THE INFLUENCE OF PERCEIVED PRICE, BRAND RECOGNITION AND CONSUMER ATTITUDE ON PURCHASE INTENTION OF PRIVATE LABEL PRODUCT AT ALFAMIDI MANADO

PENGARUH HARGA YANG DIRASAKAN, PENGENALAN MEREK DAN SIKAP KONSUMEN TERHADAP NIAT BELI PRODUK MEREK KHUSUS DI ALFAMIDI MANADO

By:
Resilooy Marcho Vincensius[1]
Sifrid S. Pangemanan[2]
Merinda H. Ch. Pandowo[3]
[1,2,3]Faculty of Economic and Business, International Business Administration, Management Program
Sam Ratulangi University Manado

E-mail:
[1]mvincensius13@gmail.com
[2]sifrid_s@gmail.com
[3]iinpan@yahoo.com

Abstract: The growth of the retail business provides various benefits to consumers to shop, but indirectly will result in consumers' perceptions in the shop. Marketing is defined as a process in society where the structure of demand for economic goods and services is anticipated or enlarged and satisfied through the conception, promotion, exchange and physical distribution of such goods and services. Therefore, a business needs to take seriously the management of goods or services offered to consumers. The purpose of this study is to determine whether there is influence of perceived prices, brand recognition and consumer attitudes toward the intention to buy private label products in Alfamidi Manado. The method used is multiple linear regressions with the number of samples in this study as many as 60 respondents as Alfamidi consumers, especially in retailers Alfamidi Citraland Winangun Manado. The results of this study indicate that the perceived price, brand recognition and consumer attitudes have affect on the purchase intention of private label products. The perceived price does not affect the purchase intention of private label products. Brand recognition has a positive and significant impact on purchase intention of private label products. Consumer attitudes have no effect on purchasing intention of private label product products.

Keywords: marketing, purchase intention, perceived price, brand recognition, consumer attitude.

Abstrak: *Pertumbuhan bisnis ritel memberikan berbagai manfaat kepada konsumen sebagai sarana untuk berbelanja, tetapi secara tidak langsung akan berakibat terhadap persepsi konsumen dalam berbelanja. Pemasaran didefinisikan sebagai proses dalam masyarakat dimana struktur permintaan barang dan jasa ekonomi diantisipasi atau diperbesar dan dipuaskan melalui konsepsi, promosi, pertukaran dan distribusi fisik barang dan jasa tersebut. Karena itu, bisnis perlu serius menangani pengelolaan barang atau jasa yang ditawarkan kepada konsumen. Tujuan dari penelitian ini adalah untuk mengetahui apakah ada pengaruh harga yang dirasakan, pengenalan merek dan sikap konsumen terhadap niat membeli produk private label di Alfamidi Manado. Metode yang digunakan adalah regresi linier berganda dengan jumlah sampel dalam penelitian ini sebanyak 60 responden sebagai konsumen Alfamidi, terutama pada pengecer Alfamidi Citraland Winangun Manado. Hasil penelitian ini menunjukkan bahwa persepsi harga, brand recognition dan consumer attitude berpengaruh terhadap niat beli produk private label. Harga yang dirasakan tidak mempengaruhi niat beli produk private label. Pengakuan merek memiliki dampak positif dan signifikan terhadap niat beli produk label pribadi. Sikap konsumen tidak berpengaruh pada niat beli produk produ private label.*

Kata kunci: pemasaran, niat beli, harga yang dirasakan, pengenalan merek, sikap konsumen.

INTRODUCTION

Research Background

The business development in the modern era is getting tougher to make business more competitive, accompanied by a retailer competition in product sales. Ailawadi and Keller (2004) stated because of the cutthroat competition the importance of branding in the retail industry has increased to create brand loyalty in the consumers and bend their perceptions towards the store image. Yet, the growth of the retail business provides various benefits to consumers to shop, but indirectly will result in consumers' perceptions in the shop.

When this consumer confidence in brand of particular the quality it has begun to fade, replaced by a belief that every brand has a relatively equal quality. The main reason consumers shop is no longer in consideration of the brand, but also consider the element of affordable prices as well as the sales promotions, discounting, the implementation of the lottery and others that generally can result in increased sales of goods. Ilawa and Associates (2001) stated that customers' Purchase intention from private brands derives from the benefits as follows: economic benefits, pleasure-seeking benefits, expense payment benefit. Along with this, the private label grows as one of the retailers' marketing strategies.

Private label product positioned as products of assured quality at affordable prices as well as packaged in an attractive and has a name that is easy to remember. The emergence of private label is considered as a form of innovation from retailers. The main purpose of retailers making the products with private label brands that in order to provide products at affordable prices for consumers, so customers who shopped at his store more crowded.

As a modern retail industry, Alfamidi also adopts a private label strategy that is used to increase awareness. Products using private label Alfamidi include tissue, baby diapers, rice, cotton bud, sugar, bread, jam, syrup, cooking oil, socks, mineral water, snacks, envelopes, candles, spoons and forks and others. With a variety of products owned are expected to attract consumers to visit.

This is done with the consideration of companies that can meet the needs of consumers with the price of goods cheaper and the quality is relatively the same. Seeing the above phenomenon, this study is authors interested to be researched with the title The Influence of Perceived Price, Brand Recognition, and Consumer Attitude on Purchase Intention of Private Label Product at Alfamidi Manado.

Research Objective

Based on the research background the objective of this research is stated as follows to analyze:
1. Perceived price, brand recognition, and consumer attitude simultaneously toward purchase intention of private label product at Alfamidi Manado.
2. Perceived price influence purchase intention of private label products at Alfamidi Manado.
3. Brand recognition influence purchase intention of private label products at Alfamidi Manado.
4. Consumer attitude influence purchase intention of private label products at Alfamidi Manado.

THEORITICAL FRAMEWORK

Purchase Intention

According to Wu, Yeh and Hsiao (2011) defines purchase intention as the probability of consumer's readiness to purchase a product in near future. It is generally linked with the consumer's attitude, perception and buying behavior. It is observed that purchase intention is a very important factor for consumers when they are making decisions about buying any product (Fishbein and Ajzen in Bilal Muhammad, 2013). This is the reason why purchase intention is always considered when studying consumers' buying behavior and in order to study the factors affecting consumers buying behavior many researchers have used purchase intention as a dependant variable.

Private Label Product

Private label products are products provided by retailers under their name. They provide private labels mostly for food products like oil, sugar, ketchup and so on, and non-food like tissue, cotton bud and so on. Retailers nowadays provide private labels to attract more and more customers to shop at their retail store and prolong their existence customers to keep on coming to their store (Wu, Yeh and Hsiao, 2011). Private label product is defined as the only trademark, which can only been found on the packaging and sold in a specific chain of store in low price (Hoch, in Jaafar Siti, 2016).

Perceived Price

Price is what is sacrificed or given up to obtain a product or a service. Perceived price is a consumer's perceptions of price, and it includes sacrificed money, time cost, search cost, effort and psychic costs. The perceived relative price is the consequence of making the purchase, which is deemed to be fair, and worthwhile (Du Plessis and Rousseau in Monroe, 2012). It is the main influencing factor when consumers make a purchasing decision, and not the actual price of a product. (Lemy et al, 2013)

Brand Recognition

Brand Recognition is the amount to which a brand is recognized for acknowledged brand attributes or communications among consumer. Brand recognition will help consumer lean toward our product when given the choice between our product and one they have never heard of. According to Samiee, Shimp and Sharma, (2005) lower level of brand recognition negotiates inconsequential in choice process of the consumer and high level of brand recognition shows the saliency of brand origin. Brand recognition is one of the main sources to distinguish our product with our competitor. Freeling, in Budiman (2012) argues that "it is the recognition (brand or product name) which hangs over the company door, the name of the product, or the name that describe a service."

Consumer Attitude

Consumers' attitude is an important factor in influencing consumers' purchase intention towards private label product (Chaniotakis, Lymperopoulus and Soureli, 2010). Consumers' attitude includes 'trust in private label product', 'familiarity' and 'perceived economic situation'.

Previous Research

Yusepaldo Pasharibu, (2013) conducted the research about The Influence of Attitude and Brand Recognition toward Purchase Intention of Online Advertising On Social Networking Sites. This study was designed to provide insights into how purchase intention influenced by consumers attitude toward online advertising and brand recognition on social networking site. A survey was conducted with facebook's users to asses attitude toward online advertising on social networking sites, brand recognition, and purchase intention through this channel. The results indicated that consumers attitude toward online advertising and brand recognition on social networking site have significantly influence purchase intention with positive correlation. Attitude toward online advertising on social networking site that can be made was that respondents focused on the availability of information about a product that they can receive from the product that had been advertised on social networking site and give less attention about the advertising presentation. that attitude toward advertising on social networking site is significantly had a positive influence toward brand recognition, which means the attitude toward advertising might become make them would automatically recognize or unconsciously confirm their previous experience about that specific product. This study also found that brand recognition significantly had a positive influence toward purchase intention on social networking site.

Conceptual Framework

Conceptual framework: is the determination selected by the researcher on the problem to be examined, and gives a clue to where the purpose of his research. This conceptual framework researcher describes the relationships that occur:
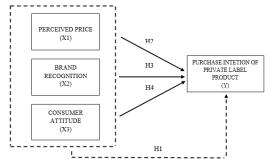

Figure 1. Conceptual Framework

Hypothesis

H1: There is a significant influence of perceived price, brand recognition, and consumer attitude simultaneously to purchase intention of private label product at Alfamidi Manado.

H2: There is significant influence of perceived price to purchase intention of private label product at Alfamidi Manado partially.

H3: There is significant influence of brand recognition to purchase intention of private label product at Alfamidi Manado partially.

H4: There is significant influence of consumer attitude to purchase intention of private label product at Alfamidi Manado partially.

RESEARCH METHODOLOGY

Type of Research

This research type is causal research in quantitative method, where it will investigate the influence of perceived price (X_1), brand recognition (X_2), and consumer attitude (X_3) on purchase intention of private label product (Y) in Alfamidi Manado. Quantitative research or quantitative method based on Sugiyono (2013) defines as research method based on positivism paradigm that used to investigate specific population or sample.

Place and Time of Research

The study will be conducted in Manado from July 2017 – September 2017.

Population and Sample

The population in this research is all customers of Alfamidi Manado. The samples in this research are customer in Alfamidi Manado. Amount of the research sample according to Hair et al, (2009) 15-25 x variables. According to that theory with 4 variables of this research times 15 (15 x 4 = 60), so samples of this research are 60 respondents.

Data Collection Method

This research used primary data and secondary data approached to gather the data, the primary data of this study gets from the result of questionnaires. The questionnaires are distributed to respondents (consumers of Alfamidi Manado) so they can respond directly on the questionnaires. There were two sections in the questionnaires that should be filled in by respondents. The first section asked about respondents' identities and the second section asked about things that related with the variables. Secondary data is taken from information or supporting data from the textbooks, journals, articles, and the internet.

Data Analysis Method

The analysis used in this research is multiple linear regrations by using SPSS program to manage data. This technique is used to determine the relationship or the relationship of variables with related variables. Independent variables consist of Perceived price, brand recognition and consumer attitude while the dependent variable is purchase intention.

RESULT AND DISCUSSION

Result Validity Test

Table 1. Validity of Variable Perceived Price

Statement	Corrected item-Correlation Total	r valid
$X_{1.1}$	0,811	0.2542
$X_{1.2}$	0,564	0.2542
$X_{1.3}$	0,753	0.2542

Source: SPSS Statistics (2017)

Based on table 1, the result of validity test of variable perceived price (X_1) above can explain that all items of statement are valid, which is bigger than r = 0.2542. And correction item – correlation total $X_{1.1}$ of 0.811 is the most valid statement compared to other X_1 statements.

Table 2. Validity of Variable Brand Recognition

Statement	Corrected item-Correlation Total	r valid
$X_{2.1}$	0,729	0.2542
$X_{2.2}$	0,463	0.2542
$X_{2.3}$	0,721	0.2542

Source: SPSS Statistics (2017)

Based on Table 2, the result of validity test of variable brand recognition (X_2) above can explain that all items of statement are valid, which is bigger than r = 0.2542. And correction item – correlation total $X_{2.1}$ of 0.729 is the most valid statement compared to other X_2 statements.

Table 3. Validity of Variable Consumer Attitude

Statement	Corrected item-Correlation Total	r valid
$X_{3.1}$	0,759	0.2542
$X_{3.2}$	0,870	0.2542
$X_{3.3}$	0,837	0.2542

Source: SPSS Statistics (2017)

Based on Table 3, the result of validity test of variable consumer attitude (X3) above can explain that all items of statement are valid, which is bigger than r = 0.2542. And correction item – correlation total X3.2 of 0.870 is the most valid statement compared to other X3 statements.

Table 4. Validity of Variable Purchase Intention

Statement	Corrected item-Correlation Total	r valid
Y_1	0,761	0.2542
Y_2	0,780	0.2542
Y_3	0,905	0.2542

Source: SPSS Statistics (2017)

Based on Table 4, the result of validity test of variable purchase intention (Y) above can explain that all items of statement are valid, which is bigger than r = 0.2542. And correction item – correlation total Y3 of 0.905 is the most valid statement compared to other Y statements.

Reliability Test
Table 5. Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X1.1	35.20	29.044	.421	.736
X1.2	34.75	33.411	.137	.764
X1.3	35.25	29.987	.401	.738
X2.1	34.78	30.749	.382	.740
X2.2	35.30	32.010	.327	.746
X2.3	35.18	31.915	.206	.762
X3.1	34.83	30.379	.413	.736
X3.2	35.72	28.749	.529	.721
X3.3	35.25	27.411	.693	.701
Y1	34.97	29.795	.524	.725
Y2	34.43	32.487	.240	.754
Y3	34.72	29.223	.422	.735

Source: SPSS Statistics (2017)

Based on reliability testing in table states the results Cronbach's Alpha = 0.755, which shows that Cronbach's Alpha > 0.6. This means that the questionnaire used to measure the variable of Perceived Price (X1), Brand Recognition (X2), Consumer Attitude (X3) and Purchase Intention (Y) is reliable.
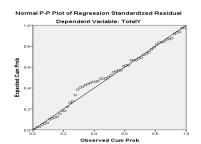
Test of Classical Assumption
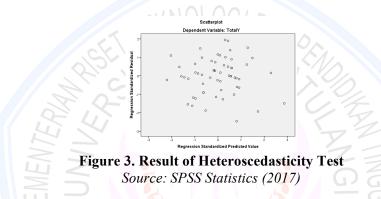**Normality**

Figure 2. Result of Normality Test
Source: SPSS Statistics (2017)

From Figure 2, it shows that the Normal P-P graphite Plot of Regression Standardized Residual describes the distribution of data around the diagonal line and its distribution follows the direction of the diagonal line of the graph, the regression model used in this study meets the normality assumption.

Heteroscedasticity

Figure 3. Result of Heteroscedasticity Test
Source: SPSS Statistics (2017)

In Figure 3 can be seen all the data spread following the diagonal line. This shows that in this multiple regression model it meets the data linearity requirements.

Multicollinearity
Table 6. Result of Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.760	1.852		2.570	.013		
	TotalX1	.147	.152	.137	.961	.340	.731	1.368
	TotalX2	.509	.179	.393	2.843	.006	.780	1.283
	TotalX3	-.044	.152	-.046	-.288	.774	.590	1.696

a. Dependent Variable: totally
Source: SPSS Statistics (2017)

Based on the results of tolerance values in table 6 it can be concluded that in this model meet the requirements of multicollinearity because the tolerance value of each variable is greater than 0.2. As for the VIF value each variable shows the value of VIF <10 so that this double regression model meets the assumption of multicollinearity.

Multiple Linear Regressions
Table 7. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.760	1.852		2.570	.013
	TotalX1	.147	.152	.137	.961	.340
	TotalX2	.509	.179	.393	2.843	.006
	TotalX3	-.044	.152	-.046	-.288	.774

a. Dependent Variable: totally
Source: SPSS Statistics (2017)

Based on table 7, by looking at beta coefficients (β) for each variable then the resulting multiple linear regression equation is as follows: $Y = 4.760 + 0.147 X1 + 0.509 X2 + (-0.044) X3 + e$. The constant value or intercept is 4.760 means that if perceived price, brand recognition, and consumer attitude are 0 (zero) or it is used; purchase intention will decrease to as much 4.760. The coefficient B1 = 0.147 is the magnitude of the regression coefficient X_1 or the perceived price, which means that any increase of one perceived price unit will increase the purchase intention by 0.147 with the assumption that the other variables studied are constant. Coefficient B2 = 0.509, is the amount of regression coefficient X_2 or brand recognition which means every increase one unit score of brand recognition will increase the purchase intention equal to 0.509 with assumption other variable in this research is constant. While the coefficient B3 = -0.044, is the magnitude of regression coefficient X_3 or consumer attitude which means each increase one unit of consumer attitude scores will increase the purchase intention of -0.044 assuming other variables in this study is not constant.

Coefficient of Determination (R$_2$ and R)
Table 8. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.407[a]	.166	.121	2.145

a. Predictors: (Constant), TotalX3, TotalX2, TotalX1
Source: SPSS Statistics (2017)

In table 7 model summary can be seen the magnitude of the coefficient of determination (r2) of 0.166. This figure shows the contribution of perceived price, brand recognition and consumer attitude to purchase intention is 0.166 or 16.6%. The rest equal to 84.4%, caused by other variable not examined in this research. While the multiple correlation coefficients (r) of the relationship model between perceived prices, brand recognition and consumer attitude toward purchase intention is 0.407. This means the ability of independent variables to explain the dependent variable is 40.7%, and the remaining 59.3% is explained by another variable not examined in this study.

Hypothesis Testing
F-test
Table 9. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.195	3	17.065	3.708	.017[b]
	Residual	257.738	56	4.602		
	Total	308.933	59			

a. Dependent Variable: totally

b. Predictors: (Constant), TotalX3, TotalX2, TotalX1
Source: SPSS Statistics (2017)

Based on Table 9 can be seen that the number F of 3.708 with a significant level of 0.017 < 0.05. Thus, H_0 which states that perceived price, brand recognition and consumer attitude has no effect on purchase intention is rejected; while accepting alternative hypothesis (H_a) which states that perceived price, brand recognition and consumer attitude affect purchase intention. With the acceptance of this alternative hypothesis then thus H_1 which states that there is a significant influence of perceived price, brand recognition, and consumer attitude simultaneously to purchase intention of private label product at Alfamidi Manado is proven.

Discussion

The results showed that there is an influence between perceived price, brand recognition and consumer attitude to purchase intention of private label product in Alfamidi Manado. This test shows that with the perceived price, brand recognition, and consumer attitude together may affect the purchase intention of private label products in Alfamidi.

The results of this test indicate that there is no influence of the perceived price on the purchase intention of someone on private label products in retailer Alfamidi. For example, at retailer Alfamidi sells their private label pens with cheap price and good quality, but they also sell well-known famous brand pens with good quality and more expensive price from Alfamidi's private label pens. Based on this research, many more customers intend to buy a pen that is familiar with good quality even though the price is expensive.

The results of this study indicate that there is a positive and significant influence on the variable introduction of the brand to the purchase intention of someone for private label products in retailers Alfamidi, this supports research conducted by Pasharibu, Purwati, and Jie, (2013).

Consumer attitude is an action that describes the consumer's beliefs and feelings about an object whether liked or not. Positive consumer attitudes toward private label products will allow consumers to purchase the brand, but instead a negative attitude prevents consumers' buying intentions, attitudes may change. The results showed that there is no influence of consumer attitudes on the intention to buy someone for private label products in Alfamidi.

CONCLUSION AND RECOMMENDATION

Conclusion
The conclusions of this research can be seen as follows:
1. There is a significant influence of perceived price, brand recognition, and consumer attitude simultaneously to purchase intention of private label product at Alfamidi Manado.
2. There is no significant influence of perceived price to purchase intention of private label product at Alfamidi Manado partially.

3. There is significant influence of brand recognition to purchase intention of private label product at Alfamidi Manado partially.
4. There is no significant influence of consumer attitude to purchase intention of private label product at Alfamidi Manado partially.

Recommendation

   For the next researcher, it is better to reproduce the reference source of the research object and the variables that affect the purchase intention for the private label product. This is because the perceived price, brand recognition, and consumer attitudes are able to explain 16.6% of the intention to buy and still have the rest of 83.4% which can be explained by the variables or other objects that are not meticulous in this study. Therefore, for further research to further deepen what factors can affect consumer purchase intention in buying private label products in order to influence and refine the results of this study.

REFERENCE

Alfamidi. 2017. *Company Profile*. From: http://alfamidiku.com. Accessed 22 March 2017

Bilal, M. 2013. Factors Influencing Consumers Purchase Intentions Towards. *JISR-MSSE*. Vol. 11, Number 2. Page 19

Budiman, 2012 : *Analysis of consumer attitudes to purchase intention of counterfeiting bag product in Indonesia*, International Journal of Management, Economics and Social Sciences (IJMESS), Vol. 1, Issn. 1, pp. 1-12, http://hdl.handle.net/10419/62013. Accessed 19 May 2017.

Chaniotakis, I.E., Lymperopoulos, C., and Soureli, M., 2010. *Consumers' intentions of buying own-label premium food products*. Journal of product and Brand Management. Vol 19(5). pp.327-334.

Conroy. P. 2010. Brand loyalty and the impact of private label products. Deloitte Debates, Available from: http://www.deloitte.com/us/brandloyalty. Accessed 28 May 2017.

Kotler, P., and Keller., K., L., 2009. *Marketing Management Pearson Education International*, 13th. Ed. Page 45

Kusum L. Ailawadi and Kevin Lane Keller. 2004. *Understanding retail branding: conceptual insights and research priorities*. Journal of Retailing. Volume 80, Issue 4, 2004, Pages 331-342

Lemy, D. M., Bernarto, I., & Tulung, Joy Elly. (2013). Pengaruh Bauran Komunikasi Pemasaran Jasa Terhadap Proses Pengambilan Keputusan Mahasiswa Memilih Perguruan Tinggi Swasta di Sulawesi Utara. Jurnal Manajemen: Derema

Monroe, K.B. 2012. *Price and customers' perceptions of value*. Visionary Pricing: Reflections and Advances in Honor of Dan Nimer, Advances in Business Marketing & Purchasing, 19:129-152.

Samiee, S., Shimp, T.A., and Sharma, S. (2005). Brand origin Recognition Accuracy: Its Antecedents and Consumer Cognitive limitation. Journal of International Business, 34(4), 379+

Siti Nurafifah Jaafar, Pan Ein Lalp and Mohaini Mohamed. 2016. *Consumers Perceptions, Attitudes and Purchase Intention towards Private Label Food Products in Malaysia*. Asian Journal of Business & Management Science (JBMS). ISSN : 2047-2528 from: http: // www.ajbms.org/journal_abstract.php?c_id=199

Wu, P., Yeh, G. Y. Y., and Hsiao, C. R. 2011. *The effect of store image and service quality on brand image and purchase intention for private label brands*. Australasian Marketing Journal, 19(1), 30-39.

Yusepaldo, P., Yenny, P., and Ferry, J. 2013. *The Influence of Attitude and Brand Recognition toward Purchase Intention of Online Advertising on Social Networking Sites*. Semantic Scholar, Available from: https://www.semanticscholar.org/paper/The-Influence-of-Attitude-and-Brand-Recognition-to-Pasharibu/f7256d72ff938c301b1b9c8968420ef8b5f2ee53?tab=abstract. Accessed 29 August 2017