

# Consumers' Attitude Toward Private Label and Its Relationship with Their Motivational Values

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### Abstract

*Private label penetration is increasing from time to time. Past research have highlighted individual customer demographic characteristics that relate to private label purchase. Those research, however, have neglected the role of personal values in driving consumer behavior. This research is aimed to fill this gap by studying private label purchase behavior in a university in Bandung, Indonesia and its relation to the personal values of the respondents. Schwartz Value System is applied after comparing this with other value systems. Two dimensions in the system, which are openness to change and conservation are analyzed in relation with private label purchase behavior of students in the university. The dimensions are selected because of their direct intuitive link with private label purchase. Using correlation analysis, the research provides an important finding about the role of personal values (in terms of openness to change vs conservation) in private label purchase.*

*Keywords: private label, personal value, Schwartz Value Systems, Bandung, Indonesia, openness to change, conservation, purchase behavior, consumer behavior*

### 1. Introduction

Past research highlighted individual customer demographic characteristics that lead to store brand or private label purchases (Bonfrer and Chintagunta, 2004). Quoted from Dhar and Hoch (1997), the authors mentioned that private label categories located in demographics characterized by "less wealthy and more elderly" households tend to gain positive reaction. Heryanti (2007) in her study about private label purchase in floor cleaner category in Bandung also reported that there was a tendency that private

label consumers are characterized by low to medium income. They searched products that both functional and cheap (Heryanti, 2007). The author added that brand was the most unimportant factor for private label consumers in selecting a floor cleaner.

Personal value has been stated as an important factor in driving consumer behavior. Rokeach (1973) mentioned that value-consistent action is rewarding; it helps people get what they want. Schwartz and Bilsky (1987) mentioned that values serve as standards to guide the selection and evaluation of behavior. Values can be conceived as abstract structures that involve the beliefs that people hold about desirable ways of behaving (Feather, 1995). Previous research had suggested that values are important antecedents of cognitive beliefs, attitudes and social norms and thus behavior (Karahanna et al., 2005).

**Despite the importance of value in driving consumer behavior**, none of previous research addressed this issue in private label purchase. Therefore, there is a need for a research that links consumers' value with their private label purchase behavior.

This research was conducted among students in a university in Bandung, Indonesia. Students were chosen because they are assumed to have a freedom to spend their money yet need to be careful in spending it. In this situation, the students may consider buying private label products for certain categories. We limited the sample to students who came from outside Bandung. Assuming that they tend to be more careful in spending their money, one may see a stronger favor toward private label products than those who stay with their family in Bandung. **The research objectives are** to identify different groups of students according to their personal value and to identify a correlation between those values and decision to and behavior in purchasing private label.

### 2. Theoretical Foundations

#### 2.1 Private label

Retailers started to create their own product with their own brand, which called 'private label'. Previous study shows that retailers like private label brand because of their potential to increase store loyalty, chain profitability, control over shelf space, bargaining power over manufacturers, and many more (Richardson et al., 1996). In the consumer's point of view, one of the reasons for private label popularity and growth is their price advantage over foreign brands. However, high quality seems to be more important in determining private label success than lower price (Hoch and Shumeet, 1993). Based on AC Nielsen executive news report in 2005, it also known that across 38 countries and 80 categories of private label product, the sales counted for 17% of the value sales over the 12 months ending the first quarter of 2005. In comparison to the previous year, private label sales grew by 5%. While the most developed private label region is Europe with share in value sales of 23% for the 17 European countries. By definition, private label brands are those sold under retailers (or whole sellers) own label than the brand name of a national manufacturer (Boone and Kurtz, 1995; Kotler and Armstrong, 1996). It is also described as a label which is unique to a specific retailer. It means that private label can only be sold in a certain retailer. There is also some classifications of private label from John Stanley in Wikipedia as follows<sup>1</sup>:

<sup>1</sup> [http://en.wikipedia.org/wiki/Private\\_label](http://en.wikipedia.org/wiki/Private_label)

1.

Store brands

Brands that retailer's name is labeled on the packaging.
2.

Store sub-brands

Brands that retailer's name is implicit on the packaging.
3.

Umbrella branding

It is a common brand that independent from the brand retailer.
4.

Individual brands






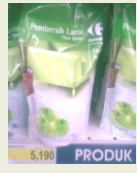

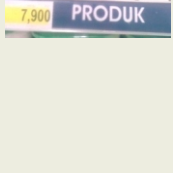
Brands that only used to promote real discount line. It usually used in one category.
5.

Exclusive brands

It usually used in one category to promote added value products within category.

Kumar and Steenkamp (2007) presented another classification of private label. The author divided private label into four categories: generic private label, copycat brands, premium store brands, and value innovators. Basically, both of the classifications are similar but in this research the researcher will use the classification from Kumar and Steenkamp (2007) because the difference from one to the other type of private label is more understandable and more applicable to private label products in Indonesia. In the table below we can see detail information and the differences between the four categories and examples in an Indonesian retailer.

Table 1. Classification of private label product  
Source: Kumar and Steenkamp (2007)

	Generic private label	Copycat brands	Premium store brands	Value innovators
Strategy	Cheapest	Me-too at a cheaper price	Value added	Best performance-price ratio
Objectives	<div><div>- Provide customer with a low-price option</div><div>- Expand customer base</div></div>	<div><div>- Increase negotiating power against manufacturer</div><div>- Increase retailer share of category profits</div></div>	<div><div>- Provide added-value products</div><div>- Differentiate store</div><div>- Increase category sales</div><div>- Enhance margins</div></div>	<div><div>- Provide the best value</div><div>- Build customer loyalty to store</div><div>- Generate word of mouth</div></div>
Branding	No brand name, or identified as first price label	Umbrella store brand or category-specific own label	Store brand with sub-brand or own label	Meaningless own label to demonstrate variety
Pricing	Large discount, 20%-50% below brand leader	Moderate discount, 5%-25% below brand leader	Close to or higher than brand leader	Large discount, 20%-50% below brand leader
Quality to brand leader	Poor quality	Quality close to branded manufacturers	Quality on par or better, advertised as better	Functional quality on par with brand leader but with removal of "non value adding" product features and imagery
Packaging	Cheap and minimal	As close to brand leader as possible	Unique and source of differentiation	Unique but cost-efficient
Shelf placement	Poor; less visible shelves	Adjacent to brand leader	Prominent eye catching positions	Normal as all over store
Advertising	None	Frequent price promotions	Featured in advertisements but limited price promotions	Store not own-label advertising, normal promotion schedule
Example	 	 	 	 

A product carries some level of risks to consumers. The risks appear because a product may harm consumers' health, their well-being or their belongings. In this research, the risk divided into three levels: high risk, medium risk, and low risk. In private label, high risk products are frozen food, milk, sugar, salt, and mineral water. It is the riskiest product because the respondents need to consume the product that may affect their health. In addition, consumers, especially in Indonesia, may not be aware of the quality level of a private label product due to unknown manufacturers of the products. Medium risk products are soap, floor cleaner, and car shampoo. Hand wash soap is risky because consumers need to use it on their body or skin; if the product quality is bad then it is possible for the product to harm their body part. Similarly, floor cleaner and car shampoo are considered as medium risk products since those products may affect people's health and their belongings. Less risky products are kitchen tissue and cotton bud. Those products give small risks either because they are not applied to human body or they contain no chemical things that may affect people's health.

Table 2. Private label product classification based on level of risk

Level of Risk	Kind of Product
High	Frozen food, milk
	Sugar, salt, mineral water
Medium	Floor cleaner, car shampoo
	Hand wash soap
Low	Kitchen tissue, cotton bud

2.2 Personal value

Values had been extensively studied in the fields of anthropology (Kroeber and Kluckhohn 1952; C. Kluckhohn 1951; F. Kluckhohn and Strodtbeck 1961), sociology (Parsons 1951; Ball Rokeach, 1973; Spates, 1976), and psychology (Allport and Vernon 1931; Murray 1983; Rokeach 1968, 1973; Kahle 1983; Schwartz 1992).

In anthropology, value is related to culture in a community, a nation. For example, most of Javanese people talk with soft slow intonation, different from Batak people who talk with louder voice. In sociology, value theory is concerned with personal values which are generally held by a community, and how those values change under particular condition. In psychology, value theory refers to the study of the manner that human develop and assert their believes in certain values and act or fail to act on them.

The researchers took the psychology perspective since it is relevant to study purchasing process of private label. In this domain, value is often referred as personal value.

In selecting the appropriate value systems, we referred to the objectives of our research. The existing research is conducted at individual level. It is thus important that we have value systems that provide comprehensive and valid types of values at individual level. We identified two systems that meet our needs: Rokeach Value Systems and Schwartz Value Systems (please refer to Nardon and Steers (2006) for further details of different value system).

The two candidates have a similarity in that each recognizes individualism-collectivism as basic discrimination of individual values. There is, however, a serious shortcoming about Rokeach Value Systems. Brown (1976) mentioned that (brackets are added):

"One possible problem with [Rokeach Value Systems] results from its ordinal nature. Since both list of values [terminal and instrumental] are presented to the respondent in alphabetical order, there is a possibility of ranking those higher in the alphabetical order as more important than those lower."

Further, Brown asserted that:

"Limitation may center around the ipsative nature of results from any rank-order procedure. Ipsative holds where value scores for an individual are dependent on his or her own scores or other values; they are not strictly comparable with the scores of other individuals"

Dewey (1957) stressed that the distinction between ends (terminal values) and means (instrumental values) in Rokeach systems is not clear-cut; an end can become a means and vice versa. It was revealed that people cannot distinguish clearly between those values when they are given a task to sort set of values into terminal and instrumental values (Heath & Fogel, 1978).

Schwartz and Bilsky (1990) identified two factors that may affect findings from a Rokeach-based value research. First, the influence of location of values statement on questionnaire. Item locations can influence responses so as to produce distinguishable regions in multidimensional space (Schwartz and Bilsky, 1990). Second, a formal, grammatical feature of the values may influence the discrimination. Phrasing terminal values as nouns and instrumental values as adjectives will completely confounding the conceptual and grammatical distinctions (Schwartz and Bilsky, 1990). This problem was not found in Schwartz Value System. The emergence of distinct regions for the motivational domains and for the interests cannot be attributed to the sequence of item presentation. Each region included values from locations which is spread throughout the questionnaire. A later test by Schwartz (1988) demonstrated that different item orders also yielded the same results.

With respect to Schwartz value theory, Johnston (1995) stated that a key aspect of the theory is the postulated structure of relations among values in individuals. This enables a structured view of values influences on individuals' behavior. Spini (2003) mentioned that Schwartz value theory has its advantage of being universal and integrative. In addition, numerous research have reported valid application of Schwartz value theory in different situations in marketing and consumer behavior (Chow and Amir, 2006; Steenkamp et al., 1999). Furthermore, Schwartz's value system is now widely acknowledged as the seminal instrument in the field of value-based research (McGuire et al., 2006)

### 2.3 Schwartz's theory of values

Schwartz distinguished four types of values that express different motivational goals. The first type is openness to change value. This value illustrates about individual action, thought, and feelings, and also readiness for new experiences. The second is conservation value. In contrary with openness to change, conservation value concerns about self-restriction, order, and resistance to change. The third is self-enhancement motivational value. People who have this value tend to have high self-interest, contrary to self-transcendence motivational value that shows a concern for the welfare and interest of others. Openness to change and conservation are opposite to each other and self-transcendence is the opposite of self-enhancement. It creates two basic bipolar conceptual dimensions in the diagram as seen in Figure 1.

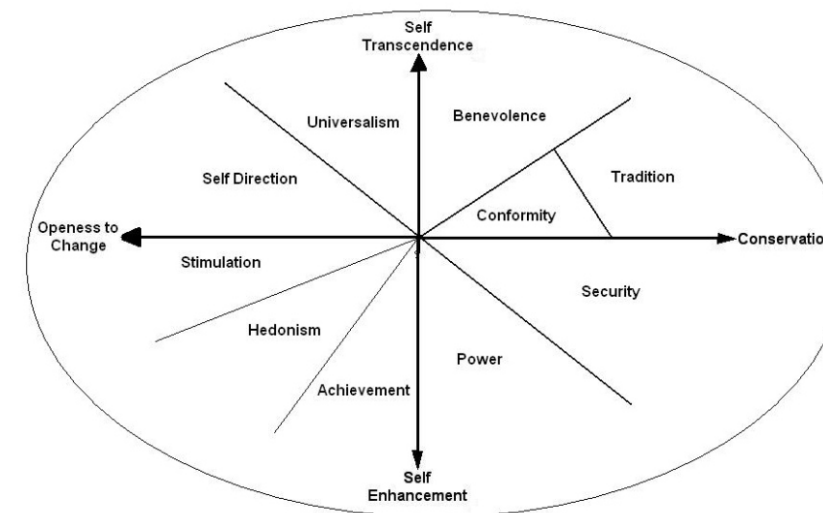


Figure 1. Theoretical models of relations among motivational types of values, higher order value domains, and bipolar value dimensions (Source: Schwartz, 1992)

#### Openness to change

This value consists of two sub-values:

- Self-direction: Independent thought and action; choosing, creating, exploring.**  
People with self-direction motivational value will act independently, they rarely take a decision based on others opinion. People who work in free profession can pursue self direction values easier.
- Stimulation: Excitement, novelty, and challenge in life.**  
People with stimulation motivational value will act different to the other. They love to try new things and do things that unusual. Parents who have dependent children are constraint to limit their pursuit of stimulation values by avoiding risky activities.

#### Conservation

This value consists of three sub-values:

- Security: Safety, harmony, and stability of society, of relationship or, of self.**  
This kind motivational type of value will guide people to live their life in harmony and stability. People who suffer economic hardship and social upheaval attribute more importance to power and security values than those who live in relative comfort and safety (Inglehart, 1997).
- Conformity: Restraint of actions, inclination, and impulses likely to upset or harm others and violate social expectation or norms.**  
A conformity value was derived from the basics of interaction and of group survival. For interaction to proceed smoothly and for groups to maintain themselves, individuals must restrain impulses and inhibit actions that might hurt others (Schwartz, 1992). People in jobs that afford freedom of choice increase the importance of self-direction values at the expense of conformity values (Kohn & Schooler, 1983).

- c. Tradition: Respect, commitment, and acceptance of the customs and ideas that traditional culture or religion provide the self.
- People with tradition motivational type of value will have a high commitment, respect, and acceptance of the norms and rules that occur on the society. Conformity and tradition values may also be more important with age because accepted ways of doing things are less demanding and threatening.

**Self-enhancement**

This value consists of three sub-values:

- a. Achievement: Personal success through demonstrating competence according to social standards.
- People with achievement motivational value will act based on the individual success that they will get from the society.
- b. Power: Social status and prestige, control or dominance over people resources.
- Power motivational value will lead people to do things to get higher social status and prestige. Wealthy person can pursue power values more easily.
- Both power and achievement values focus on social esteem. However, achievement values emphasize actively demonstrating successful performance in concrete interaction, whereas power values emphasize attaining or preserving a dominant position within the more general social system (Schwartz, 1992).
- c. Hedonism: Pleasure and sensuous gratification in oneself.
- Hedonism motivational value will guide people to avoid things that can reduce their happiness. They will do things in order to fulfill their satisfaction. Hedonism values may be less important for people who are old because dulling of the senses reduces the capacity to enjoy physical pleasure.

**Self-transcendence**

This value consists of three sub-values:

- a. Universalism: Understanding, appreciation, tolerance, and protection for the welfare of all people and for nature.
- b. Benevolence: Preserving and enhancing the welfare of those with whom one is in frequent personal contact.
- Universalism and benevolence are values that motivate people to enhance the welfare of others who need one's helps. They characterize self-transcendence that convey spirit for enhancement of other people and transcendence of selfish interests for the sake of a more universal priority. A woman who lives in a society where common gender stereotypes prevail is likely to be rewarded for pursuing benevolence values and sanctioned for pursuing power.
- Benevolence and conformity values both promote cooperative and supportive social relations. However, benevolence values provide an internalized motivational base for such behavior. In contrast, conformity values promote cooperation in order to avoid negative outcomes for self.

Below is a grouping of the ten motivational types of value as described above.

Table 3. Classification Figure of Ten Motivational Type Of Value

<u>A. Openness to Change</u> a. Self Direction b. Stimulation	<u>B. Conservation</u> a. Conformity b. Tradition c. Security
<u>C. Self-enhancement</u> a. Achievement b. Power c. Hedonism	<u>D. Self-transcendence</u> a. Universalism b. Benevolence

In identifying ten motivationally distinct basic values, the Schwartz's values theory define a structural aspect of values and the dynamic relations among them. Schwartz stated that action taken in the pursuit of each value type have psychological, practical, and social consequences which may be compatible or may conflict with the pursuit of other value types. For example, the pursuit of achievement values may conflict with the pursuit of benevolence values - seeking success for self is likely to obstruct actions aimed at enhancing the welfare of others who need one's help. However, the pursuit of achievement values may be compatible with the pursuit of power values - seeking personal success for oneself is likely to strengthen and to be strengthened by actions aimed at enhancing one's own social position and authority over others (Schwartz, 1992).

**2.3 Personal Value and Private Label Purchase**

As stated in the previous section, people with openness to change tend to follow their own intellectual and emotion interests in unpredictable and uncertain direction. It means that people who have openness to change is more likely to accept new things in their life. In contrary with openness to change value, people who have conservative value emphasize self restriction, order and resistance to change. They may refuse or being a laggard in adopting new approach or new product. Because of this, the researchers argue that those two values will determine individual decision to purchase private label products. The researchers posit that people with openness to change motivational type of value will have higher motivation to purchase private label brand than people who have conservative value. The researchers propose that the stronger motivation is manifested in higher frequency, more items, higher inclination to purchase riskier items, and higher spending in buying private label. The relevant hypotheses have been developed as follows:

H1: Customer who has openness to change motivational type of value tend to show higher willingness to buy private label than customer who has the conservative motivational value.

H2: Customer who has openness to change motivational type of value tend to show higher frequency in buying private label product than customer who has the conservative motivational value.



H3: Customer who has openness to change motivational type of value tends to purchase more private label items than customer who has the conservative motivational value.

H4: Customer who has openness to change motivational type of value tend to show higher risk taking attitude in buying private label than customer who has the conservative motivational value.

H5: Customer who has openness to change motivational type of value tends to spend higher amount of money when buying private label than customer who has the conservative motivational value.

We need to add that those hypotheses will be treated as alternative hypotheses in any hypothesis test procedure. The null hypotheses state that there is no difference between the two.

3. Methodology

A cross-sectional survey was conducted in this research. A questionnaire was designed to measure respondents' tendency toward openness to change and conservation values. In addition, there was a measurement of their attitude toward private label (willingness, frequency, variety, risk attitude, and spending).

The questionnaire is divided into two segments. The first segment contains some items to measure respondents' openness to change and conservation. The openness to change is reflected from their answers about self direction and stimulation, whereas conservation is reflected from answers to questions about conformity, tradition, and security. Five items in Likert scale (scaled from 1 to 6) are presented in each of the sub-values. The attitude toward private label is assessed in the second segment (see Table 4 for the list of items).

Table 4. List of items in the questionnaire

Openness to Change	
Self Direction	
1	Anda selalu mengetahui apa yang anda inginkan/ <i>you always know what you want</i>
2	Anda melakukan pekerjaan dengan cara anda sendiri/ <i>you do things using your own approach</i>
3	Anda jarang meminta petunjuk dari orang lain dalam mengambil keputusan/ <i>you seldom request consideration from others in making decisions</i>
4	Anda mempunyai visi yang jelas untuk hidup Anda/ <i>you have a clear purpose in life</i>
5	Anda dapat mengambil keputusan tanpa campur tangan orang lain/ <i>you can make decisions without other people's suggestions</i>
Stimulation	
1	Anda sangat menyukai tantangan dalam hidup/ <i>you enjoy challenges in life</i>
2	Anda suka melakukan hal-hal baru diluar kebiasaan anda/ <i>you enjoy doing new things outside your routinity</i>
3	Anda akan merasa sangat puas bila berhasil melakukan sesuatu dengan cara yang berbeda/ <i>you feel a sense of accomplishment by completing something in a different manner than the usual approach</i>
4	Anda selalu berusaha memenuhi rasa ingin tahu anda dengan cara apapun/ <i>you constantly seek answers for your curiosity by any means possible</i>
5	Anda suka melakukan hal-hal baru walaupun itu dianggap aneh oleh orang lain/ <i>you enjoy doing new things even if it is perceived strange by others</i>

Table 4. List of items in the questionnaire

Conservation	
Tradition	
1	Anda adalah tipe orang yang sangat taat pada peraturan/ <i>you adhere to the established rules</i>
2	Anda sangat menghargai norma dan kebudayaan yang diturunkan oleh nenek moyang Anda/ <i>you respect the norms and traditions handed down by your ancestors</i>
3	Anda selalu melakukan sesuatu sesuai dengan norma masyarakat/ <i>your actions are guided by publicly accepted norms</i>
4	Anda sangat menghindari kegiatan atau perilaku yang tidak sesuai dengan adat istiadat/ <i>you actively avoid any actions and behaviors that will be deemed as inappropriate to the culture around you</i>
5	Anda sangat merasa tidak nyaman jika harus melakukan hal-hal yang bertentangan dengan adat istiadat/ <i>you feel uncomfortable when doing things outside the publicly accepted norms</i>
Conformity	
1	Anda tidak suka menyakiti orang lain apapun yang terjadi/ <i>you prefer to avoid hurting others no matter what</i>
2	Anda selalu berusaha untuk melakukan hal-hal sesuai dengan kehendak orang lain atau masyarakat/ <i>you try to do things that are according to society's expectations</i>
3	Persetujuan orang lain merupakan hal yang penting bagi Anda/ <i>approval is very important to you</i>
4	Anda sangat berhati-hati dalam bertindak agar tidak membuat siapapun tersinggung/ <i>you are careful in your actions so as to not offend other people</i>
5	Dalam mengambil keputusan anda sangat berhati-hati agar tidak keluar dari peraturan/ <i>in making decisions, you take special care in adhering to established rules</i>
Security	
1	Anda tidak menyukai konflik dan perdebatan/ <i>you dislike conflicts and debate</i>
2	Anda menghindari situasi negatif ditempat anda bekerja/ <i>you avoid negative situations in the workplace</i>
3	Anda selalu berusaha menyenangkan orang lain/ <i>you continuously try to please others</i>
4	Anda sangat menyukai situasi yang aman dan terkendali/ <i>you prefer a calm and controlled situation</i>
5	Sebisa mungkin Anda mengusahakan untuk tidak terjadi konflik dalam bekerja/ <i>you actively work to avoid conflicts in the workplace</i>

Respondents' general characteristics are described in terms of their major or department and place of origin since those are significant differentiators among students. Those are measured with a nominal scale. The questions in this section are as follows:

1. *Apakah Anda pernah membeli produk private label?* (Have you ever purchased a private label product?)
2. *Seberapa sering Anda membeli produk private label?* (How often do you purchase private label products?)
3. *Berapa jumlah produk private label yang Anda beli dalam satu bulan?* (How many private label products do you purchase in a month?)
4. *Produk private label jenis apa yang biasanya Anda beli?* (What private label category do you usually purchase?)
5. *Berapa biaya yang biasa Anda keluarkan untuk melakukan pembelian produk private label?* (How much do you usually spend for purchasing private label products?)

Convenience sampling was performed. The researchers conduct personal interview with respondent. In addition, we put the questionnaire online and distribute it through electronic mail. To avoid double participation, we ask respondents whether they have already participated in the research or not. If the answer is yes then they do not need to fulfill the questionnaire for the second time.

The researchers conducted a pretest with 30 respondents to measure the validity and reliability of the questionnaires. During the pretest, the researchers also verified the question content, wording, sequence, form and layout, question difficulty, and clarity of the instruction.

The researchers applied Slovin formula to calculate the sample size. We obtained a sample size of 201 students using this formula with 7% error (determined arbitrarily) and 12.202 total population that meets our criteria as described in the introduction.

To analyze the data, the researcher used SPSS 12 software. The results are divided into three segments: classification of the respondents based on their motivational value, respondent's attitude toward private label, and correlation between those data. Descriptive statistic is used to analyze the data in the first and the second segment. The value orientation is determined by comparing the mean score in Openness to Change and Conservation values. A high score in one type of value (5 to 6) that is followed by a low score on the other type of value (1 to 2) is interpreted as higher orientation toward the first type of value. There will be a situation in which the difference is marginal. In that particular situation we say that the respondent is slightly oriented toward the value type with the higher score. Another situation is when both scores are tie, which means that the respondent has similar orientation toward the two values. This situation will be excluded for further analysis (i.e. correlation analysis). We only considered the situation in which the difference is significant (i.e. the first situation above).

Cross tabulation with chi square statistic is used to find correlation between values and attitude toward private label since this kind of analysis is appropriate with the type of data involved in this research.

4. Findings

4.1 Validity and reliability tests

To measure the validity, the researcher analyzed the *corrected item to total correlation*. The value is compared against critical r-value from the r table. We summarize the results in Table 5.

Table 5. Validity Test Result

	Corrected item- Total Correlation	r- value
<b>Self Direction</b>		
1. Tahu yang diinginkan ( <i>knows own wants</i> )	0.459	0.361
2. Melakukan pekerjaan dengan cara sendiri ( <i>Doing things by own approach</i> )	0.363	
3. Jarang minta petunjuk orang lain dalam mengambil keputusan ( <i>Seldom asks for directions in decision making</i> )	0.549	
4. <del>Punya visi hidup yang jelas (<i>has clear purpose in life</i>)</del>	<del>0.294</del>	
5. Dapat mengambil keputusan tanpa campur tangan orang lain ( <i>Can self manage decisions</i> )	0.630	
<b>Stimulation</b>		
1. Sangat menyukai tantangan dalam hidup ( <i>likes challenges</i> )	0.834	0.361
2. Suka melakukan hal-hal baru diluar kebiasaan ( <i>likes new things outside common approaches</i> )	0.800	
3. Merasa sangat puas bila berhasil melakukan sesuatu dengan cara yang berbeda ( <i>satisfaction from doing things differently</i> )	0.523	
4. Berusaha memenuhi rasa ingin tahu dengan cara apapun ( <i>Seek out answers for curiosity</i> )	0.720	
5. Suka melakukan hal-hal baru walaupun dianggap aneh oleh orang lain ( <i>likes new things even if perceived strange</i> )	0.742	

Table 5. Validity Test Result (cont.)

	Corrected item- Total Correlation	r- value
Tradition		
1. Taat peraturan ( <i>obeys rules</i> )	0.501	0.361
2. Menghargai norma dan budaya nenek moyang ( <i>appreciates traditions</i> )	0.672	
3. Melakukan sesuatu sesuai norma masyarakat ( <i>adheres to norms</i> )	0.711	
4. Menghindari kegiatan yang tidak sesuai dengan adat istiadat ( <i>avoids actions outside the norms</i> )	0.634	
5. Merasa tidak nyaman jika melakukan hal-hal yang bertentangan dengan adat istiadat ( <i>uncomfortable when breaking norms</i> )	0.630	
Conformity		
1. Tidak suka menyakiti orang lain apapun yang terjadi ( <i>dislikes hurting others</i> )	0.520	0.361
2. Berusaha melakukan hal-hal sesuai kehendak orang lain dan masyarakat ( <i>tries to fulfill others' expectations</i> )	0.605	
3. Persetujuan orang lain merupakan hal yang penting ( <i>importance of approval</i> )	0.731	
4. Berhati-hati agar orang lain tidak tersinggung ( <i>careful not offend others</i> )	0.757	
5. Berhati-hati agar tidak melanggar peraturan ( <i>careful not to break rules</i> )	0.710	
Security		
1. Tidak suka konflik dan perdebatan ( <i>dislikes conflicts and debates</i> )	0.601	0.361
2. Menghindari situasi negatif ( <i>avoids negative situations</i> )		
3. Berusaha menyenangkan orang lain ( <i>pleases other people</i> )	0.738	
4. Menyukai situasi yang aman dan terkendali ( <i>likes calm and controlled situation</i> )	0.633	
5. Berusaha agar tidak terjadi konflik ( <i>actively avoids conflicts</i> )	0.525 0.705	
Attitude toward Private Label		
1. Pernah membeli produk private label ( <i>purchased a private labeled product</i> )	0.900	0.361
2. Frekuensi pembelian produk private label ( <i>private label buying frequency</i> )	0.411	
3. Jumlah produk yang dibeli dalam satu bulan ( <i>monthly product purchases</i> )	0.829	
4. Jenis produk private label yang biasa dibeli ( <i>types of private labels purchased</i> )	0.799	
5. Biaya yang biasa dikeluarkan untuk melakukan pembelian produk private label ( <i>average expenditures for private label purchase</i> )	0.802	

In the table above, most of the questions are valid. There is only one question, which asking about whether the respondents have clear vision in live that is invalid. This question was removed from the questionnaire. The researchers used Cronbach's alpha as the statistic to measure the internal consistency. Below is the result of the reliability test.

Table 6. Reliability test result

	Reliability
Self Direction	0.700
Tradition	0.822
Conformity	0.852
Security	0.828
Stimulation	0.874
Private Label Attitude	0.824

As a practical guideline, the questionnaire is reliable if the value of Cronbach's alpha is higher than 0,6. The data indicates that the questionnaire in this research is reliable.

4.1 Willingness to buy

Using the respondent criteria in section 3, we have 120 respondents for correlation analysis. Respondents with high openness to change orientation are 70 and the rest is those with high conservation value. The number guarantees a normal distribution according to the Central Limit Theorem. Based on the table below, there are 62% respondents who have openness to change value and willing to buy private label products, while there are 38% who have conservation value who stated their willingness to buy private label products. The Pearson Chi Square is 2.66 and degree of freedom is 1. The value is significant for  $\alpha = 0.05$ .<sup>2</sup> This means that we reject alternative hypothesis at 95% confidence level. Accordingly, personal value has no correlation with willingness to buy a private label.

Table 7. Cross tabulation result of respondent's value with respondents willingness to buy

Crosstab					
			Respondent's Value		Total
			Openness to Change	Conservation	
Willingness to buy	yes	Count	59	36	95
		% within Willingness to buy	62.1%	37.9%	100.0%
		% within Respondent's Value	84.3%	72.0%	79.2%
		% of Total	49.2%	30.0%	79.2%
	no	Count	11	14	25
		% within Willingness to buy	44.0%	56.0%	100.0%
		% within Respondent's Value	15.7%	28.0%	20.8%
		% of Total	9.2%	11.7%	20.8%
Total	Count	70	50	120	
	% within Willingness to buy	58.3%	41.7%	100.0%	
	% within Respondent's Value	100.0%	100.0%	100.0%	
	% of Total	58.3%	41.7%	100.0%	

4.2 Frequency

Based on Table 8, there are 7 respondents who have openness to change value and have bought private label product more than one time per month, while there are only two respondents who have conservation value and have bought private label product private label product more than one time per month. The Pearson Chi Square is 5.478 and degree of freedom is 4. This value indicates that alternative hypothesis is rejected at 95% confidence level. Therefore, we conclude that personal value has no correlation with frequency in buying private label.

4.2 Quantity

Based on Table 9, one can see that respondents with openness to change value reported almost the same attitude with those with conservation value in terms of purchase quantity. Only one person in openness to change value who purchase more than five private label products in a month, while none of the conservationist who purchase private label product more than five products in a month. The Pearson Chi Square is 3.502 and degree of freedom is 3, which is significant at  $\alpha = 0.05$ .<sup>3</sup> Therefore, H3 is rejected at 95% confidence level and personal value has no correlation with the quantity involved in private label purchase.

<sup>2</sup> The critical chi square value to reject Ho for d.f. 1 and  $\alpha$  0.05 is 3.841

<sup>3</sup> The critical chi square value to reject Ho for d.f. 3 and  $\alpha$  0.05 is 7.815

Table 8. Cross tabulation result of respondent's value vs purchase frequency

Crosstab					
			Respondent's Value		Total
			Openness to Change	Conservation	
Frequency	< 1 time purchasing per month	Count	35	19	54
		% within Frequency	64.8%	35.2%	100.0%
		% within Respondent's Value	50.0%	38.0%	45.0%
		% of Total	29.2%	15.8%	45.0%
	1 time purchasing per month	Count	7	7	14
		% within Frequency	50.0%	50.0%	100.0%
		% within Respondent's Value	10.0%	14.0%	11.7%
		% of Total	5.8%	5.8%	11.7%
	> 1 time purchasing per month	Count	7	2	9
		% within Frequency	77.8%	22.2%	100.0%
		% within Respondent's Value	10.0%	4.0%	7.5%
		% of Total	5.8%	1.7%	7.5%
	Others	Count	11	8	19
		% within Frequency	57.9%	42.1%	100.0%
		% within Respondent's Value	15.7%	16.0%	15.8%
		% of Total	9.2%	6.7%	15.8%
	Never	Count	10	14	24
		% within Frequency	41.7%	58.3%	100.0%
		% within Respondent's Value	14.3%	28.0%	20.0%
		% of Total	8.3%	11.7%	20.0%
Total	Count	70	50	120	
	% within Frequency	58.3%	41.7%	100.0%	
	% within Respondent's Value	100.0%	100.0%	100.0%	
	% of Total	58.3%	41.7%	100.0%	

Table 9. Cross tabulation result of respondent's value vs purchase quantity

Crosstab					
			Respondent's Value		Total
			Openness to Change	Conservation	
Quantity	1-2 products	Count	56	34	90
		% within Quantity	62.2%	37.8%	100.0%
		% within Respondent's Value	80.0%	68.0%	75.0%
		% of Total	46.7%	28.3%	75.0%
		Count	2	2	4
	3-5 products	% within Quantity	50.0%	50.0%	100.0%
		% within Respondent's Value	2.9%	4.0%	3.3%
		% of Total	1.7%	1.7%	3.3%
		Count	1	0	1
	> 5 products	% within Quantity	100.0%	.0%	100.0%
		% within Respondent's Value	1.4%	.0%	.8%
		% of Total	.8%	.0%	.8%
		Count	11	14	25
	Never	% within Quantity	44.0%	56.0%	100.0%
		% within Respondent's Value	15.7%	28.0%	20.8%
		% of Total	9.2%	11.7%	20.8%
Count		70	50	120	
Total	% within Quantity	58.3%	41.7%	100.0%	
	% within Respondent's Value	100.0%	100.0%	100.0%	
	% of Total	58.3%	41.7%	100.0%	

4.4 Risk taking

Based on Table 10, one can see that both groups are risk averse in general. It means they tend to buy low risk product than medium risk or high risk product. About 80% of the respondents who have openness to change value prefer to buy low level of risk product and 70.6% of the respondent who have conservation value also prefer to buy low risk product. The Pearson Chi Square for the respondent's quantity in buying private label product in relation with their value is 1.712 and degree of freedom is 2. The chi square is significant at  $\alpha = 0.05$  because value higher than 5.991, which is the critical value, will be rejected. Therefore, we accept null hypotheses. Accordingly, there is no correlation between personal value and risks level of private label purchased.

4.5 Spending

Based on Table 11, respondents who have openness to change value and spent IDR 51.000 to IDR100.000 to purchase private label product is 2 people, while respondents who have conservation value is 3 people. In contrary, respondent who have openness to change value and spent IDR 20.000 to IDR 50.000 to purchase private label product is 11 people, while respondents who have conservation value is 3 people. This shows respondents who have openness to change value gave insignificant difference attitude in spending budget to purchase private label compare with respondents who have conservation value.

The Pearson Chi Square and degree of freedom in this regard are 6.631 and 4 respectively. The value is not significant to reject null hypothesis so we need to reject H5 and conclude that personal value has no correlation with budget spent in buying private label.

Table 10 Cross tabulation result of respondent's value vs risk taking attitude

Risk * Respondent's Value Crosstabulation					
			Respondent's Value		Total
			Openness to Change	Conservation	
Risk	Low Risk	Count	43	24	67
		% within Risk	64.2%	35.8%	100.0%
		% within Respondent's Value	81.1%	70.6%	77.0%
		% of Total	49.4%	27.6%	77.0%
	Medium Risk	Count	1	2	3
		% within Risk	33.3%	66.7%	100.0%
		% within Respondent's Value	1.9%	5.9%	3.4%
		% of Total	1.1%	2.3%	3.4%
	High Risk	Count	9	8	17
		% within Risk	52.9%	47.1%	100.0%
		% within Respondent's Value	17.0%	23.5%	19.5%
		% of Total	10.3%	9.2%	19.5%
	Total	Count	53	34	87
		% within Risk	60.9%	39.1%	100.0%
		% within Respondent's Value	100.0%	100.0%	100.0%
		% of Total	60.9%	39.1%	100.0%

Table 11 Cross tabulation result of respondent's value vs spending

Crosstab					
			Respondent's Value		Total
			Openness to Change	Conservation	
Budget	< Rp20.000	Count	44	30	74
		% within Budget	59.5%	40.5%	100.0%
		% within Respondent's Value	62.9%	60.0%	61.7%
		% of Total	36.7%	25.0%	61.7%
	Rp20.000-Rp50.000	Count	11	3	14
		% within Budget	78.6%	21.4%	100.0%
		% within Respondent's Value	15.7%	6.0%	11.7%
		% of Total	9.2%	2.5%	11.7%
	Rp51.000-Rp100.000	Count	2	3	5
		% within Budget	40.0%	60.0%	100.0%
		% within Respondent's Value	2.9%	6.0%	4.2%
		% of Total	1.7%	2.5%	4.2%
	> Rp100.000	Count	2	0	2
		% within Budget	100.0%	.0%	100.0%
		% within Respondent's Value	2.9%	.0%	1.7%
		% of Total	1.7%	.0%	1.7%
	Never	Count	11	14	25
		% within Budget	44.0%	56.0%	100.0%
		% within Respondent's Value	15.7%	28.0%	20.8%
		% of Total	9.2%	11.7%	20.8%
Total		Count	70	50	120
		% within Budget	58.3%	41.7%	100.0%
		% within Respondent's Value	100.0%	100.0%	100.0%
		% of Total	58.3%	41.7%	100.0%

5. Conclusion

Value of the Respondent

We identified 120 respondents who have high orientation in one type of value. Among those students, 70 are characterized with openness to change and 50 are characterized with conservation. It means that more students in the university who are likely to be independent in taking decision and also willing to try new things. They are potential customers for private label products. The other respondents show similar tendency in both values so that excluded in correlation analysis.

Private Label Purchase

Most of the students have bought private label products. Even though, the purchasing frequency is very low, so did the quantity of purchase in a month. They tend to purchase low risk items. Moreover, most of the respondent spent less than IDR 20.000 when buying private label products. This fact shows that the students are not so enthusiastic in purchasing private label products.

Personal Value vis a vis Private Label Purchase Behavior

We could not identify any significant correlation between personal value and private label purchase behavior, which is measured by respondents' willingness to buy, frequency, quantity, risk taking attitude, and spending. However, from the descriptive statistics we identified more tendency in respondents with openness to change in their willingness to buy private label. This indicates that buying private label products is not a habit, but they expressed interest in buying and trying the products. Lack of information about private label product and their quality were the main reason of their low consumption level of the products. We also identified a stronger tendency in openness to change group in buying riskier items. This, to some extent, indicates that value gives influence on private label purchase behavior. The



correlation may be significant when respondents are becoming more knowledgeable about private label products.

#### **Recommendation for further research**

As we found that lack of information became an important reason why respondents are not interested in private label, we recommend to conduct a research that considers level of familiarity toward private label. By doing that we believe that better insight will be generated. Furthermore, the respondents may come from an affluent family so that buying a private label will not be realized as a habit even though they are open to change. With this regard, we recommend to exclude this type of consumers in future study. We also recommend to replicate the study in a country where private label penetration is high. This kind of study will help us to obtain better insight about correlation between consumers' personal value and their purchase behavior for private label products. Another interesting study would be the application of another value system to replace Schwartz Value Systems as it may be more suitable in the context of private label purchase.

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