

7th International Economics & Business Management Conference, 5th & 6th October 2015

## **The Customers Satisfaction on Retailers' Brand Products: A Study on Selected Areas in Klang Valley**

Osman M. Zain<sup>a\*</sup> and Mohammed Bashir Saidu<sup>b</sup>

<sup>a</sup> College of Graduate Studies, Universiti Tenaga Nasional, Malaysia, 43000 Kajang, MALAYSIA

<sup>b</sup> Institute for Social Science Studies, Universiti Putra Malaysia, 43300 Serdang, MALAYSIA

---

### **Abstract**

In recent years, there has been a shift from national brand towards retailer's brand. This phenomenon is very obvious in developed nations, while growing increasingly in developing nations, such as Malaysia. This study attempts to uncover the customers' acceptance, and identify factors deemed important in influencing this satisfaction. The literature review was conducted to compile research results conducted in Western nations. Based on this literature review, a research model was proposed that comprises customer satisfaction, product quality, product price, product promotion, and product risk. Using the systematic random intercept approach at the Malls, sample size of 206 was used in this study. The results of the study support past study in the developed nations whereby there exist significant relations between customers' satisfaction and the other four factors. All the four factors identified by past study also have significant influence on customers' satisfaction with the retailers' retailer's brand products.

© 2016 Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license

(<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-reviewed under responsibility of Universiti Tenaga Nasional

**Keywords:** Retailer's brand, Product satisfaction, Product risks, Product quality.

---

---

\* Corresponding author. Tel.: +60389212020

E-mail address: [osman@uniten.edu.my](mailto:osman@uniten.edu.my)

## 1. Introduction

There has been a shift in the marketplace from national brands to retailers' brands. This phenomenon is apparent in Western nations, and increasing in the developing nations such as Malaysia. According to Collins & Bone (2008), the rate of growth for retailers' brand is between 6 to 20 percent depending on countries with the value reaching USD 1 trillion annually. As such, the gap between national brand and retailers' brand is decreasing with the international retailers leading the transformation. With the influx of international retailers, such as Tesco and Carrefour into Malaysia, these retailers are increasingly promoting their brands version in line with the national brands to capitalized more profits. However, literature on retailers' brands in Malaysia is still limited (Abdullah et. al., 2012) suggesting more empirical studies on this topic. Tih & Lee (2013) conducted a similar study on customers of hypermarket and supermarket in Malaysia. They reported that value, quality, price and risk significantly influence consumer purchase intention. However, to what extend do these customers are satisfied with retailers' brand is needed to be explored. Thus, the present study is in response to the call for more empirical study on the retailers' brands in Malaysia.

The main objective of this study is to identify the factors that influence customer satisfaction on using the retailers' product brands. This study will fill the gap between retailer's offering and customers' satisfaction and enrich the literature with regards to consumer acceptance on retailers' brands in Malaysia.

## 2.0 Literature Review

Brand as a concept can be traced back to 4000 years when the Egyptians and Indians for the first time used the term brand (Moore & Reid, 2008). Wolfe (1942) presents his seminal paper mentioning the term "brand." This initiative was followed by streams of studies in the area while devoting to building a better understanding in the areas of branding, brand choice (or preference) brand switching, brand loyalty, and brand extensions (e.g. Moore & Reid, 2008; Stine, 2002).

Retailers' brands or Retailer's brands are products that are developed for retailers by the manufacturers and made available for sale only through the retailers' outlets (Baltas, 1997). Retailers' brands proliferated in a number of categories especially in apparels and groceries garnering major market share challenging the established brands. Retailers' brands helped retailers concern to gain higher margins, adding diversity to their product lines, differentiating offerings, providing higher advantage to negotiate with established brands, and assisting in developing strong customer loyalty (Sadasivan, 2011). Numerous studies were conducted in the West on retailer's or retailers' brands (De Wulf et al., 2005; Collins & Bone, 2008; Heilman, Bowman & Wright, 2000; Patil & Vedak, 2011; Martos-Partal, 2012; Kotler & Pfoertsch, 2010; Braak, Dekimpe & Geyskens, 2013; Bao, Bao & Sheng, 2011; Ailawadi & Keller, 2004). Recently, there has been fierce competition between the national bands and retailers' brands. Retailers' brands have developed enormously in terms of quality, value, and price to compete head to head with its counterpart the national brands (Bao, Bao & Sheng, 2011). Some researchers stress the importance of quality of retailers' brands (Ailawadi et al., 2001; Steenkamp & Dekimpe, 1997; Sethuraman, 2001).

The positive perception on retailer helps build the positive images on the products that they sell, especially that carries its name. Retailers' brands are directly linked to qualities and this followed by prices and the reputation of retailers (Agarwal & Teas, 2002). The perceived brand origin has significant impact on the brand image (Thakor & Lavack, 2003), plays an indicator role to customer in terms of quality (De Wulf et al., 2005). Veloutsou et al. (2004) report their study on Greek and Scottish sample that consumers have similarity in terms of taste and scent, with exception that Greek consumers showed more preference for the packaging while Scottish consumers placed great importance on value for money. Spanish consumers perceived retailers' brand products as inferior compared to national brands (Guerrero et al., 2000). However, the retailers' products brand are perceived as reliable, provide value for money, and have acceptable quality. In the same vein, Baltas & Argouslidis (2007) report that Greek consumers place label quality as the most important indicator for choosing the retailers' product brand followed by price, packaging, image and promotion.

Download English Version:

<https://daneshyari.com/en/article/979866>

Download Persian Version:

<https://daneshyari.com/article/979866>

[Daneshyari.com](https://daneshyari.com)