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# The important role of consumer conviction value in improving intention to buy private label product in Indonesia

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## ABSTRACT

The purpose of this study is to investigate the price perception, perception of quality, attitudes toward consumer conviction value and intention to buy private label. Seven hypothesis were developed and tested using the data collected from consumers who have tried private labels in Indonesia. The Data was analyzed by SEM to test all the hypotheses. Four of all hypothesis were significant. The novelty of the model gave proof that consumer conviction value could be a bridge of the research gap between attitudes and intention to buy. Perception quality of private label towards intention to buy was rejected from this empiric research. The empiric research gives a challenge for private label to further improve the quality of their products to align with the national brands and then it can increase intention to buy private label.

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## 1. Introduction

Generally, companies give their products' brand with national label or private label (Dawes & Nencyz-Thiel, 2013). Private labels are often used by retailers, sellers or distributors, in which they are known as home brands, store brands or own label brands (De Wulf, Odekerken-Schroder, Goedertier, & Van Ossel, 2005). Usually, private labels will use the name of the retailers, sellers or the distributors (Boyle & Lathrop, 2014; Hyman, Kopf, & Lee, 2010; Walsh & Mitchel, 2010). Beneke and Carter (2015) defined private label brands as brands sold exclusively through certain retailers. (see Fig. 1).

Increasing of modern retailers' growth, employers must find chances and creativities towards their competitive excellences and catch the society's intention by shopping in their retailers. Private label does not develop only in Indonesia, Ngobo (2011) explained that the use of private labels becomes very important in some countries in Europe including Switzerland (54%), Germany (40%),

and France (32%). One of creative and innovative efforts is by selling a number of their own brands (private label).

Supermarkets have increased the use of private labels in their marketing strategies (Pepe, 2012). Private labels become the source of benefit for the supermarkets and threaten national brands (Quelch & Harding, 1996). Some researchers explained that private label could increase the consumers' decision to buy (Nies & Natter, 2012), increase store loyalty, control distribution channel and increase consumers' loyalty (Ailawadi & Keller, 2004; Ailawadi & Steenkamp, 2008; Levy & Weitz, 2007; Patti & Fisk, 1982; Richardson, Jain, & Dick, 1996). The more increasing of private labels' quality will increase the store market (Sudhir & Talukdar, 2004), market share (Erdem, Zhao, & Valenzuela, 2004), store image (Nies & Natter, 2012) and intention to buy private label (Richardson et al., 1996; Semeijn, Van Riel, & Amrosini, 2004). Private label is also able to increase the competitiveness (Corstjens & Lal, 2000). Private label will increase store loyalty and profitability compared to national brands (Collins-Dodd & Lindley, 2003) through increasing gross margin (Corstjens & Lal, 2000; Ward, Shimshak, Perloff, & Harris, 2002).

The empiric studies concerning private label take attention of researchers to explore many things related to them. The products of private label are acknowledged to have jump and rapid growth in many countries so they attract the researchers' attention to see this

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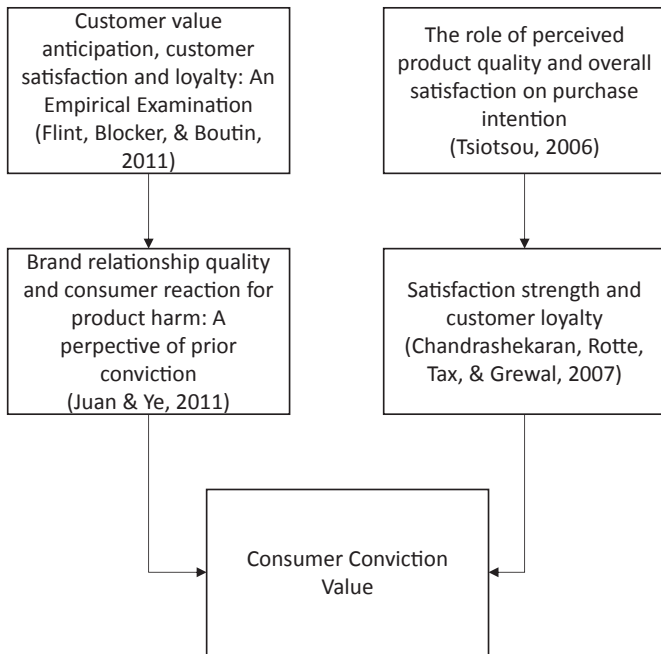


Fig. 1. Epistemology of Consumer Conviction Value.  
Source: Developed for this research

from various perspective of consumers. [Abril and Martos-Partal \(2013\)](#) examined the innovation of private label products and shop loyalty. Meanwhile, some researchers examined consumers' attitude and buying intention towards private label ([Burton, Lichtenstein, Netemeyer, & Garretson, 1998](#); [Garretson, Fisher, & Burton, 2002](#); [Walsh & Mitchel, 2010](#)).

In the study of consumers' attitude, there are still different results which can be restudied and developed for their models to relate these different results. There are positive and significant relationship between consumers' attitude and intention to buy shown by the research done by [Garretson et al. \(2002\)](#) and [Burton et al. \(1998\)](#), by examining consumers' attitude towards supermarket for daily needs in United States, with positive result of attitude towards private label and intention to buy the products as priority of supplying consumers' needs. Another research which was in line with the result of the previous researches was done towards three products category including orange juice, cereal, and mineral water ([Goldsmith, Flynn, Goldsmith, & Stacey, 2010](#)). The result shown by this research had positive relation between consumers and intention to buy toward those three product categories compared to the same product categories with national label. The survey was conducted towards 300 respondents in United States.

The research conducted by [Walsh and Mitchel \(2010\)](#) showed different result. The research were done by supermarket in Germany involving 600 consumers with foru product categories (bread, chocolate, popcorn, and granola bars). It showed different result. The consumers' attitude towards private label did not influence positively and significantly towards the product categories, while the attitude indicators in these researches were similar with the scale developed by [Burton et al. \(1998\)](#).

In Indonesia, the attractive power of private label consists of qualities, and the price of private label becomes the most important element in consumers' decision making to buy the private labels ([Untung, 2013](#)). The consumers believe that well standardized qualities and competitive price become important parts in decision making to buy the private label. Basically, Indonesian consumers are very sensitive with price. The cheaper price with the same

quality will tend to be bought by the consumers. [Rahayu, Hussein, and Aryanti \(2016\)](#) examined private labels in Malang, Indonesia. The result showed that perceived value and store image became important part in improving the loyalty of private label usage. [Maulana \(2012\)](#) believed that perceived value had to reveal equal benefits with the cost spent by the consumers.

The researches of private label done in many countries give reference to be done in Indonesia or other countries which have examined it and experience high development of private label relatively. This also support the researches done in Indonesia where the development of private label products has improvement in its quantities and labels offered and refers to the gap of research of consumers' attitude towards intention to buy the private label products.

The purposes of this study are as follows:

1. To analyze the influence of consumers' attitude towards their intention to buy the private label.
2. To analyze the perception of private label quality towards intention to buy private label.
3. To analyze the price of private label towards intention to buy private label.
4. To analyze consumers' attitude on private label towards the value of consumers' conviction.
5. To analyze the perception of private label qualities towards the value of consumers' conviction.
6. To analyze the perception of private label price towards the value of consumers' conviction.
7. To analyze the value of consumers' conviction towards their intention to buy private label.

## 2. Literature review

### 2.1. The epistemology of consumer conviction value

The research gap from various empiric studies between consumers' attitude and intention to buy private label products enables it to be further developed to encounter both sides. The building of renewal concept in form of consumer conviction value refers to empiric research related to the importance of marketers' understanding in learning process and development of dynamic knowledge of customers towards the newest values which become customers' standard in considering a good product ([Flint, Blocker, & Boutin, 2011](#)). The need of endurance in competitive excellence requires the companies and marketers to know in detail the consumers' expectation and the degree of their satisfaction. The concept of customer value anticipation becomes a strong connector between customers' satisfaction and loyalty. While the researches referring to the importance of consumers' quality of relation towards brands are very influenced by consumers' conviction of previous experience ([Juan & Ye, 2011](#)).

The research of the influence of quality perception and whole satisfaction towards consumers' intention to buy shows that there are direct and indirect influences of consumers' involvement towards their intention to buy ([Tsiotsiu, 2006](#)). The consumers' active involvement is realized as unique activator towards consumers' intention to buy. The research of the strength of satisfaction influence towards consumers' loyalty behavior gives a proof that there is strong relation in these ([Chandrashekar, Rotte, Tax, & Grewal, 2007](#)).

Consumer conviction value in private label is needed as consumers' booster and activator in deciding to buy and conducting other actions more actively. In consumer conviction value, the consumers will come to the next active action, that is intention to

buy private label products, supported by conviction on price perception, conviction on quality perception, conviction that gaining information is right action, and conviction that private label brand is equal with national brands which has been previously in market.

We identified consumer conviction value as considered strength felt by consumers related to the next follow up that is intention to buy private label product after the consumers feel being convicted enough by price perception, high conviction towards quality perception, conviction that gaining information is right action, and conviction that private label brand is equal with the existing national brands.

## 2.2. Price perception and private label quality

At the beginning, private label presents low price and less quality compared to national brands (Goldsmith et al., 2010). This is caused by it wants to fulfill budget segment (Boyle & Lathrop, 2014). In its development, those perceptions change (Rossi, Borges, & Bakpayev, 2015). Private label develops towards various retails (Boyle, 2003; Liljander, Polsa, & Van Riel, 2009). Private label is positioned as “good”, “better”, and “best” products (Geyskens, Gielens, & Gijbrecchts, 2010). The impact of the improvement of private label quality is that the consumers begin to change their evaluation towards private label (Mendez, Oubina, & Rubio, 2008).

Quality perception towards private label is convicted by the practitioners and various empiric research literature to have tendency to more develop and increase (Walsh & Mitchel, 2010). The quality of private label is compared to national brands and it is getting equal and not different enough. This becomes plural things considering more various choices of products require the owners of retail brand to advance the quality by attractive price in order to get consumers' intention to buy (Goldsmith et al., 2010).

Price perception which is according to private label products will be in line with the intention to get adequate product quality. Consumers' attention is simultaneously good for price-quality becomes main attention for retailed company in making and offering their private label products. Private label products will be always compared to national products so it must have excellences to catch consumers' attention to choose private label products. The approach of low price excellence, and low risk of product will support the consumers have intention to buy in trying and buying the PLB products (Boyle & Lathrop, 2014; Tsiotsiu, 2006).

## 2.3. The consumers' attitude towards private label

The understanding of consumers' attitude refers to tendency of consumers' perception particularly towards private label (Walsh & Mitchel, 2010). There are three consumers' attitude builders towards private label products, they are consumer price perception, marketing constructs, and deal proneness constructs. Price perception becomes the first factor of builder towards consumers' attitude, price consideration, values, and comparison between quality and price which gives support for consumers' attitude towards private label. The conviction that private label should be under the price of national brand product, has been coherent thing inside, so the consumers will receive different qualities offered by private label from national brands with their lower required price (Burton et al., 1998). While marketing constructs which give positive booster for consumers is self-perception as smart learners, the existence of private label choices that give chances for consumers to choose the products that supply their needs. For other dimension of brand loyalty, and shop brand which provides private label, impulsive purchase and avoiding risks considered to have negative support towards consumers' attitude towards private label. These

factors weaken consumers' attitude caused by the strength of consumers' perception towards national branding which has had strong position in consumers' heart (Burton et al., 1998). The next supporting factor is deal proneness constructs which affirms consumers' attitude will be positive towards private label caused by consumers' conviction with lower price compared to national branding and offered every time, so it forms good and positive attitude towards private label.

## 2.4. Intention to buy private label

Intention is important construct which can cause a certain action. Intention is predictor of actual behavior (Ajzen, 1991). In the context of purchasing, intention to buy is precedent step from indulging in the actual buying behavior (De Magistris & Gracia, 2008). Intention to buy represents a possibility which will plan of have desire to buy products or services in the future (Wu, Yeh, & Hsiao, 2011). Consumer purchase intention refers to the attempt to buy a product or service (Diallo, 2012).

## 3. Hypothesis

### 3.1. The impact of consumers' attitude towards intention to buy private label

Consumers' attitude is a tendency to respond product existence, private label products, which positively becomes supporting power for consumers to indulge in purchasing. This can be understood by Planned Behaviour theory perspective (Ajzen, 1991), consumers will have consistent attitude, mainly positive attitude towards certain object, so it will relate to private label too. This positive attitude is shown by consumers in various categories of private label products (PLB) which have tendency to have higher sale section in each retail shop. The impact of this positive attitude and intention is larger on various product categories which have low social risks such as salt, wheat, sugar, and others (Walsh & Mitchel, 2010). It is different from the products used by the consumers to socialize with others (such as wine, cakes, coffee, and others), so private label has lower position in consumers' heart. It is consistent with Planned Behaviour theory, that consumers with positive attitude towards private label will have influences on intention to buy the products (Ajzen, 1991). Consumers' positive feelings and attitude toward a product/service or private label store will influence his/her purchase intention (Das, 2014).

Based on the explanation, we propose some hypothesis as follows:

**H1.** Consumers' attitude towards private label is able to increase intention to buy significantly.

### 3.2. The perception of quality of private label towards intention to buy private label

The perception of quality towards private label is believed by practitioners and various empiric research literature has tendency to develop and increase (Walsh & Mitchel, 2010). The quality of perception is consumers' assessment towards the excellence of the whole products and/or excellence (Erdil, 2015). The quality of perception is a way consumers assess certain products by relating on their consumption experience (Kakkos, Trivellas, & Sdroloas, 2015). Cronin, Bradt, and Hult (2000) explained that quality perception will increase consumers' intention to do purchasing.

The quality of private label is compared to national brands has more equality and not too much different. This becomes plural thing considering more various choices of products which asks the

owner of retail brand to advance the quality with attractive price to get consumers' desire to buy (Goldsmith, Flynn, Goldsmith, & Stacey, 2010). Study conducted by Nencycz-Thiel and Romaniuk (2011) explained that only 8% of England market and 20% from Australia market refuse private label. One of the reason for refusal is the low quality of the private labels. The quality of the product will support the consumers' attitude that more qualified product will cause ore consumers' intention to buy and superior sensory perceptions (Ailawadi & Keller, 2004; Bao, Bao, & Sheng, 2011; Batra & Sinha, 2000; Das, 2014).

Based on the explanation, we propose *hypothesis 2* as follows:

**H2.** The perception quality of private label can improve intention to buy private label significantly.

### 3.3. *The price perception of private label towards intention to buy private label*

Price is considered as indicator of product cost and important parameter in marketing literature (Erdil, 2015). Consumers' usual price perception plays role and influences customers' satisfaction and next purchase (Heo & Lee, 2011). Creating relative lower price perception, retailers try to have positive influences towards consumers' loyalty towards store brand (Beristain & Zorrilla, 2011). One of consumers' reasons to refuse price label is price listing (Rao, 2005). Other researches explained that price is important reason to buy private brand (Batra & Sinha, 2000; Burton et al., 1998; Sinha & Batra, 1999).

Based on the explanation, we propose *hypothesis 3* as follows:

**H3.** Price perception of private label can increase intention to buy private label significantly.

### 3.4. *Consumers' attitude, quality perception, and price perception towards private label towards consumers' conviction value*

Consumer conviction value in private label is needed as consumers' support and activator in deciding to buy and conducting actions more actively. In consumer conviction value, consumers will come to next active action, that is intention to buy private label, supported by conviction on price perception, conviction that gaining information is the right action, and conviction that private label brand is equal with national products which have existed in market.

As the previous explanation, the benefit gained by retailers by the existence of PLB production that is increasing the whole profit in product categories, increasing gross margin on PLB is higher than national brand, and the ability of retailers make difference compared to the other competitor retailers. The benefits gained by retailers which will support the whole increasing marketing strategy increase consumers' loyalty to choose private label in related retailers. The strategy of quality correction, packaging, promotion become part of marketer's efforts to guarantee the quality improvement, consistency, and value for customers (Goldsmith et al., 2010; Walsh & Mitchell, 2010).

Price perception is subjective interpretation relating to product's monetary value such as if the product is cheap or expensive (Beneke & Carter, 2015).

Based on the explanation, we propose hypothesis 4, 5 and 6 as follows:

**H4.** Consumers' attitude towards private label will increase the conviction value significantly.

**H5.** Quality perception on private label will increase consumers' conviction value significantly.

**H6.** Price perception on private label will increase consumers' conviction value significantly.

### 3.5. *Consumers' conviction value towards intention to buy private label*

Value is felt to have key role in consumers' decision and willingness to gain product possession (Grewal, Krishnan, Baker, & Borin, 1998). Consumers will more believe private label as choice for them to buy excellently. This conviction will become supporter and activator for consumers to do next proactive action that is to have intention to buy private label product (J.Boyle & Lathrop, 2013).

Based on the explanation, we propose hypothesis as follows:

**H7.** Consumers' conviction value will increase consumers' intention to buy private labe significantly.

## 4. Research method

### 4.1. *Population and sample*

This research used survey research plan to analyze population by selecting and analyzing samples drawn from population to find relative events, distribution, and relation among the variables. The population in this research were consumers who bought private label product in retail shops in Indonesia. The growth of retail industry in Indonesia experiences rapid growth. Recently, the growth of retail with big, medium, and small scales increase in line with the consumers' needs and providing the needs of products through purchases in provided shops (see Table 1).

Private labels in retail shops used as research place experience good development in product categories or offered product variant, like resumed in Table 2 about various types of private label products in various retail shops. This research was conducted in various shops providing various private label products, while shops used as places from which the respondents data taken, it was similar to retail shops in Table 2, they are Carrefour, Hypermart, Indomaret, Alfamart, Superindo, Giant, and Lottemart. The sample was acquired by purposive method, that consumers have purchased private label more than twice on private label brand and convenience method, a number of consumers met when they were shopping in some retail shops.

The number of target samples would be distributed was 200 according to sample measurement guideline for maximum Likelihood Estimation technique, the chosen respondents were consumers who were met when they were shopping in those retail shops. From 200 samples, 188 samples which could be collected and fulfilled the requirements to be analyzed were 181 respondents.

The characteristics of respondents' demographic gender, age, last education, status, and monthly income. The resume is as follows:

The above table showed that respondents in this research for female respondents were more than male respondents, with the greatest age group 17–20 years, and most of them graduate from senior high school and it is clear that most of respondents were still university students or did not continue their study, but they work in their own fields.

**Table 1**  
Respondents' demographic characteristic.

Characteristics	Frequency	%
Gender:		
Male	87	48.07
Female	94	51.93
Age:		
17-20 years old	55	30.39
21-30 years old	43	23.76
31-40 years old	45	24.86
41-50 years old	38	20.99
Last Education:		
High School	101	55.80
Bachelor	77	42.54
Magister	2	1.10
Others	1	0.55
Status:		
Unmarried	112	61.88
Married	69	38.12
Weekly Income:		
1-2 millions	79	43.65
2-4 millions	63	34.81
4-6 millions	39	21.55
Occupation:		
Private Employee	39	21.55
Entrepreneurs	28	15.47
University students	76	41.99
House Wife	38	20.99

#### 4.2. Measurement

In this study, each question was measured with 10 scales. Every answer near to 1 was "very disagree" and near 10 was "very agree". The following measurement is as follows:

*Quality Perception on Private Label.* Quality Perception on Private Label is defined as consumers' assessment towards the whole quality of private label products. This research indicators were adopted from Walsh and Mitchel (2010), such as: (1) Private label products' quality was consistent/kept; (2) Private label product was made well; and (3) Private label products have had quality standard according to the category product.

*Consumers' attitude of private label.* Consumers' attitude of private label is defined as tendency of consumers' perception, particularly positive attitude on certain object that is private label. Consumers' indicator attitude on private label was adopted from Burton et al. (1998), such as: (1) Willingness if desired private label is existed and (2) Choosing private label product for almost all product categories.

*Price perception of private label.* Price perception of private label

is define as consumers' assessment on the number of Rupiah that must be paid by consumers for purchasing private label product. The indicators of price perception of private label were adopted from Walsh and Mitchel (2010), such as: (1) Price is proper for private label product; (2) Buying private label product is more economic than national brand; and (3) Price of private label product is in accordance with the offered quality.

*Consumer conviction value.* Consumer conviction value is defined as true conviction from consumers on various considerations as supporter of next active actions towards private label. We propose two indicators from consumers' conviction as follows: (1) Believe the real good quality of the needed private label product and (2) Believe the true private label product is proper to be placed next to national brands.

*Intention to buy private label.* Intention to buy private label is encouragement towards consumers' attitude to try, to buy, to consume private label product which is available in retail shops they visit. The indicators of intention to buy private label were adopted from Walsh and Mitchel (2010), such as: (1) If the consumers need a category of certain product, they have intensity to gain the information on the private label product and (2) Have desire to buy private label product needed.

#### 4.3. Data analysis

Descriptive statistic analysis was used to describe the characteristic of respondents, sample, and research variables. To describe the demographic characteristic from the respondents from various ages, education, gender, number of income, number of family members, and others. It also discussed respondents' responds towards construct indicators studied in this research. To do the analysis towards the hypothesis from research model developed in this research, we used structural equality model (SEM) technique. Amos version 20 was used to analyze the data.

### 5. Result

#### 5.1. Goodness of fit

The Chi-square score was 51.516, Prob. was 0.267, GFI was 0.957 AGFI 0.928, CFI was 0.988, TLI was 0.982, CMIN/DF was 1.120 and RMSEA was 0.026 have fulfilled the requirements of fit structural model test, so model analysis could be done to test the proposed hypothesis.

#### 5.2. The result of hypothesis analysis

Analysis of full structural model done by AMOS program gives

**Table 2**  
The result of hypothesis examination.

Nu.	Hypothesis	CR	p	Explanation
H1	Consumers' better attitude means consumers' higher intention to buy private label brand.	1.149	0.628	rejected
H2	Consumers' higher quality perception towards private label brand means consumers' higher intention to buy private label brand.	-0.484	0.250	rejected
H3	Consumers' better perception on private label brand means consumers' higher intention to buy private label brand.	-2.858	0.004	rejected
H4	Consumers' better attitude towards private label brand means higher value of consumers' conviction towards private label brand.	4.396	***	accepted
H5	Consumers' higher quality perception towards private label brand means higher value of consumers' conviction towards private label brand.	0.815	0.415	Rejected
H6	Consumers' better perception towards the price of private label brand means higher value of consumers' conviction towards private label brand.	2.035	0.042	Accepted
H7	Consumers' higher value of consumers' conviction towards private label brand means higher intention to buy private label brand.	2.382	0.017	Accepted

explanation towards proposed hypothesis. The followings are the explanation for the hypothesis analyzed in this research:

Estimation parameter to examine consumers' attitude towards intention to buy private label product showed significant result with  $cr$  value 1.149 and probability 0,250. The value did not fulfill the requirements of accepted hypothesis because  $cr > 1.96$  so hypothesis 1 was not accepted. The result showed that customer attitude have positive and significant effect on intention to buy private label. This result supported the previous research result of Walsh and Mitchel (2010), that there is not significant relation between consumers' attitude and consumers' intention to buy private label brand.

Estimation parameter to examine the impact of consumers' quality perception towards intention to buy private label product showed not significant result with  $cr$  value  $-0.484$  and probability 0.628. The score did not fulfill the requirements of accepted hypothesis because  $cr < 1.96$  with significance degree more than 0.01 that means hypothesis 2 was not accepted. This hypothesis was not in line with the previous result (Burton et al., 1998). (Goldsmith et al., 2010; Walsh & Mitchel, 2010), in this empiric research, consumers had not had agreement with brand owner that private label brand is considered having not had equal quality with national brands. Private label is still considered as retail product which has lower quality than national brand.

In this hypothesis, estimation parameter to examine impact of consumers' perception of price towards intention to buy private label product showed significant result with  $cr$  score  $-2.858$  and probability 0.004. The score did not fulfill the requirements of accepted hypothesis because  $cr > -1.96$  with significance degree 0.05 that means hypothesis 3 was not accepted.

The hypothesis related to renewal model, consumer conviction value for Hypothesis 4 until Hypothesis 7 are as follows:

In Hypothesis 4, estimation parameter to examine the impact of consumers' attitude towards consumers' conviction towards private label product showed significant result with  $cr$  score 4.396 and probability 0.000. The score fulfilled the requirements of accepted hypothesis because  $cr > -1.96$  with significance degree 0.01 that means it is not reasonable to refused hypothesis 4. The result stated that consumers' better attitude towards private label product means consumers' higher conviction towards private label brand.

Hypothesis 5, estimation parameter to examine consumers' quality perception of consumers' conviction value towards private label product showed not significant result with  $cr$  score, 815 and probability 0.415. The score did not fulfill the requirements of accepted hypothesis because  $cr < -1.96$  that means that it is reasonable to refuse hypothesis 5.

Hypothesis 6, estimation parameter to examine the impact of price perception on consumers' value conviction towards private label product showed significant result with  $cr$  score 2.035 and probability 0.042. The score fulfilled the requirements of accepted hypothesis because  $cr > -1.96$  with significance degree 0,05. It means it is not reasonable to refuse hypothesis 6. The result stated that better price perception towards private label product means consumers' higher value of conviction towards private label brand.

In hypothesis 7, estimation parameter to examine the impact of score of consumers' conviction towards consumers' intention to buy private label product showed significant result with  $cr$  score 2.382 and probability 0.017. The score fulfilled the requirements of accepted hypothesis because  $cr > -1.96$  with significance degree 0.05 that means it is not reasonable to refuse hypothesis 7. The result stated that consumers' better value of conviction towards private label product means consumers' intention to buy private label brand.

The summary of hypothesis examination is as follows:

## 6. Discussion

The result of this study showed that consumers' attitude could not increase intention to buy private labels. This research result was contradictive with planned behavior theory (Ajzen, 1991). Planned behavior theory said that attitude is very influent for intention. This research result was also contradictive with some researches explaining consumers' attitude which could increase someone's intention to use private label (Chaniotakis, Lympelopoulous, & Soureli, 2009, 2010; Das, 2014; Jin & Suh, 2005). This result supported the result of previous research from Walsh and Mitchel (2010), that there was not significant relation between consumers' attitude and consumers' intention to buy private label brand, and this result needed to be accommodated by variable renewal examined in this model. There were some reasons that attitude could not increase someone's intention to buy private product. Firstly, private label products were not interesting. Private label product tends to imitate the existing products without innovation, so consumers in Indonesia see private labels products monotonous and not interesting. If private label had interesting perception, consumers would have positive attitude towards private label. This positive attitude will reduce intention to buy on manufacturer brand (Walsh, Shiu, & Hassan, 2012) and will increase intention to buy private label.

Quality perception is one of important variables to evaluate private label (Dick, Fain, & Richardson, 1997). Quality perception can not increase intention to buy private label. This research result was different from the previous result (Ailawadi & Keller, 2004; Bao et al., 2011; Batra & Sinha, 2000; Das, 2014). There were some reasons that quality perception can not increase intention to buy private label. First, consumers in Indonesia still believe that manufacturer brand is more qualified than private brand. In consumers' perception, the quality of private label is still under manufacturer brand (Wibisono, 2014) so higher quality can not influence significantly towards intention to buy private label. Secondly, perceived price should be able to increase intention to buy private label (Jin & Suh, 2005). Perceived price was also one of important factors to buy private labels (Batra & Sinha, 2000; Burton et al., 1998; Sinha & Batra, 1999). This research result was different from the result of previous research. Price can not increase intention to buy private product, and it has negative impact. There are some possibilities why price can not increase private label. First, private label's price in Indonesia tends to be cheaper compared to manufacturer brand. Cheap price usually has lower quality perception. It is because it reduces the cost to make the price cheap, consumers have perception that the quality is also reduced. That is what makes people tend to buy manufacturer product compared private product.

This research result found that consumers' better attitude and consumers' perception on private label brand (PLB) price means consumers' higher value of conviction towards private label brand (PLB). Other results explained that perception of quality was not significant towards consumers' intention to buy private labels. It can be concluded that retail industry in Indonesia, supporting factors for consumers' conviction value are consumers' attitude and their perception towards private label brand, while quality perception is not a kind of supporting factors for increasing private label. The result of this research showed that consumers' positive attitude is related to consumers' conviction value and price on private label brands in retail industry. There are positive acceptance along with availability and easiness to get private label brands in retail shops as a common place for consumers to buy. This research also showed that consumers' perception towards the quality of private label has not been accordingly with the retail owners' desire. This becomes a challenge for brand owner to fix and give

same quality with existing national brands. Consumers are getting easy to get things they want in retail shops. It demands private label owners to advance quality guarantee which is similar with national brands, so private labels will be considered positively in consumers' heart. This can support consumers to get brand choices they can choose and private label can get same chance with national brands in consumers' heart, so loyalty towards private label will be higher too.

Consumers' value of conviction can increase intention to buy private labels. The measurement of consumers' conviction, such as: (1) Believe the true good quality of needed private label products and (2) Believe the true private label product can be compared to national brands. Consumers must be sure on private label. One of the ways to make consumers be convicted is they understand the risks of using private label. Some literature explained that perceived risk can influence attitude to buy private labels (Glynn & Chen, 2009). When the consumers are not sure with private label have perception of big risks, so it can reduce someone's intention to buy private labels. Bhukya and Singh (2015) explained that there are 4 risks to be considered by consumers. They are perceived functional risk, perceived financial risk, perceived physical risk, and perceived psychological risk. Minimum risks and higher value of consumers' trust means that consumers' intention to buy is higher.

This research gave theoretic contribution. First, this research appeared novelty, a value of customers' conviction. In private label, value of customers' conviction is one of important factors to increase customers' intention to buy private label brands. The measurement of consumers' value of conviction are: (1) Believe the true good quality of needed private label and (2) Believe the true of private label product that can be compared to national brands. Secondly, in the context of retail industry in Indonesia, attitude, price perception, and quality perception cannot increase customers' intention to buy private label brand. This research result was different from the previous research because the previous research explained that attitude, price perception and quality perception can increase intention to buy private labels.

This research also gave managerial implication. Manager must be able to increase customers' value of conviction because customers' value of conviction can increase customers' intention to buy private label brands. The way to increase intention to buy are focus on customers' attitude and perception on price. The way to increase customers' positive attitude towards private labels is by more advertising for private label. Private labels in Indonesia is rarely published or advertised. This is what makes people do not understand the quality of private label in Indonesia. Private labels is only identical with adopted product with no significant innovation. Communicate that private label product is a product which has cheap perception compared to national products. Indonesian tend to like cheap products. Therefore, communication is important to increase consumers' attitude and perception towards price.

## 7. Limitation and future research

Basically, every research has some limitations. First, this research only focus on supermarket retail industry and franchise retail industry. Beside it, there are many industries which have private label brand. Secondly, it gives less attention on moderator variables and control.

Suggestions for the next research are: first, search private labels for shopping good. There is possibility that the result will be very interesting for science. Secondly, use quality perception variable as moderating variable. In this research, it was found that quality perception can not increase consumers' conviction value and intention to buy private labels. Therefore, use that variable as moderating.

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