for Great Value and Equate. The survey also included questions to determine general PLB purchase behavior and demographics. Employing trained student administrators, a total of 421 surveys were collected (Great Value – 270, Equate – 151).

The results show that the monthly purchase shares of all PLBs indicate that consumers seem to have accepted PLBs in general. The purchase shares of both Wal-Mart PLBs are the highest in the 1-10% purchase category, higher than that of all PLBs purchased in the same category. As the purchase share categories increase beyond 20%, the purchase shares (consumer acceptance) of the two Wal-Mart PLBs fall behind consumer purchases of all PLBs. These findings indicate that while consumers seem to have accepted PLBs in general, Great Value and Equate have lower levels of acceptance among consumers. Also, the Chi-square test for Great Value and Equate purchases revealed that consumers' monthly purchase shares of these two PLBs by Walmart show similar monthly purchase patterns.

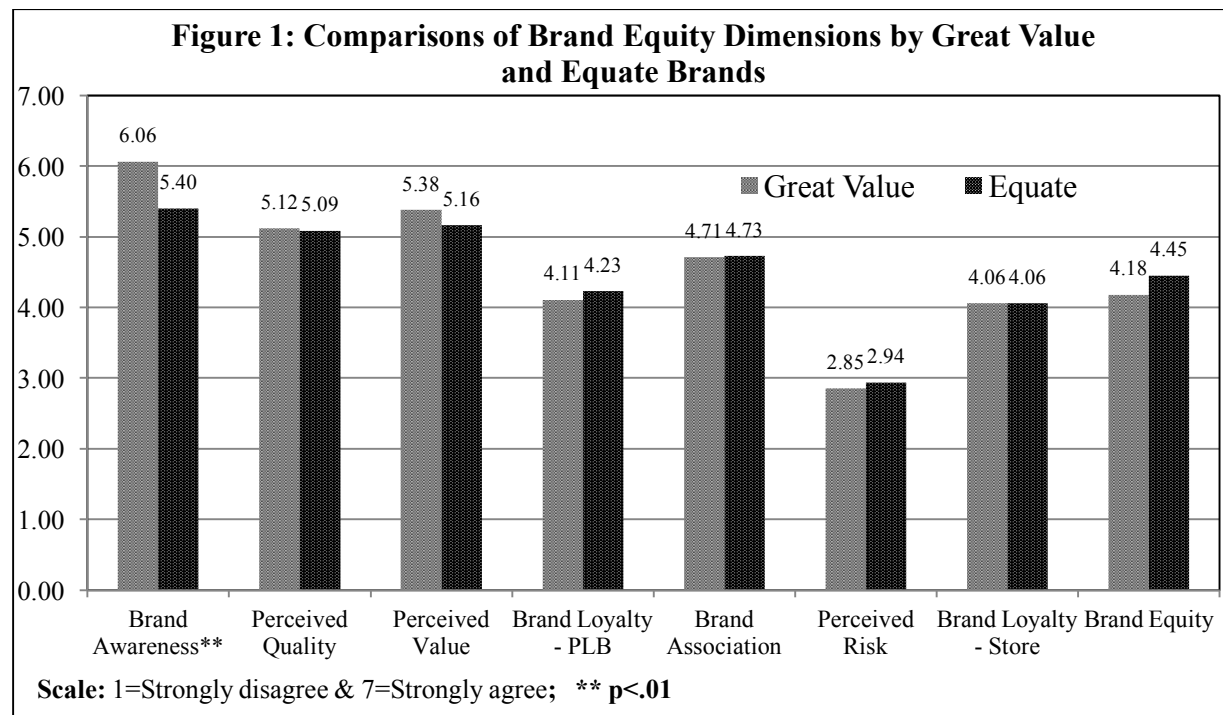
PLS-SEM tests indicate significant path coefficients (standard betas) among the eight latent constructs in the two PL-CBBE models, as shown in Table 1. Most relationships were significant for both the Great Value and Equate brands. The signs of the significant relationships between perceived risk and brand association, perceived risk and perceived value, and perceived risk and store brand loyalty were positive for Equate and negative for Great Value. The results also showed that there were still a few differences in the significance of the relationships between the Great Value and Equate CBBE dimensions. This suggests that these two brands hold different levels of importance in consumers' minds for some of the brand equity dimensions. The R² ranged from 0.21 to 0.70 for Great Value, and 0.17 to 0.74 for Equate, indicating each antecedent PL-CBBE dimension significantly contributed to predicting overall PL-CBBE (PLS-SEM models are available upon request).

Table 1. Path Coefficients and Significance for the Two PLBs

	Great Value		Equate	
	β	t-value	β	t-value
Brand Loyalty-PLB → Brand Equity-PLB	0.81	33.8***	0.86	35.6***
Brand Loyalty-Store → Brand Loyalty-PLB	0.31	14.4***	0.4	5.5***
Brand Association → Brand Loyalty-Store	0.36	10.2***	0.37	3.5***
Brand Association → Brand Loyalty-PLB	0.26	23.6***	0.31	3.0***
Perceived Quality → Perceived Value	0.55	26.2***	0.56	7.1***
Perceived Quality → Perceived Risk	-0.55	13.3***	-0.41	4.1***
Brand Awareness → Perceived Quality	0.46	9.5***	0.71	14.6***
Perceived Risk → Brand Association	-0.1	8.2***	0.13	2.7***
Perceived Value → Brand Loyalty-Store	0.22	8.6***	0.2	2.0**
Perceived Value → Brand Association	0.35	16.3***	0.81	22.2***
Perceived Quality → Brand Loyalty-PLB	0.31	26.1***	n.s.	n.s.
Perceived Quality → Brand Association	0.33	17.5***	n.s.	n.s.
Brand Awareness → Perceived Value	n.s.	n.s.	0.31	3.5***
Perceived Risk → Perceived Value	-0.27	12.9***	n.s.	n.s.

*** p<.01; ** p<.05; n.s.: not significant

The mean values of both PLBs indicate that the respondents have fairly favorable perceptions of the brand equity dimensions of both PLBs (Figure 1). The mean comparisons found a significant difference between Great Value and Equate for only brand awareness ($p < .01$). While both brands have fairly high levels of awareness among their purchasers, Great Value has a significantly higher brand awareness than that of Equate. Since the other PLB equity dimensions do not significantly differ from one another ($p > .05$), respondents have similar perceptions of the two brands.



Two significant limitations must be noted. This study used an online convenience sampling method, with a purposefully selected target sample from purchasers of the PLBs under investigation. Thus, it is recommended that the measurement scale be tested with larger samples in future studies. Second, as this study investigated only two PLBs offered by the same retailer, future studies may benefit from including and comparing other retailers, and PLBs in different product categories and price levels, to cross-validate the findings. As the findings reveal, understanding the interrelationships of the antecedent constructs could be beneficial for any PLB in developing more successful marketing and branding strategies.

References

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Keywords: *Private-label brand, consumer-based brand equity, Great Value brand, Equate brand, Private label purchases*

Relevance to Marketing Educators, Researchers and Practitioners: This study suggests an approach to increasing understanding of PL-CBBE, thus advancing theory and effective management of PLBs.

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