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THE RELATIONSHIP BETWEEN PERCEIVED VALUE
AND CONSUMERS’ PURCHASE INTENTIONS OF
PRIVATE LABEL WINE BRANDS

By

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Master's in Tourism and Hospitality Management
RESEARCH DISSERTATION

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31 October 2014

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DECLARATION

I certify that the dissertation submitted by me for the degree Master’s (Tourism and Hospitality Management) at the University of Johannesburg is my independent work and has not been submitted by me for a degree at another University.

DALEEN OOSTHUIZEN
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The primary objective of this study was to determine the relationship between perceived value and the purchase intentions of consumers relating to Private Label Brands (PLBs) of wine within the retail sector in South Africa. Private Label Brands (PLBs), also referred to as store brands or house brands, are defined as products that the retailer owns, sells and distributes to consumers. Producer brands, which are also known as manufacturer or national brands, are made by a specific brand name company or producer.

If retailers can successfully influence the perceived value of their PLB wines, it will allow them to influence consumers’ purchase intentions and increase their profits and market share. This study adds value to the limited research that is available on the perceived value of PLB wines in South Africa, and the effect that it has on consumers’ purchase intentions. The study provides valuable insight for Mass Grocery Retailers (MGRs) on how to effectively market their PLB wines in order to capture a larger market share, and gain a competitive edge over their brand name rivals. This study aimed to investigate the moderating role of perceived value on consumers’ purchase intentions of private label wine brands. Perceived relative price, perceived quality and perceived risk comprise the concept of perceived value, which affects consumers’ purchase intentions. These aspects in the wine purchasing decision have not been researched extensively in South Africa and in order for MGRs to take advantage of the unique growth opportunity that the PLB market has to offer, in-depth research needed to be conducted.

A quantitative, descriptive, survey-based research approach was implemented to accomplish the research objectives. Participants across the North, East, South and West of Johannesburg were selected by the fieldworkers via a non-probability convenience sampling method. The participants for this study were not limited to a certain race, gender or income group, but they were required to be 18 years and older. The quantitative data for this descriptive study was collected via a self-administered structured questionnaire, and was analysed by using the SPSS 22 statistical programme. In total, 250 questionnaires were used for analysis. The data analysis included an Exploratory Factor Analysis (EFA) and a simple linear
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regression analysis. The results of the simple linear regression analysis indicated that the overall perceived relative price and overall perceived product quality of PLB wines influenced the overall perceived value. Furthermore, the results suggested that there was a significant positive relationship between overall perceived value and consumers’ overall purchase intentions of PLB wines. It was recommended that MGRs should adapt their PLB marketing and pricing strategies based on the findings of this study in order to change consumers’ overall perceived value and overall purchase intentions with regard to PLB wines.

**Keywords:** Mass grocery retailer, perceived value, private label brands, purchase intentions, wine.
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<thead>
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<tbody>
<tr>
<td>ed.</td>
<td>Edition</td>
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<td>EFA</td>
<td>Exploratory Factor Analysis</td>
</tr>
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<td>et al.</td>
<td>and others</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>MGR</td>
<td>Mass Grocery Retailer</td>
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<td>PLB</td>
<td>Private Label Brand</td>
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<tr>
<td>SAWIS</td>
<td>South African Wine Industry Information and Systems</td>
</tr>
<tr>
<td>UJ</td>
<td>University of Johannesburg</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<td>USA</td>
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List of Definitions and Keywords

Mass Grocery Retailers (MGRs): The biggest supermarket retailers in South Africa with regards to market share, namely Pick n Pay, Shoprite Checkers, SPAR and Woolworths.

Perceived value: Created when consumers consider that the sacrifice that they made to purchase a product was worthwhile in light of the advantages that they gained from that product and the quality of the product, which they experienced. The perceived value of a product comprises three interlinked factors: the perceived relative price; the perceived quality; and the perceived risk.

Private Label Brands (PLBs): Also referred to as house brands. Products that retailers own, sell and distribute to their consumers, for example, Pick n Pay ‘no name’ brand and Checkers’ ‘Odd Bins’ wine range.

Producer brands: Also known as manufacturer or national brands. Products that are made by a specific brand name company or wine producer, for example, Coca-Cola or Nederburg.

Purchase intentions: A plan to buy a particular product in the near future that is dependent on various factors such as a consumer’s age, gender, lifestyle, income, geographic location, race and family situation, and influenced by their perceived value of a product.

Wine: An alcoholic beverage made from the fermented juice of freshly gathered grapes.
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CHAPTER ONE
Introduction and overview of the study

1.1 INTRODUCTION
The aim of this chapter is to provide a foundation for the research and elaborate on the background of the study. This will include the research objectives; a brief literature review; the problem statement and research hypotheses; the significance of the research; and details on the research design and methodology that were utilised. The purpose of this study is to investigate the relationship between perceived value and consumers’ purchase intentions, specifically focused on Private Label Brands (PLBs), also known as house brands, of wine within the retail sector in Johannesburg. Wine is defined by the Cape Wine Academy (2009:12) as “an alcoholic beverage made from the fermented juice of freshly gathered grapes”. In modern times wine is consumed as a social beverage, which is associated with pleasure and relaxation. The demand for wine is increasing while the retailer’s ability to predict and understand the driving forces behind wine consumers and what motivates them to purchase a bottle of wine, is becoming increasingly difficult. This is owing to the wide selection of wines that are available on the market. In order for retailers to survive in a competitive environment, they should constantly research their target market to ensure that they satisfy their needs (Corduas, Cinquanta & Ievoli, 2013:407).

1.1.1 Background to the study
Private Label Brands (PLBs) are defined as products that the retailer owns, sells and distributes to consumers (Amrouche & Yan, 2012:325; Lincoln & Thomassen, 2009:6). Private Label Brands are also referred to as store brands or house brands (Retail-FMCG, 2012). The term Private Label Brands (PLBs) is used throughout this study. Retailers use the multi-tiered approach to PLBs, which includes a generic and budget PLB range; a sub-premium or middle class PLB range; and a premium PLB range for consumers who are willing to pay more for quality products (Palmeira & Thomas, 2011:546; Rubio, Oubina & Villasenor, 2014:296; Struwig & Marriott, 2013:266). Examples of budget PLB ranges are the Pick n Pay ‘no name’ brand or the Checkers ‘Housebrand’; sub-premium or middle class PLB ranges are the ‘Pick n Pay’ range of products or the Checkers’ ‘Choice’ brand; and a premium PLB range,
The relationship between perceived value and consumers’ purchase intentions of private label wine brands for example, is Pick n Pay’s ‘Finest’ range of products, which is more expensive and of an exceptionally high quality (Checkers, 2011; Lincoln & Thomassen, 2009:46; Pick n Pay, 2013).

Producer brands, which are also known as manufacturer or national brands are made by a specific brand name company or producer. For example, one of the most recognisable and desirable brands in the world, Coca-Cola, is manufactured by the Coca-Cola Company. A wine that is produced by and carries the name of a particular wine farm on the label is considered as a producer brand of wine, for example, Nederburg. Producer branded products are easily accessible at various stores, unlike PLBs, which are only available from the specific retailer who owns it (Hultman, Opoku, Salehi-Sangari, Oghazi & Bu, 2008:126).

A key factor that determines if a PLB will be successful in the market is the retailers’ ability to differentiate their particular product from the wide variety of manufacturer or producer branded products that are available. This is important in the wine industry, where consumers are confronted with many different producer brands and PLBs from which to choose, which often complicates their decisions (Atkin & Thach, 2012:54-55; Corduas et al., 2013:407). According to Lincoln and Thomassen (2009:1-2), PLB sales have grown at double the rate of producer brands over the last decade and can be classified as the largest brand in the world. Many retailers are developing PLBs because consumers are becoming more familiar with them, while they also offer retailers an opportunity to substantially increase their profit margins (Lincoln & Thomassen, 2009:56). The improved variety and quality of PLBs attract consumers’ attention and allow retailers a chance to capture a larger market share by developing and promoting their own PLBs (Retail-FMCG, 2012). Private Label Brands are becoming more competitive and well established in the marketplace, thus leading retailers to determine the relationship between consumers’ perceptions of PLBs and their purchase intentions (Nenycz-Thiel & Romaniuk, 2012:172).

The four major South African Mass Grocery Retailers (MGRs) have an existing range of PLBs. The major South African MGRs are Pick ‘n Pay, Shoprite Holdings Ltd., SPAR Group Ltd. and Woolworths Holdings Ltd. Pick n Pay is the largest MGR based on their market share of approximately 30%, followed by Shoprite Holdings.
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Ltd., which includes Checkers stores, with a market share just below 30%. The SPAR Group Ltd. is the third largest MGR with 26% market share, while Woolworths Holdings Ltd. owns 11% market share (Gauteng Provincial Treasury, 2012:6-7). A reason for the inclusion of PLBs in the MGR’s product mix is that the retailers are intrigued by the prospect of creating consumer loyalty through these PLBs (Retail-FMCG, 2012).

1.2 LITERATURE REVIEW

Secondary research for this study was conducted in the form of a literature review using sources such as the Internet, textbooks and journal articles. This section provides a brief overview of the global and local wine and PLB industries. Furthermore, consumer behaviour and the constructs that were used to develop the conceptual model for this study are briefly discussed. Refer to Chapter Two on the wine industry and Chapter Three on perceived value and purchase intentions for in-depth discussions.

1.2.1 The global wine industry

Every year approximately 2.8 billion cases of wine are produced globally by over one million wine producers. Worldwide wine production was at a high in 2004, but has slowly declined since, with 2012 being the lowest wine producing year in over four decades (Morgan Stanley Research, 2013:3-4,8). The top ten wine producing countries in 2012 were France, Italy, Spain, USA, China, Chile, Argentina, Australia, South Africa and Germany, respectively. These countries account for 80% of the world’s wine production (Morgan Stanley Research, 2013:3-4,8). The top ten wine producing countries account for 60% of global wine consumption, with France being the country with the highest consumption rate, followed by the USA. The USA and China continue to drive global wine consumption owing to their large populations. Although wine production has decreased over the last decade, global wine consumption has increased, with France, Italy and Spain representing 25% of the total amount (Morgan Stanley Research, 2013:3-4, 8,11).

Wine exporting has become a financially beneficial trade for many countries. The wine export market has grown substantially over the past decade, and of global wine production, 40% is exported out of its country of origin. The global wine export
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market is worth over 30 billion US Dollars. Approximately one billion cases of wine is exported annually (Morgan Stanley Research, 2013:4,14-15; South African Wine Industry Information and Systems, 2013:11).

1.2.2 The South African wine industry
South Africa was the ninth largest wine producer in the world with regard to volume from 2011 to 2013 (Van Zyl, 2013:537-538). The South African wine industry produced approximately 967 million litres of wine in 2011, a contribution of 3.60% to worldwide wine production. In 2013 South Africa produced 90 million cases of wine, which contributed to approximately 4% of worldwide wine production (Van Zyl, 2013:538-539; SAWIS, 2013:218). South Africa is the largest retail market in Sub-Saharan Africa. Information from the South African Wine Industry Information and Systems (SAWIS) shows that the wine industry contributed R26.2 billion to the Gross Domestic Product (GDP) in 2009, and employed 275 606 people (Van Zyl, 2013:527; Morgan Stanley Research, 2013:11,67; SAWIS, 2012).

Producer brand wines are easily accessible at various retail and liquor stores and at many of the wine farms where they are produced (Hultman et al., 2008:126). The South African wine market offers consumers a wide selection of producer brand wines. An extensive list of producer brands of wine can be found in the Platter’s South African Wine Guide. In 2012 there were 582 wineries listed in South Africa (Van Zyl, 2014:553). Each of the four MGRs in South Africa mentioned before have a range of PLB wines, which is discussed in Chapter Three.

1.2.3 Private Label Brands
This section provides a summary of the concept of PLBs; the global and South African PLB industries, with specific reference to the four major MGRs in the South African retail market; the marketing of PLBs; and the inclusion of PLBs of wine in a retailer’s product mix.

1.2.3.1 The global Private Label Brand industry
Western Europe and North America have the most developed PLB markets globally (Euromonitor International, 2013a:7). In 2009 PLBs in the European market enjoyed the largest market share worldwide, comprising 23% of the European retail market
The relationship between perceived value and consumers’ purchase intentions of private label wine brands (Lincoln & Thomassen, 2009:14,19). Consumers tend to purchase more PLBs in tough economic conditions when they have less disposable income. A total of 46% of retail consumers in Europe indicated that they purchase PLBs on a regular basis and research suggests that this number will increase in future (Private Label Manufacturers Association, 2014).

Switzerland, the UK and Spain have the top three positions with regard to PLB sales. Of the total number of PLB sales, Swiss consumers spend 45%, consumers in the UK spend 40.80%, and consumers in Spain spend 40.60% (Byrne, 2013:12; Euromonitor International, 2013a:7). In Switzerland and Spain PLBs comprise more than half of all products that are sold in retail stores, namely 53% and 51%, respectively. One in every three products that is sold in France is a PLB (Private Label Manufacturers Association, 2014). Private Label Brand sales experienced an 18.50% growth rate in the United States of America (USA) from 2009 to 2013, while the sale of producer brand products only grew by 8% during the same period. Wine and liquor were among the bottom ten PLB products with regard to sales, which presents an opportunity to grow these market shares (Hale, 2013:15,19).

1.2.3.2 The South African Private Label Brand industry
Retail-FMCG (2012) found that PLBs in South Africa’s retail sector comprise 18% of the total market share, which is on par with global trends. Based on evidence from developed countries, PLBs accounted for approximately 11% of food retail sales in South Africa in 2012, which was much lower than countries such as Germany and the UK (Private Label South Africa, 2012a). Producer brands are, however, losing market share and support from consumers. Private Label Brand sales are expected to continue to increase as consumers’ exposure to and acceptance of PLBs increases (Lincoln & Thomassen, 2009:14,19). Consumers are gradually realising that PLBs can compete with producer brand products based on product quality, and often at a lower price, with the exception of premium PLBs such as the Woolworths PLB range and Pick n Pay’s ‘Finest’ range, which are more expensive than the other PLB categories (Euromonitor International, 2013b; Lincoln & Thomassen, 2009:19; Pick n Pay, 2013; Retail-FMCG, 2012; Woolworths, 2013).
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Consumers wanting to save money, the introduction of premium PLB ranges at higher prices, and the expansion of MGRs contributed to global sales growth of PLBs from 2009 (Euromonitor International, 2013a:6). The four major local MGRs were listed on the Deloitte list of top 250 global retailers in 2012, based on revenue worldwide (Deloitte LLP, 2014:G14-G17). All four of the major MGRs in South Africa experienced substantial growth in their PLB sector in 2012. Mass Grocery Retailers offer different tiers of PLBs, as mentioned previously, to cater for the different needs of consumers (Euromonitor International, 2013b). The recession resulted in consumers changing their shopping habits, leading to the development of wine PLBs into worthy rivals within the South African retail wine sector (Euromonitor International, 2013b; Retail-FMCG, 2012).

When PLBs first entered the market in the 1960s, the products were the less expensive versions of producer brands. Private Label Brands were aggressively marketed at lower prices and were consequently considered to be of a lesser quality (ACNielsen, 2005:4; Rubio et al., 2014:289). Traditionally, consumers viewed PLBs as an alternative, cheaper option to producer brand products. However, nowadays consumers are more confident about PLBs being qualitative products (Private Label Manufacturers Association, 2013; Struwig & Marriott, 2013:266). Private Label Brands have evolved into different tiers of products, which are specifically aimed at consumers from all income levels and lifestyles, and no longer only cater for consumers who are on a tight budget (Euromonitor International, 2013b; Retail-FMCG, 2012). They have shown significant growth over the last decade and retailers are now offering various tiers of PLBs to suit the needs of a wide variety of consumers (Olsen, Menichelli, Meyer & Naes, 2011:770).

Private Label Brands provide retailers with an opportunity to differentiate themselves from other competitors in the market place by providing consumers with more variety and choice. Retailers focus on creating brand loyalty amongst consumers, who then become aware that they can only purchase that particular PLB at the one specific retailer (Bontemps, Orozco & Requillart, 2008:1; Private Label Manufacturers Association, 2013). Retailers are spending time and effort to create PLBs that are worthy of competing with producer branded products. They are moving away from
The relationship between perceived value and consumers’ purchase intentions of private label wine brands developing copycat products, and instead focus on being trend setters in the marketplace (Mintel, 2009).

1.2.3.3 The inclusion of Private Label Brands of wine in a retailer’s product mix

Competition between PLBs and producer brands is becoming intense as PLBs are gaining a better perception in the eyes of the consumer, and an increased market share. The inclusion of PLBs offers retailers an opportunity to increase their profits and market share, and to satisfy the demands of their target market more effectively. If buyers are satisfied with the PLB that they bought, they tend to return to that particular retail chain to purchase it again. This could also encourage consumers to try other PLB products that the retailer has to offer, thus creating prolonged consumer loyalty (Euromonitor International, 2013a:9,12; Lincoln & Thomassen, 2009:56; Nenycz-Thiel & Romaniuk, 2012:172; Retail-FMCG, 2012). A retailer’s product range includes about 45% of PLBs; however, retailers are rethinking and redeveloping their product mix of PLBs versus producer brands to determine whether introducing more PLBs will gain a larger share of the market (Euromonitor International, 2013a:9). A possible growth direction would be to develop premium ranges of PLBs to attract a higher paying consumer; and to build the retailer’s reputation (Bontemps et al., 2008:4; Smith & Ballantyne, 2012).

Despite improved marketing efforts by retailers, it remains a challenging task to change the perceptions of PLBs, as consumers view them to be lower in product quality than producer brands (Albayrak & Aslan, 2009:771-772; Banovic, Grunert, Barreira & Fontes, 2010:55). The retail sector in South Africa is expected to remain stable while PLBs will continue to grow based on the history of PLBs in developed countries where they are already well established in the market place (Euromonitor International, 2013b). It is proposed that retailers in emerging markets are likely to enjoy a better response from the market with the introduction of PLBs (Moorad, 2012; Stanton & Meloche, 2012:117). Retailers should ensure that the introduction of a PLB range will largely benefit the retailer. Increased expenditure on the advertising of PLBs could also yield better results in emerging markets, as consumers tend to develop along with the market (Albayrak & Aslan, 2009:771-772; Stanton & Meloche, 2012:111,118).
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1.2.4 Consumer behaviour

The actions involved in the process of identifying, buying and evaluating products that will satisfy a perceived need is defined as consumer behaviour (Schiffman & Kanuk, 2010:23). Consumers are influenced by four factors when making a purchasing decision, namely their understanding or knowledge of the product; intrinsic attributes; extrinsic attributes; and marketing, which are used to promote the product (Parumasur & Roberts-Lombard, 2012:249). According to Lin and Chen (2009:29) understanding consumers is a difficult task because consumers’ behaviour, which affects their purchase intentions and decisions, is influenced by their personal, cultural, social and psychological backgrounds. Consumers’ attitudes towards a brand, their understanding of this brand and their previous usage of the particular product, comprise the perceived brand image of a product. A powerful brand name can reassure consumers of the quality that the product promises to provide and makes the marketing of a product more effective (Parumasur & Roberts-Lombard, 2012:7;301-303). Consumer behaviour and expected PLB growth differs from country to country with limited research being conducted on consumer behaviour and PLBs, especially in underdeveloped PLB markets (Alic, Agic & Pestek, 2013:139).

Consumers gain value from producer brands and PLBs. Producer brands have gained customer loyalty through the provision of product quality and a recognised brand, while PLBs mainly satisfy consumers on the basis of value for money. Consumers’ opinions of PLBs are changing and producer brands are starting to recognise PLBs as a worthy rival in the marketplace (Rubio et al., 2014:289;291). There are various stigmas that surround PLBs, which affect consumers’ purchase intentions negatively. This includes that PLBs are purchased on an irregular basis; they are for consumers who cannot afford producer brand products; the majority of consumers do not like them; and that they cannot be considered as a competitive and profitable brand (Lincoln & Thomassen, 2009:23-28). Private Label Brands are however, proving to be the smarter choice for consumers in today’s economy, as they offer certain product ranges, which are similar in product quality and value to producer brands, are often at a lower selling price, and thus influence consumers’ purchase intentions (Private Label Manufacturers Association, 2013). If an MGR invests time and effort into determining what drives consumers to purchase PLBs,
The relationship between perceived value and consumers’ purchase intentions of private label wine brands they could influence their behaviour and persuade them to swop their producer brand products for PLBs (Sheau-Fen, Sun-May & Yu-Ghee, 2012:49). It is essential to identify the needs of the target market and to develop a product that offers to satisfy those needs profitably (Du Toit, Erasmus & Strydom, 2007:300,314).

1.2.5 The conceptual model

The conceptual model for this study was developed by critically analysing secondary sources, which measured similar constructs in similar contexts. This section summarises studies that were used to develop the conceptual model, illustrates the conceptual model, and briefly explains the elements of perceived value and purchase intentions.

*Table 1.1: Previous studies used to develop the conceptual model*

<table>
<thead>
<tr>
<th>Source</th>
<th>Constructs measured in the study</th>
<th>Context of the study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agarwal &amp; Teas (2001)</td>
<td>- Perceived product quality&lt;br&gt;- Perceived risk&lt;br&gt;- Perceived value</td>
<td>Researched the impact of a wine’s country of origin, store name and brand name on the perceived product quality and perceived risk, and how this affected the perceived value.</td>
</tr>
<tr>
<td>Bao, Bao &amp; Sheng (2011)</td>
<td>- Perceived product quality&lt;br&gt;- Purchase intentions</td>
<td>Examined extrinsic attributes such as store image, brand and product quality variation, and how this affected consumers’ product quality perception and purchase intentions of PLBs.</td>
</tr>
<tr>
<td>Beneke, Flynn, Greig &amp; Mukaiwa (2013)</td>
<td>- Perceived relative price&lt;br&gt;- Perceived risk&lt;br&gt;- Perceived product quality&lt;br&gt;- Purchase intentions</td>
<td>Measured the influence of perceived price, perceived risk and perceived product quality on consumers’ purchase intentions of PLB cleaning products in South Africa.</td>
</tr>
</tbody>
</table>
The relationship between perceived value and consumers’ purchase intentions of private label wine brands

<table>
<thead>
<tr>
<th>Source</th>
<th>Constructs measured in the study</th>
<th>Context of the study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liu &amp; Murphy (2007)</td>
<td>Purchase intentions, Perceived relative price</td>
<td>Measured the impact of consumers’ wine knowledge on their choice of price, vintage and place of production of wine, and how this affected their wine purchasing decisions. Consumers’ gender, income and education were also measured against their wine purchasing decisions.</td>
</tr>
<tr>
<td>Sheau-Fen et al. (2012)</td>
<td>Perceived risk, Purchase intentions</td>
<td>Researched how familiarity and perceived risk, particularly social, financial, performance and physical impacted perceived product quality and ultimately store brand purchasing intention. The ages of participants were also taken into account as a moderating factor.</td>
</tr>
<tr>
<td>Sweeney, Soutar &amp; Johnson (1999)</td>
<td>Perceived product quality, Perceived relative price, Perceived risk, Perceived value, Purchase intentions</td>
<td>Studied the perceptions of consumers when purchasing electronic products and considered the functional and technical service quality and the effect that it had on perceived product quality. The perceived price, perceived risk and perceived value-for-money was measured to determine consumers’ purchase intentions towards electronic products.</td>
</tr>
<tr>
<td>Zeithaml (1988)</td>
<td>Perceived product quality, Perceived risk, Perceived value, Purchase intentions</td>
<td>Used consumers’ intrinsic and extrinsic attributes to establish how this affected the perceived product quality of the product, the perceived sacrifice necessary to purchase the product, and ultimately the perceived value and how this influences consumers’ purchase intentions.</td>
</tr>
</tbody>
</table>

Table 1.1 highlights a few common constructs in previous studies. These constructs include perceived relative price, perceived product quality and perceived risk, which are involved in purchasing a product. The studies imply that these three main constructs constitute the concept of perceived value. Thus, only these three constructs were chosen for the conceptual model of this study. Perception can be defined as a consumer's observed reality. As consumer perceptions and their perceptions of the value that they receive influence whether they will purchase a product, the link between perceived value and purchase intentions is also
The relationship between perceived value and consumers’ purchase intentions of private label wine brands researched in this study (Liu, Brock, Shi, Chu & Tseng, 2013:228; Schiffman & Kanuk, 2010:172).

The conceptual model for this study (Figure 1.1) was developed to investigate the relationship between perceived value and consumers’ purchase intentions, and specifically focuses on PLB wines within the retail sector in Johannesburg. The following model was adapted from various studies, as discussed in Table 1.1 to identify the constructs on which this study focuses. The constructs are briefly discussed in this section. Refer to Chapter Three for a more in-depth discussion.

*Figure 1.1: The conceptual model*

(Adapted from: Agarwal & Teas, 2001:2; Bao et al., 2011:220-221; Beneke et al., 2013:220; Liu & Murphy, 2007:110; Sheau-Fen et al., 2012:50; Sweeney et al., 1999:82; Zeithaml, 1988:4).

### 1.2.5.1 Perceived relative price

Price can be defined as commercial trade between the seller and the buyer (Schiffman, Kanuk & Hansen, 2012:178; Zeithaml, 1988:10). This commercial trade is voluntary, based on the premise that the trade will mutually benefit both the buyer and the seller. In order to buy a certain product, a monetary sacrifice must be made in return for receiving the product (Monroe, 2012:132; Schiffman et al., 2012:178; Schindler, 2012:1). If the perceived relative price of a product is considered to be
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low, the perceived product quality and perceived risk involved in purchasing the product is also considered to be low. Consumers tend to add more value to perceived product quality than perceived risk in this instance. However, if the perceived relative price is perceived as high, so is perceived product quality and risk, with perceived risk often being more important than product quality for higher priced products (Monroe, 2012:143-144). The perceived relative price of a product will have a direct effect on consumers’ purchase intentions, and if the price of a product is perceived to be unfair, the perceived value and purchase intention of the product suffers (Schiffman et al., 2012:178; Schindler, 2012:1).

Many consumers believe that the price of a product is a good indication of the product’s quality. Nenycz-Thiel and Romaniuk (2009:258) found that most consumers perceive producer brand products to be more expensive than PLBs and that a lower price is the easiest way to distinguish between these (East, Wright & Vanhuele, 2013:199). The price versus quality trade-off works on the premise that the price of a particular product is a reliable indicator of product quality. This could, however, be influenced by certain variables such as consumers’ risk aversion and product information, which is available to assist them to make an informed purchasing decision (Zhou, Su & Bao, 2002:349). In the past many retailers placed emphasis on price when developing a strategy to promote PLBs. This is, however, insufficient in today’s market place and emphasis has shifted to developing strategies that focus not only on the price of PLBs, but also on product quality (Pepe, Abratt & Dion, 2011:28).

1.2.5.2 Perceived product quality

Based on the discussion concerning perceived relative price construct, it is clear that the construct is closely linked to perceived product quality. Blythe (2013:330) describes perceived product quality as a subjective perception of the difference between the product, which is provided by the producer, and the product that the consumer expects to receive. Ever since their introduction, PLBs have been positioned as a cheap alternative or of inferior product quality compared to national brands (Alic et al., 2013:141; Rubio et al., 2014:289). A higher priced bottle of wine potentially holds more benefits for the consumer because it has a higher perceived product quality even though the higher price also increases the financial risk for the
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consumer (Monroe, 2012:145). The perceived product quality of PLBs has an impact on the perceived risk involved in purchasing the product, customer loyalty and brand perception (Banovic et al., 2010:54; Rubio et al., 2014:290). Consumers use both extrinsic and intrinsic attributes to judge a product’s quality. The use of multiple attributes has a greater effect on a consumer’s perception and ultimate purchase intention (Monroe, 2012:133-134; Schiffman & Kanuk, 2010:175).

Extrinsic attributes are not part of the physical product. The use of extrinsic attributes to infer product quality leads to PLBs having a lower perceived product quality than producer brands, according to the consumer (Banovic et al., 2010:54; Rubio et al., 2014:290). Consumers often use extrinsic attributes such as the price, brand name and packaging of a product to judge a product’s quality if they are sure that they have a good understanding of how these attributes influence the product quality (Camillo, 2012:79; Kazmi, 2010:151; Monroe, 2012:133-134; Olsen et al., 2011:771; Schiffman & Kanuk, 2010:195, 199). Intrinsic attributes are directly related to how a consumer behaves and to a product’s physical characteristics (Monroe, 2012:133-134). A consumer’s needs, level of wine education, lifestyle, health concerns; culture, religion, income, occupation, marital status, previous experience with the product, attitude towards PLBs, perceived value, and willingness to try a new product are classified as intrinsic attributes, which affect consumer behaviour and purchase intentions (Camillo, 2012:79; Du Plessis & Rousseau, 2007:261; Kazmi, 2010:151; Olsen et al., 2011:771; Parumasur & Roberts-Lombard, 2012:251; Schiffman & Kanuk, 2010:195,199). The extrinsic and intrinsic attributes that were measured in this study are discussed in detail in Chapter Four.

### 1.2.5.3 Perceived risk

Perceived risk involves the effects of an unsatisfactory purchasing decision and having to deal with the unknown consequence (Arslan, Gecti & Zengin, 2013:158-159; Batra & Sinha, 2000:178; Kazmi, 2010:152; Schiffman & Kanuk, 2010:201-202). A consumer’s perception of risk will be an influential factor in their perceived product quality (Alic et al., 2013:142; Sheau-Fen et al., 2012:49). This indicates that the constructs of perceived risk and perceived product quality are interlinked. Whenever a consumer purchases an unknown product, the consequences of that purchasing decision are uncertain. This could be classified as the perceived risk involved in the
The relationship between perceived value and consumers’ purchase intentions of private label wine brands
customer’s purchasing decision. This will depend on the customer’s background, situation, the use of extrinsic and intrinsic attributes and the particular product in question (Schiffman et al., 2012:186-187). Perceived risk can be categorised into different elements, which ultimately comprise the overall concept of perceived risk. These elements are physical, functional, financial, psychological, social, and time risks, as explained below (Alic et al., 2013:143).

- **Physical risk**
  A physical risk can be described as any risk that a product brings in the form of physical harm to a consumer or others who purchase or consume it (Beneke, Greene, Lok & Mallett, 2012:5-6; Schiffman & Kanuk, 2010:201-202). With regard to wine, there is a physical risk of the wine not being suitable to consume owing to incorrect production or storage methods. This risk cannot be determined before purchasing and opening the bottle.

- **Functional risk**
  The risk of a product not delivering on its promise of quality or not satisfying consumers’ needs and expectations is classified as a functional risk (Beneke et al., 2012:5-6; Blythe, 2013:67; Kazmi, 2010:152; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). Consumers experience a functional risk when purchasing wine because they are unsure of whether the wine is inferior in quality in terms of what they expect. They can only determine the true quality of a wine by tasting it, and this can only be done by purchasing and consuming the wine (Beneke et al., 2012:5-6).

- **Financial risk**
  Consumers experience a financial risk of losing money if the product is inferior or unusable. This is closely linked to the perceived relative price of the product and the price consciousness of the consumer (Beneke et al., 2012:5-6; Blythe, 2013:67; Kazmi, 2010:152; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). Before consumers purchase a bottle of wine they consider the financial risk involved. The risk that exists is that after purchasing and consuming wine, they conclude that it did not meet their needs or expectations and have, therefore, wasted money on
The relationship between perceived value and consumers’ purchase intentions of private label wine brands purchasing an unsatisfactory product (Beneke et al., 2012:5-6; Schiffman & Kanuk, 2010:201-202).

- **Psychological risk**
  When consumers have made an incorrect purchasing decision, it can affect their self-esteem. This is known as a psychological risk (Beneke et al., 2012:5-6; Blythe, 2013:67; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). Psychological risk is closely related to social risk, since consumers are fearful of purchasing a product, for example, wine, which will prove to be inferior in product quality, and will lead to disappointment and lower self-esteem (Beneke et al., 2012:5-6).

- **Social risk**
  Social risks, or the fear of embarrassment, dictate which products you can and cannot purchase (Beneke et al., 2012:5-6; Blythe, 2013:67; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). An example of this would be the fear of disappointment and embarrassment by purchasing a PLB wine. If the wine proves to be of a lower quality than anticipated when consumed, consumers will experience a perceived diminished social status.

- **Time risk**
  The final type of risk is time, where if the product does not satisfy your need, the time spent researching or purchasing it will have been wasted (Beneke et al., 2012:5-6; Blythe, 2013:67; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). If a consumer purchases a PLB wine and after consuming it is dissatisfied with their purchase, they will have wasted their time and effort on an inferior product (Beneke et al., 2012:5-6; Blythe, 2013:67; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186).
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Consumers use various strategies to reduce perceived risks that are involved in purchasing wine, which is considered to be a complex product. These strategies include:

- Using extrinsic attributes such as the label to gain adequate information to make a purchasing decision (Atkin & Thach, 2012:55);
- Using the price versus quality trade-off (Kazmi, 2010:153; Monroe, 2012:139);
- Remaining loyal to producer brands whose product quality is trusted (Kazmi, 2010:153);
- Setting out to gather as much information about the product to better evaluate the risk involved (Kazmi, 2010:153);
- Using the price versus risk trade-off (Monroe, 2012:139);
- Relying on the retailer’s reputation to indicate PLB product quality (Kazmi, 2010:153); and
- Lowering their expectations in order to minimise psychological risk if the product does not meet their expectations (Kazmi, 2010:153).

1.2.5.4 Perceived value

As discussed in the conceptual model (Figure 1.1), the perceived value of a product comprises of three interlinked constructs, namely: perceived relative price; perceived product quality; and perceived risk (Beneke et al., 2013:219-220). Consumers combine the different constructs, as discussed, to form an overall opinion of the perceived value of a product. Positive attributes include perceived product quality and the benefits that can be gained from the product, while negative attributes are represented by the perceived relative price and perceived risk involved. This often presents consumers with some difficulty to try and weigh up the different attributes to create a perception of value of a product (Monroe, 2012:138). These constructs directly influence the purchase intentions of consumers. If the price is perceived to be unfair; if the product quality is perceived to be inferior; or if the perceived risk is too great, then the perceived value of the product suffers, while a high perceived product value in the eyes of the consumer will increase their purchase intentions (Schiffman et al., 2012:178; Zeithaml, 1988:10,15-16).
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Perceived value is created when consumers regard the cost of purchasing a product to be worthwhile in light of its advantages. It is the expected satisfaction that a consumer wishes to obtain from purchasing a product and can be considered as a subjective trade-off between resources such as money, time and effort, and perceived benefits from purchasing the product (Blythe, 2013:160,393; Schiffman et al., 2012:7-8,183). Perceived value is influenced by perceived product quality while perceived product quality can limit the perceived risks (Snoj, Korda & Mumel, 2004:163). Perceived value is unique to each consumer’s perception of the advantages and disadvantages of purchasing a product (Liu et al., 2013:228).

Perceived relative price, perceived product quality and perceived risk affect consumers’ overall perceived value of a product and subsequently influence consumers’ purchase intentions (Sun, Su & Huang, 2013:257).

1.2.5.5 Purchase intentions

Purchase intentions involve the decision-making process to determine whether or not to purchase a product. The purchasing decision-making process involves identifying a need that must be satisfied and looking for relevant information regarding product benefits and product quality in order to make an informed decision. Thereafter, the evaluation of all available products that could possibly satisfy one’s need, purchasing and consuming the chosen product, and evaluating whether the product did meet one’s desires and needs follows (Du Plessis & Rousseau, 2007:263; Skinner, 1990:147-149; Silver, Stevens, Wrenn & Loudon, 2013:3-6). The perceived relative price, perceived product quality and perceived risk of PLBs influence a consumer’s intention to purchase a product (Cuneo, Lopez & Yague, 2012:430; Dursun, Kabadayi, Alan & Sezen, 2011:1197-1198). A study, which was conducted in Brazil, which is also an emerging market like South Africa, showed that consumers’ intention to purchase PLBs is affected by their perceived risk of the product (Diallo, 2012:364-365). If consumers have a higher perceived product quality, it will result in greater intention to purchase a product. If the perceived risk of purchasing the product is low, then consumers will have more intention to purchase the product (Ashton, Scott, Solnet & Breakey, 2010:210-212).

Consumers often select a producer brand wine when making a purchasing decision because they are familiar with the brand name and product quality (Parumasur & Roberts-Lombard, 2012:302; Struwig & Marriott, 2013:274). Consumers are
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interested in purchasing PLBs because of the perceived relative price and value of these products. They are also more likely to buy a PLB if the perceived product quality and overall perceived value is better than the producer brand product (Grill-Goodman, 2013). If a consumer has a positive image of a retailer it will increase their purchase intention towards PLBs that are offered by that retailer (Wu, Yeh & Hsiao, 2011:36). The perception that consumers have of a PLB is directly linked to their perception of the retailer itself (Gonzalez-Benito & Martos-Partal, 2012:246; Yang, 2012:1116).

1.3 RESEARCH DESIGN AND METHODOLOGY

Research methodology is defined as the broad strategy, which is used to conduct a study in order to address a research problem (Leedy & Ormrod, 2010:12). This section provides a brief overview of the scientific marketing research process, which was adapted for this study, as explained in Chapter Four.

1.3.1 Identify the research problem

The research problem is defined as a statement on a current issue or problem that exists in the marketing environment, and needs to be studied in order to gain insight on the matter (Hair, Bush & Ortinau, 2009:45; Wilson, 2012:19-20). The South African wine market offers consumers many producer brand wines from which to choose. Private Label Brands of wine have developed into worthy rivals within the South African retail sector. The recession resulted in consumers changing their shopping habits leading consumers to search for good quality products at a price that they are willing to pay (Euromonitor International, 2013b; Retail-FMCG, 2012). However, many consumers still have a misconstrued opinion that PLBs are only for consumers who have money constraints. A perceived product quality gap exists between producer brand wines and PLB wines (Mandhachitara, Shannon & Hadjicharalambous, 2007:80-81).

This study aims to address this perceived product quality gap by investigating the moderating role of perceived value on consumers’ purchase intentions of private label wine brands. The wine market in South Africa is growing, but since wine is not the most popular beverage that is consumed, there exists an opportunity for retailers to strategically adapt and develop new marketing strategies to promote PLB wine...
The relationship between perceived value and consumers’ purchase intentions of private label wine brands consumption amongst South African consumers. An investigation of perceived value of PLB wines and its relationship to consumers’ purchase intentions has not been done in South Africa before, thus it serves as a valid foundation to conduct this study. If retailers can successfully influence the perceived value of their PLB wines, it will allow them to influence consumers’ purchase intentions, and hence increase their profits and market share (Holtzkampf, 2012; Retail-FMCG, 2012).

1.3.2 Determine the research objectives and hypotheses
The research objectives of this study were developed based on the problem statement, as discussed. The primary objective of the study was to determine the relationship between the overall perceived value and the overall purchase intentions of consumers in relation to PLB wines.

The secondary objectives of the study included to:
- Conduct a literature review to identify the elements of perceived value;
- Identify consumers’ overall levels of perceived relative price relating to PLB wines;
- Identify consumers’ overall levels of perceived product quality relating to PLB wines;
- Identify consumers’ overall levels of perceived risk relating to PLB wines;
- Identify consumers’ overall levels of perceived value relating to PLB wines;
- Identify consumers’ overall purchase intentions relating to PLB wines;
- Determine whether a significant relationship exists between the overall perceived relative price and the overall perceived value of PLB wines;
- Determine whether a significant relationship exists between the overall perceived product quality and the overall perceived value of PLB wines;
- Determine whether a significant relationship exists between the overall perceived risk and the overall perceived value of PLB wines; and
- Determine whether a significant relationship exists between consumers’ overall perceived value and overall purchase intentions of PLB wines.
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The following hypotheses were formulated based on the research objectives of this study:

$H_1$: There is a significant relationship between the overall perceived relative price and the overall perceived value of PLB wines (refer to sections 1.2.5.1 and 1.2.5.4);

$H_2$: There is a significant relationship between the overall perceived product quality and the overall perceived value of PLB wines (refer to sections 1.2.5.2 and 1.2.5.4);

$H_3$: There is a significant relationship between the overall perceived risk and the overall perceived value of PLB wines (refer to sections 1.2.5.3 and 1.2.5.4); and

$H_4$: There is a significant relationship between the overall perceived value and consumers’ overall purchase intentions of PLB wines (refer to sections 1.2.5.4 and 1.2.5.5).

1.3.3 Conduct secondary research

Secondary research for this study was conducted in the form of a literature review, which included sources such as the Internet, textbooks and journal articles. Refer to section 1.2, Chapter Two on the wine industry and Chapter Three on perceived value and purchase intentions for a more in-depth discussion.

1.3.4 Develop the primary research design

The primary research design involves collecting valid and reliable data, and analysing the data in order to produce information regarding the research problem that is studied. The information obtained from the data is used to test the hypotheses of the study (Clow & James, 2014:3,34; Hair et al., 2009:51). This section briefly discusses quantitative and qualitative research; types of research designs; and the research methodology that was used for this study.

1.3.4.1 Quantitative and qualitative research

Quantitative research and qualitative research are the two types of research design. Quantitative research focuses on quantities of known variables and the statistical measurement of the numerical data that is collected from a large sample by means of a questionnaire and rating scales (Leedy & Ormrod, 2010:94-96). Qualitative
The relationship between perceived value and consumers’ purchase intentions of private label wine brands research, conversely, deals with qualities that cannot easily be expressed as numerical data. The variables are unknown to the researcher and a smaller sample population is used to gather data. Quantitative research places emphasis on objectivity when analysing the data, whereas qualitative research is known to be somewhat subjective (Leedy & Ormrod, 2010:94-96). This study used quantitative research because it was best suited for research on consumer behaviour and how it affects consumers’ purchase intentions. The use of a quantitative approach allowed for statistical analyses to be performed on a large sample size. The research methodology for this study is in line with research, which was conducted by Beneke et al. (2013) and Sweeney et al. (1999) measuring similar constructs.

1.3.4.2 Types of research designs

There are three main types of research designs, namely descriptive, exploratory and causal research designs. A descriptive research design involves examining the relationship between certain groups and variables with the objective of examining market segments and establishing why participants behave in a certain way. Exploratory research focuses on acquiring new ideas and gaining insight into a matter by exploring the situation. A causal research design aims to establish cause-and-effect relationships to indicate that one event will lead to another event taking place (Zikmund & Babin, 2010:44-46). A quantitative, descriptive, survey-based research approach was implemented to accomplish the above-mentioned research objectives and to determine the relationship between perceived value and consumers’ purchase intentions of PLB wines. A descriptive research design was used because it was deemed as being suitable to quantitative research on consumer behaviour and how it affects consumers’ purchase intentions (Zikmund & Babin, 2010:44-46).

The quantitative data for this descriptive study was collected via a self-administered, structured questionnaire. A structured questionnaire refers to a questionnaire where questions are arranged in a pre-determined order and all of the participants are asked the same questions (Malhotra, Birks & Wills, 2012:327). This method was chosen because questionnaires are the preferred data collection tool for descriptive studies as these are easily distributed to a wide variety of participants in a cost-
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effective manner, and the data that is collected can be thoroughly analysed by using statistical procedures (Hair et al., 2009:235-236; Mitchell & Jolly, 2009:263).

1.3.4.3 Questionnaire design
The questionnaire was accompanied by a cover letter, which explained the research problem and objectives. This study focused on PLB wines in general, thus the participants were asked to answer closed-ended questions and Likert-type interval scale questions relating to the different ranges of PLB wines that are available in MGRs in South Africa. The questionnaire consisted of two sections and 18 questions (refer to Appendix A). A pilot study of 20 participants was conducted to determine the validity of the questionnaire, and the reliability that could be expected from the data. The cover letter and questionnaire, which were used for the pilot testing, are attached as Appendix B. The questions in the questionnaire were designed based on constructs, which were used in previous studies, as illustrated in Table 1.2 below.

Table 1.2: Constructs used in previous studies

<table>
<thead>
<tr>
<th>CONSTRUCT</th>
<th>SOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Intentions and Behavioural Loyalty</td>
<td>Diallo, 2012:364; Dursun et al., 2011:1195; Olsen et al., 2011:773; Rubio et al., 2014:293-294; Wu et al., 2011:37-38.</td>
</tr>
<tr>
<td>Important factors when making a wine purchasing decision</td>
<td>Camillo, 2012:79; Rubio et al., 2014:293-294; Wu et al., 2011:37-38.</td>
</tr>
</tbody>
</table>
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1.3.5 Determine the research frame

The research frame consists of guidelines, which are required to select an appropriate sample for data collection for a research study in order to address the research problem and to achieve the research objectives (Hair et al., 2009:326-327; Wilson, 2012:182). The target population can be defined as the total group of people eligible to participate in the research to which the questions regarding the research will be addressed (Clow & James, 2014:225; Hair et al., 2009:52, 327; Wilson, 2012:183). The target population for this study comprised of any adults 18 years and older, as 18 years is the legal drinking age in South Africa. The sample frame comprises of the sampling units selected from the sampling elements that are available. The sampling elements were adults 18 years and older who were available at the specific time and place when the fieldwork was being conducted in the North, East, South and West of Johannesburg (Brown & Suter, 2014:113; Clow & James, 2014:36-37,225; Malhotra et al., 2012:497; Schiffman & Kanuk, 2012:63; Silver et al., 2013:154-155). Johannesburg was selected because it is considered to be the financial and economic capital of South Africa (City of Johannesburg, 2012). Section 4.2.5 discusses the research frame in detail.

There are two main types of sampling designs, namely probability and non-probability sampling. This survey-based research utilised a non-probability sampling strategy, namely the convenience sampling method. A convenience sampling approach gives every person an equal chance of being selected to participate in the study, thus eliminating researcher bias. It is an efficient and cost-effective way of collecting data from the sample, however, the researcher cannot predict whether the sample will be representative of the target population (Brown & Suter, 2014:116-117; Clow & James, 2014:230; Leedy & Ormrod, 2010:212; Mitchell & Jolly, 2009:263; Mooi & Sarstedt, 2011:40-41; Schiffman & Kanuk, 2012:64; Silver et al., 2013:157-158). Tabachnick and Fidell (2007:613 cited in Pallant, 2011:183) state that a sample size of 150 to 300 participants is sufficient to conduct statistical analysis. Hair et al. (2009:235) state that survey research requires at least 200 participants and is best suited for descriptive studies. The sample size for this study was 250 participants. The number of participants corresponds with studies, which were conducted by Beneke et al. (2013) and Sweeney et al. (1999). Refer to Table 1.3 below for a summary of the research frame.
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Table 1.3:  The research frame

<table>
<thead>
<tr>
<th>Target Population</th>
<th>Adults 18 years and older</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sampling Frame</td>
<td>Adults 18 years and older available at the time and place when the fieldwork was conducted in Johannesburg</td>
</tr>
<tr>
<td>Sampling Procedure</td>
<td>Non-probability sampling strategy, namely the convenience sampling method</td>
</tr>
<tr>
<td>Time Period</td>
<td>31 March to 12 May 2014</td>
</tr>
<tr>
<td>Area</td>
<td>North, East, South and West of Johannesburg, South Africa</td>
</tr>
<tr>
<td>Sample Size</td>
<td>250 participants</td>
</tr>
</tbody>
</table>

1.3.6 Collect primary data

Data can be classified into two categories, namely primary and secondary data. Primary data can be defined as that, which is collected from participants and analysed in order to address the research problem and achieve the research objectives, as set out for a particular study (Brown & Suter, 2014:43-44; Clow & James, 2014:28; Leedy and Ormrod, 2010:88-89; Malhotra et al., 2012:118; McDaniel & Gates, 2013:66-67; Schiffman & Kanuk, 2012:42; Silver et al., 2013:42). Primary data was gathered from the sample of the research study, as defined in Table 1.3 above. Secondary data from studies that have been conducted previously is discussed in section 1.2.

The data collection procedure depends on the primary research design of the study (Clow & James, 2014:37-38). Four fieldworkers were trained and informed of their duties. The training ensured that the fieldworkers were able to convey the purpose of the study to all of the participants, that interviewer errors were limited and that honesty and integrity were applied during the data collection procedure (Clow & James, 2014:45-46; McDaniel & Gates, 2013:155; Silver et al., 2013:29-37). Primary data was collected from participants via self-administered, structured questionnaires, which were distributed by the fieldworkers in the North, East, South and West of Johannesburg from 31 March to 12 May 2014. Participants across all areas of Johannesburg were selected by the fieldworkers via a non-probability sampling strategy, namely the convenience sampling method. In total, 270 questionnaires were completed, of which 250 were usable for data analysis, thus a realisation rate of 92.60% (refer to section 5.2).
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1.3.7 Conduct data analysis
The data collected from the questionnaire should be prepared in order for analysis to take place (Wilson, 2012:38). The quantitative data collected from the questionnaires was analysed by using the SPSS 22 Statistical programme. This was done through the use of descriptive and inferential statistical procedures. Descriptive statistics examine the relationship that exists between certain variables, identifies the middle point of the data, and determines how widely spread the results of the data are (Leedy & Ormrod, 2010:260). Inferential statistics, conversely, would be data that is collected from a small sample of people from which conclusions about a much larger group of people can be drawn. This study made use of Exploratory Factor Analysis (EFA) and simple linear regression to test the hypotheses set for the study. Section 4.2.7.2 explains the statistical methods applied in more detail.

1.3.8 Report on findings
Reporting on the findings of the data analysis is the final step in the marketing research process. The findings for this study after data analysis are discussed in Chapter Five in relation to the research hypotheses, while Chapter Six provides conclusions, limitations and recommendations.

1.4 CHAPTER OUTLINE
This dissertation consists of six chapters, which are briefly outlined below.

Chapter One: Introduction and overview of the study
The first chapter provides a foundation for the research and elaborates on the background of the study. This includes the research objectives; a brief literature review; the problem statement and research hypotheses; the significance of the research; and details on the research design and methodology that were utilised.

Chapter Two: The wine industry
This chapter provides insight into the global and South African wine industry with reference to wine production, contribution to the economy and wine consumption. Furthermore, the chapter investigates current conditions of the PLB industry, both globally and locally, and discusses the PLBs that are offered by four of the MGRs in South Africa, namely Pick n Pay, Shoprite Holdings Ltd., SPAR Group Ltd. and
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Woolworths Holdings Ltd. This includes a discussion on the marketing of PLBs and reasons for their inclusion in a retailer’s product mix.

Chapter Three: Perceived value and purchase intentions
This chapter discusses consumer behaviour and explains the effect that it has on consumers’ purchase intentions. Furthermore, it focuses on defining concepts of perceived value and purchase intentions. Emphasis is on the constructs of perceived value, namely perceived relative price, perceived product quality and perceived risk, and how this influences consumers’ intentions to purchase PLBs, particularly PLB wines.

Chapter Four: Research methodology
This chapter discusses the scientific marketing research process, which was adapted for this study. Detailed information on how the necessary research activities for this study were conducted, is provided. The research problem, research objectives and hypotheses, secondary research conducted, primary research design, research frame, collection of primary data and data analysis for this study, are explained.

Chapter Five: Findings and discussion of results
This chapter reports on the findings of the data that was collected. It provides information on the statistical analysis that was used on the collected data. The findings of the data analysis are discussed in relation to the research hypotheses of the study, while the main findings are provided.

Chapter Six: Conclusions, recommendations and limitations
Conclusions based on the main findings and research objectives of the study are provided in this chapter. Recommendations are made to retailers of PLB wines based on the main findings. Finally, the limitations of the study and recommendations on possible future research topics, are also provided.
1.5 SUMMARY

This chapter achieved its aforementioned aim by providing an introduction and background into the study and discussing the methodology used in the study. The next chapter will examine the global and South African wine industry with emphasis on wine production, contribution to the economy and wine consumption and the current conditions within the PLB industry, both globally and locally.
CHAPTER TWO
The wine industry

2.1 INTRODUCTION
This chapter aims to provide insight into the global and South African wine industry with reference to wine production, contribution to the economy and wine consumption. Furthermore, the chapter investigates current conditions within the PLB industry, both globally and locally, and discusses the PLBs that are offered by four of the MGRs in South Africa, namely Pick n Pay, Shoprite Holdings Ltd., SPAR Group Ltd. and Woolworths Holdings Ltd. This includes a discussion on the marketing of PLBs and reasons for their inclusion in a retailer’s product mix.

2.2 THE GLOBAL WINE INDUSTRY
This section examines global wine production; the wine industry’s contribution to the global economy; and global wine consumption. It provides an overview of the global wine industry’s market position as background for the rest of the chapter; while countries, which are considered major producers and consumers of wine, are also highlighted and discussed.

2.2.1 Production of wine
Every year approximately 2.8 billion cases of wine are produced globally by over one million wine producers. Worldwide, wine production was at a high in 2004, but has slowly declined since 2012 was the lowest wine producing year in over four decades (Morgan Stanley Research, 2013:3-4, 8). Wine producing countries can be classified into two main categories, namely Old World and New World. Winemaking originated from Old World wine producing countries such as France, Italy and Spain (Albanese & Diaz, 2013). These countries developed the art of winemaking and have thousands of years of experience and history of viticultural practices, whereas New World wine producing countries have only been making wine since the 16th century by using practices that were developed by the Old World countries. New World wine producing countries include Australia, Argentina, Chile, China, South Africa and the USA (Albanese & Diaz, 2013).
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The top ten wine producing countries in 2012 were France, Italy, Spain, USA, China, Chile, Argentina, Australia, South Africa and Germany, respectively (Morgan Stanley Research, 2013:3-4,8). These countries account for 80% of the world’s wine production. Their combined wine production declined by 6% from 2011 to 2012. France, Spain, Italy and Argentina showed the greatest decline in wine production; however, wine production has increased over the past few years in New World wine producing countries such as Australia, Argentina, Chile, New Zealand, South Africa and the USA. France, Spain and Italy represented 54% of global wine production in 2010, which declined to 43% in 2012. New World wine producing countries produced 30% of the world’s wine in 2012, an increase of 10% since 2010 (Morgan Stanley Research, 2013:3-4,8).

2.2.2 Contribution to the global economy

Wine exporting has become a financially beneficial trade for many countries. The wine export market has grown substantially over the past decade, and of global wine production, 40% produced wine is exported out of its country of origin. The global wine export market is worth over 30 billion US Dollars. Approximately one billion cases of wine are exported annually (Morgan Stanley Research, 2013:4,14-15; SAWIS, 2013:11). The largest exporters of wine are Italy, Spain, France, Australia, Chile, Argentina, New Zealand and the USA. New World wine producing countries comprise 30% of the total number of global wine exports. China, the United Kingdom (UK) and the USA are the largest wine importers from other countries (Morgan Stanley Research, 2013:4,14-15; SAWIS, 2013:11).

2.2.3 Global wine consumption

The top ten wine producing countries account for 60% of global wine consumption, with France being the country with the highest consumption rate, followed by the USA. The USA and China continue to drive global wine consumption owing to their large populations. Although wine production has decreased over the last decade, global wine consumption has increased, with France, Italy and Spain representing 25% of the total amount (Morgan Stanley Research, 2013:3-4,8,11). French citizens consume 54.1 litres of wine per year on a per capita basis, while Italians consume 53 litres per year (SAWIS, 2013:217).
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2.3 THE SOUTH AFRICAN WINE INDUSTRY

The South African wine industry is discussed in this section, which also considers the production of wine; how the wine industry contributes to the South African economy; liquor consumption in South Africa; and producer and private label brands of wines that are available on the market. This section also emphasises the value of the South African wine industry and highlights its position in the global wine industry.

2.3.1 Production of wine

South Africa was the ninth largest wine producer in the world with regard to volume from 2011 to 2013. There are six Wine of Origin production areas in South Africa, namely the Breede River Valley, Cape South Coast, Coastal region, Klein Karoo, Olifants River and Boberg. Each of these regions has various wards and districts where grapes are grown and where wine is produced (Van Zyl, 2013:537-538). Cabernet Sauvignon is the most planted red grape variety in South Africa and covers 12% of the total vineyard area, while Chenin Blanc is the most planted white grape variety, which accounts for 18.20% of the vineyard area (Van Zyl, 2013:538-539; SAWIS, 2013:218).

The South African wine industry produced approximately 967 million litres of wine in 2011, a contribution of 3.60% to worldwide wine production. In 2012 48.60% of wine that was produced in South Africa was exported, while 33.90% was bought for off-premises consumption, and 17.50% for on-premises consumption (BMi Research, 2013:4). Off-premises consumption refers to wine that is purchased at a location, but not consumed there, for example, buying wine from a liquor store and consuming it elsewhere; whereas on-premises consumption refers to purchasing and consuming wine at the same place, for example, a restaurant (Cape Wine Academy, 2009:100). In 2013 South Africa produced 90 million cases of wine, which contributed to approximately 4% of worldwide wine production (Van Zyl, 2013:538-539; SAWIS, 2013:218).

2.3.2 Contribution to the South African economy

South Africa is the largest retail market in Sub-Saharan Africa. Consumers tend to be brand and price conscious in terms of product purchases, including wine, which makes it a competitive retail market (PricewaterhouseCoopers, 2012:1). Information
The relationship between perceived value and consumers’ purchase intentions of private label wine brands from SAWIS shows that the wine industry contributed R26.2 billion to the GDP in 2009, and employed 275 606 people (Van Zyl, 2013:527; Morgan Stanley Research, 2013:11,67; SAWIS, 2012).

South African retail sales exceeded the one trillion Rand mark for the first time in 2011 and the retail market is expected to continue to grow in the next few years. Pick n Pay and Shoprite Holdings Ltd. are two of the MGRs that dominate the retail market with regard to sales (PricewaterhouseCoopers, 2012:11). In 2012 the retail sector in South Africa experienced value growth of 10%, but owing to inflation caused by increased electricity and fuel costs, a lower volume growth was recorded in this sector. Wine sales in South Africa increased from R55 million in 2011 to R66 million in 2012 (PricewaterhouseCoopers, 2013:17). The same occurred in 2013 with the wine market experiencing a decrease in volume, but an increase in the value of the market owing to higher alcohol prices (Euromonitor International, 2013b). South Africa exported 409 million litres of wine in 2012, an increase from the 350.4 million litres that were exported in 2011. The main importers of South African wines are the UK, Germany and Sweden (Morgan Stanley Research, 2013:69; SAWIS, 2013:10,22,52). In 2013 South Africa exported less wine, which led to the local on-and off-consumption markets increasing owing to the fact that there was more wine available for the local market to purchase and consume (BMi Research, 2013:3).

2.3.3 Liquor consumption in South Africa
Liquor consumption patterns in South Africa in 2010/2011 indicated that beer, in terms of volume consumed, was the alcoholic beverage with the largest market share, namely 79.20%. Wine consumption declined from 8.20% in 2006/2007 to 7.50% in 2010/2011 (Holtzkampf, 2012). South Africa’s wine consumption increased slightly from 2011 to 2012, however, it remains low compared to the other top ten wine producing countries (Morgan Stanley Research, 2013:67). South Africa has a wine consumption of seven litres per capita (Van Zyl, 2014:553). Of all the South African wines that were produced in 2012, Gauteng was the region to which the most wine was distributed, excluding exports, accounting for 37.20%, followed by the Western Cape at 34.20%. The regions with the lowest wine distribution were the Free State and the Northern Cape at 4.70% collectively (BMi Research, 2013:5).
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2.3.4 Producer brands of wine

Producer brands, which are also known as manufacturer- or national brands, are made by a specific brand name company or producer. Producer brand wines are easily accessible at various retail and liquor stores and at the wine farms where they are produced (Hultman et al., 2008:126). The South African wine market offers consumers a wide selection of producer brand wines. An extensive list of producer brands of wine can be found in the Platter’s South African Wine Guide. In 2012 there were 582 wineries listed in South Africa (Van Zyl, 2014:553).

2.3.5 Private Label Brands in the South African wine industry

Private Label Brands are defined as products that the retailer owns, sells and distributes to consumers (Amrouche & Yan, 2012:325; Lincoln & Thomassen, 2009:6). Private Label Brands are also referred to as store brands or house brands (Retail-FMCG, 2012). Retailers use the multi-tiered approach to PLBs, which includes a generic and budget PLB range; a sub-premium or middle class PLB range; and a premium PLB range for consumers who are willing to pay more for quality products (Palmeira & Thomas, 2011:546; Rubio et al., 2014:296; Struwig & Marriott, 2013:266).

The four major South African MGRs have an existing range of PLBs. A reason for this is that retailers are intrigued by the prospect of creating consumer loyalty by means of these (Retail-FMCG, 2012). The four major South African MGRs are Pick n Pay, Shoprite Holdings Ltd., SPAR Group Ltd. and Woolworths Holdings Ltd. Each of these MGRs in South Africa also has a range of PLB wines, which is discussed in the next section of this chapter.

2.4 PRIVATE LABEL BRANDS

This section elaborates on the concept of Private Label Brands. Global and South African PLB industries are examined with specific reference to the four major MGRs in the South African retail market, namely Pick n Pay, Shoprite Holdings Ltd., SPAR Group Ltd. and Woolworths Holdings Ltd. The marketing of PLBs and the inclusion of PLBs of wine in a retailer’s product mix are discussed in detail.
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2.4.1 The global Private Label Brand industry

Western Europe and North America have the most developed PLB markets globally (Euromonitor International, 2013a:7). In 2009 PLBs in the European market enjoyed the largest market share worldwide, comprising 23% of the European retail market (Lincoln & Thomassen, 2009:14,19). Consumers tend to purchase more PLBs in tough economic conditions when they have less disposable income. A total of 46% of retail consumers in Europe indicated that they purchase PLBs on a regular basis, and research suggests that this number will increase in future (Private Label Manufacturers Association, 2014).

Switzerland, the UK and Spain have the top three positions with regard to PLB sales. Of the total number of PLB sales, Swiss consumers spend 45%, consumers in the UK spend 40.80%, and consumers in Spain spend 40.60% (Byrne, 2013:12; Euromonitor International, 2013a:7). In Switzerland and Spain PLBs comprise more than half of all products that are sold in retail stores, namely 53% and 51%, respectively. One in every three products sold in France is a PLB (Private Label Manufacturers Association, 2014). Private Label Brand sales experienced an 18.50% growth rate in the USA from 2009 to 2013, while the sales of producer brand products only grew by 8% in the same period. Wine and liquor were among the bottom ten PLB products with regard to sales, which presents an opportunity to grow these market shares (Hale, 2013:15,19).

2.4.2 The South African Private Label Brand industry

Retail-FMCG (2012) found that PLBs in South Africa’s retail sector comprise 18% of the total market share, which is on par with global trends. Based on evidence from developed countries, Private Label Brands accounted for approximately 11% of food retail sales in South Africa in 2012, which was much lower than countries such as the UK and Germany (Private Label South Africa, 2012a). Producer brands are, however, losing market share and support from consumers. Private Label Brand sales are expected to continue to increase as consumers’ exposure to and acceptance of PLBs increases (Lincoln & Thomassen, 2009:14,19). Consumers are gradually realising that PLBs can compete with producer brand products based on product quality, and often at a lower price, with the exception of premium PLBs such as the Woolworths PLB range and Pick n Pay’s ‘Finest’ range, which are more
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expensive than the other PLB categories (Euromonitor International, 2013b; Lincoln & Thomassen, 2009:19; Pick n Pay, 2013; Retail-FMCG, 2012; Woolworths, 2013).

Consumers who want to save money, the introduction of premium PLB ranges at higher prices, and the expansion of MGRs contributed to global sales growth of PLBs from 2009 (Euromonitor International, 2013a:6). The four major local MGRs were listed on the Deloitte list of top 250 global retailers in 2012 based on revenue worldwide (Deloitte LLP, 2014:G14-G17). All four of the major MGRs in South Africa experienced substantial growth in their PLB sector in 2012. Mass Grocery Retailers offer different tiers of PLBs, as mentioned previously, to cater for the different needs of consumers (Euromonitor International, 2013b). The recession resulted in consumers evolving and changing their shopping habits, leading to the development of wine PLBs into worthy rivals within the South African retail sector (Euromonitor International, 2013b; Retail-FMCG, 2012).

2.4.2.1 Pick n Pay
Pick n Pay is the largest MGR based on their market share of approximately 30% (Gauteng Provincial Treasury, 2012:6-7). Pick n Pay was in 137th place on the Deloitte list of top 250 global retailers in 2012 based on revenue worldwide, making over US$7 million (Deloitte LLP, 2014:G14-G17). Their PLBs are 5% to 15% cheaper than producer brand products and generate more profit. Private Label Brands are 15% of Pick n Pay’s total sales in their grocery sector and experienced substantial growth from 2009 to 2011. This is owing to their successful implementation of the multi-tiered approach to PLBs (Pick n Pay, 2013). They offer a budget PLB called ‘no name’ brand; a sub-premium PLB range, which is called the ‘PnP’ brand; and a premium PLB range named the ‘Finest’ brand. Pick n Pay offers PLB wines under the label ‘PnP’, and the wine producers are mentioned on the labels (Pick n Pay, 2013).

2.4.2.2 Shoprite Holdings Ltd.
Shoprite Holdings Ltd., which includes all Checkers and Shoprite stores, has a market share of just below 30% (Gauteng Provincial Treasury, 2012:6-7). They were listed among the top 50 fastest growing retailers with a compound annual growth rate of 14.20% over a five year period (Deloitte LLP, 2014:G25-G26). They were also
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named as one of the top retailers based on quality ratio, which means that the retailer has successfully distinguished itself and their brands from their competitors, thus securing their position in the marketplace (Deloitte LLP, 2014:G31). On the Deloitte list of top 250 global retailers in 2012, based on revenue worldwide, Shoprite Holdings Ltd. appeared at number 94 with revenue of over US$10 million (Deloitte LLP, 2014:G14-G17). In 2011 the PLBs of Shoprite Holdings Ltd. comprised more than 60% of their sales in some categories, far out-selling their producer brand counterparts (Private Label South Africa, 2012a).

Checkers offers a budget PLB range, which is named ‘Checkers Housebrand’ and a sub-premium PLB range, which is named ‘Checkers Choice’. They are famous for their ‘Odd Bins’ range of wines that are exclusively available through their retail outlets. Checkers purchases wines from South African wine producers, adds an anonymous bin number to the bottle and sells the wine at a competitive price. The difference between Checkers PLB wines and the PLB wines of other MGRs discussed in this section is that Checkers does not disclose the producers or wine farms (Checkers, 2011).

2.4.2.3 SPAR Group Ltd.
The SPAR Group Ltd. is the third largest MGR with 26% market share, placing them in 172nd position on Deloitte’s list of top 250 global retailers in 2012, based on revenue worldwide. They made approximately US$5 million revenue in 2012 (Deloitte LLP, 2014:G14-G17; Gauteng Provincial Treasury, 2012:6-7). SPAR Group Ltd. also appeared on the list of the top 50 fastest growing retailers based on a compound annual growth over a five year period of 14.70% (Deloitte LLP, 2014:G25-G26). The budget and middle class PLB ranges that are offered by SPAR Group Ltd. play a vital role in the company’s strategy (Private Label South Africa, 2012a). They offer consumers the ‘Olive Brook’ value-for-money wine range, the ‘Prestige Selection’, which is the middle of the range, and premium ‘Pinnacle Collection’ wines. They mention the various producers of wines that are in these individual ranges on the labels (SPAR, 2013).
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2.4.2.4 Woolworths Holdings Ltd.

Woolworths Holdings Ltd. entered Deloitte's list of top 250 global retailers in 2012 based on revenue worldwide for the first time in 2012 ranking in 234\textsuperscript{th} position with revenue of over US$4 million (Deloitte LLP, 2014:G14-G17). They own 11\% market share in South Africa and had a compound annual growth rate of 11.90\% in 2012, placing them on Deloitte's list of top 50 fastest growing retailers based on compound annual growth over a five year period (Deloitte LLP, 2014:G25-G26; Gauteng Provincial Treasury, 2012:6-7).

The Woolworths PLB range is often more expensive than producer brand products, and is associated with certain status and luxury. They have managed to firmly establish their PLBs in the market, and can charge a higher price for products that are considered to be superior in product quality and value. Woolworths Holdings Ltd. was one of the top retailers based on quality ratio in 2012, thus securing their position in the marketplace (Deloitte LLP, 2014:G31). In South Africa the only retail supermarket that sells more PLBs than producer brands is Woolworths. Products that are available from this retailer are mainly PLBs, unlike other retailers in South Africa that largely carry producer brand products. Woolworths has a middle range of PLB wines, namely ‘Zesty White’ or ‘Juicy Red’, as well as the ‘Longmarket’ premium wine range. The various producers of the wines in these individual ranges are mentioned on the labels (Woolworths, 2013). A total of 90\% of their sales are PLB products and they have a strong relationship with their suppliers, which adds to their success in the PLB market by ensuring products of good product quality and standards (Moorad, 2012; Private Label South Africa, 2012a; Private Label South Africa, 2012b; Retail-FMCG, 2012; Smith & Ballantyne, 2012; Woolworths, 2013).

2.4.3 Marketing of Private Label Brands

When PLBs first entered the market in the 1960’s, the products were the less expensive versions of producer brands. Private Label Brands were aggressively marketed at lower prices and were consequently considered to be of a lesser quality (ACNielsen, 2005:4; Rubio \textit{et al.}, 2014:289). Traditionally, consumers viewed PLBs as an alternative, cheaper option to producer brand products. However, nowadays consumers are more confident about PLBs being qualitative products (Private Label Manufacturers Association, 2013; Struwig & Marriott, 2013:266). Private Label
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Brands have evolved into different tiers of products, which are specifically aimed at consumers from all income levels and lifestyles, and no longer only cater for consumers who are on a tight budget (Euromonitor International, 2013b; Retail-FMCG, 2012). They have shown significant growth over the last decade and retailers are now offering various tiers of PLBs to suit the needs of a wide variety of consumers (Olsen et al., 2011:770). According to Lincoln and Thomassen (2009:1-2), PLB sales have grown at double the rate of producer brands over the last decade and can be classified as the largest brand in the world.

A key factor that determines whether a PLB will be successful in the market is retailers’ ability to differentiate their particular product from the wide variety of manufacturer or producer branded products that are available. This is applicable to the wine industry, where consumers are confronted with so many different producer brands and PLBs from which to choose, which often complicates their decision (Atkin & Thach, 2012:54-55; Corduas et al., 2013:407). Private Label Brands are generally cheaper than producer brands. In retail stores consumers are faced with a choice between purchasing PLBs or producer brands, as these are displayed alongside each other on shelves. A retailer’s PLB has to compete with producer brands, as well as other retailer PLBs (Dawes & Nenycz-Thiel, 2013:60-61). A majority of consumers worldwide still believe that PLBs are for budget consumers who cannot afford producer brands. In South Africa, 48% of consumers believe that this is the case. Globally, the budget and sub-premium ranges of PLBs are usually 20% to 30% cheaper than producer brand products (ACNielsen, 2005:7). Private Label Brands generally have lower advertising, research and development, and packaging costs than producer brands (Moorad, 2012).

Consumers place PLBs in a separate category in their memory to producer brands and in spite of retailers’ efforts to market PLBs as being of an equal product quality to producer brand products, consumers still believe that these are cheap generic products. This complicates the process of changing consumers’ attitudes towards PLBs and getting them to switch from producer brand products (Nenycz-Thiel & Romaniuk, 2009:258). Evidence suggests that retailers have revolutionised their store brands with regard to product quality and found that a lower price could attract consumers to purchase the PLB, but a satisfactory product experience with regard to
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Product quality will encourage consumers to continue to buy PLBs (Méndez, Oubiña & Rubio, 2008:152). PLBs have a lower perceived product quality compared to producer branded products, but if strategically developed, a retailer can gain a substantial market share by differentiating their PLB from competing retailers’ PLBs and producer brands (Yang, 2012:1114).

Private Label Brands usually have less marketing support. If retailers market their range of PLBs they usually select a few products that represent their entire range of PLBs instead of focusing on one single product, as producer brands often do. The distribution channels of PLBs are limiting compared to producer brands, as PLBs are only available in selected retailers’ grocery stores (Chen, Narasimhan & Dhar, 2010 cited in Dawes & Nenycz-Thiel, 2013:60). Whether consumers choose to purchase PLBs depends mainly on their perceived risk of the product in question. Continuous product development, provision of product information to the consumer and monitoring of price differences between PLBs and producer brands are essential factors in this regard (Cuneo et al., 2012:435).

Retail-FMCG (2012) found that more than 80% of consumers in developed countries consider PLBs as a good alternative to producer brands, while over 30% of consumers think that PLBs are superior in product quality to producer brands. A total of 65% of South African consumers indicated that they have intentions to purchase PLBs (Retail-FMCG, 2012). A total of 60% of consumers suggested that retailers are improving the packaging of PLBs, and that the prices of these are a major selling point. This has led to 45% of these consumers indicating that they have recently increased their purchasing of PLB products (Retail-FMCG, 2012).

Private Label Brands provide retailers with an opportunity to differentiate themselves from other competitors in the market place by providing consumers with more variety and choice. Retailers focus on creating brand loyalty amongst consumers, who then become aware that they can only purchase that particular PLB at the one specific retailer (Bontemps, et al., 2008:1; Private Label Manufacturers Association, 2013). Retailers are spending time and effort to create PLBs that are worthy of competing with producer branded products. They are moving away from developing copycat products, and instead focus on being trend setters in the marketplace (Mintel, 2009).
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2.4.4 The inclusion of Private Label Brands of wine in a retailer’s product mix

Competition between PLBs and producer brands is becoming intense as PLBs are gaining a better perception in the eyes of the consumer, and an increased market share. The inclusion of PLBs offers retailers an opportunity to increase their profits and market share, and to satisfy the demands of their target market more effectively. If buyers are satisfied with the PLB that they bought, they tend to return to that particular retail chain to purchase it again. This could also encourage consumers to try other PLB products that the retailer has to offer, thus creating prolonged consumer loyalty (Euromonitor International, 2013a:9,12; Lincoln & Thomassen, 2009:56; Nenycz-Thiel & Romaniuk, 2012:172; Retail-FMCG, 2012). The improved variety and product quality of PLBs attract consumers’ attention and allow retailers a chance to capture a larger market share by developing and promoting their own PLBs (Bontemps et al., 2008:1; Retail-FMCG, 2012; Smith & Ballantyne, 2012).

A retailer’s product range includes about 45% PLBs; however, retailers are rethinking and redeveloping their product mix of PLBs versus producer brands to determine whether introducing more PLBs will gain a larger share of the market (Euromonitor International, 2013a:9). A possible growth direction would be to develop premium ranges of PLBs to attract a higher paying consumer, and to build the retailer’s reputation (Bontemps et al., 2008:4; Smith & Ballantyne, 2012). Consumers in the UK believe that PLBs are equal and sometimes better in product quality compared to producer brands (Byrne, 2013:12; Private Label Manufacturers Association, 2014). Private Label Brands pose a real threat to producer brands in South Africa and Sub-Saharan Africa. They have become trusted and established brands, which satisfy the needs of different types of consumers, since innovative products are being developed, which offer value for money and present a long term growth opportunity in emerging markets such as Asia Pacific, Africa, Latin America and the Middle East (Euromonitor International, 2013a:12; Wood, 2013). Consumers in countries where PLBs are well established within the market tend to buy premium ranges more often. Examples would be the UK, the USA and Germany (Euromonitor International, 2013a:9). Datamonitor predicted an increase in PLB sales, especially household care and alcoholic products from 2009 to 2014 (Byrne, 2013:12,14).
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Retailers that wish to capture a larger market share with their PLBs will have to invest significant amounts of money to ensure that they offer products that are equal to or superior in product quality, and add value to producer brands, thus making it an easy and smart decision for consumers to swap their producer brand products for PLBs (Retail-FMCG, 2012). The retail sector in South Africa is expected to remain stable while PLBs will continue to grow based on the history of PLBs in developed countries where they are already well established in the market place (Euromonitor International, 2013b).

Private Label Brands have undergone a transformation from being perceived as low quality products that are available at a lower price than producer brand products, to premium ranges of PLBs that are competitively established in the marketplace. This transformation creates the expectation that the product quality of PLBs has also improved over the years (Olsen et al., 2011:771). Today, budget and middle class tiers of PLBs are synonymous with a wider variety from which to choose, good value for money, and often bigger savings (Private Label Manufacturers Association, 2013). Certain ranges of PLBs such as premium ranges are now almost equal in product quality and competitively priced against producer brand products, according to the consumer (ACNielsen, 2005:4). Growth in the PLB sector over the last decade has forced retailers to re-examine their marketing approach in a competitive retail environment. If a product is perceived to be a basic need or commodity, consumers tend to have a greater purchase intention towards the PLB counterpart. Retailers should focus their efforts on providing quality PLB wines and on informing their consumers about what their PLBs offer (Cuneo et al., 2012:434-435). Consumers expressed that they cannot tell the difference between a PLB product and its producer branded counterpart. Research shows that even premium producer brand products are being threatened by PLBs (Conroy, Snyder & Compernolle, 2010:1).

Retailers must implement a strategic approach to marketing PLBs of wine that will successfully attract the attention of their target market in order to gain a larger share of the South African wine consumers’ market (Du Toit et al., 2007:300,314). The application and implementation of a yield management theory to address the needs of the target market at the right time, right place and right price, can help to build brand loyalty and ensure long-term profitability for PLBs. Thus, if an MGR can
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successfully convince its target market to purchase its particular store’s brand of wine, they can gain a sustainable competitive advantage over rivals (Albayrak & Aslan, 2009:771-772; Bontemps et al., 2008:1; Camillo, 2012:68). Due to a highly competitive retail environment, customer loyalty and satisfaction must be prioritised by retailers (Tam, 2012:33).

If a retail store can successfully convince consumers to purchase PLBs in various categories, consumers will be less likely to purchase PLBs from other retailers because they perceive the cost of switching as being too risky (Gonzalez-Benito & Martos-Partal, 2012:237). Retailers do not spend enough money on marketing their PLBs to inform consumers of their availability (Yang, 2012:1117). Research shows that retailers are more likely to gain consumer support of PLBs if they offer more than one PLB range. In this case the premium PLB range will have a higher perceived product quality than the other middle class or budget PLB ranges, and consumers may be willing to pay more for them. In the event that a retailer only offers a single PLB range, consumers tend to be more wary of the product quality of a brand, which is labelled as premium, because they have nothing to compare it to (Palmeira & Thomas, 2011:540, 543).

Despite of improved marketing efforts by retailers, it remains a challenging task to change the perceptions of PLBs, as consumers view them to be lower in product quality than producer brands (Albayrak & Aslan, 2009:771-772; Banovic, et al., 2010:55). It is proposed that retailers in emerging markets are likely to enjoy a better response from the market with the introduction of PLBs (Moorad, 2012; Stanton & Meloche, 2012:117). Retailers should ensure that the introduction of a PLB range will largely benefit the retailer. Increased expenditure on the advertising of PLBs could also yield better results in emerging markets, as consumers tend to develop along with the market (Albayrak & Aslan, 2009:771-772; Stanton & Meloche, 2012:111,118).
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2.5 SUMMARY
The aim set out for this chapter was achieved by exploring global and local wine, as well as PLB industries with specific reference to South Africa’s current position within these industries. The next chapter discusses consumer behaviour and the conceptual model, which was developed for this study (refer to Figure 1.1), which includes the concepts of perceived product quality, risk, price and value, as well as the relationship between these concepts and consumers’ purchase intentions of private label wine brands.
3.1 INTRODUCTION

The aim of this chapter is to discuss consumer behaviour and explain the effect that it has on consumers’ purchase intentions. Furthermore, it focuses on defining concepts of perceived value and purchase intentions. Emphasis is on the constructs of perceived value, namely perceived relative price, perceived product quality and perceived risk, and how this influences consumers’ intentions to purchase PLBs, particularly PLB wines.

3.2 CONSUMER BEHAVIOUR

The actions involved in the process of identifying, buying and evaluating products that will satisfy a perceived need is defined as consumer behaviour (Schiffman & Kanuk, 2010:23). Consumers from different age groups, genders, lifestyles and income groups, geographic locations, races and family situations will have different needs that retailers must aim to satisfy (Solomon, 2013:35-37). A need arises when a consumer desires something that they do not have currently (Parumasur & Roberts-Lombard, 2012:251). Consumers are influenced by four factors when making a purchasing decision, namely their understanding or knowledge of the product; intrinsic- and extrinsic attributes; and marketing, which is used to promote the product (Parumasur & Roberts-Lombard, 2012:249).

According to Lin and Chen (2009:29), understanding consumers is a difficult task because consumers’ behaviour, which affects their purchase intentions and decisions, is influenced by their personal, cultural, social and psychological backgrounds. Consumers’ attitudes towards a brand, their understanding of this brand and their previous usage of the particular product, comprise the perceived brand image of a product. A powerful brand name can reassure consumers of the quality that the product promises to provide and makes the marketing of a product more effective. Retailers set out to determine the needs of customers and to satisfy these profitably. Retailers must research customer behaviour extensively in order to be successful (Parumasur & Roberts-Lombard, 2012:7,301-303). Consumer
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behaviour and expected PLB growth differs from country to country with limited research being conducted on consumer behaviour and PLBs, especially in underdeveloped PLB markets (Alic, et al., 2013:139).

Private Label Brands should be strategically positioned in the market to positively influence consumers’ purchase intentions by assuring them that these products will satisfy their needs (Schiffman et al., 2012:176). Discussion about the four MGRs in South Africa in the previous chapter explained that they have an existing range of PLBs on the market, which is exclusively available from their retail stores, respectively. If a PLB satisfies the need that it was intended and purchased for, it will create a sense of trust in the product and promote brand loyalty amongst consumers, which could in turn lead to greater profitability for the retailer (Pepe et al., 2011:28). Creating loyal store customers will positively influence consumers’ attitudes towards the PLBs and the retailer as a whole, and affect their purchase intentions positively (East et al., 2013:224).

Consumers gain value from producer brands and PLBs. Producer brands have gained customer loyalty through the provision of product quality and a recognised brand, while PLBs mainly satisfy consumers on the basis of value for money. Consumers’ opinions of PLBs are changing and producer brands are starting to recognise PLBs as a worthy rival in the marketplace (Rubio et al., 2014:289;291). Consumers tend to find it difficult to change from producer brand products to PLBs because they are unfamiliar to them and often pose too great a risk to purchase (Private Label Manufacturers Association, 2013). There are various stigmas that surround PLBs, which affect consumers’ purchase intentions negatively. This includes that PLBs are purchased on an irregular basis; they are for consumers who cannot afford producer brand products; the majority of consumers do not like them; and that they cannot be considered as a competitive and profitable brand (Lincoln & Thomassen, 2009:23-28). Private Label Brands are, however, proving to be the smarter choice for consumers in today’s economy, as they offer certain product ranges, which are similar in product quality and value to producer brands, are often at a lower selling price, and thus influence consumers’ purchase intentions (Private Label Manufacturers Association, 2013).
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The tough economic conditions play a significant role in consumers’ buying behaviour. Consumers have a lower disposable income and unemployment rates are higher during these periods (Euromonitor International, 2013a:1). Many consumers are brand conscious and are, therefore, reluctant to purchase any product besides producer brands (Schiffman et al., 2012:176; Zeithaml, 1988:4). If an MGR invests time and effort into determining what drives consumers to purchase PLBs, they could influence their behaviour and persuade them to swap their producer brand products for PLBs (Sheau-Fen et al., 2012:49). It is essential to identify the needs of the target market and to develop a product that offers to satisfy those needs profitably (Du Toit et al., 2007:300,314).

3.3 THE CONCEPTUAL MODEL

The conceptual model for this study was developed by critically analysing secondary sources, which measure similar constructs in similar contexts. This section discusses the conceptual model (Figure 1.1) that was developed for this study and explains the elements of perceived value and purchase intentions.

Table 1.1 highlighted a few common constructs in the studies that were conducted previously, and these include perceived relative price, perceived product quality and perceived risk, which involve purchasing a product. The studies imply that together these three main constructs constitute the concept of perceived value. Thus, only these three constructs were chosen for the conceptual model of this study. Perception can be defined as a consumer’s observed reality. As consumer perceptions and their perceptions of the value that they receive influence whether they will purchase a product, the link between perceived value and purchase intentions is also researched in this study (Liu et al., 2013:228; Schiffman & Kanuk, 2010:172).

The conceptual model for this study was developed to investigate the relationship between perceived value and consumers’ purchase intentions, and specifically focuses on PLB wines within the retail sector in Johannesburg. Figure 1.1 was adapted from various studies, as discussed in Table 1.1, to identify the constructs on which this study focuses. The constructs represented in Figure 1.1 are discussed in detail in this section.
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3.3.1 Perceived relative price

Price can be defined as the commercial trade between the seller and the buyer (Schiffman et al., 2012:178; Zeithaml, 1988:10). The seller exchanges products or services usually in return for money from the buyer. This commercial trade is voluntary, based on the premise that the trade will mutually benefit both the buyer and the seller. In order to buy a certain product, a monetary sacrifice must be made in return for receiving the product. This is known as the perceived relative price (Monroe, 2012:132; Schiffman et al., 2012:178; Schindler, 2012:1; Zeithaml, 1988:10). The perceived relative price is the consequence of making the purchase, which is deemed to be fair and worthwhile (Du Plessis & Rousseau, 2007:178; Monroe, 2012:135-136,146; Schiffman & Kanuk, 2010:193-194). If the perceived relative price of a product is considered to be low, the perceived product quality and the perceived risk involved in purchasing the product is also considered to be low. Consumers tend to add more value to perceived product quality than perceived risk in this instance. However, if the perceived relative price is perceived as high, so is perceived product quality and risk, with perceived risk often being more important than product quality for higher priced products (Monroe, 2012:143-144).

Consumers judge a product based on its perceived relative price in light of the benefits that they will receive from it; what they would be willing to pay for the product or price consciousness; and the price versus quality trade-off to determine if the price and product quality of the product satisfy their needs (Monroe, 2012:146; Schiffman & Kanuk, 2010:198). Perceived relative price is the main influencing factor when consumers make a purchasing decision, and not the actual price of a product. Consumers evaluate the actual price of a product with what they think the product is worth to determine the perceived relative price in order to make a purchasing decision (Du Plessis & Rousseau, 2007:151; Monroe, 2012:132; Schiffman & Kanuk, 2010:193-194). The perceived relative price of a product will have a direct effect on consumers’ purchase intentions, and if the price of a product is perceived to be unfair, the perceived value and purchase intention of the product suffers (Schiffman et al., 2012:178; Schindler, 2012:1; Zeithaml, 1988:10).

The degree to which consumers are affected by the price of a product when making a purchasing decision can be classified as price consciousness (East et al.,
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2013:196-197; Schiffman et al., 2012:178). The more price conscious consumers are, the more likely they are to consider purchasing budget or middle class PLBs at a lower price (Hsu & Lai, 2008:15). Price consciousness varies among consumers. It is essential for retailers to understand their target market well enough to set prices that consumers would be willing to pay (Blackwell, Miniard & Engel, 2006:628-629). A study, which was conducted on the perceived product quality of pasta showed that consumers did not assume a higher priced product to indicate a higher product quality. Price negatively influenced consumers’ purchase intentions owing to the fact that they were price conscious (Dumitrescu, Nganje & Shultz, 2013:1529). It is essential that PLBs challenge producer brands in terms of price (Amrouche & Yan, 2012:328).

Many consumers believe that the price of a product is a good indication of the product’s quality. Nenycz-Thiel and Romaniuk (2009:258) found that most consumers perceive producer brand products to be more expensive than PLBs and that a lower price is the easiest way to distinguish between these (East et al., 2013:199). The price versus quality trade-off works on the premise that the price of a particular product is a reliable indicator of product quality. This could, however, be influenced by certain variables such as consumers’ risk aversion and product information, which is available to assist them to make an informed purchasing decision (Zhou et al., 2002:349). Consumers are likely to use price as an inference of product quality if they find it difficult to determine the product’s quality before using it; if they perceive a large product quality gap between the product and an alternative product; and if they are afraid of the risk involved in purchasing the product that is perceived to be of an inferior product quality (Monroe, 2012:132; Schindler, 2012:36,156).

Consumers generally use price as an indicator of product quality when purchasing wine because product quality can only be adequately assessed once the bottle is opened. Many consumers have insufficient knowledge of wine in order to make a good purchasing decision based on the information on the labels alone. The perceived value of the product must be superior to that of the competitors’ products for consumers to purchase it (Monroe, 2012:132; Schindler, 2012:36,156). If enough relevant product information is available to inform consumers in a convenient and
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effortless manner, then they are less likely to use the price versus quality trade-off to judge a PLB. If consumers have good product knowledge and understanding of how the price versus quality trade-off works, then they are less likely to use price as a means to determine product quality (Monroe, 2012:132). The more consumers use the price versus quality trade-off in their purchasing decision, the greater the impact on their perceived value of a product and their purchase intentions. A consumer with limited wine knowledge or inexperience with purchasing wine will be inclined to make use of the price versus quality trade-off (Du Plessis & Rousseau, 2007:152; Monroe, 2012:132). In the past, many retailers placed emphasis on price when developing a strategy to promote PLBs. This is, however, insufficient in today’s market place and emphasis has shifted to developing strategies that focus not only on the price of PLBs, but on product quality as well (Pepe et al., 2011:28).

3.3.2 Perceived product quality
Based on the discussion concerning perceived relative price construct, it is clear that the construct is closely linked to perceived product quality. Blythe (2013:330) describes perceived product quality as a subjective perception of the difference between the product, which is provided by the producer and the product that the consumer expects to receive. Perceived product quality is a key aspect to determine a consumer’s intention to purchase a PLB, and relies on the use of extrinsic and intrinsic attributes to determine the perceived product quality (Schiffman et al., 2012:180; Yang, 2012:1114-1115).

Ever since their introduction, private labels have been positioned as a cheap alternative or of inferior product quality compared to national brands (Alic et al., 2013:141; Rubio et al., 2014:289). Consumers are searching for good quality products at a price that they are willing to pay (Euromonitor International, 2013b; Retail-FMCG, 2012). However, many consumers still have a misconstrued opinion that PLBs are only for consumers who have financial constraints. A perceived product quality gap exists between producer brand wines and PLB wines (Mandhachitara et al., 2007:80-81). Mandhachitara et al. (2007:80-81) suggest that retailers should close the perceived product quality gap between PLBs and producer brand products by introducing premium lines of PLBs to compete with producer brand products regarding price and product quality.
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A higher priced bottle of wine potentially holds more benefits for the consumer because it has a higher perceived product quality even though the higher price also increases financial risk for the consumer (Monroe, 2012:145). The perceived product quality of PLBs has an impact on the perceived risk involved in purchasing the product, customer loyalty and brand perception (Banovic et al., 2010:54; Rubio et al., 2014:290). Consumers use both extrinsic and intrinsic attributes to judge a product’s quality, as discussed in this section. The use of multiple attributes has a greater effect on a consumer’s perception and ultimate purchase intention (Monroe, 2012:133-134; Schiffman & Kanuk, 2010:175). The extrinsic and intrinsic attributes that were measured in this study are discussed in the methodology chapter.

3.3.2.1 Extrinsic attributes

Extrinsic attributes are not part of the physical product. The use of extrinsic attributes to infer product quality leads to PLBs having a lower perceived product quality than producer brands, according to the consumer (Banovic et al., 2010:54; Rubio et al., 2014:290). Consumers often use extrinsic attributes such as the price, brand name and packaging of a product to judge a product’s quality if they are sure that they have a good understanding of how these attributes influence product quality. Extrinsic attributes also include: the marketing strategy and branding of the product, in this instance wine; the current economy and changes in the environment; the country of origin; the availability of the wine; how competitively priced the product is; and the retailer’s perceived image (Camillo, 2012:79; Kazmi, 2010:151; Monroe, 2012:133-134; Olsen et al., 2011:771; Schiffman & Kanuk, 2010:195,199).

3.3.2.2 Intrinsic attributes

Intrinsic attributes are directly related to how a consumer behaves and to a product’s physical characteristics (Monroe, 2012:133-134). A consumer’s needs, level of wine education, lifestyle, health concerns; culture, religion, income, occupation, marital status, previous experience with the product, attitude towards PLBs, perceived value, and willingness to try a new product are classified as intrinsic attributes, which affect consumer behaviour and purchase intentions. Intrinsic attributes could also be physical product attributes such as the size and colour of the bottle of wine, the label design and colour (Camillo, 2012:79; Du Plessis & Rousseau, 2007:261; Kazmi,
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3.3.3 Perceived risk
Perceived risk involves the effects of an unsatisfactory purchasing decision and having to deal with the unknown consequence (Arslan, et al., 2013:158-159; Batra & Sinha, 2000:178; Kazmi, 2010:152; Schiffman & Kanuk, 2010:201-202). A consumer’s perception of risk will be an influential factor in their perceived quality of a product (Alic et al., 2013:142; Sheau-Fen et al., 2012:49). This indicates that the constructs of perceived risk and perceived product quality are interlinked. Whenever a consumer purchases an unknown product, the consequences of that purchasing decision are uncertain. This could be classified as the perceived risk involved in the consumer’s purchasing decision. This will depend on the consumer’s background, situation, use of extrinsic and intrinsic attributes and the particular product in question (Schiffman et al., 2012:186-187).

Consumers tend to deal with these risks by gathering more information on the product, refusal to change from brands that they are familiar with, or buying the most expensive brands in the hope that a higher price will infer good product quality (Schiffman et al., 2012:186-187). In markets where PLBs are newly introduced, consumers perceive that there is a higher risk involved in purchasing these products instead of producer brands (Alic et al., 2013:139). Perceived risk can be categorised into different elements, which ultimately comprise the overall concept of perceived risk. These elements are physical, functional, financial, psychological, social, and time risks (Alic et al., 2013:143).

3.3.3.1 Physical risk
A physical risk can be described as any risk that a product brings in the form of physical harm to a consumer or others who purchase or consume it. It could also imply that the retailer where one purchases products will harm the consumer, or that the physical effort of purchasing the product poses a risk to the consumer (Beneke, et al., 2012:5-6; Blythe, 2013:67; Kazmi, 2010:152; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). With regard to wine there is a physical risk of the wine being expired and, therefore, not suitable to consume owing to incorrect
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production or storage methods. This risk cannot be determined before purchasing and opening the bottle. Furthermore, if a consumer drinks too much wine it poses a physical risk of him/her becoming drunk and having a hangover from consuming too much alcohol. The effects of drinking wine and driving also constitutes a physical risk (Beneke et al., 2012:5-6).

3.3.3.2 Functional risk

The risk of a product not delivering on its promise of performance or not satisfying consumers’ needs and expectations is classified as a functional risk (Beneke et al., 2012:5-6; Blythe, 2013:67; Kazmi, 2010:152; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). Functional risk is an important factor for consumers when they determine what value a product holds for them, and often consumers perceive a greater functional risk in purchasing PLBs than producer brands (Rubio et al., 2014:295). Consumers experience a functional risk when purchasing wine because they are unsure of whether the wine is inferior in quality in terms of what they expect. They can only determine the true quality of a wine by tasting it and this can only be done by purchasing and consuming the wine (Beneke et al., 2012:5-6).

3.3.3.3 Financial risk

Consumers experience a financial risk of losing money if the product is inferior or unusable. This is closely linked to the perceived relative price of the product and the price consciousness of the consumer (Beneke et al., 2012:5-6; Blythe, 2013:67; Kazmi, 2010:152; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). Before consumers purchase a bottle of wine they consider the financial risk involved. The risk that exists is that after purchasing and consuming wine, they conclude that it did not meet their needs or expectations and have, therefore, wasted money on purchasing an unsatisfactory product (Beneke et al., 2012:5-6; Schiffman & Kanuk, 2010:201-202). Consumers experience less of a financial risk when purchasing a product with a good product quality and brand perception. If there are two equally priced competing products, the monetary risk is perceived to be lower for the product with the better perceived product quality and brand perception in the eyes of the consumer. Products with a higher product quality and brand perception can be sold at higher prices and can still maintain the same level of perceived financial risk as similar products with an overall lower perceived perception (Kazmi, 2010:152;
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Monroe, 2012:137-138). A higher priced bottle of wine potentially holds more benefits for the consumer because it has a higher perceived product quality, although the higher price also increases the financial risk involved for the consumer (Monroe, 2012:145).

3.3.3.4 Psychological risk

When consumers have made an incorrect purchasing decision, it can affect their self-esteem. This is known as a psychological risk (Beneke et al. 2012:5-6; Blythe, 2013:67; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). Psychological risk is the most influential type of risk, which is experienced by consumers when making a purchasing decision, because the consumer experiences emotional stress (Lin & Chen, 2009:43). If a consumer does not really want to buy a product, the psychological sacrifice that they have to make is greater than for a product that they want to buy, leading to a begrudging expenditure, which makes the consumer feel incompetent (Kazmi, 2010:152; Monroe, 2012:135). Psychological risk is closely related to social risk since consumers are fearful of purchasing a product, for example, wine, which will prove to be inferior in product quality, and will hence lead to disappointment and lower self-esteem (Beneke et al., 2012:5-6).

3.3.3.5 Social risk

Social risks, or the fear of embarrassing yourself dictate, which products you can and cannot purchase (Beneke et al., 2012:5-6; Blythe, 2013:67; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). A social fear exists when consumers are afraid of embarrassing themselves in front of a group of people whose opinions they value (Kazmi, 2010:152). An example of this would be the fear of disappointment and embarrassment by purchasing a PLB wine. If the wine proves to be of a lower quality than anticipated when it was consumed, consumers will experience a perceived diminished social status. Consumers are wary of a product purchase that could negatively affect other peoples’ opinions of them. They tend to purchase producer brand wines, which are considered to pose less of a social risk because the perceived product quality thereof is more certain (Beneke et al., 2012:5-6).
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3.3.3.6 Time risk
The final type of risk is time, where if the product does not satisfy your need, the time spent researching or purchasing it will have been wasted (Beneke et al., 2012:5-6; Blythe, 2013:67; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186). This includes: the effort involved in driving to the retailer and finding parking; the in-store experience and convenience; whether the consumer can quickly find the wine aisle; whether a store assistant is available to answer questions or give advice; deciding on which wine to purchase; whether the shop is busy; and whether the queues are long. If a consumer purchases a PLB wine and after consuming it is dissatisfied with the purchase, they will have wasted their time and effort on an inferior product (Beneke et al., 2012:5-6; Blythe, 2013:67; Schiffman & Kanuk, 2010:201-202; Schiffman et al., 2012:186).

3.3.3.7 Strategies to reduce risk
Consumers still view purchasing a PLB as risky and the uncertainty of whether these products will perform as expected negatively influences consumers’ attitudes, perceived product quality and purchase intention towards PLBs (Beneke et al., 2013:225; Kazmi, 2010:152-153; Sheau-Fen et al., 2012:55-56). Consumers are afraid to change to PLBs in spite of retailers investing time and effort into changing the perceptions. Consumers who try to avoid risk will choose to purchase products that are considered to be safe such as producer brands. Building customer loyalty will encourage consumers to purchase PLB wines. It is preferable to communicate that these are not inferior or lesser in product quality than producer brands. Lower prices of PLBs attract price conscious consumers, but render consumers who believe in price as an indicator of product quality more skeptical about purchasing. Retailers might consider conducting PLB in-store wine tastings and offering consumers product quality assurance and a money back offer to give them peace of mind (Beneke et al., 2013:225; Kazmi, 2010:152-153; Sheau-Fen et al., 2012:55-56). The key is to provide consumers with as much information about PLBs in order to minimise their feelings of anxiety and uncertainty (Hsu & Lai, 2008:16).
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Consumers use various strategies to reduce perceived risks that are involved in purchasing wine, which is considered a complex product. These strategies include:

- Using extrinsic attributes such as the label to gain adequate information to make a purchasing decision (Atkin & Thach, 2012:55);
- Using the price versus quality trade-off (Kazmi, 2010:153; Monroe, 2012:139);
- Remaining loyal to producer brands whose product quality is trusted (Kazmi, 2010:153);
- Setting out to gather as much information about the product to better evaluate the risk involved (Kazmi, 2010:153);
- Using the price versus risk trade-off (Monroe, 2012:139);
- Relying on the retailer’s reputation to indicate PLB product quality (Kazmi, 2010:153); and
- Lowering their expectations in order to minimise psychological risk if the product does not meet their expectations (Kazmi, 2010:153).

3.3.4 Perceived value

As discussed in the conceptual model (Figure 1.1), the perceived value of a product comprises of three interlinked constructs, namely: perceived relative price; perceived product quality; and perceived risk (Beneke et al., 2013:219-220). Consumers combine the different constructs, as discussed, to form an overall opinion of the perceived value of a product. Positive attributes include perceived product quality and the benefits that can be gained from the product, while negative attributes are represented by the perceived relative price and perceived risk involved. This often presents consumers with some difficulty to try and weigh up the different attributes to create a perception of value of a product (Monroe, 2012:138). These constructs directly influence the purchase intentions of consumers. If the price is perceived to be unfair; if the product quality is perceived to be inferior; or if the perceived risk is too great, then the perceived value of the product suffers, while a high perceived product value in the eyes of the consumer will increase their purchase intentions (Schiffman et al., 2012:178; Zeithaml, 1988:10,15-16).
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Perceived value is created when consumers regard the cost of purchasing a product to be worthwhile in light of its advantages. It is the expected satisfaction that a consumer wishes to obtain from purchasing a product and can be considered as a subjective trade-off between resources such as money, time and effort, and perceived benefits from purchasing the product (Blythe, 2013:160,393; Schiffman et al., 2012:7-8,183). The analysis of a product’s value is dependent on the benefits gained from purchasing or consuming the product, and it is essential that retailers create a satisfactory value proposition to attract consumers (Blythe, 2013:160,393; Schiffman et al., 2012:7-8,183). Perceived value is based on a consumer’s understanding or knowledge of using or purchasing a certain product. It involves a balance between advantages that can be gained and the sacrifice needed to obtain the product (Schiffman & Kanuk, 2010:29; Snoj et al., 2004:158).

Consumers consider their perception of product quality in respect of the price that they have to pay for the product to establish the perceived value of the product. The way in which consumers determine the perceived value of a product depends on their intrinsic and extrinsic attributes, as discussed previously (Monroe, 2012:132). Perceived value would be low in cases where a product is considered to have a low perceived price, perceived product quality and perceived risk, as well as in cases where products have a high perceived price, higher product quality, but also a higher perceived risk (Monroe, 2012:143-144). Perceived value is determined by evaluating the perceived benefits of a product, and whether there is enough credible information available for the consumer to make an accurate purchasing decision. This is also referred to as perceived acquisition value. Consumers estimate perceived value based on the perceived relative price of a product, the perceived product quality and the financial sacrifice, which is necessary to obtain the product. In instances where it is difficult to judge a product’s quality, for example, a bottle of wine, consumers tend to utilise the price versus quality or price versus risk trade-off as a means of determining product quality. A perceived transaction value also exists and involves benefits that can be gained from the product. Consumers evaluate the perceived value of a product before they make a decision to purchase (Monroe, 2012:144-146).
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Perceived value is influenced by perceived product quality while perceived product quality can limit the perceived risks (Snoj et al., 2004:163). Perceived value is unique to each consumer’s perception of the advantages and disadvantages of purchasing a product (Liu et al., 2013:228). Perceived relative price, perceived product quality and perceived risk affect consumers’ overall perceived value of a product and subsequently influence consumers’ purchase intentions (Sun et al., 2013:257).

3.3.5 Purchase intentions

Purchase intentions involve the decision-making process to determine whether or not to purchase a product. The purchasing decision-making process involves identifying a need that must be satisfied; looking for relevant information regarding the product’s benefits and product quality in order to make an informed decision; evaluating all the products available that could possibly satisfy one’s need; purchasing and consuming the chosen product; and then evaluating whether the product did indeed meet one’s desires and needs (Du Plessis & Rousseau, 2007:263; Skinner, 1990:147-149; Silver et al., 2013:3-6). A consumer makes a purchase in order to satisfy a perceived need with the expected value of the product that they are purchasing (Snoj et al., 2004:156). Consumer behaviour influences their purchasing decision and how they decide to act to satisfy their needs. The purchasing process involves a problem that requires solving and is an intangible process to satisfy a perceived need (Parumasur & Roberts-Lombard, 2012:250).

The perceived relative price, perceived product quality and perceived risk of PLBs influence a consumer’s intention to purchase a product. A consumer’s income level also affects their purchase intention (Cuneo et al., 2012:430; Dursun et al., 2011:1197-1198). Perceived risk has a negative influence on purchase intention. Consumers tend to be more sensitive to the perceived risk of a product rather than to its perceived relative price (Wu et al., 2011:36). However, if the perceived relative price of a product is considered to be unfair, the perceived value and purchase intention of the product suffers (Huei-Chen, 2007:49; Schiffman et al., 2012:178; Schindler, 2012:1; Zeithaml, 1988:10). A study, which was conducted in Brazil, which is also an emerging market such as South Africa, showed that consumers’ intention to purchase PLBs is affected by their perceived risk of the product (Diallo, 2012:364-365). If consumers have a higher perceived product quality, it will result in a greater
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intention to purchase a product. If the perceived risk to purchase the product is low, then consumers will have more intention to purchase the product (Ashton, et al., 2010:210-212).

Consumers often select a producer brand wine when making a purchasing decision because they are familiar with the brand name and product quality (Parumasur & Roberts-Lombard, 2012:302; Struwig & Marriott, 2013:274). Consumers are interested in purchasing PLBs because of the perceived relative price and value of these products. They are also more likely to buy a PLB if the perceived product quality and overall perceived value is better than the producer brand product (Grill-Goodman, 2013). The purchasing decision is often made without the availability of adequate product information, thus a consumer’s perception of a product is extremely powerful (Palmeira & Thomas, 2011:541; Silver et al., 2013:1). If a consumer has a positive image of a retailer, it will increase their purchase intention towards PLBs that are offered by that retailer (Wu et al., 2011:36). The perception that consumers have of a PLB is directly linked to their perception of the retailer itself (Gonzalez-Benito & Martos-Partal, 2012:246; Yang, 2012:1116).

3.4 SUMMARY

The aforementioned aim of this chapter was achieved by discussing consumer behaviour and defining the constructs of perceived value, namely perceived relative price, perceived product quality and perceived risk, and evaluating how these influence consumers’ intentions to purchase PLB wines, as illustrated in the conceptual model (Figure 1.1). The next chapter details the research methodology, which was utilised for this study.
CHAPTER FOUR
Research methodology

4.1 INTRODUCTION
This chapter aims to discuss the scientific marketing research process adapted for this study. Detailed information on how the necessary research activities for this study were conducted, is provided. The research problem, research objectives and hypotheses, secondary research conducted, primary research design, research frame, collection of primary data and data analysis for this study, are also explained. Research methodology is defined as the broad strategy, which is used to conduct a study in order to address a research problem (Leedy & Ormrod, 2010:12). Marketing research involves collecting data from a specific group of people in order to determine the perceptions and needs of the market (Mooi & Sarstedt, 2011:2). The data that is collected during the research process is then analysed to provide information to assist with decision making (Wilson, 2012:3-4).

4.2 THE MARKETING RESEARCH PROCESS
Conducting research involves meticulous planning in order to decide on the most appropriate process to follow to yield the best results (Mooi & Sarstedt, 2011:11). The application of a scientific research process will assist with gathering data to address a particular research problem and obtain useful knowledge on a particular topic. The marketing research process includes the different steps involved in conducting a research study (Hair et al., 2009:36,42; Wilson, 2012:19). The marketing research process utilised for this study consists of eight steps, namely: identify the research problem; determine the research objectives and hypotheses; conduct secondary research; develop the primary research design; determine the research frame; collect primary data; conduct data analysis; and report on the findings (Brown & Suter, 2014:8; Clow & James, 2014:30-31). The subsequent sections explain the application of these eight steps to this study, as illustrated in Figure 4.1.
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Figure 4.1: The marketing research process

4.2.1 STEP 1: Identify the research problem

In order for retailers to survive in a competitive environment, they should constantly research their target market to ensure that they are satisfying their needs. The research problem is defined as a statement on a current issue or problem that exists in the marketing environment and needs to be studied in order to gain insight on the matter (Hair et al., 2009:45; Wilson, 2012:19-20). This section identifies the problem statement in this study.

4.2.1.1 Problem statement

In modern times wine is being consumed as a social beverage, which is associated with pleasure and relaxation. The demand for wine is increasing while retailers’ ability to predict and understand the driving forces behind wine consumers and what
motivates them to purchase a bottle of wine, is becoming increasingly difficult. This is owing to the wide selection of wine that is available on the market (Corduas, et al., 2012:407). The South African wine market offers consumers many producer brand wines from which to choose. Private Label Brands (PLBs) of wine have developed into worthy rivals within the South African retail sector. The recession resulted in consumers changing their shopping habits leading consumers to search for good quality products at a price that they are willing to pay (Euromonitor International, 2013b; Retail-FMCG, 2012). However, many consumers still have a misconstrued opinion that PLBs are only for consumers with money constraints. A perceived product quality gap, therefore, exists between producer brand wines and PLB wines (Mandhachitara et al., 2007:80-81).

The study aims to address this perceived product quality gap by investigating the moderating role of perceived value on consumers’ purchase intentions of private label wine brands. As explained in section 3.3, perceived relative price, perceived product quality and perceived risk make up the concept of perceived value, which affects consumers’ purchase intentions. These important aspects in the wine purchasing decision have not been researched extensively in South Africa and in order for MGRs to take advantage of the unique growth opportunity that the PLB market has to offer, in-depth research should be conducted (Beneke et al., 2013; Schiffman et al., 2012:178; Zeithaml, 1988:10,15-16). The wine market in South Africa is growing, but since wine is not the most popular beverage that is consumed, there exists an opportunity for retailers to strategically adapt and develop new marketing strategies to promote PLB wine consumption amongst South African consumers. An investigation of perceived value of PLB wines and its relationship to consumers’ purchase intentions has not been done in South Africa before, thus it serves as a valid foundation to conduct this study. If retailers can successfully influence the perceived value of their PLB wines, it will allow them to influence consumers’ purchase intentions, and hence increase their profits and market share (Holtzkampf, 2012; Retail-FMCG, 2012).

4.2.2 STEP 2: Determine the research objectives and hypotheses
The research objectives should reflect the purpose of the study, the target population and the particular field or product that is researched (Schiffman & Kanuk, 2012:43-
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44. A hypothesis is an unproven statement about a particular research problem. It is used to state the expected result and relationship between two or more variables before analysis (Brown & Suter, 2014:28; Clow & James, 2014:27; Malhotra et al., 2012:65).

4.2.2.1 Research objectives

The research objectives of this study were developed based on the problem statement, as discussed. The primary objective of the study was to determine the relationship between the overall perceived value and the overall purchase intentions of consumers in relation to PLB wines.

The secondary objectives of the study included to:

- Conduct a literature review to identify the elements of perceived value;
- Identify consumers’ overall levels of perceived relative price relating to PLB wines;
- Identify consumers’ overall levels of perceived product quality relating to PLB wines;
- Identify consumers’ overall levels of perceived risk relating to PLB wines;
- Identify consumers’ overall levels of perceived value relating to PLB wines;
- Identify consumers’ overall purchase intentions relating to PLB wines;
- Determine whether a significant relationship exists between the overall perceived relative price and the overall perceived value of PLB wines;
- Determine whether a significant relationship exists between the overall perceived product quality and the overall perceived value of PLB wines;
- Determine whether a significant relationship exists between the overall perceived risk and the overall perceived value of PLB wines; and
- Determine whether a significant relationship exists between consumers’ overall perceived value and overall purchase intentions of PLB wines.
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4.2.2.2 Research hypotheses

The following hypotheses were formulated based on the research objectives of this study:

\( H_1 \): There is a significant relationship between the overall perceived relative price and the overall perceived value of PLB wines (refer to sections 3.3.1 and 3.3.4);

\( H_2 \): There is a significant relationship between the overall perceived product quality and the overall perceived value of PLB wines (refer to sections 3.3.2 and 3.3.4);

\( H_3 \): There is a significant relationship between the overall perceived risk and the overall perceived value of PLB wines (refer to sections 3.3.3 and 3.3.4); and

\( H_4 \): There is a significant relationship between the overall perceived value and consumers’ overall purchase intentions of PLB wines (refer to sections 3.3.4 and 3.3.5).

4.2.3 STEP 3: Conduct secondary research

Secondary research involves collecting data from existing information sources such as studies that have been done with their own research problems and objectives (Hair et al., 2009:37; Silver et al., 2013:42). The aim of secondary research is to support the primary research design of the study. Secondary data helps to acquire knowledge about a particular topic in a cost-effective and efficient manner and can be found on the Internet, in books and journals. Secondary data assists in filling any knowledge gaps that might exist, however, the accuracy and relevance thereof relating to the primary research design is questionable (Brown & Suter, 2014:43-44; Clow & James, 2014:28; Leedy and Ormrod, 2010:89; Malhotra et al., 2012:118; McDaniel & Gates, 2013:66-67; Schiffman & Kanuk, 2012:42; Silver et al., 2013:42). Secondary research for this study was conducted by using the Internet, textbooks and journal articles. Refer to Chapter Two, which deals with the wine industry and Chapter Three, which covers perceived value and purchase intentions.

4.2.4 STEP 4: Develop the primary research design

The primary research design involves collecting valid and reliable data and analysing the data in order to produce information regarding the research problem that is studied. The information that is obtained from the data is used to test the hypotheses.
The relationship between perceived value and consumers’ purchase intentions of private label wine brands of the study (Clow & James, 2014:3,34; Hair et al., 2009:51). This section defines quantitative and qualitative research; types of research designs; and the research methodology used for this study.

4.2.4.1 Quantitative and qualitative research

Quantitative research and qualitative research are the two types of research. Quantitative research focuses on quantities of known variables and the statistical measurement of the numerical data collected from a large sample by means of a questionnaire and rating scales. It is a structured approach to collect data that can be transformed into numbers by applying different statistical processes. Quantitative research is largely objective by nature and requires a larger sample size than qualitative research (Clow & James, 2014:41-44; Leedy & Ormrod, 2010:94-96; Malhotra et al., 2012:187,325; Mooi & Sarstedt, 2011:30-31; Silver et al., 2013:58). Quantitative research methods can be applied to marketing research to determine what exactly consumers’ needs are, and to gain a better understanding of why consumers purchase certain products and brands in order to predict possible future purchasing behaviour. The findings of quantitative research are descriptive and can be analysed by using various statistical processes (Schiffman & Kanuk, 2012:54).

Qualitative research, conversely, deals with qualities that cannot easily be expressed as numerical data. The variables are unknown and a smaller sample population is used to gather data. It utilises unstructured data collection methods and aims to gain an in-depth understanding of a complex research problem. Qualitative research is known to be more subjective than quantitative research (Clow & James, 2014:41-42; Leedy & Ormrod, 2010:94-96; Malhotra et al., 2012:182-187; Mooi & Sarstedt, 2011:30-31; Silver et al., 2013:58).

This study used quantitative research as it was best suited for research on consumer behaviour and how it affects consumers’ purchase intentions. The use of a quantitative approach allowed for statistical analyses to be performed on a large sample size. The research methodology for this study is in line with research, which was conducted by Beneke et al. (2013) and Sweeney et al. (1999), which measured similar constructs.
4.2.4.2 Types of research designs

There are three main types of research designs, namely descriptive, exploratory and causal. A descriptive research design involves examining the relationship between certain groups and variables with the objective of examining consumer characteristics and establishing why participants behave in a certain way in order to predict future behaviour. Descriptive studies aim to answer the following questions: Who? What? When? Where? and How? It could also be described as determining the frequency with which something occurs such as purchasing a particular brand or how two or more variables are related (Brown & Suter, 2014:27-28; Clow & James, 2014:28; McDaniel & Gates, 2013:66-67; Mooi & Sarstedt, 2011:15-16; Silver et al., 2013:71; Zikmund & Babin, 2010:44-46).

Exploratory research focuses on acquiring new ideas and gaining insight into a matter by observing the situation. Consumer behaviour is observed in natural surroundings in an effort to understand the relationship between the consumer and the product. Exploratory research can be used to help to define a research problem if the problem is not yet clear (Brown & Suter, 2014:27-28; Clow & James, 2014:27; Mooi & Sarstedt, 2011:13-14; Schiffman & Kanuk, 2012:54-56; Zikmund & Babin, 2010:44-46). A causal research design aims to establish cause-and-effect relationships by using controlled experimentations to indicate that one variable will lead to another variable place. Descriptive or exploratory research is usually conducted before causal research (Brown & Suter, 2014:27-28; Clow & James, 2014:29; Mooi & Sarstedt, 2011:16-17; Schiffman & Kanuk, 2012:54-56; Zikmund & Babin, 2010:44-46).

A quantitative, descriptive, survey-based research approach was implemented for this study to accomplish the above-mentioned research objectives, and to determine the relationship between perceived value and consumers' purchase intentions of PLB wines. A descriptive research design was used because it is deemed to be suitable for quantitative research (Zikmund & Babin, 2010:44-46). Survey-based research is considered as the best approach for descriptive studies because it answers the questions: Who? What? When? Where? and How? This approach involves gathering descriptive data about the target population such as opinions, demographics and other information, which is relevant to the study by posing
The relationship between perceived value and consumers’ purchase intentions of private label wine brands questions to participants by means of a questionnaire. A self-administered, structured questionnaire was developed as a research tool to determine the relationship between perceived value and consumers’ purchase intentions of PLB wines. Questionnaires can easily be distributed to a wide variety of participants in an efficient and cost-effective manner (Clow & James, 2014:35,162-163; Leedy & Ormrod, 2010:187; Malhotra et al., 2012:327; Mitchell & Jolly, 2009:263; Silver et al., 2013:127).

4.2.4.3 Questionnaire design

A questionnaire is a useful method to gather descriptive information from the sample selected for the study. A questionnaire must be designed in such a way that it is easy to convert the collected data into meaningful information in order to achieve the research objectives of the study. Questionnaires aim to ask questions, which relate to consumers’ demographics, behaviours, motivations, attitudes and intentions (Clow & James, 2014:35; Malhotra et al., 2012:327; Schiffman & Kanuk, 2012:60; Silver et al., 2013:139-141).

Questions can be open-ended or closed-ended. Open-ended questions give participants the option of answering in their own words, which makes it difficult to capture the collected data from the questionnaires. Closed-ended questions have a pre-determined list of answers for participants to choose from, and although it is easier to capture the collected data, participants have little freedom to express their opinion if it is not included in the pre-determined list of answers. This is also referred to as dichotomous questions, when only two answers from which to choose are given, or multiple-choice questions are provided with three or more pre-determined answers (Clow & James, 2014:327-333; Malhotra et al., 2012:328; Schiffman & Kanuk, 2012:60). Questions can also be answered on a Likert-type interval scale to measure participants’ agreement or disagreement with statements about a particular construct. Likert-type or attitude scales are easy to answer and code (Clow & James, 2014:297,303; Hair et al., 2009:370; Schiffman & Kanuk, 2012:60-61).
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The quantitative data for this descriptive study was collected via a self-administered, structured questionnaire. A structured questionnaire refers to a questionnaire where the questions are arranged in a pre-determined order, while all of the participants are asked the same questions (Malhotra et al., 2012:327). This method was chosen because questionnaires are the preferred data collection tool for descriptive studies, as these are easily distributed to a wide variety of participants in a cost-effective manner and the collected data can be thoroughly analysed by using statistical procedures. The disadvantages of using this method are that the rate of return is not always desirable, and it is difficult to gain in-depth insight into consumers’ behaviour (Hair et al., 2009:235-236; Mitchell & Jolly, 2009:263).

Data was collected in the form of nominal, ordinal and interval scales of measurement. A nominal or ordinal scale of measurement assesses data by dividing it into specific groups or categories such as gender or brand preference (Clow & James, 2014:256-257; Leedy & Ormrod, 2010:28). Data that is collected in the form of nominal scales of measurement can be analysed by using frequency, mode and percentage values. Data that measures participants’ attitudes such as questions that are answered in the form of a Likert-type scale, are referred to as data that is measured by means of interval scales of measurement and, which is analysed by using the mode and mean values to determine the central tendency of the data, as well as the standard deviation to ascertain to what extent the individual’s answers varied from the mean value (Brown & Suter, 2014:84-86; Clow & James, 2014:256-257; Leedy & Ormrod, 2010:28; Malhotra et al., 2012:413). This section explains the contents of the questionnaire, pilot testing, validity and reliability of the questionnaire, as well as ethical considerations that were taken into account in the questionnaire design process.

a) Contents of the questionnaire

The questionnaire was accompanied by a cover letter, which explained the research problem and objectives. A cover letter is intended to inform and persuade the consumer to participate in the study. The cover letter conveyed the purpose of the research to the participants prior to their participation, and they were made aware that this is strictly voluntary. The information that was collected from the sample population was treated as confidential. The questionnaire was anonymous, granting
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This study focused on PLB wines, in general, thus the participants were asked to answer closed-ended and Likert-type interval scale questions, which relate to the different ranges of PLB wines that are available in MGRs in South Africa. The questionnaire consists of two sections and 18 questions (refer to Appendix A). Section A asked participants ten closed-ended questions about their background and wine consumption. Participants were required to select the most appropriate response from a list of pre-determined answers. The data from section A of the questionnaire was measured by nominal and ordinal scales.

Section B (refer to Appendix A) measured consumers’ perceived value and purchase intentions of PLB wines. Participants were given pictures of the various PLB wines that are offered by four of the major MGRs in South Africa to familiarise themselves with the concept of PLB wines. Participants were asked to select how often they purchased PLB wines and whether they preferred PLB or producer brand wines based on various statements provided. The perceived relative price, perceived product quality, perceived risk, and the overall perceived value and purchase intentions of PLB wines were measured by using a five point unlabelled Likert-type scale. Participants were lastly asked to indicate the importance of various factors when purchasing wine on a five point unlabelled interval scale. Clow and James (2014:332-333) suggest using a shorter scale such as a five point scale to obtain more accurate results. Questions in this section of the questionnaire were designed based on constructs, which were used in previous studies, as illustrated in Table 1.2.

b) Pilot study
The purpose of pre-testing the questionnaire in a pilot study was to determine clarity of the instructions and questions, and to correct any questionnaire design issues (Davie, 2012:25-26; Mooi & Sarstedt, 2011:65; Pallant, 2011:5). A small number of participants are selected to test the sampling and data collection procedure of the study, and to determine whether the measurement tool works. It provides assurance that the measurement tool will gather information, which is required to achieve the
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research objectives of the study (Brown & Suter, 2014:109; Clow & James, 2014:28; Wilson, 2012:176).

Clow and James (2014:346) suggest selecting 20 to 40 participants from the target population to participate in the pilot testing. A pilot study, which involved 20 participants, was conducted in this study to determine the validity of the questionnaire. These participants were selected from the target population on a convenience sample basis in a similar environment to what was planned for the final fieldwork. Once the participants completed the questionnaire, they were given an opportunity to express whether they experienced any difficulty interpreting or understanding the questions in the questionnaire. The responses from participants were positive and they felt that the questionnaire was understandable, interesting and well designed. Some of the participants did not answer the question, which probed their monthly household income, as this was considered private. Considering that a participant’s monthly household income did not have a direct influence on the research objectives of this study, the question was left unchanged for the final questionnaire. The cover letter and questionnaire that was used for the pilot study are attached as Appendix B.

c) Validity of the questionnaire

Validity refers to the extent to which the measurement tool assesses and evaluates what the study planned for it to evaluate (Davie, 2012:37-38; Leedy & Ormrod, 2010:28; Pallant, 2011:6). In order for a measurement tool to be considered as being valid, it must gather the necessary data to address the research problem to be able to test the research hypotheses of the study (Clow & James, 2014:269; Schiffman & Kanuk, 2012:60-61). To determine the validity of the questionnaire used to collect the data for the study, three aspects were considered, namely face, content and construct validity.

- Face validity

In order for a measurement tool such as a questionnaire to have face validity it must measure what the tool originally intended to measure (Leedy & Ormrod, 2010:92; Pallant, 2011:7). This type of validity is determined subjectively by the person designing the measurement tool (Clow & James, 2014:269; Mooi & Sarstedt,
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2011:36). The design of the questionnaire formed an integral part in the face validity of this study to ensure that there was no measurement instrument bias such as leading questions, or questions unrelated to the constructs that are researched (McDaniel & Gates, 2013:155; Schiffman & Kanuk, 2012:58). This study intended to measure perceived value and purchase intentions of PLB wines, thus the questionnaire, which was designed posed questions regarding these constructs to participants to measure their perceptions and opinions.

- **Content validity**

Content validity is established when the measurement tool accurately represents a sample of the intended content that is measured (Leedy & Ormrod, 2010:92; Pallant, 2011:7). It is a more methodical approach than face validity that determines whether the items, which measure a particular construct are appropriate (Clow & James, 2014:270; Mooi & Sarstedt, 2011:36; Silver et al., 2013:104). The adaptation of measurement tools that were used in previous studies, which were conducted on consumers’ perceived value of PLBs and its relationship with purchase intentions, contributes to the content validity of this study (Refer to Tables 1.1 and 4.1). Furthermore, the data analysis and findings are discussed in relation to the research objectives of the study by using the content validity approach to ascertain whether the questionnaire measured what was intended to be measured, and hence adequately addresses the research problem of this study (Silver et al., 2013:104).

- **Construct validity**

Face and content validity contribute to the overall construct validity (Mooi & Sarstedt, 2011:36). The adaptation of measurement tools used in previous studies in the questionnaire design contributed to the construct validity of this study, as well as towards conducting a pilot study of the questionnaire (Davie, 2012:37; Pallant, 2011:6). A pilot study, which involved 20 participants, was conducted as discussed in section 4.2.4.3. These participants were selected on a convenience sample basis to ensure that the questionnaire was understandable, and that it measured the desired research objectives.
d) Reliability of the questionnaire

Reliability can be defined as the dependability of the measurement tool to deliver a certain outcome if the object that is measured remains unchanged (Clow & James, 2014:267; Davie, 2012:37-38; Leedy & Ormrod, 2010:28; Pallant, 2011:6; Schiffman & Kanuk, 2012:60-61). The statistical method that is most often used to test internal consistency or reliability is the Cronbach’s coefficient alpha. This method intends to determine the consistency with which each item in a construct relates to and measures the actual construct. The results vary between zero and one, with higher values indicating greater reliability (Davie, 2012:37; Pallant, 2011:6; Wilson, 2012:170). Wilson (2012:170) suggests that a value of above 0.6 indicates an acceptable internal consistency-reliability (refer to Table 5.10 for the Cronbach alpha values of each construct).

4.2.5 STEP 5: Determine the research frame

The research frame consists of guidelines, which are required to select an appropriate sample for data collection for a research study in order to address the research problem, and achieve the research objectives (Hair et al., 2009:326-327; Wilson, 2012:182). Step 5 of the marketing research process explains the sampling process that was utilised for this study.

4.2.5.1 The sampling process

The sampling process consists of different aspects that were used to select the participants for the research and ensures that the final sample is in line with the requirements of the study (Mooi & Sarstedt, 2011:37). It involves defining the target population; identifying the sample frame; determining the sampling procedure and sample size; and selecting the sample. Figure 4.2 below illustrates the sampling process that was utilised for this study. Each of these aspects is discussed in detail in this section.
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Figure 4.2: The sampling process

(a) Define the target population
The target population can be defined as a group of people who is eligible to participate in the research. It is essential to determine a target population from which the final sample will be drawn (Clow & James, 2014:225; Hair et al., 2009:52,327; Wilson, 2012:183). The target population for this study was any adult 18 years and older, as this is the legal drinking age in South Africa.

(b) Identify the sample frame
The group of individuals that is selected from a larger target population to participate in a study is known as the sample. The sample frame consists of sampling units that are selected from the available sampling elements. The sampling elements were adults 18 years and older who were available at the specific time and place when the fieldwork was conducted in the North, East, South and West of Johannesburg. The individual participants that were eligible to participate in the study, known as the sampling units, were selected from these sampling elements (Brown & Suter, 2014:113; Clow & James, 2014:36-37,225; Malhotra et al., 2012:497; Schiffman & Kanuk, 2012:63; Silver et al., 2013:154-155).
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c) Determine the sampling procedure

The sampling procedure that is utilised for a research study is influenced by the problem statement and research objectives, time available to conduct the study, budget, target population, sample frame, nature of the data to be collected and statistical analysis required (Clow & James, 2014:36-37; Hair et al., 2009:328; Leedy & Ormrod, 2010:205). There are two main types of sampling designs, namely probability and non-probability. Probability sampling ensures the inclusion and representation of each section of the population. The sampling is designed in such a way that every person in the target population has a nonzero, objective, known chance of being selected to participate in the study. A representative sample of the target population is likely, but cannot be guaranteed (Brown & Suter, 2014:117; Clow & James, 2014:229,235; Leedy & Ormrod, 2010:205; Malhotra et al., 2012:501; Mooi & Sarstedt, 2011:39). Non-probability sampling cannot promise the inclusion of each segment of the population as a person’s chances of being selected to participate in the study are unknown. The target population is determined in a non-random way and the sample is selected by chance in a subjective manner by the fieldworkers. This often leads to the sample not being representative of the target population (Brown & Suter, 2014:116-117; Clow & James, 2014:230-231; Leedy & Ormrod, 2010:211; Malhotra et al., 2012:501; McDaniel & Gates, 2013:69; Mooi & Sarstedt, 2011:40-41; Schiffman & Kanuk, 2012:63 Silver et al., 2013:157).

This survey-based research utilised a non-probability sampling strategy, namely the convenience sampling method. This approach gives every person an equal chance of being selected to participate in the study, thus eliminating researcher bias. However, the results of a study, which uses a convenience sampling method cannot always be generalised to a larger group of people, which makes the results less reliable. A convenience sampling strategy involves approaching participants that are easily accessible at a certain time and place where the fieldwork is conducted. It is an efficient and cost-effective way of collecting data from the sample, however, the researcher cannot predict whether the sample will be representative of the target population (Brown & Suter, 2014:116-117; Clow & James, 2014:230; Leedy & Ormrod, 2010:212; Mitchell & Jolly, 2009:263; Mooi & Sarstedt, 2011:40-41; Schiffman & Kanuk, 2012:64; Silver et al., 2013:157-158). The participants for this study were not limited to a certain race, gender or income group, but they were...
The relationship between perceived value and consumers’ purchase intentions of private label wine brands limited by age, as discussed previously. This ensured that every consumer available at the time and place where the fieldwork was conducted had an equal chance to participate in the study, and that the opinions from a wide variety of participants could be captured. Since this study aimed to determine the perception of wine in Johannesburg, consumption of wine was not a prerequisite. Perception can be defined as one’s impression based on one’s understanding of something, in this case, PLB wines. Thus, any consumer was eligible to participate in this study because any person may have a perception of branded versus PLB products.

d) Determine the sample size

Silver et al. (2013:164-165) suggest using a sample size based on previous studies, which measured similar constructs. Tabachnick and Fidell (2007:613 cited in Pallant, 2011:183), state that a sample size of 150 to 300 participants is sufficient to conduct statistical analysis. Hair et al. (2009:235) state that survey research requires at least 200 participants and is best suited for descriptive studies. The sample size for this study was 250 participants. The use of an Exploratory Factor Analysis (EFA) requires at least 250 questionnaires for analysis. This would provide enough usable data to conduct statistical analysis, and to draw relevant and accurate conclusions from the data. The larger the sample size, the more accurate and reliable the data analysis will be. The number of participants corresponds with studies that were conducted by Beneke et al. (2013) and Sweeney et al. (1999). This study used a non-probability sampling method, namely convenience sampling, as discussed in section 4.2.5.1 because a list of all the retail consumers in South Africa does not exist, thus a formula to determine the sample size could not be used. In total, 270 questionnaires were completed, of which 250 were usable for data analysis (refer to section 5.2).

e) Select the sample

Table 1.3 summarises the research frame for this study. This research frame ultimately identifies the sample to be used to collect primary data. The procedure to collect primary data is discussed below.
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4.2.6 STEP 6: Collect primary data

Data can be classified into two categories, namely primary and secondary data. Secondary data from studies that have been conducted previously is discussed in section 4.2.3. Primary data can be defined as information, which is collected from participants and analysed in order to address the research problem and achieve the research objectives, which are set out for a particular study. The collected data is carefully examined to conclude the findings and recommendations of the study (Brown & Suter, 2014:43-44; Clow & James, 2014:28; Leedy and Ormrod, 2010:88-89; Malhotra et al., 2012:118; McDaniel & Gates, 2013:66-67; Schiffman & Kanuk, 2012:42; Silver et al., 2013:42). Primary data was gathered from the sample of the research study, as defined in Table 1.3. The data collection procedure and non-sampling errors are discussed in detail in this section.

4.2.6.1 Data collection procedure

The data collection procedure depends on the primary research design of the study (Clow & James, 2014:37-38). Refer to section 4.2.4, which deals with research methodology. Four fieldworkers were trained and informed of their duties. The training ensured that the fieldworkers were able to convey the purpose of the study to all of the participants, that interviewer errors were limited, and that honesty and integrity were applied during the data collection procedure (Clow & James, 2014:45-46; McDaniel & Gates, 2013:155; Silver et al., 2013:29-37). Primary data was collected from participants via a self-administered, structured questionnaire, which was distributed by fieldworkers in the North, East, South and West of Johannesburg from 31 March to 12 May 2014. Participants across all areas of Johannesburg were selected by the fieldworkers via a non-probability sampling strategy namely the convenience sampling method. This method of data collection allowed the fieldworkers to clarify any questions that participants might have had and ensured higher participation and completed questionnaires. The disadvantages are that interviewer bias might have occurred, and it was a time consuming data collection method (Clow & James, 2014:175-176; Hair et al., 2009:244-245).
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4.2.6.2 Non-sampling errors

Non-sampling errors that occur in research influence the reliability of the data that is collected. Non-sampling errors occur regardless of the sample participating in the study. There are three types of non-sampling errors discussed in this section namely, sample frame, non-response and data errors (Wilson, 2012:198-201).

- **Sample frame error**
  A sample frame error occurs when the participants of the study are different to the sample frame that was originally selected from the target population. This could be owing to a lack of clarity in the sample frame development, or bias during the data collection stage of the research (Wilson, 2012:198-199). This study was limited to a certain time, place and period of time. It is understood that people’s interests and preferences might change over time.

- **Non-response error**
  This occurs if data cannot be collected from the intended participants. Examples would be participants’ refusal to participate in the study or if they do, they fail to fully complete the questionnaire, which results in missing values that influence data analysis (Hair et al., 2009:239; Wilson, 2012:199).

- **Data error**
  Date errors occur during the data collection and analysis steps of the research process. This includes respondent and interviewer errors. Respondent errors are defined as participants providing answers that are inaccurate and biased. This is done intentionally or unintentionally and could be owing to the participant not understanding what is asked or not giving their full attention to the process of completing the questionnaire (Silver et al., 2013:153; Wilson, 2012:199-200). Interviewer errors occur when fieldworkers intentionally or unintentionally mislead the participants when answering questions or complete missing responses on questionnaires (Silver et al., 2013:153; Wilson, 2012:199-200). Training of the fieldworkers who were used for data collection for this study helped to limit data errors that might have occurred.
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4.2.7  **STEP 7: Conduct data analysis**

The way in which data analysis is conducted depends on how the data was collected, as well as the nature of the data. Data analysis should be conducted in order to answer the research objectives set for the study. The data collected from the questionnaire should be prepared in order for analysis to take place (Wilson, 2012:38). This section discusses the data preparation process and statistical methods that are used to analyse the data.

4.2.7.1  **Data preparation process**

Figure 4.3 below illustrates the data preparation process:

*Figure 4.3: The data preparation process*

(Adapted from: Clow & James, 2014:360-373; Mooi & Sarstedt, 2011:78-79)

The first step in the data preparation process was to validate that the data was collected properly, and was largely free from error or bias. The larger the sample size, the less random error there is likely to be. The structured questionnaires that were used in this study were checked for completeness after the fieldwork was conducted and any questionnaires that were considered to be too spoilt for data analysis were discarded. In total 20 questionnaires were omitted for the analysis stage, where 250 questionnaires were included. The second step in the process was to code the data by assigning numerical values to each response on the questionnaire. The coding of the data was simplified by designing the questionnaire properly and by assigning numbers to each response. The next step was to enter the
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Data into the SPSS programme and then to check for any outliers and inconsistencies that might have occurred when entering the data (Clow & James, 2014:360-373; Mooi & Sarstedt, 2011:80). Data capturing was done by a statistician at Statkon, a statistical consultation service at the UJ (refer to Appendix C). Once the data had been prepared, data analysis was conducted.

4.2.7.2 Data analysis
Data analysis was needed to convert data that was collected into meaningful information to achieve the research objectives of the study (Clow & James, 2014:38). The quantitative data that was collected from the questionnaires were analysed by using the SPSS 22 statistical programme. This was done through the use of descriptive and inferential statistical procedures. Descriptive statistics examine the relationship that exits between certain variables, identifies the middle point of the data, and determines how widely spread the results of the data are (Leedy & Ormrod, 2010:260). This section of the study reports on the frequency distributions, the mean and standard deviations of the respondents’ data. Inferential statistics, conversely, refer to data that is collected from a small sample of people from which conclusions about a much larger group of people can be drawn (Leedy & Ormrod, 2010:260). This included reporting on the assumptions of factor analysis, the EFA, the assumptions of simple linear regression analysis and simple linear regression. The application of these statistical analyses for this study is discussed in this section.

- Frequency distribution
This reflects the number of participants who answered each category of each question in a questionnaire. Table 5.1 summarises the number of times that each response to the questions in Section A of the questionnaire (refer to Appendix A) was selected by participants and also reports on a percentage value (Hair et al., 2009:356; Wilson, 2012:209).

- Mean
The mean is the average that is most often used to describe data that is collected in marketing research. The average or mean is calculated by adding all the values in the data set together, and then dividing the total sum by the number of participants to
The relationship between perceived value and consumers’ purchase intentions of private label wine brands find the central tendency. Data collected from interval scales is described by using means (Hair et al., 2009:483; Mooi & Sarstedt, 2011:85; Wilson, 2012:211).

- **Standard deviation**
The standard deviation is a value that indicates variation in participants’ responses, which helps to determine the extent to which the data lies away from the mean (Hair et al., 2009:356-357; Mooi & Sarstedt, 2011:86). Table 5.2 to Table 5.7 report on the mean and standard deviation values of each item within a construct.

- **KMO and Bartlett’s test of sphericity**
Before the EFA was conducted the data was assessed for suitability, according to the assumptions required to perform factor analysis, as stated by Pallant (2011:185). According to Tabachnick and Fidell (2007 cited in Pallant, 2011:183), it is required that the Kaiser-Meyer-Olkin measure of sampling adequacy has a value equal or greater than 0.6, and the Bartlett’s test of sphericity has a $p$-value of less than 0.05 (refer to Table 5.8).

- **Exploratory Factor Analysis**
Once suitability of the data is determined, it is permissible to conduct an EFA. This statistical measure is done to determine whether the items in each of the constructs actually measure those constructs. This helps to examine the correlation among a set of interrelated variables, and to reduce a large number of items to a smaller number, which simplifies the data. An EFA was required to be able to perform simple linear regression for this study, as shown in Table 5.9 (Clow & James, 2014:311; Hair et al., 2009:563; Leedy & Ormrod, 2010:282; Pallant, 2011:181-182; Wilson, 2012:225).

- **Assumptions of simple linear regression analysis**
Section 5.7 examines the assumptions of simple linear regression analysis. If all four assumptions are met, then simple linear regression analysis is permissible. The first assumption of simple linear regression analysis is outliers. Histograms are used to identify any outliers in the data. If outliers are identified in the histogram, box plots are used to further examine the presence of outliers. Outliers could influence the
The relationship between perceived value and consumers' purchase intentions of private label wine brands results from simple linear regression analysis (Mooi & Sarstedt, 2011:175-176; Pallant, 2011:63). The second assumption of simple linear regression analysis is to analyse data for skewness and kurtosis in order to establish whether the data was normally distributed, as presented in Table 5.11. Skewness refers to how symmetrical the distribution of data is, while kurtosis indicates whether the distribution of data is peaked or flat. Data with an absolute value for skewness of less than 2.0 and a kurtosis absolute value of less than 7.0 is considered to be normally distributed (Pallant, 2011:57).

Scatter plots were used to test the third assumption of simple linear regression analysis, namely linearity of the data. In order for the data to meet the assumptions of linearity, a straight line relationship must exist between the residuals and the expected dependent variable scores. An upward trend indicates a positive relationship between the dependent and independent variables, while a downward trend indicated a negative relationship (Pallant, 2011:151). The final assumption that should be met in order to conduct simple linear regression analysis was homoscedasticity. This is described as a situation where the errors' variance remains the same (Mooi & Sarstedt, 2011:172). Scatter plots are examined for each construct to determine the homoscedasticity. As discussed in section 5.7, the assumptions for simple linear regression were met indicating that the data obtained for the study was suitable to be tested using simple linear regression.

- **Simple linear regression**

  Simple linear regression was used to test the conceptual model (refer to Figure 1.1). This statistical tool was used to explore the relationship between one dependent variable and one independent variable to determine whether a particular selection of variables can predict a specific outcome. It was also used to determine whether to accept or reject the hypotheses, as stated in sections 1.3.2 and 4.2.2. When interpreting the results of the simple linear regression analysis, the $p$-value refers to whether the independent variable significantly contributed to the study. A $p$-value of less than 0.05 is indicative of an independent variable, which has a statistically significant effect on predicting the dependent variable. The standardised beta coefficient ($\beta$) gives an indication of whether the dependent variable will change if the independent variable significantly changes. The R-square ($R^2$) value represents the
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amount of variance in the dependent variable that can be attributed to the independent variable. The adjusted R-square ($R^2$) values indicate a more realistic value whereas the normal R-square values are often overestimated, especially with smaller samples (Leedy & Ormrod, 2010:282; Mooi & Sarstedt, 2011:161-162; Pallant, 2011:148-149, 160-162; Wilson, 2012:221). Section 5.8 elaborates on the simple linear regression analysis and hypotheses testing.

### 4.2.8 STEP 8: Report on findings

Reporting on the findings of the data analysis is the final step in the marketing research process. The findings of the data analysis are discussed and explained in Chapter Five of this study, which is followed by the final chapter, Chapter Six, which provides conclusions and recommendations based on the main findings and research objectives.

### 4.3 SUMMARY

This chapter achieves its aim by providing detailed information on the research methodology of this study. The eight step marketing research process that was used in this study to collect and analyse the data was thoroughly discussed. The next chapter examines the findings of the data analysis, and discusses these results in relation to the research objectives and hypotheses of this study.
CHAPTER FIVE
Findings and discussion of results

5.1 INTRODUCTION
This chapter aims to examine the findings of the data analysis and provide an explanation of how the research objectives and hypotheses, which were stipulated in sections 1.3.2 and 4.2.2, were achieved. The results of the data analysis are interpreted based on the research methodology discussed in the previous chapter. This chapter includes discussions on the realisation rate; the demographic profile of respondents; descriptive statistics of the different constructs, as presented in the conceptual model (refer to Figure 1.1); validity and reliability of the data through an EFA; and the use of simple linear regression analysis as a statistical measure to determine relationships between different constructs, as stated in the research objectives and hypotheses. The main findings obtained from the statistical analysis are presented after each section, and are summarised in Table 5.14.

5.2 REALISATION RATE
As discussed in section 4.2.5.1, participants across the North, East, South and West of Johannesburg were selected by fieldworkers via a non-probability convenience sampling method. In total, 270 questionnaires were distributed to participants. Of the 270 questionnaires that were distributed, 250 were usable for analysis, thus the study had a realisation rate of 92.60%. Descriptive statistics were used to provide a demographic profile of the respondents, as discussed in the next section.

5.3 DEMOGRAPHIC PROFILE OF RESPONDENTS
This section provides a demographic profile of the respondents who participated in the study. Section A of the questionnaire (refer to Appendix A) probed respondents about their demographic information. The variables that were measured included: gender; age group; race; household income per month after tax; highest educational qualification; how often respondents consume wine within a month; how often respondents purchase wine and their wine packaging preference; when they are most likely to purchase wine; and their awareness of house brands or PLB wines. For each demographic variable, the frequency \(n\) and percentage \(\%\) are provided in Table 5.1.
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Table 5.1: Demographic profile of respondents

<table>
<thead>
<tr>
<th>Demographic Variable</th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>96</td>
<td>38.70</td>
</tr>
<tr>
<td>Female</td>
<td>152</td>
<td>61.30</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>100</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 – 25 years</td>
<td>120</td>
<td>48.20</td>
</tr>
<tr>
<td>26 – 35 years</td>
<td>51</td>
<td>20.50</td>
</tr>
<tr>
<td>36 – 45 years</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>46 – 55 years</td>
<td>28</td>
<td>11.20</td>
</tr>
<tr>
<td>56 – 65 years</td>
<td>18</td>
<td>7.20</td>
</tr>
<tr>
<td>66 years and older</td>
<td>7</td>
<td>2.80</td>
</tr>
<tr>
<td>Total</td>
<td>249</td>
<td>100</td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>98</td>
<td>39.80</td>
</tr>
<tr>
<td>White</td>
<td>115</td>
<td>46.70</td>
</tr>
<tr>
<td>Coloured</td>
<td>24</td>
<td>9.80</td>
</tr>
<tr>
<td>Indian/Asian</td>
<td>9</td>
<td>3.70</td>
</tr>
<tr>
<td>Total</td>
<td>246</td>
<td>100</td>
</tr>
<tr>
<td>Household income per month after tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R4000 or less</td>
<td>36</td>
<td>19.90</td>
</tr>
<tr>
<td>R4001 – R8000</td>
<td>20</td>
<td>11</td>
</tr>
<tr>
<td>R8001 – R12000</td>
<td>22</td>
<td>12.10</td>
</tr>
<tr>
<td>R12001 – R20000</td>
<td>24</td>
<td>13.30</td>
</tr>
<tr>
<td>R20001 – R30000</td>
<td>24</td>
<td>13.30</td>
</tr>
<tr>
<td>R30001 and more</td>
<td>55</td>
<td>30.40</td>
</tr>
<tr>
<td>Total</td>
<td>181</td>
<td>100</td>
</tr>
<tr>
<td>Highest Educational Qualification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade 11 or lower (Std 9 or lower)</td>
<td>6</td>
<td>2.40</td>
</tr>
<tr>
<td>Grade 12 (Matric, Std 10)</td>
<td>86</td>
<td>34.80</td>
</tr>
<tr>
<td>Post-Matric Diploma or Certificate</td>
<td>85</td>
<td>34.40</td>
</tr>
<tr>
<td>Bachelor Degree(s)</td>
<td>36</td>
<td>14.60</td>
</tr>
<tr>
<td>Post-Graduate Degree(s)</td>
<td>34</td>
<td>13.80</td>
</tr>
<tr>
<td>Total</td>
<td>247</td>
<td>100</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Demographic Variable</th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wine consumption within a month</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than once a week</td>
<td>46</td>
<td>18.60</td>
</tr>
<tr>
<td>Only on weekends</td>
<td>41</td>
<td>16.60</td>
</tr>
<tr>
<td>Regularly in one month</td>
<td>41</td>
<td>16.60</td>
</tr>
<tr>
<td>Only on special occasions</td>
<td>83</td>
<td>33.60</td>
</tr>
<tr>
<td>I do not drink wine</td>
<td>36</td>
<td>14.60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>247</td>
<td>100</td>
</tr>
<tr>
<td><strong>Frequency of wine purchasing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once a week</td>
<td>46</td>
<td>18.50</td>
</tr>
<tr>
<td>Once a month</td>
<td>63</td>
<td>25.30</td>
</tr>
<tr>
<td>Once every two months</td>
<td>49</td>
<td>19.70</td>
</tr>
<tr>
<td>Once every six months</td>
<td>29</td>
<td>11.60</td>
</tr>
<tr>
<td>I do not purchase wine</td>
<td>62</td>
<td>24.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>249</td>
<td>100</td>
</tr>
<tr>
<td><strong>Wine packaging preference</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per bottle</td>
<td>167</td>
<td>67.30</td>
</tr>
<tr>
<td>Per case</td>
<td>26</td>
<td>10.50</td>
</tr>
<tr>
<td>I do not purchase wine</td>
<td>55</td>
<td>22.20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>248</td>
<td>100</td>
</tr>
<tr>
<td><strong>Reason for purchasing wine</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On a regular basis</td>
<td>89</td>
<td>35.90</td>
</tr>
<tr>
<td>Only when on promotion</td>
<td>16</td>
<td>6.50</td>
</tr>
<tr>
<td>For a special occasion</td>
<td>105</td>
<td>42.30</td>
</tr>
<tr>
<td>I do not purchase wine</td>
<td>38</td>
<td>15.30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>248</td>
<td>100</td>
</tr>
<tr>
<td><strong>Awareness of PLB wines</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>160</td>
<td>64.50</td>
</tr>
<tr>
<td>No</td>
<td>88</td>
<td>35.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>248</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5.1 reports that more female respondents participated in the study (61.30%; n=152) than male respondents (38.70%; n=96). A majority of the respondents were between the ages of 18 to 25 years old (48.20%; n=120), while respondents aged 66 years and older were in the minority (2.80%; n=7). The highest percentage of respondents are White (46.70%; n=115), followed by Black respondents (39.80%; n=96).
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(n=98). Coloured and Indian or Asian respondents had the lowest representation from the sample that was selected for this study with 24 Coloured (9.80%) and nine Indian or Asian (3.70%) respondents. A total of 33 respondents (30.40%) indicated that they earn a household income of more than R30001 per month after tax. Only twenty respondents (11%) indicated that they earned between R4001 to R8000 per month after tax. A majority of the respondents held at least a Grade 12 or Matric qualification (34.80%; n=86), while only 2.40% (n=6) held Grade 11 or lower (Std 9 or lower).

Of the total number of respondents who participated, 83 (33.60%) drink wine only on special occasions; and 36 (14.60%) indicated that they do not drink wine. A majority of the respondents purchase wine once a month (25.30%; n=63), while 29 respondents (11.60%) purchase wine once every six months. With regard to wine packaging, a majority of the respondents prefer to purchase wine per bottle (67.30%; n=167) compared to per case (10.50%; n=26). A majority of the respondents mostly purchase wine for a special occasion (42.30%; n=105), compared to 16 respondents (6.50%) who only purchase wine when on promotion. Lastly, 160 respondents (64.50%) were familiar with PLB wines.

5.4 DESCRIPTIVE STATISTICS FOR THE PERCEPTION AND PURCHASE INTENTIONS OF PRIVATE LABEL BRAND WINES

This section presents the descriptive statistics, as set out in section B of the questionnaire (refer to Appendix A) with regard to consumers’ perceived relative price, perceived product quality, perceived risk, perceived value and purchase intentions of PLB wines. The statements in the questionnaire used the term ‘house brand’ wines rather than PLB wines, as consumers are more familiar with this term. House brand wines and PLB wines are defined as products that the retailer owns, sells and distributes to its consumers. Respondents were required to rate their level of agreement with each given statement on a five-point unlabelled Likert-type scale. On the scale ‘1’ indicated ‘strongly disagree’, while ‘5’ indicated ‘strongly agree’. The aim was to provide results, which relate to the secondary objectives and research hypotheses, as discussed in sections 1.3.2 and 4.2.2. The main findings of the descriptive statistics are given after a discussion of each construct.
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5.4.1 Perceived relative price of PLB wines

Question 13 of the questionnaire measured respondents’ views of the perceived relative price with regard to PLB wines. Six statements were listed and respondents were required to rate their level of agreement with each statement. The perceived relative price construct was discussed in section 3.3.1. Table 5.2 summarises the mean and standard deviation for each statement.

Table 5.2: Descriptive statistics for perceived relative price of PLB wines

<table>
<thead>
<tr>
<th>Perceived relative price</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a I compare the price of house brand wines to producer brand wines before I decide to buy.</td>
<td>2.87</td>
<td>1.482</td>
</tr>
<tr>
<td>b I think that house brand wines are for people with money constraints.</td>
<td>2.78</td>
<td>1.340</td>
</tr>
<tr>
<td>c House brand wines are generally in a cheaper price range.</td>
<td>3.72</td>
<td>1.165</td>
</tr>
<tr>
<td>d House brand wines are competitively priced.</td>
<td>3.43</td>
<td>1.049</td>
</tr>
<tr>
<td>e I am price conscious when buying wine.</td>
<td>3.21</td>
<td>1.353</td>
</tr>
<tr>
<td>f The price of wine is a good indicator of product quality.</td>
<td>3.60</td>
<td>1.294</td>
</tr>
<tr>
<td>Overall perceived relative price of PLB wines</td>
<td>3.27</td>
<td>1.281</td>
</tr>
</tbody>
</table>

The means for the perceived relative price construct ranged between 2.78 and 3.72 (1 = strongly disagree and 5 = strongly agree) and the standard deviations ranged between 1.049 and 1.482, which indicates some level of variance between the statement responses. The statement with the highest level of agreement was: ‘House brand wines are generally in a cheaper price range’ \((M = 3.72; \ SD = 1.165)\), followed by: ‘The price of wine is a good indicator of product quality’ \((M = 3.60; \ SD = 1.294)\). The statements that respondents disagreed with the most were: ‘I think that house brand wines are for people with money constraints’ \((M = 2.78; \ SD = 1.340)\), and: ‘I compare the price of house brand wines to producer brand wines before I decide to buy’ \((M = 2.87; \ SD = 1.482)\). The overall mean for the perceived relative price construct was 3.27, which indicates that most of the respondents tended to agree with the statements within the perceived relative price construct.
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- **Main finding 1:** The overall mean of the statements that measured the perceived relative price construct indicated that the respondents agreed with the statements, which measured the perceived relative price of PLB wines \((M = 3.27)\).

- **Main finding 2:** Respondents indicated their highest level of agreement with the following statement: ‘House brand wines are generally in a cheaper price range’ \((M = 3.72; SD = 1.165)\).

- **Main finding 3:** Respondents indicated their lowest level of agreement with the following statement: ‘I think that house brand wines are for people with money constraints’ \((M = 2.78; SD = 1.340)\).

5.4.2 Perceived product quality of PLB wines

Question 14 of the questionnaire measured respondents’ perceived product quality with regard to PLB wines. Section 3.3.2 provided an overview of the concept of perceived product quality. Respondents were required to rate their level of agreement with each of the five statements provided. Table 5.3 summarises the mean and standard deviation for each statement.

Table 5.3: Descriptive statistics for perceived product quality of PLB wines

<table>
<thead>
<tr>
<th>Perceived product quality</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a  The higher the price of a bottle of wine, the better the product quality.</td>
<td>3.71</td>
<td>1.280</td>
</tr>
<tr>
<td>b  I expect the same quality from house brand wines as from producer brand wines.</td>
<td>3.07</td>
<td>1.266</td>
</tr>
<tr>
<td>c  The quality of house brand wines is as good as the reputation of the retailer which sells it.</td>
<td>3.12</td>
<td>1.131</td>
</tr>
<tr>
<td>d  The packaging of house brand wines positively influences my perception of its quality.</td>
<td>3.12</td>
<td>1.090</td>
</tr>
<tr>
<td>e  The advertising of house brand wines positively influences my perception of its quality.</td>
<td>3.00</td>
<td>1.129</td>
</tr>
<tr>
<td>Overall perceived product quality of PLB wines</td>
<td>3.20</td>
<td>1.179</td>
</tr>
</tbody>
</table>

The means for the perceived product quality construct ranged between 3.00 and 3.71 (1 = strongly disagree and 5 = strongly agree), and the standard deviations
The relationship between perceived value and consumers’ purchase intentions of private label wine brands ranged between 1.090 and 1.280, indicating variance between the responses. The overall mean for the perceived product quality construct was 3.20, which indicates that most of the respondents tended to agree with the statements that measured the perceived product quality construct. The statement with the highest level of agreement was: ‘The higher the price of a bottle of wine, the better the product quality’ \( M = 3.71; \ SD = 1.280 \). The statements that respondents disagreed with the most were: ‘The advertising of house brand wines positively influences my perception of its quality’ \( M = 3.00; \ SD = 1.129 \), and: ‘I expect the same quality from house brand wines as from producer brand wines’ \( M = 3.07; \ SD = 1.266 \).

- **Main finding 4**: The overall mean of the statements that measured the perceived product quality construct indicated that the respondents agreed with the statements, which measured the perceived product quality of PLB wines \( M = 3.20 \).
- **Main finding 5**: Respondents indicated their highest level of agreement with the following statement: ‘The higher the price of a bottle of wine, the better the product quality’ \( M = 3.71; \ SD = 1.280 \).
- **Main finding 6**: Respondents indicated their lowest level of agreement with the following statement: ‘The advertising of house brand wines positively influences my perception of its quality’ \( M = 3.00; \ SD = 1.129 \).

### 5.4.3 Perceived risk of PLB wines

Respondents’ perceived risk with regard to PLB wines was measured in question 15 of the questionnaire. Four statements were listed and respondents were required to rate their level of agreement with each statement. The perceived risk construct was discussed in detail in section 3.3.3. Table 5.4 below summarises the mean and standard deviation for each statement.
The relationship between perceived value and consumers’ purchase intentions of private label wine brands

Table 5.4: Descriptive statistics for perceived risk of PLB wines

<table>
<thead>
<tr>
<th>Perceived risk</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Buying a house brand wine negatively affects peoples’ opinion of me.</td>
<td>2.44</td>
<td>1.226</td>
</tr>
<tr>
<td>b. I think that buying a house brand wine poses a financial risk to me.</td>
<td>2.14</td>
<td>1.169</td>
</tr>
<tr>
<td>c. I prefer to buy wines that I am familiar with instead of buying a wine that I do not know.</td>
<td>4.09</td>
<td>1.107</td>
</tr>
<tr>
<td>d. I am wary of purchasing house brand wines, as the quality may be inferior.</td>
<td>3.15</td>
<td>1.223</td>
</tr>
<tr>
<td>Overall perceived risk of PLB wines</td>
<td>2.96</td>
<td>1.181</td>
</tr>
</tbody>
</table>

The means for the perceived risk construct ranged between 2.14 and 4.09 (1 = strongly disagree and 5 = strongly agree), and the standard deviations ranged between 1.107 and 1.226. The highest level of agreement and lowest variance was with the statement: ‘I prefer to buy wines that I am familiar with instead of buying a wine that I do not know’ (M = 4.09; SD = 1.107), while the statements that respondents disagreed with the most were ‘I think that buying a house brand wine poses a financial risk to me’ (M = 2.14; SD = 1.169), and: ‘Buying a house brand wine negatively affects peoples’ opinion of me’ (M = 2.44; SD = 1.226). The overall mean for the perceived risk construct was 2.96, which indicated that most of the respondents tended to disagree with the statements within the perceived risk construct.

- **Main finding 7:** The overall mean of the statements that measured the perceived risk construct indicated that the respondents neither agreed nor disagreed with the statements, which measured perceived risk of PLB wines (M = 2.96).
- **Main finding 8:** Respondents indicated their highest level of agreement with the following statement: ‘I prefer to buy wines that I am familiar with instead of buying a wine that I do not know’ (M = 4.09; SD = 1.107).
- **Main finding 9:** Respondents indicated their lowest level of agreement with the following statement: ‘I think that buying a house brand wine poses a financial risk to me’ (M = 2.14; SD = 1.169).
The relationship between perceived value and consumers’ purchase intentions of private label wine brands

5.4.4 Perceived value of PLB wines

Question 16 of the questionnaire measured respondents’ perceived value with regard to PLB wines. Six statements were listed based on the discussion on perceived value in section 3.3.4 and respondents were required to rate their level of agreement with each statement. Table 5.5 below summarises the mean and standard deviation for each statement.

<table>
<thead>
<tr>
<th>Perceived value</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a I believe that I get a good deal when purchasing house brand wines.</td>
<td>3.10</td>
<td>1.160</td>
</tr>
<tr>
<td>b House brand wines meet my expectations.</td>
<td>2.98</td>
<td>1.160</td>
</tr>
<tr>
<td>c Considering the price involved in purchasing house brand wines, I think that it is a wise purchasing decision.</td>
<td>3.18</td>
<td>1.074</td>
</tr>
<tr>
<td>d Considering the quality involved in purchasing house brand wines, I think that it is a wise purchasing decision.</td>
<td>3.15</td>
<td>1.097</td>
</tr>
<tr>
<td>e Considering the risk involved in purchasing house brand wines, I think that it is a wise purchasing decision.</td>
<td>3.05</td>
<td>1.048</td>
</tr>
<tr>
<td>f If the retailer has a good reputation, I am likely to buy their house brand wines.</td>
<td>3.50</td>
<td>1.163</td>
</tr>
<tr>
<td>Overall perceived value of PLB wines</td>
<td>3.16</td>
<td>1.117</td>
</tr>
</tbody>
</table>

The means for the perceived value construct ranged between 2.98 and 3.50 (1 = strongly disagree and 5 = strongly agree) and the standard deviations ranged between 1.048 and 1.163, which indicated a low level of variance between the responses to the statements. The statements with the highest level of agreement were: ‘If the retailer has a good reputation, I am likely to buy their house brand wines’ ($M = 3.50; SD = 1.163$), followed by: ‘Considering the price involved in purchasing house brand wines, I think that it is a wise purchasing decision’ ($M = 3.18; SD = 1.074$). The statement that respondents disagreed with the most was: ‘House brand wines meet my expectations’ ($M = 2.98; SD = 1.160$). The overall mean for the perceived value construct was 3.16, which indicates that most of the respondents tended to agree with the statements within the perceived value construct.
The relationship between perceived value and consumers' purchase intentions of private label wine brands

- **Main finding 10:** The overall mean of the statements that measured the perceived value construct indicated that the respondents agreed with the statements, which measured the perceived value of PLB wines \( (M = 3.16) \).
- **Main finding 11:** Respondents indicated their highest level of agreement with the following statement: ‘If the retailer has a good reputation, I am likely to buy their house brand wines’ \( (M = 3.50; SD = 1.163) \).
- **Main finding 12:** Respondents indicated their lowest level of agreement with the following statement: ‘House brand wines meet my expectations’ \( (M = 2.98; SD = 1.160) \).

### 5.4.5 Purchase intentions of PLB wines

Respondents’ purchase intentions with regard to PLB wines were measured in question 17 of the questionnaire. Four statements were provided and respondents were required to rate their level of agreement with each statement. Section 3.3.5 provided details on the purchase intentions construct. Table 5.6 below summarises the mean and standard deviation for each statement.

**Table 5.6:** Descriptive statistics for purchase intentions of PLB wines

<table>
<thead>
<tr>
<th>Purchase intentions</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a I will buy house brand wines more frequently.</td>
<td>2.74</td>
<td>1.222</td>
</tr>
<tr>
<td>b I will say positive things about house brand wines to other people.</td>
<td>3.14</td>
<td>1.080</td>
</tr>
<tr>
<td>c I will encourage friends and relatives to purchase house brand wines.</td>
<td>3.02</td>
<td>1.129</td>
</tr>
<tr>
<td>d I will recommend house brand wines to someone who seeks my advice.</td>
<td>3.08</td>
<td>1.156</td>
</tr>
<tr>
<td><strong>Overall purchase intentions of PLB wines</strong></td>
<td>3.00</td>
<td>1.147</td>
</tr>
</tbody>
</table>

The overall mean for the purchase intentions construct was 3.00, which indicates that most of the respondents neither agreed nor disagreed with the statements within the purchase intentions construct. The means for the purchase intentions construct ranged between 2.74 and 3.14 \( (1 = \text{strongly disagree} \text{ and} \ 5 = \text{strongly agree}) \) and the standard deviations ranged between 1.080 and 1.222. The statement with the highest level of agreement and lowest variance was: ‘I will say positive things about
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house brand wines to other people’ \( (M = 3.14; SD = 1.080) \), followed by: ‘I will recommend house brand wines to someone who seeks my advice’ \( (M = 3.08; SD = 1.156) \). The statement that respondents disagreed with the most and had the highest level of variance was: ‘I will buy house brand wines more frequently’ \( (M = 2.74; SD = 1.222) \), followed by: ‘I will encourage friends and relatives to purchase house brand wines’ \( (M = 3.02; SD = 1.129) \).

- **Main finding 13:** The overall mean of the statements that measured the purchase intentions construct with regard to PLB wines indicated that the respondents neither agreed nor disagreed with the statements that they were given \( (M = 3.00) \).
- **Main finding 14:** Respondents indicated their highest level of agreement with the following statement: ‘I will say positive things about house brand wines to other people’ \( (M = 3.14; SD = 1.080) \).
- **Main finding 15:** Respondents indicated their lowest level of agreement and highest degree of variance with the following statement: ‘I will buy house brand wines more frequently’ \( (M = 2.74; SD = 1.222) \).

### 5.4.6 Overall mean and standard deviation scores for the perception and purchase intentions of PLB wines

The overall means of the statements within each construct are summarised in Table 5.7 below. Overall perceived risk represented the lowest overall mean score \( (M = 2.96) \), which indicates that the respondents disagreed the most with the statements within the perceived risk construct \( (1 = \text{strongly disagree} \text{ and } 5 = \text{strongly agree}) \). Overall purchase intentions followed with a mean score of 3.00. Most of the respondents agreed with the statements in the overall perceived value construct \( (M = 3.16) \), then the overall perceived product quality construct \( (M = 3.20) \), and the highest level of agreement was with the overall perceived relative price construct \( (M = 3.27) \).
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Table 5.7: Overall mean and standard deviation scores for the overall perception and overall purchase intentions of PLB wines

<table>
<thead>
<tr>
<th>Perception of PLB wines</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Perceived relative price</td>
<td>3.27</td>
<td>1.281</td>
</tr>
<tr>
<td>b Perceived product quality</td>
<td>3.20</td>
<td>1.179</td>
</tr>
<tr>
<td>c Perceived risk</td>
<td>2.96</td>
<td>1.181</td>
</tr>
<tr>
<td>d Perceived value</td>
<td>3.16</td>
<td>1.117</td>
</tr>
<tr>
<td>e Purchase intentions</td>
<td>3.00</td>
<td>1.147</td>
</tr>
</tbody>
</table>

- **Main finding 16**: The respondents had the highest level of agreement with the statements in the construct, which measured the overall perceived relative price and the overall perceived product quality with regard to PLB wines \((M = 3.27\) and \(M = 3.20\) respectively).

- **Main finding 17**: Respondents had the lowest level of agreement with the statements in the construct, which measured the overall perceived risk and the overall purchase intentions with regard to PLB wines \((M = 2.96\) and \(M = 3.00\), respectively).

In order to test the relationships between perceived relative price, perceived product quality, perceived risk and perceived value and consumers’ purchase intentions of PLB wines, inferential statistics were required. The next section discusses the Exploratory Factor Analysis (EFA) that was conducted for this study.

5.5 FACTOR ANALYSIS

As discussed in section 4.2.7.2, an EFA was performed to determine whether the items in each of the constructs actually measured those constructs. This helped to examine the correlation among a set of interrelated variables and to reduce a large number of items to a smaller number, which simplified the data. An EFA was required to be able to perform a simple linear regression in order to determine relationships between constructs (Clow & James, 2014:311; Hair *et al.*, 2009:563; Leedy & Ormrod, 2010:282; Pallant, 2011:181-182; Wilson, 2012:225). As discussed in section 4.2.4.3, the constructs that were used in the conceptual model and questionnaire were adapted from previous studies. Before the EFA was conducted,
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the data was assessed for suitability, according to the assumptions required to perform EFA, as stated by Pallant (2011:185), which includes using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett’s test of sphericity.

5.5.1 KMO measure of sampling adequacy and Bartlett's test of sphericity

For data to be suited for an EFA, it is required that the KMO measure of sampling adequacy has a value that is equal to or greater than 0.6, and the Bartlett’s test of sphericity has a p-value of less than 0.05 (Tabachnick & Fidell, 2007 cited in Pallant, 2011:183). Table 5.8 below provides a summary of the results.

<table>
<thead>
<tr>
<th>Construct</th>
<th>KMO</th>
<th>Bartlett’s test of sphericity (Sig.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived relative price (six items)</td>
<td>0.700</td>
<td>0.000</td>
</tr>
<tr>
<td>Perceived product quality (five items)</td>
<td>0.642</td>
<td>0.000</td>
</tr>
<tr>
<td>Perceived risk (four items)</td>
<td>0.575</td>
<td>0.000</td>
</tr>
<tr>
<td>Perceived value (six items)</td>
<td>0.830</td>
<td>0.000</td>
</tr>
<tr>
<td>Purchase intentions (four items)</td>
<td>0.834</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The KMO scores for the five constructs of this study varied between 0.575 and 0.834, as shown in Table 5.8. The only construct that had a barely acceptable KMO score was perceived risk (0.575). The data met the requirements for Bartlett’s test of sphericity, which indicates that an EFA was possible for all constructs.

- **Main finding 18**: Due to the large sample size (n=250) and the results of the KMO measure of sampling adequacy and Bartlett’s test of sphericity, as presented in Table 5.8, the data was deemed suitable for an EFA.

5.5.2 Exploratory Factor Analysis

Once factor analysis suitability had been assessed, an EFA was conducted. The following section provides an explanation of the results of the EFA. In order to be able to extract factors from each construct, only statements with an eigenvalue of greater than 1.0 were considered. Table 5.9 below contains the communality values,
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unrestricted eigenvalues and common variance for each item within a construct. The items were subjected to Principal Axis Factoring to assess the dimensionality of the data.

Table 5.9: Results of the EFA

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>Communality</th>
<th>Eigenvalue</th>
<th>Factor/ Pattern matrix**</th>
<th>Cumulative percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>F1</td>
<td>F2</td>
</tr>
<tr>
<td>Perceived relative price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q13a</td>
<td>0.384</td>
<td>F1: 2.218</td>
<td>0.662</td>
<td></td>
</tr>
<tr>
<td>Q13b</td>
<td>0.214</td>
<td>F2: 1.058</td>
<td>0.316</td>
<td></td>
</tr>
<tr>
<td>Q13c</td>
<td>0.712</td>
<td></td>
<td>0.897</td>
<td></td>
</tr>
<tr>
<td>Q13d</td>
<td>0.177</td>
<td></td>
<td>0.389</td>
<td></td>
</tr>
<tr>
<td>Q13e</td>
<td>0.516</td>
<td></td>
<td>0.663</td>
<td></td>
</tr>
<tr>
<td>Q13f</td>
<td>0.187</td>
<td></td>
<td>0.308</td>
<td></td>
</tr>
<tr>
<td>Perceived product quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q14a</td>
<td>0.086</td>
<td>F1: 2.044</td>
<td></td>
<td>0.663</td>
</tr>
<tr>
<td>Q14b</td>
<td>0.524</td>
<td>F2: 1.102</td>
<td>0.420</td>
<td></td>
</tr>
<tr>
<td>Q14c</td>
<td>0.220</td>
<td></td>
<td>0.817</td>
<td></td>
</tr>
<tr>
<td>Q14d</td>
<td>0.682</td>
<td></td>
<td>0.749</td>
<td></td>
</tr>
<tr>
<td>Q14e</td>
<td>0.560</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived risk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q15a</td>
<td>0.587</td>
<td>F1: 1.680</td>
<td>0.628</td>
<td></td>
</tr>
<tr>
<td>Q15b</td>
<td>0.424</td>
<td>F2: 1.024</td>
<td>0.677</td>
<td></td>
</tr>
<tr>
<td>Q15c</td>
<td>0.168</td>
<td></td>
<td>0.422</td>
<td></td>
</tr>
<tr>
<td>Q15d</td>
<td>0.221</td>
<td></td>
<td>0.332</td>
<td></td>
</tr>
<tr>
<td>Perceived value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q16a</td>
<td>0.487</td>
<td>F1: 3.317</td>
<td>0.698</td>
<td></td>
</tr>
<tr>
<td>Q16b</td>
<td>0.416</td>
<td></td>
<td>0.645</td>
<td></td>
</tr>
<tr>
<td>Q16c</td>
<td>0.679</td>
<td></td>
<td>0.824</td>
<td></td>
</tr>
<tr>
<td>Q16d</td>
<td>0.591</td>
<td></td>
<td>0.769</td>
<td></td>
</tr>
<tr>
<td>Q16e</td>
<td>0.297</td>
<td></td>
<td>0.545</td>
<td></td>
</tr>
<tr>
<td>Q16f</td>
<td>0.348</td>
<td></td>
<td>0.590</td>
<td></td>
</tr>
<tr>
<td>Purchase intentions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q17a</td>
<td>0.534</td>
<td>F1: 3.020</td>
<td>0.731</td>
<td></td>
</tr>
<tr>
<td>Q17b</td>
<td>0.715</td>
<td></td>
<td>0.846</td>
<td></td>
</tr>
<tr>
<td>Q17c</td>
<td>0.797</td>
<td></td>
<td>0.893</td>
<td></td>
</tr>
<tr>
<td>Q17d</td>
<td>0.661</td>
<td></td>
<td>0.813</td>
<td></td>
</tr>
</tbody>
</table>
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** Factor matrix was used in the instance of one factor and the pattern matrix was used in the instance of multiple factors.

5.5.2.1 Perceived relative price

The communality values for perceived relative price ranged between 0.177 and 0.712. The weakest indicator of the perceived relative price construct was Q13d: ‘House brand wines are competitively priced’ (0.177), while Q13c: ‘House brand wines are generally in a cheaper price range’ (0.712), was the strongest. An unrestricted EFA was run and a two factor solution emerged. Factor one (F1) explained 36.97% of the variance and factor two (F2) explained 17.64% of the variance. The screeplot also indicated the existence of multiple factors, which suggests that the perceived relative price construct might be multidimensional.

To aid in the interpretation of these two factors, oblimin rotation was performed. The pattern matrix revealed that Q13b: ‘I think that house brand wines are for people with money constraints’; Q13c: ‘House brand wines are generally in a cheaper price range’; and Q13d: ‘House brand wines are competitively priced’, cluster into one factor (F1), while Q13a: ‘I compare the price of house brand wines to producer brand wines before I decide to buy’; Q13e: ‘I am price conscious when buying wine’; and Q13f: ‘The price of wine is a good indicator of product quality’ cluster into another factor (F2). There was insufficient evidence of independent ideas for each factor to support a two-factor solution for the perceived relative price construct owing to low communality values, as well as low factor loadings on the pattern matrix for Q13b and Q13d. Thus, it was decided to use only the three items (Q13a; Q13e and Q13f) that had acceptable factor loadings on the pattern matrix for factor 2 (F2) to represent the overall perceived relative price construct in the remainder of the measurement and analyses. The refined construct was considered to be undimensional. The calculation of a reliability score using the Cronbach Alpha coefficient and a single factor score for use in the simple linear regression analysis was deemed possible. This single factor solution was labelled as ‘overall perceived relative price’.

- **Main finding 19**: The refined overall perceived relative price construct was considered as valid.
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5.5.2.2 Perceived product quality

The perceived product quality construct indicated communality scores, which ranged between 0.086 and 0.682. The weakest indicator of the perceived product quality construct was Q14a: ‘The higher the price of a bottle of wine, the better the product quality’ (0.086), while Q14d: ‘The packaging of house brand wines positively influences my perception of its quality’ (0.682), was the strongest. Due to a weak communality value of Q14a (0.086), the item was omitted from the EFA. An unrestricted EFA was run and a two factor solution emerged. Factor one (F1) accounted for 40.88% of the variance and factor two (F2) accounted for 22.05% of the variance. Oblimin rotation was performed to investigate and interpret these two factors. The pattern matrix indicated that Q14c: ‘The quality of house brand wines is as good as the reputation of the retailer, which sells it’; Q14d: ‘The packaging of house brand wines positively influences my perception of its quality’; and Q14e: ‘The advertising of house brand wines positively influences my perception of its quality’ clustered into one factor (F1), while Q14b: ‘I expect the same quality from house brand wines as from producer brand wines’ cluster into another factor (F2). Due to Q14b being the only item to load on F2 of the pattern matrix, it was decided to use only the three items (Q14c; Q14d and Q14e) that had acceptable factor loadings on the pattern matrix for F1 to represent the perceived product quality construct for further measurement and analyses. The refined construct was considered to be undimensional and the calculation of a reliability score, which used the Cronbach Alpha coefficient, was deemed permissible. This would allow for the calculation of a single factor score for use in the simple linear regression analysis. This single factor solution was labelled as ‘overall perceived product quality’.

- **Main finding 20**: The refined overall perceived quality construct was considered as valid.

5.5.2.3 Perceived risk

The communality values for the perceived risk construct ranged between 0.168 and 0.587. The weakest indicator of the perceived risk construct was Q15c: ‘I prefer to buy wines that I am familiar with instead of buying a wine that I do not know’ (0.168); while Q15a: ‘Buying a house brand wine negatively affects peoples’ opinion of me’ (0.587), was the strongest. An unrestricted EFA was run and a two factor solution
The relationship between perceived value and consumers’ purchase intentions of private label wine brands emerged. Factor one (F1) explained 42.01% of the variance and factor two (F2) explained 25.59% of the variance. The screeplot also indicated the existence of multiple factors, which suggests that the perceived risk construct might be multidimensional. To aid in the interpretation of these two factors, oblimin rotation was performed. The pattern matrix revealed that Q15a: ‘Buying a house brand wine negatively affects peoples’ opinion of me’, and Q15b: ‘I think that buying a house brand wine poses a financial risk to me’, loaded onto one factor (F1), while Q15c: ‘I prefer to buy wines that I am familiar with instead of buying a wine I do not know’, and Q15d: ‘I am wary to purchase house brand wines as the quality may be inferior’, loaded onto factor two (F2).

It is preferable that at least three items are loaded for a factor on the pattern matrix. In this case, only two items loaded per factor. Furthermore, low communality values were also present for Q15c and Q15d. The perceived risk scale proved to be multidimensional and problematic to refine, as the construct did not converge to correctly represent the construct of perceived risk, thus diminishing construct validity. Any conclusions drawn from the simple linear regression analysis using the perceived risk construct would be invalid. Therefore, the overall perceived risk construct was omitted from further analysis.

- **Main finding 21**: The overall perceived risk construct was discarded from further analysis owing to poor construct validity.

### 5.5.2.4 Perceived value

The perceived value construct showed communality values, which ranged between 0.297 and 0.679. The weakest indicator of the perceived value construct was Q16e: ‘Considering the risk involved in purchasing house brand wines, I think that it is a wise purchasing decision’ (0.297); while Q16c: ‘Considering the price involved in purchasing house brand wines, I think that it is a wise purchasing decision’ (0.679), was the strongest. An unrestricted EFA was run and only one factor was identified, which explained 55.29% of the variance. This scale was considered to be undimensional and no further rotation of factor scores was required. One factor (F1) was retained, which included all six items of the original perceived value construct. It was, therefore, possible to calculate the reliability score by using the Cronbach Alpha.
The relationship between perceived value and consumers’ purchase intentions of private label wine brands coefficient and a single factor score for use in the simple linear regression analysis. This single factor solution was labelled as ‘overall perceived value’.

- **Main finding 22**: The overall perceived value construct was considered as valid.

5.5.2.5 Purchase intentions

The communality values for purchase intentions ranged between 0.534 and 0.797. The weakest indicator of the perceived relative price construct was Q17a: ‘I will buy house brand wines more frequently’ (0.534); while Q17c: ‘I will encourage friends and relatives to purchase house brand wines’ (0.797), was the strongest. An unrestricted EFA was run and only one factor emerged. Factor one (F1) explained 75.50% of the variance. No further rotation of factor scores was required as the scale was considered to be undimensional. Therefore, it was possible to investigate the internal reliability of the construct by using the Cronbach Alpha coefficient and to calculate a single factor score for use in the simple linear regression analysis. This single factor solution was labelled as ‘overall purchase intentions’.

- **Main finding 23**: The overall purchase intentions construct was considered as valid.

Once the perceived risk construct was removed from the study owing to poor construct validity, only the remaining constructs, namely perceived relative price, perceived product quality, perceived value and purchase intentions were investigated further to determine their reliability.

5.6 RELIABILITY OF THE MEASUREMENT INSTRUMENT

As discussed in section 4.2.4.3, the statistical method that is used most often to test internal consistency or reliability is the Cronbach’s coefficient alpha. This method intends to determine the consistency with which each item in a construct relates to and measures the actual construct. Even though some of the items in the constructs were adapted from previous studies conducted (refer to Table 1.2), it was still essential to determine the reliability of the measurement instrument once the EFA was conducted. The results vary between zero and one, with higher values, which
The relationship between perceived value and consumers’ purchase intentions of private label wine brands indicate greater reliability (Davie, 2012:37; Pallant, 2011:6; Wilson, 2012:170). Wilson (2012:170) suggests that a value of above 0.6 indicates an acceptable internal consistency-reliability. Refer to Table 5.10 for the Cronbach alpha values of each construct.

Table 5.10: Results of the Cronbach Alpha test

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived relative price (Q13a, Q13e &amp; Q13f)</td>
<td>0.592</td>
</tr>
<tr>
<td>Perceived product quality (Q14c, Q14d &amp; Q14e)</td>
<td>0.697</td>
</tr>
<tr>
<td>Perceived value (Q16a, Q16b, Q16c, Q16d &amp; Q16e)</td>
<td>0.835</td>
</tr>
<tr>
<td>Purchase intentions (Q17a, Q17b, Q17c &amp; Q17d)</td>
<td>0.889</td>
</tr>
</tbody>
</table>

The Cronbach Alpha scores ranged between 0.592 and 0.889. The perceived risk construct was removed owing to poor construct validity, and as a result was not included in the reliability assessment. In addition to this construct, Q13b, Q13c, Q13d, Q14a and Q14b were removed from their designated constructs owing to low communality values and other factors, as discussed in the previous section. The perceived relative price construct had the lowest level of reliability (α=0.592), however, this was acceptable considering that the questionnaire was not standardised and an EFA was conducted. The purchase intentions construct measured the highest level of reliability (α=0.889), followed by the perceived value construct (α=0.835), and perceived product quality (α=0.697).

- **Main finding 24:** All of the refined constructs, which were measured, were considered as reliable.

Due to the measurement instruments that were used in the study proving to be valid and reliable, it was possible to continue with the hypotheses testing phase of the study. In order to perform simple linear regression analysis, the data must, however, adhere to a number of assumptions, as discussed in the following section.
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5.7 ASSUMPTIONS OF SIMPLE LINEAR REGRESSION ANALYSIS

The following assumptions were evaluated before the simple linear regression analysis was conducted: the impact of outliers; the distribution and normality of the data; linearity between dependent and independent factors; and homoscedasticity of residuals. Residuals are defined as the difference between the actual and the predicted dependent variable scores (Pallant, 2011:151).

5.7.1 Outliers

Histograms and box plots were examined for each construct to identify outliers in the data (Mooi & Sarstedt, 2011:175-176; Pallant, 2011:63). No outliers were evident in the data. Due to the large sample size \( n=250 \) of this study and the absence of outliers, simple linear regression analysis could be conducted.

- **Main finding 25:** Simple linear regression analysis was considered appropriate, as no outliers were evident in any of the constructs and the study had a large sample size \( n=250 \).

5.7.2 Normality

Data was analysed for skewness and kurtosis in order to establish whether the data was normally distributed, as presented in Table 5.11 below. Skewness refers to how symmetrical the distribution of data is, and kurtosis indicates whether the distribution of data is peaked or flat. Data with an absolute value for skewness less than 2.0 and a kurtosis absolute value of less than 7.0 is considered to be normally distributed (Pallant, 2011:57).

<table>
<thead>
<tr>
<th>Construct</th>
<th>Skewness statistic</th>
<th>Kurtosis statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived relative price</td>
<td>-0.225</td>
<td>-0.611</td>
</tr>
<tr>
<td>Perceived product quality</td>
<td>-0.155</td>
<td>-0.260</td>
</tr>
<tr>
<td>Perceived value</td>
<td>-0.275</td>
<td>0.328</td>
</tr>
<tr>
<td>Purchase intentions</td>
<td>-0.139</td>
<td>-0.401</td>
</tr>
</tbody>
</table>

All of the constructs fell into the parameters of skewness (absolute value less than 2.0) and kurtosis (absolute value less than 7.0). Therefore, the data was considered
The relationship between perceived value and consumers’ purchase intentions of private label wine brands to be normally distributed. Parametric tests could be conducted for hypotheses testing owing to the data being normally distributed and the use of a large sample size, thus the assumptions for using parametric tests were met (Pallant, 2011:111).

- **Main finding 26:** The constructs met the assumptions of normality.

### 5.7.3 Linearity

As mentioned in section 4.2.7.2, scatter plots were used to test the linearity of the data. In order for the data to meet the assumptions of linearity, a straight line relationship must exist between the residuals and the expected dependent variable scores (Pallant, 2011:151). The investigation of the scatter plots indicated that the data for each of the constructs did exhibit an upward trend, indicating a positive linear relationship between the data and the expected dependent variable scores. Thus, the basic assumptions of linearity were met for the purpose of conducting simple linear regression analysis.

- **Main finding 27:** The assumptions of linearity were met.

### 5.7.4 Homoscedasticity

This is described as a situation where the errors’ variance remains the same (Mooi & Sarstedt, 2011:172). The scatter plots were examined for each construct and it was observed that the variance in the data set was fairly constant throughout each construct. Thus, the assumptions of homoscedasticity were met and simple linear regression analysis could be performed.

- **Main finding 28:** The constructs met the assumptions of homoscedasticity.

The assumptions regarding outliers, normality, linearity and homoscedasticity were met, which allowed simple linear regression analysis to be conducted. This is discussed in the following section.
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5.8 SIMPLE LINEAR REGRESSION ANALYSIS AND HYPOTHESES TESTING

Simple linear regression was used to test the proposed conceptual model (refer to Figure 1.1), and to determine whether to accept or reject the hypotheses, as stated in sections 1.3.2 and 4.2.2. This statistical tool was used to explore the relationship between one dependent variable and one independent variable to determine whether a particular selection of variables can predict a specific outcome (Leedy & Ormrod, 2010:282; Mooi & Sarstedt, 2011:161-162; Pallant, 2011:148-149; Wilson, 2012:221). Factor scores used in the simple linear regression analysis were based on the refined constructs and not on the original constructs. Overall perceived risk was discarded from the study owing to poor construct validity after the EFA (refer to section 5.5.2.3).

5.8.1 Simple linear regression analysis of the elements of perceived value of PLB wines on overall purchase intentions

This section reports on the results of the simple linear regression analysis, which was conducted with particular reference to the \( p \)-values, standardised beta coefficients (\( \beta \)), R-square values (\( R^2 \)) and the adjusted R-square values for each construct, as discussed in section 4.2.7.2. Table 5.12 below presents the results of the simple linear regression of overall perceived value (dependent variable) onto overall perceived relative price (independent variable) and overall perceived product quality (independent variable). Overall perceived value was regressed onto these two independent variables individually. Table 5.13 below reports on the results of the simple linear regression of overall purchase intentions (dependent variable) onto overall perceived value (independent variable). A discussion of the hypotheses of this study follows stating the main findings of the simple linear regression analysis.
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**Table 5.12: Simple linear regression analysis results of the overall perceived relative price and overall perceived product quality of PLB wines on overall perceived value**

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variables</th>
<th>p-value</th>
<th>Beta value ($\beta$)</th>
<th>R-square value ($R^2$)</th>
<th>Adjusted R-square value ($R^2$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall perceived value</td>
<td>Overall perceived relative price</td>
<td>0.000</td>
<td>0.358</td>
<td>0.128</td>
<td>0.124</td>
</tr>
<tr>
<td>Overall perceived product quality</td>
<td>Overall perceived product quality</td>
<td>0.000</td>
<td>0.486</td>
<td>0.236</td>
<td>0.233</td>
</tr>
</tbody>
</table>

### 5.8.1.1 Hypothesis 1

**H1:** There is a significant relationship between the overall perceived relative price and the overall perceived value of PLB wines.

A positive relationship was predicted between the overall perceived relative price and the overall perceived value of PLB wines (refer to sections 3.3.1 and 3.3.4). The results from the simple linear regression analysis support the hypothesis ($\beta = 0.358$, $p < 0.05$). The adjusted $R$-square value of 0.124 indicates that approximately 12.40% of the variance in perceived value is predicted by perceived relative price.

- **Main finding 29:** There is a significant positive relationship between the overall perceived relative price and the overall perceived value of PLB wines, thus $H_1$ can be accepted.

### 5.8.1.2 Hypothesis 2

**H2:** There is a significant relationship between the overall perceived product quality and the overall perceived value of PLB wines.

The results in Table 5.12 above indicate a positive relationship between the overall perceived product quality and the overall perceived value of PLB wines ($\beta = 0.486$, $p < 0.05$). The adjusted $R$-square value of 0.233 indicates that approximately 23.30% of the variance in the overall perceived value is predicted by the overall perceived product quality (refer to sections 3.3.2 and 3.3.4).
The relationship between perceived value and consumers’ purchase intentions of private label wine brands

- **Main finding 30:** There is a significant positive relationship between the overall perceived product quality and the overall perceived value of PLB wines, thus $H_2$ can be accepted.

### 5.8.1.3 Hypothesis 3

$H_3$: There is a significant relationship between the overall perceived risk and the overall perceived value of PLB wines.

The relationship between the overall perceived risk and the overall perceived value of PLB wines could not be tested, as the overall perceived risk construct was discarded from further analysis owing to poor construct validity (refer to section 5.5.2.3).

### 5.8.1.4 Hypothesis 4

$H_4$: There is a significant relationship between the overall perceived value and consumers’ overall purchase intentions of PLB wines.

As shown in Table 5.13 below, a strong positive relationship was indicated between the overall perceived value and consumers’ overall purchase intentions of PLB wines (refer to sections 3.3.4 and 3.3.5). Table 5.13 indicates that the results from the simple linear regression results support $H_4$ ($\beta = 0.614$, $p < 0.05$). The adjusted $R$-square value of 0.375 indicates that approximately 37.50% of the variance in consumers’ overall purchase intentions is predicted by overall perceived value.

**Table 5.13:** Simple linear regression analysis results of the overall perceived value of PLB wines on overall purchase intentions

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>$p$-value</th>
<th>Beta value ($\beta$)</th>
<th>R-square value ($R^2$)</th>
<th>Adjusted R-square value ($R^2$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall purchase intentions</td>
<td>Overall perceived value</td>
<td>0.000</td>
<td>0.614</td>
<td>0.377</td>
<td>0.375</td>
</tr>
</tbody>
</table>
The relationship between perceived value and consumers’ purchase intentions of private label wine brands

- **Main finding 31**: There is a significant positive relationship between the overall perceived value and consumers’ overall purchase intentions of PLB wines, thus $H_4$ can be accepted.

### 5.9 Refined Conceptual Model and Main Findings

This section illustrates the refined conceptual model of this study, following the simple linear regression analysis. The refined model (Figure 5.1) indicates that there is a positive and significant relationship between overall perceived relative price and overall perceived value ($p \leq 0.000$); overall perceived product quality and overall perceived value ($p \leq 0.000$); and overall perceived value and overall purchase intentions ($p \leq 0.000$). The main findings of the data analysis are summarised in Table 5.14.

*Figure 5.1: Refined conceptual model and simple linear regression results*
The relationship between perceived value and consumers' purchase intentions of private label wine brands

Table 5.14: Main findings of the data analysis

<table>
<thead>
<tr>
<th>Main finding</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main finding 1</td>
<td>The overall mean of the statements that measured the perceived relative price construct indicated that the respondents agreed with the statements, which measured the perceived relative price of PLB wines ($M = 3.27$).</td>
</tr>
<tr>
<td>Main finding 2</td>
<td>Respondents indicated their highest level of agreement with the following statement: ‘House brand wines are generally in a cheaper price range’ ($M = 3.72; SD = 1.165$).</td>
</tr>
<tr>
<td>Main finding 3</td>
<td>Respondents indicated their lowest level of agreement to the following statement: ‘I think that house brand wines are for people with money constraints’ ($M = 2.78; SD = 1.340$).</td>
</tr>
<tr>
<td>Main finding 4</td>
<td>The overall mean of the statements that measured the perceived product quality construct indicated that the respondents agreed with the statements, which measured the perceived product quality of PLB wines ($M = 3.20$).</td>
</tr>
<tr>
<td>Main finding 5</td>
<td>Respondents indicated their highest level of agreement with the following statement: ‘The higher the price of a bottle of wine, the better the product quality’ ($M = 3.71; SD = 1.280$).</td>
</tr>
<tr>
<td>Main finding 6</td>
<td>Respondents indicated their lowest level of agreement to the following statement: ‘The advertising of house brand wines positively influences my perception of its quality’ ($M = 3.00; SD = 1.129$).</td>
</tr>
<tr>
<td>Main finding 7</td>
<td>The overall mean of the statements that measured the perceived risk construct indicated that the respondents neither agreed nor disagreed with the statements, which measured the perceived risk of PLB wines ($M = 2.96$).</td>
</tr>
<tr>
<td>Main finding 8</td>
<td>Respondents indicated their highest level of agreement with the following statement: ‘I prefer to buy wines that I am familiar with instead of buying a wine that I do not know’ ($M = 4.09; SD = 1.107$).</td>
</tr>
</tbody>
</table>
The relationship between perceived value and consumers’ purchase intentions of private label wine brands

<table>
<thead>
<tr>
<th>Main finding</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main finding 9</td>
<td>Respondents indicated their lowest level of agreement with the following statement: ‘I think that buying a house brand wine poses a financial risk to me’ ( M = 2.14; \ SD = 1.169 ).</td>
</tr>
<tr>
<td>Main finding 10</td>
<td>The overall mean of the statements that measured the perceived value construct indicated that the respondents agreed with the statements, which measured the perceived value of PLB wines ( M = 3.16 ).</td>
</tr>
<tr>
<td>Main finding 11</td>
<td>Respondents indicated their highest level of agreement with the following statement: ‘If the retailer has a good reputation, I am likely to buy their house brand wines’ ( M = 3.50; \ SD = 1.163 ).</td>
</tr>
<tr>
<td>Main finding 12</td>
<td>Respondents indicated their lowest level of agreement to the following statement: ‘House brand wines meet my expectations’ ( M = 2.98; \ SD = 1.160 ).</td>
</tr>
<tr>
<td>Main finding 13</td>
<td>The overall mean of the statements that measured the purchase intentions construct with regard to PLB wines indicated that the respondents neither agreed nor disagreed with the statements that they were given ( M = 3.00 ).</td>
</tr>
<tr>
<td>Main finding 14</td>
<td>Respondents indicated their highest level of agreement with the following statement: ‘I will say positive things about house brand wines to other people’ ( M = 3.14; \ SD = 1.080 ).</td>
</tr>
<tr>
<td>Main finding 15</td>
<td>Respondents indicated their lowest level of agreement and highest degree of variance with the following statement: ‘I will buy house brand wines more frequently’ ( M = 2.74; \ SD = 1.222 ).</td>
</tr>
<tr>
<td>Main finding 16</td>
<td>The respondents had the highest level of agreement with the statements in the construct, which measured the overall perceived relative price and the overall perceived product quality with regard to PLB wines ( M = 3.27 ) and ( M = 3.20 ), respectively.</td>
</tr>
<tr>
<td>Main finding 17</td>
<td>Respondents had the lowest level of agreement with the statements in the construct, which measured the overall perceived risk and the overall purchase intentions with regard to PLB wines ( M = 2.96 ) and ( M = 3.00 ), respectively.</td>
</tr>
</tbody>
</table>
Main finding 18 | Due to the large sample size \((n=250)\) and the results of the KMO measure of sampling adequacy and Bartlett's test of sphericity, as presented in Table 5.8, the data was deemed suitable for an EFA.

Main finding 19 | The refined overall perceived relative price construct was considered as valid.

Main finding 20 | The refined overall perceived quality construct was considered as valid.

Main finding 21 | The overall perceived risk construct was discarded from further analysis owing to poor construct validity.

Main finding 22 | The overall perceived value construct was considered as valid.

Main finding 23 | The overall purchase intentions construct was considered as valid.

Main finding 24 | All of the refined constructs, which were measured, were considered as reliable.

Main finding 25 | Simple linear regression analysis was considered appropriate, as no outliers were evident in any of the constructs and the study had a large sample size \((n=250)\).

Main finding 26 | The constructs met the assumptions of normality.

Main finding 27 | The assumptions of linearity were met.

Main finding 28 | The constructs met the assumptions of homoscedasticity.

Main finding 29 | There is a significant positive relationship between the overall perceived relative price and the overall perceived value of PLB wines, thus H_1 can be accepted.

Main finding 30 | There is a significant positive relationship between the overall perceived product quality and the overall perceived value of PLB wines, thus H_2 can be accepted.

Main finding 31 | There is a significant positive relationship between the overall perceived value and consumers' overall purchase intentions of PLB wines, thus H_4 can be accepted.
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5.10 SUMMARY

This chapter included the findings and results from the statistical analysis of the data based on the research methodology, which was presented in Chapter Four. The results of the research objectives and hypotheses testing were analysed to determine whether these objectives were met, and whether the hypotheses could be accepted. Therefore, this chapter has achieved its aim. The next and final chapter provides conclusions, limitations and recommendations based on the results of the study. Recommendations are made to retailers of PLB wines based on the findings. Finally, the limitations of this study are outlined, while suggestions for possible future research topics are also provided.
CHAPTER SIX
Conclusions, recommendations and limitations

6.1 INTRODUCTION
This chapter provides an overview of the study that was conducted. The aim was to provide conclusions and recommendations with regard to the primary and secondary research objectives as well as recommendations to MGRs regarding their PLB wine ranges based on the research study’s findings. The limitations of the study are explained and suggestions for possible future research topics are finally provided.

6.2 OVERVIEW OF THE STUDY
The purpose of this study was to investigate the relationship between perceived value and consumers’ purchase intentions, specifically focused on PLBs of wine within the retail sector in Johannesburg. Wine is defined by the Cape Wine Academy (2009:12) as “an alcoholic beverage made from the fermented juice of freshly gathered grapes.” The demand for wine is increasing while retailers’ ability to predict and understand the driving forces behind wine consumers and what motivates them to purchase a bottle of wine, is becoming increasingly difficult. This is owing to the wide selection of wine, which is available on the market. In order for retailers to survive in a competitive marketing environment, they should constantly research their target market to ensure that they satisfy their needs (Corduas et al., 2013:407).

This research contributed to the limited literature, which is available on the perception and purchase intentions of PLBs in South Africa in order to assist MGRs to capture a larger market share with their PLB ranges. Despite improved marketing efforts by retailers, it remains a challenging task to change the perceptions of PLBs, as consumers view them to be lower in product quality than producer brands (Albayrak & Aslan, 2009:771-772; Banovic et al., 2010:55). The retail sector in South Africa is expected to remain stable, while PLBs will continue to grow based on the history of PLBs in developed countries where they are already well established in the market place (Euromonitor International, 2013b). It is proposed that retailers in emerging markets such as South Africa are likely to enjoy a better response from the market with the introduction of PLBs (Moorad, 2012; Stanton & Meloche, 2012:117).
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A key factor that determines if a PLB will be successful in the market is the retailers’ ability to differentiate their particular product from the wide variety of manufacturer or producer branded products that are available. This is applicable to the wine industry where consumers are confronted with so many different producer brands and PLBs from which to choose, which often complicates their decisions (Atkin & Thach, 2012:54-55; Corduas et al., 2013:407). Competition between PLBs and producer brands is becoming intense, as PLBs are gaining a better perception in the eyes of the consumer, and an increased market share. The inclusion of PLBs offers retailers an opportunity to increase their profits and market share, and to satisfy the demands of their target market more effectively. If buyers are satisfied with the PLB that they bought, they tend to return to that particular retail chain to purchase it again. This could also encourage consumers to try other PLB products that the retailer has to offer, thus creating prolonged consumer loyalty (Euromonitor International, 2013a:9,12; Lincoln & Thomassen, 2009:56; Nenycz-Thiel & Romaniuk, 2012:172; Retail-FMCG, 2012).

Chapter One provided a foundation for the research and elaborated on the background of the study. Brief discussions were provided of the literature review; the problem statement and research objectives and hypotheses; the significance of the research; and details of the research design and methodology, which were utilised for this study. Figure 1.1 illustrates the conceptual model that was used as a framework to guide the study. Chapter Two examined the global and South African wine industry with reference to wine production, its contribution to the economy and wine consumption. The chapter also investigated current conditions of the PLB industry, both globally and locally, and discussed the PLBs that are offered by four of the MGRs in South Africa, namely Pick n Pay, Shoprite Holdings Ltd., SPAR Group Ltd. and Woolworths Holdings Ltd. This included a discussion on the marketing of PLBs and reasons for their inclusion in a retailer’s product mix. The third chapter examined consumer behaviour and explained the effect that it has on consumers’ purchase intentions. Furthermore, it focused on defining the concepts of perceived value and purchase intentions. Emphasis was on the constructs of perceived value, namely perceived relative price, perceived product quality and perceived risk, and how this influences consumers’ intentions to purchase PLBs, particularly PLB wines. Chapter Four elaborated on the scientific marketing research process, which was
The relationship between perceived value and consumers’ purchase intentions of private label wine brands
adapted for this study. Detailed information on how the necessary research activities for this study were conducted was provided. The research problem, research objectives and hypotheses, secondary research conducted, primary research design, research frame, collection of primary data and data analysis for this study, were all explained. The findings and discussion of results, which followed the data analysis, were presented in Chapter Five. These results were discussed in relation to the research hypotheses of the study and the main findings were provided. The conclusions, recommendations, and limitations of the study, as well as possible future research topics, are presented in this chapter.

6.3 CONCLUSIONS AND RECOMMENDATIONS FOR THE RESEARCH OBJECTIVES

This section provides conclusions and recommendations for each of the secondary research objectives set for the study, which aimed to reach the primary objective, which was to determine the relationship between perceived value and the purchase intentions of consumers relating to PLB wines. The relevant hypotheses tested in section 5.8 are also discussed in relation to the research objectives.

6.3.1 Secondary objective 1

**Conduct a literature review to identify the elements of perceived value.**

Chapter Three conducted an in-depth literature review to identify the elements of perceived value. It focused on defining the concepts of perceived value and purchase intentions. Emphasis was placed on the elements of perceived value, namely perceived relative price, perceived product quality and perceived risk, as identified by secondary research, and how this influences consumers’ intentions to purchase PLBs, particularly PLB wines.

The conceptual model (Figure 1.1) for this study was developed by critically analysing secondary sources, which measure similar constructs in similar contexts. Table 1.1 highlighted a few common constructs in studies that were conducted previously, and these included perceived relative price, perceived product quality and perceived risk, which are involved in purchasing a product. The studies imply that together these three main constructs constitute the concept of perceived value.
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Thus, only these three constructs were chosen for the conceptual model of this study. Chapter Three provides a detailed discussion of each of the constructs that were utilised in the development of the conceptual model. The conceptual model was developed to determine the relationship between perceived value and consumers’ purchase intentions, and specifically focused on PLB wines within the retail sector in Johannesburg.

- **Recommendation 1:** It is recommended that the constructs that were used to measure perceived value, as identified in Table 1.1, should be used as guidance for MGRs as to how to market their PLB wines. From previous literature and the results of this study, it is evident that the constructs that are used to measure perceived value, namely perceived relative price, perceived product quality and perceived risk, significantly influence consumers’ overall perceived value and subsequently their overall purchase intentions relating to PLB wines.

6.3.2 Secondary objective 2

| Identify consumers’ overall levels of perceived relative price relating to PLB wines. |

Section 3.3.1 examined literature on the perceived relative price construct and section 5.4.1 discussed consumers’ perceived relative price relating to PLB wines after the data analysis was conducted. The statement with the highest level of agreement was: ‘House brand wines are generally in a cheaper price range’ (main finding 2). The statement that respondents disagreed with the most was: ‘I think that house brand wines are for people with money constraints’ (main finding 3). The overall mean for the perceived relative price construct indicated that a majority of the respondents tended to agree with the statements within the perceived relative price construct (main finding 1).

- **Recommendation 2:** It is recommended that MGRs should pay careful attention to the prices of their PLBs, as consumers tend to link PLBs with lower prices.
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6.3.3 Secondary objective 3

| Identify consumers’ overall levels of perceived product quality relating to PLB wines. |

Literature on the perceived product quality construct was discussed in section 3.3.2. The mean and standard deviation scores of the perceived product quality construct were discussed in section 5.4.2. The statement with the highest level of agreement was ‘The higher the price of a bottle of wine, the better the product quality’ (main finding 5). Consumers also agreed that the quality of house brand wines is as good as the reputation of the retailer, which sells it. The statement that respondents disagreed with the most was: ‘The advertising of house brand wines positively influences my perception of its quality’ (main finding 6).

- **Recommendation 3:** Based on the above-mentioned findings, it is recommended that the MGRs should link their PLB wine prices to product quality, as consumers view a higher priced bottle of wine to be of a better product quality.

- **Recommendation 4:** Presently, consumers’ perception of the quality of PLB wine products is negatively influenced by the advertising (main finding 6). This indicates that there is room for improvement with regard to PLB advertising, especially PLB wines. Many consumers seem to be unfamiliar with PLB wines on offer. It is recommended that MGRs should promote their PLB wines by designing visually appealing in-store displays that attract customers’ attention. Conducting wine tastings of PLB wines is another way to entice customers to purchase the PLBs. However, the wine tasting can only be conducted if the MGR has a liquor store, which is separate to the main store, for example, Tops at SPAR. This would gradually expose consumers to the PLBs offered by the MGR with the aim of reducing any pre-existing notions of a lower price, which indicates inferior quality products. The MGRs should measure PLB wine sales before and after the in-store advertising and promotion campaign to establish whether there was a substantial increase in sales, and whether this would be a profitable endeavour to pursue on a regular basis. This could be extended into advertising PLBs in newspapers, on television or on radio, once consumers have been exposed to the products.
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6.3.4 Secondary objective 4

Identify consumers’ overall levels of perceived risk relating to PLB wines.

Section 3.3.3 provided an explanation of the perceived risk construct based on relevant literature, while section 5.4.3 identified consumers’ overall perceived risk relating to PLB wines after the data analysis was conducted. The highest level of agreement was with the statement: ‘I prefer to buy wines that I am familiar with instead of buying a wine that I do not know’ (main finding 8), while the statements that respondents disagreed with the most were: ‘I think that buying a house brand wine poses a financial risk to me’ (main finding 9). The overall mean for the perceived risk construct indicated that a majority of the respondents neither agreed nor disagreed with the statements, which measured perceived risk of PLB wines (main finding 7). Respondents had the lowest level of agreement with the statements in the construct that measured overall perceived risk with regard to PLB wines (main finding 17).

- **Recommendation 5**: It is evident from the main finding, 8, that awareness of PLB wines is an influencing factor when consumers purchase wine. The awareness of PLB wines was not measured extensively in this study; however, it is clear from the literature review that producer brand wines are better known by the consumers, and that perceived risk when purchasing PLB wines had less of an effect on consumers’ perceived value of PLB wines than anticipated. The MGRs should focus their efforts on increasing the awareness of their PLBs, as discussed in recommendation 4.

- **Recommendation 6**: Main findings 8 and 17 indicate that although consumers do not perceive a clear risk involved in purchasing PLB wines, the likelihood of them purchasing a PLB product is low. This could be owing to perceived relative price and perceived product quality of PLB wines being more important to consumers than perceived risk. Due to consumers considering perceived relative price and perceived product quality of PLBs as important, MGRs should ensure that consumers are aware of the quality of the wines through in-store tastings, promotions at wine festivals and food markets, and other recommendations stated in recommendation 4. By making consumers aware of the quality of the
The relationship between perceived value and consumers’ purchase intentions of private label wine brands

product relative to the price of the product, perceived risk can be decreased, which could in turn increase consumers’ purchase intentions towards the PLB.

6.3.5 Secondary objective 5

| Identify consumers’ overall levels of perceived value relating to PLB wines. |

The literature on perceived value was discussed in section 3.3.4 and the results of the data analysis of the perceived value construct were identified in sections 5.4.4 and 5.4.6. Respondents indicated their highest level of agreement with the following statement: ‘If the retailer has a good reputation, I am likely to buy their house brand wines’ (main finding 11), while their lowest level of agreement was with the following statement: ‘House brand wines meet my expectations’ (main finding 12). The overall mean of the statements that measured the perceived value construct indicated that the respondents agreed with the statements, which measured the perceived value of PLB wines (main finding 10).

- **Recommendation 7**: The reputation of the retailer influences consumers’ PLB purchase intentions, according to the discussion on overall perceived product quality (secondary objective 3), and main finding 11. The MGR’s reputation could be influenced by their corporate social responsibility in the local community and country as a whole; their employment policies; their ability to deliver satisfactory products; competitive prices; sustainability of the products that they stock for example, Fairtrade products; support of local suppliers such as Proudly South African products; and their carbon footprint. It is, therefore, recommended that the MGRs should dedicate adequate time and resources to the improvement of their reputation in the eyes of the consumer, as this could persuade consumers to purchase their PLBs. If the retailer has already established a reputable reputation, they should ensure that it remains this way. Consumers should be made aware of how the MGRs spend their profits in respect of making a difference to the community, environment and consumer in order to be seen as transparent and honest in the eyes of the consumer.
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- **Recommendation 8:** Main finding 12 suggests that there is a gap between what consumers expect from PLB wines and what they actually experience. It is recommended that PLB wines should be marketed as quality products instead of cheaper alternatives to producer brands, as the perceived relative price and perceived product quality issue could significantly influence future PLB wine sales. Many consumers still have a misconstrued opinion that PLBs are inferior in quality to producer brands. This links to the discussion of recommendations 3 and 4. Emphasis should be placed on making consumers aware of the multi-tiered approach to PLBs that the MGRs have adopted. Customers should be informed of premium PLBs, and be assured of the value and quality that they can expect from these products. The MGRs can provide a money-back satisfaction guarantee on their PLBs, should a consumer purchase a product, which is then either faulty or of an inferior quality in relation to what it should be. Some MGRs do offer such a guarantee; however, this should be communicated in a more effective way to create awareness amongst consumers.

### 6.3.6 Secondary objective 6

**Identify consumers’ overall purchase intentions relating to PLB wines.**

Refer to section 3.3.5 for a detailed overview of the purchase intentions construct. Respondents had the lowest level of agreement with the statements in the construct that measured overall purchase intentions with regard to PLB wines (main finding 17). A majority of the respondents neither agreed nor disagreed with the statements within the purchase intentions construct (main finding 13), as discussed in sections 5.4.5 and 5.4.6. The statement with the highest level of agreement and lowest variance was: ‘I will say positive things about house brand wines to other people’ (main finding 14). The statement that respondents disagreed with the most was: ‘I will buy house brand wines more frequently’ (main finding 15).

- **Recommendation 9:** Consumers tend to be cautious when it comes to purchasing PLBs, because they are unfamiliar with the products (main findings 13 & 15). Proper communication and information regarding PLB wines would assist in minimising these indecisions that consumers tend to have. A
recommendation is that MGRs should promote their PLB wines by offering these as a promotional deal together with a product that consumers buy on a regular basis and complements wine, for example, cheese, savoury biscuits or fruit. Customers would then pay a certain amount for the cheese and receive the PLB wine as part of the package. This would expose consumers to the PLB wines without them having the purchase intention to solely purchase the PLB wine. Some MGRs have already implemented this strategy with some of their PLBs; however it is recommended that it should be redirected at PLB wines specifically. Refer to recommendations 4, 5 and 6 for more suggestions on increasing consumers’ awareness of PLB wines.

- **Recommendation 10:** Main findings 13 and 14 suggest that positive word of mouth marketing would be beneficial in to generate awareness of PLB wines and influence consumers’ purchase intentions. Positive word of mouth can be created by increasing the MGR’s reputation to promote customer loyalty, as suggested in recommendation 7.

- **Recommendation 11:** The viability of employing a wine expert or wine sales assistant should be investigated by MGRs. A current employee could be trained or a trained wine expert could be employed. As mentioned, consumers often feel overwhelmed by the wide range of wines from which to choose, thus an employee who is knowledgeable about wine could assist the consumer to make this purchasing decision. The employee could also then promote the PLB wines that are offered by the MGR, which would encourage consumers to purchase them more frequently (main finding 15).

- **Recommendation 12:** The reason why consumers are reluctant to purchase PLB wines more frequently (main finding 5) could be related to the perceived relative price and perceived product quality of the PLB wine, as stated in the main findings 5 and 12, and recommendations 3, 4 and 8. The perceived price and quality gap between PLB wines and producer brand wines should be minimised in order to encourage greater purchase intentions from consumers.
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6.3.7 Secondary objective 7

**Determine whether a significant relationship exists between the overall perceived relative price and the overall perceived value of PLB wines.**

This secondary objective was tested through H$_1$ (There is a significant relationship between overall perceived relative price and overall perceived value of PLB wines). The results show a significant positive relationship between overall perceived relative price and overall perceived value of PLB wines (main finding 29). Also refer to sections 3.3.1 and 3.3.4.

- **Recommendation 13:** Due to the significant relationship between overall perceived relative price and overall perceived value of PLB wines (main finding 29), MGRs should ensure that their pricing strategy fits in clearly with their marketing strategy in order to provide consumers with the value that they expect. It is recommended that a competitive pricing strategy should be adopted. The price of a PLB wine should be just below the price of the producer brand wine with a similar product quality.

6.3.8 Secondary objective 8

**Determine whether a significant relationship exists between the overall perceived product quality and the overall perceived value of PLB wines.**

Secondary objective 8 was tested through H$_2$ (There is a significant relationship between overall perceived product quality and overall perceived value of PLB wines). The results indicated that there is a significant positive relationship between overall perceived product quality and overall perceived value of PLB wines (main finding 30). Also refer to sections 3.3.2 and 3.3.4.

- **Recommendation 14:** From the results it is evident that overall perceived value of PLB wines is significantly influenced by consumers’ overall perceived relative price and overall perceived product quality of the products (main findings 29 & 30). Main findings 2 and 5 confirm this perceived relative price and perceived product quality issue regarding PLB wines. As mentioned, the pricing strategy
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that the MGR adopts should create good perceived value for the consumers without negatively influencing the perceived relative price or perceived product quality of the product. A discount pricing strategy could initially be implemented to introduce PLB ranges to the market; however, MGRs should focus on offering value for money to consumers through their PLBs. Hence, the use of a long-term discount pricing strategy would be discouraged (also refer to recommendations 3, 8 & 13).

6.3.9 Secondary objective 9

| Determine whether a significant relationship exists between the overall perceived risk and the overall perceived value of PLB wines. |

This secondary objective was linked to H₃, which states that there is a significant relationship between overall perceived risk and overall perceived value of PLB wines. The relationship between overall perceived risk and overall perceived value of PLB wines could not be tested, as the perceived risk construct was discarded from further analysis owing to poor construct validity (refer to sections 5.5.2.3 and 5.8.1.3). Also refer to sections 3.3.3 and 3.3.4.

6.3.10 Secondary objective 10

| Determine whether a significant relationship exists between consumers’ overall perceived value and overall purchase intentions of PLB wines. |

Secondary objective 10 was tested through H₄ (There is a significant relationship between overall perceived value and consumers’ overall purchase intentions of PLB wines). A strong positive relationship was predicted between overall perceived value and consumers’ overall purchase intentions of PLB wines (main finding 31). Also refer to sections 3.3.4 and 3.3.5.

- **Recommendation 15:** The MGRs who own PLB wine ranges should develop and appropriately promote a formal internal and external marketing strategy, which incorporates the elements of perceived value researched in this study, namely perceived relative price, perceived product quality, and perceived value.
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This will encourage positive word-of-mouth marketing and ensure that a positive perception of PLB wines is created amongst employees and customers. The elements of perceived value should contribute collectively to create an overall positive perception of the value of PLB wines, which will result in greater purchase intentions, as suggested by the main finding 31.

6.4 SUMMARY OF THE STUDY

The study aimed to determine the relationship between perceived value and the purchase intentions of consumers in relation to PLB wines. Following the data analysis, two constructs were identified to form the overall perceived value construct, namely overall perceived relative price and overall perceived product quality. The data analysis indicated that both these constructs had a significant effect on the perceived value of PLB wines. Lastly, the relationship between perceived value and consumers’ purchase intentions of PLB wines had to be examined in order to achieve the primary objective of this study. As illustrated by the refined conceptual model (Figure 5.1 in section 5.9), a significant relationship exists between perceived value and purchase intentions of consumers, which relate to PLB wines. Figure 6.1 summarises the entire study, and links the primary objective; secondary objectives; questions in the questionnaire; main findings; and the recommendations of the study.
The relationship between perceived value and consumers’ purchase intentions of private label wine brands

Figure 6.1: Summary of the study

<table>
<thead>
<tr>
<th>Primary objective</th>
<th>Secondary objectives</th>
<th>Relevant chapters</th>
<th>Questions in questionnaire</th>
<th>Main findings</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct a literature review to identify the elements of perceived value.</td>
<td></td>
<td>Chapters 2 &amp; 3</td>
<td>N/A</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Identify consumers’ overall levels of perceived relative price relating to PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Question 13</td>
<td>1, 2, 3 &amp; 16</td>
<td>2 &amp; 3</td>
</tr>
<tr>
<td>Identify consumers’ overall levels of perceived product quality relating to PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Question 14</td>
<td>4, 5, 6 &amp; 16</td>
<td>3, 4 &amp; 8</td>
</tr>
<tr>
<td>Identify consumers’ overall levels of perceived risk relating to PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Question 15</td>
<td>7, 8, 9 &amp; 17</td>
<td>4, 5, 6 &amp; 9</td>
</tr>
<tr>
<td>Identify consumers’ overall levels of perceived value relating to PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Question 16</td>
<td>10, 11 &amp; 12</td>
<td>3, 4, 7, 8 &amp; 14</td>
</tr>
<tr>
<td>Identify consumers’ overall purchase intentions relating to PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Question 17</td>
<td>13, 14, 15 &amp; 17</td>
<td>3, 4, 5, 6, 7, 8, 9, 10, 11 &amp; 12</td>
</tr>
<tr>
<td>Determine whether a significant relationship exists between the overall perceived relative price and the overall perceived value of PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Questions 13 &amp; 16</td>
<td>29</td>
<td>13 &amp; 14</td>
</tr>
<tr>
<td>Determine whether a significant relationship exists between the overall perceived product quality and the overall perceived value of PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Questions 14 &amp; 16</td>
<td>30</td>
<td>3, 8 &amp; 13</td>
</tr>
<tr>
<td>Determine whether a significant relationship exists between the overall perceived risk and the overall perceived value of PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Question 15 &amp; 16</td>
<td>N/A</td>
<td>4, 5, 6, 9 &amp; 14</td>
</tr>
<tr>
<td>Determine whether a significant relationship exists between consumers’ overall perceived value and overall purchase intentions of PLB wines.</td>
<td></td>
<td>Chapters 3 &amp; 5</td>
<td>Questions 16 &amp; 17</td>
<td>31</td>
<td>1, 10 &amp; 15</td>
</tr>
</tbody>
</table>
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6.5 LIMITATIONS OF THE STUDY

The main limitation of this study is that it was conducted amongst consumers of MGRs in Johannesburg only, thus the results of the study are only relevant to the participants of this specific study. A similar study in a different city or province with different participants could yield different results. The study used a non-probability convenience sampling method, thus the results from the data analysis cannot be generalised to the entire population, but only to respondents who participated in the study. The results of the EFA found that the construct validity of the perceived risk construct was too weak, thus the construct was discarded from further statistical analysis. Therefore, the study only examined the relationship between overall perceived relative prices and overall perceived product quality on overall perceived value; and the relationship between overall perceived value and overall purchase intentions of PLB wines.

6.6 POSSIBLE FUTURE RESEARCH TOPICS

Future research could be extended to include and compare other PLB categories within the South African retail sector as well as other provinces and cities. Demographic variables could be emphasised such as the influence of gender, age, race and income with regard to the perceptions and purchase intentions of PLBs. Through further refinement, the perceived risk construct, which had to be excluded from this study owing to poor construct validity, could be tested against perceived value and purchase intentions of PLB wines, as there is evidence to support that it does have an effect on these constructs. The conceptual model could be expanded to include other intrinsic and extrinsic attributes and elements that could affect consumers’ behaviour and purchase intentions. Previous studies that were conducted included several different constructs besides these that were researched for this study. It is recommended that future research on PLBs should examine other variables such as store image, wine knowledge and consumer demographics and their influence on perceived value and purchase intentions of PLB wines. These variables could also be included in the retailer’s marketing strategy for PLBs. Lastly, a cross-country comparison between consumers’ perceptions and purchase intentions of PLBs could prove useful in providing information on how the South African PLB market could be expanded and improved.
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6.7 CONCLUSION
The aim of this chapter was achieved by providing conclusions and recommendations for the secondary objectives based on the results of the study. Furthermore, the study aimed to determine the relationship between perceived value and purchase intentions of consumers relating to PLB wines. The refined conceptual model (Figure 5.1) indicated that overall perceived relative price and overall perceived product quality have a significant positive relationship on overall perceived value, which in turn has a significant positive relationship on overall purchase intentions relating to PLB wines, thus indicating that the aim of the study was achieved.
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**LIST OF REFERENCES**


The relationship between perceived value and consumers’ purchase intentions of private label wine brands


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APPENDIX A:

Questionnaire
Dear Respondent,

I am a graduate student of the University of Johannesburg’s School of Tourism and Hospitality currently studying to obtain my Master’s in Tourism and Hospitality Management. The purpose of this survey is to investigate the relationship between perceived value and consumers’ purchase intentions, specifically focused on private label brand (house brand) wines within grocery stores in Johannesburg. This survey aims to determine the perception of wine in Johannesburg, thus consumption of wine is not a prerequisite. Perception can be defined as one’s impression based on your understanding of something, in this case, house brand wines.

I kindly request you to complete the following questionnaire if you are above the age of 18. Taking part in this survey is completely voluntary and anonymous. It should not take longer than 10 minutes of your time and consists of two sections. Indicate your response to the questions by crossing (X) the relevant block based on your own perspective.

Should you have any queries or comments regarding this survey, you are welcome to contact me telephonically at 072 526 8523 or via email at daleen526@gmail.com.

Thank you for your time and input.

Yours sincerely

Daleen Oosthuizen
**SECTION A: BACKGROUND INFORMATION**

In this section please provide information regarding your biographic background. Place an X across the number that most accurately reflects you and your views.

1. **Gender**
   - Male
   - Female

2. **Age group**
   - 18 – 25 years
   - 26 – 35 years
   - 36 – 45 years
   - 46 – 55 years
   - 56 – 65 years
   - 66 years and older

3. **Race**
   - Black
   - White
   - Coloured
   - Indian/Asian

4. **Household income per month after tax**
   - R4000 or less
   - R4001 – R8000
   - R8001 – R12000
   - R12001 – R20000
   - R20001 – R30000
   - R30001 and more

5. **Highest educational qualification**
   - Grade 11 or lower (Std 9 or lower)
   - Grade 12 (Matric, Std 10)
   - Post-Matric Diploma or Certificate
   - Bachelor Degree(s)
   - Post-Graduate Degree(s)

6. **Indicate how often you drink wine in a month**
   - More than once a week
   - Only on weekends
   - Regularly in one month
   - Only on special occasions
   - I do not drink wine

7. **Indicate how often you purchase wine**
   - Once a week
   - Once a month
   - Once every two months
   - Once every six months
   - I do not purchase wine

8. **Indicate the type of wine packaging you purchase most often**
   - Per bottle
   - Per case
   - I do not purchase wine

9. **Indicate when are you most likely to purchase wine**
   - On a regular basis
   - Only when on promotion
   - For a special occasion
   - I do not purchase wine

10. **Are you familiar with house brand wines?**
    - YES
    - NO
SECTION B: PERCEIVED VALUE AND PURCHASE INTENTIONS

House brands are defined as products that the retailer owns, sells and distributes to its consumers. On the other hand, producer brands, also known as manufacturer or national brands are products made by a specific brand name company or producer like Nederburg or Robertson wines. Please familiarise yourself with the concept of house brands by referring to the following pictures of house brand wines offered by four grocery retailers in South Africa before continuing with the rest of the questionnaire.

11. How often do you purchase house brand wines?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once a week</td>
<td>1</td>
</tr>
<tr>
<td>Once a month</td>
<td>2</td>
</tr>
<tr>
<td>Once every two months</td>
<td>3</td>
</tr>
<tr>
<td>Once every six months</td>
<td>4</td>
</tr>
<tr>
<td>I do not purchase wine</td>
<td>5</td>
</tr>
</tbody>
</table>

12. Indicate your preference between house brand wines and producer brand wines pertaining to the following statements: **Cross (X) the relevant block**

<table>
<thead>
<tr>
<th>Statement</th>
<th>House brand wines</th>
<th>Producer brand wines</th>
</tr>
</thead>
<tbody>
<tr>
<td>a  This brand offers better value for money.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b  This brand is better quality.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c  I prefer this brand.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d  I purchase this brand most often.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indicate to what extent you agree or disagree with the following statements by crossing (X) the relevant block using a 5-point scale where 1 = Strongly Disagree and 5 = Strongly Agree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. PRICE</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>a  I compare the price of house brand wines to producer brand wines before I decide to buy.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>b  I think that house brand wines are for people with money constraints.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>c  House brand wines are generally in a cheaper price range.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>d  House brand wines are competitively priced.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>e  I am price conscious when buying wine.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>f  The price of wine is a good indicator of product quality.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>14. QUALITY</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>a  The higher the price of a bottle of wine, the better the product quality.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>b  I expect the same quality from house brand wines as from producer brand wines.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
</tbody>
</table>
The quality of house brand wines is as good as the reputation of the retailer, which sells it. 1 2 3 4 5
The packaging of house brand wines positively influences my perception of its quality. 1 2 3 4 5
The advertising of house brand wines positively influences my perception of its quality. 1 2 3 4 5

15. RISK
a Buying a house brand wine negatively affects peoples’ opinion of me. 1 2 3 4 5
b I think that buying a house brand wine poses a financial risk to me. 1 2 3 4 5
c I prefer to buy wines that I am familiar with instead of buying a wine that I do not know. 1 2 3 4 5
d I am wary of purchasing house brand wines, as the quality may be inferior. 1 2 3 4 5

16. PERCEIVED VALUE
a I believe that I get a good deal when purchasing house brand wines. 1 2 3 4 5
b House brand wines meet my expectations. 1 2 3 4 5
c Considering the price involved in purchasing house brand wines, I think that it is a wise purchasing decision. 1 2 3 4 5
d Considering the quality involved in purchasing house brand wines, I think that it is a wise purchasing decision. 1 2 3 4 5
e Considering the risk involved in purchasing house brand wines, I think that it is a wise purchasing decision. 1 2 3 4 5
f If the retailer has a good reputation, I am likely to buy their house brand wines. 1 2 3 4 5

17. PURCHASE INTENTIONS AND BEHAVIOURAL LOYALTY
a I will buy house brand wines more frequently. 1 2 3 4 5
b I will say positive things about house brand wines to other people. 1 2 3 4 5
c I will encourage friends and relatives to purchase house brand wines. 1 2 3 4 5
d I will recommend house brand wines to someone who seeks my advice. 1 2 3 4 5

18. How important are the following factors to you when making a wine purchasing decision? Cross (X) the relevant block using a 5-point scale where 1 = Very Unimportant and 5 = Very Important

<table>
<thead>
<tr>
<th>Statement</th>
<th>Very Unimportant</th>
<th>Very Important</th>
</tr>
</thead>
</table>
a Low price | 1 2 3 4 5        |
b Brand name of wine | 1 2 3 4 5 |
c Previous experience with the wine | 1 2 3 4 5 |
d Value for money | 1 2 3 4 5 |
e Potential risk of wasting money if the product is unsatisfactory | 1 2 3 4 5 |
f Likelihood of receiving positive feedback from my peers | 1 2 3 4 5 |
g Confidence that the wine will meet my quality standards | 1 2 3 4 5 |
h The wine must fit in with my self-image | 1 2 3 4 5 |
i Packaging of the product | 1 2 3 4 5 |
j Advertising of the product | 1 2 3 4 5 |

Thank you for your co-operation in completing this questionnaire.
APPENDIX B: Questionnaire used for the pilot study
Dear Respondent,

I am a graduate student of the University of Johannesburg’s School of Tourism and Hospitality currently studying to obtain my Master’s in Tourism and Hospitality Management. The purpose of this survey is to investigate the relationship between perceived value and consumers’ purchase intentions, specifically focused on private label brand (house brand) wines within grocery stores in Johannesburg.

I kindly request you to complete the following questionnaire if you are above the age of 18. Taking part in this survey is completely voluntary and anonymous. It should not take longer than 10 minutes of your time and consists of two sections. Indicate your response to the questions by crossing (X) the relevant block based on your own perspective.

Should you have any queries or comments regarding this survey, you are welcome to contact me telephonically at 072 526 8523 or via email at daleen526@gmail.com.

Thank you for your time and input.

Yours sincerely

Daleen Oosthuizen
### SECTION A: BACKGROUND INFORMATION

In this section please provide information regarding your biographic background. Place an X across the number that most accurately reflects you and your views.

8. **Gender**

<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
</tr>
</tbody>
</table>

9. **Age group**

<table>
<thead>
<tr>
<th>Age Group</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>18 – 25 years</td>
<td>1</td>
</tr>
<tr>
<td>26 – 35 years</td>
<td>2</td>
</tr>
<tr>
<td>36 – 45 years</td>
<td>3</td>
</tr>
<tr>
<td>46 – 55 years</td>
<td>4</td>
</tr>
<tr>
<td>56 – 65 years</td>
<td>5</td>
</tr>
<tr>
<td>66 years and older</td>
<td>6</td>
</tr>
</tbody>
</table>

10. **Race**

<table>
<thead>
<tr>
<th>Race</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>1</td>
</tr>
<tr>
<td>White</td>
<td>2</td>
</tr>
<tr>
<td>Coloured</td>
<td>3</td>
</tr>
<tr>
<td>Indian/Asian</td>
<td>4</td>
</tr>
</tbody>
</table>

11. **Household income per month after tax**

<table>
<thead>
<tr>
<th>Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R4000 or less</td>
<td>1</td>
</tr>
<tr>
<td>R4001 – R8000</td>
<td>2</td>
</tr>
<tr>
<td>R8001 – R12000</td>
<td>3</td>
</tr>
<tr>
<td>R12001 – R20000</td>
<td>4</td>
</tr>
<tr>
<td>R20001 – R30000</td>
<td>5</td>
</tr>
<tr>
<td>R30001 and more</td>
<td>6</td>
</tr>
</tbody>
</table>

12. **Highest educational qualification?**

<table>
<thead>
<tr>
<th>Qualification</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 11 or lower (Std 9 or lower)</td>
<td>1</td>
</tr>
<tr>
<td>Grade 12 (Matric, Std 10)</td>
<td>2</td>
</tr>
<tr>
<td>Post-Matric Diploma or Certificate</td>
<td>3</td>
</tr>
<tr>
<td>Bachelor Degree(s)</td>
<td>4</td>
</tr>
<tr>
<td>Post-Graduate Degree(s)</td>
<td>5</td>
</tr>
</tbody>
</table>

13. Answer the following questions on your consumption, purchasing and awareness of wine. 

Cross (X) the relevant block using a 5-point scale where 1 = Never and 5 = Always

<table>
<thead>
<tr>
<th>6.1 Consumption and purchasing of wine</th>
<th>Never</th>
<th></th>
<th></th>
<th></th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>a How often do you drink wine?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>b How often do you purchase wine?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Indicate the type of wine packaging you purchase most often:

<table>
<thead>
<tr>
<th>6.2 Wine purchasing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per bottle</td>
<td>1</td>
</tr>
<tr>
<td>Per case</td>
<td>2</td>
</tr>
<tr>
<td>I do not purchase wine</td>
<td>3</td>
</tr>
</tbody>
</table>

Indicate when are you most likely to purchase wine?

<table>
<thead>
<tr>
<th>6.3 Wine purchasing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>On a regular basis</td>
<td>1</td>
</tr>
<tr>
<td>Only when on promotion</td>
<td>2</td>
</tr>
<tr>
<td>I do not purchase wine</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.4 Awareness of house brand wines</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Are you familiar with house brand wines?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION B: PERCEIVED VALUE AND PURCHASE INTENTIONS

House brands are defined as products that the retailer owns, sells and distributes to its consumers. On the other hand, producer brands, also known as manufacturer or national brands are products made by a specific brand name company or producer like Nederburg or Robertson wines. Please familiarise yourself with the concept of house brands by referring to the following pictures of house brand wines offered by four grocery retailers in South Africa before continuing with the rest of the questionnaire.

14. Answer the following by indicating your house brand consumption frequency. Cross (X) the relevant block using a 5-point scale where 1 = Never and 5 = Always.

<table>
<thead>
<tr>
<th>Consumption of house brands</th>
<th>Never</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a I buy house brand wines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15. Indicate your preference between house brand wines and producer brand wines pertaining to the following statements: Cross (X) the relevant block.

<table>
<thead>
<tr>
<th>Statement</th>
<th>House brand wines</th>
<th>Producer brand wines</th>
</tr>
</thead>
<tbody>
<tr>
<td>a This brand offers better value for money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b This brand is better quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c I prefer this brand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d I purchase this brand most often</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indicate to what extent you agree or disagree with the following statements by crossing (X) the relevant block using a 5-point scale where 1 = Strongly Disagree and 5 = Strongly Agree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. PRICE</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>a I compare the price of house brand wines to producer brand wines before I decide to buy</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>b I think that house brand wines are for people with money constraints</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>c House brand wines are generally in a cheaper price range</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>d House brand wines are competitively priced</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>e I am price conscious when buying wine</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>f The price of wine is a good indicator of product quality</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
</tbody>
</table>

17. QUALITY

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>17. QUALITY</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>a The higher the price of a bottle of wine, the better the product quality</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>b I expect the same quality from house brand wines as from producer brand wines</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
<tr>
<td>c The quality of house brand wines is as good as the reputation of the retailer which sells it</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
</tbody>
</table>
21. How important are the following factors to you when making a wine purchasing decision?

Cross (X) the relevant block using a 5-point scale where 1 = Very Unimportant and 5 = Very Important

<table>
<thead>
<tr>
<th>Statement</th>
<th>Very Unimportant</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Low price</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>b Brand name of wine</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>c Previous experience with the wine</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>d Value for money</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>e Potential risk of wasting money if the product is unsatisfactory</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>f Likelihood of receiving positive feedback from my peers</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>g Confidence that the wine will meet my quality standards</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>h The wine must fit in with my self-image</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>i Packaging of the product</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
<tr>
<td>j Advertising of the product</td>
<td>1  2  3  4  5</td>
<td></td>
</tr>
</tbody>
</table>

Thank you for your co-operation in completing this questionnaire.
APPENDIX C:
Letter from Statkon
To whom it may concern

RE: STATISTICAL ANALYSIS FOR DALEEN OOSTHUIZEN’S MASTERS RESEARCH

This letter confirms that the University of Johannesburg’s Statistical Consultation Service provided Ms Daleen Oosthuizen with statistical support for her Masters research.

I assisted Ms Oosthuizen by providing basic and intermediate analysis, including frequencies, normality tests, reliability analysis, exploratory factor analysis, and comparative analysis (including independent samples T, Mann-Whitney, and Kruskal-Wallis tests) by selected predictor variables.

Should you require further information please contact me on the telephone number provided below or by email. Thank you for your consideration of this matter.

Yours sincerely,

Richard Devey
Head of Department
Statistical Consultation Service
University of Johannesburg
011 559 4406
rmdevey@uj.ac.za
APPENDIX D:
Grammarian Certificate

JOHANNESBURG
16 September 2014
Dear Sir / Madam

This proves that I have proof read and edited the research study entitled "The relationship between perceived value and consumers’ purchase intentions of private label wine brands", and that I have advised the candidate to make the required changes.

Thank you. Yours faithfully

(Mrs) SHAMILA SULAYMAN
Communication Lecturer: CPUT Professional
Editor’s Group shamilasulayman@gmail.com
079-821-6221