Consumers usually care who is standing behind the brand – a well-known manufacturer, or retailer, whose store is being visited, or an anonymous producer. Branding type in terms of implied brand ownership plays an important informational role. However, some consumers are more likely to prefer one brand type over the other. Marketing scholars and practitioners are interested in factors that differentiate such consumers and their choices.

Lithuanian retailer brands skipped the extensive period of price fighting, as was the case with many retail brands in advanced markets in Europe. This is one of the reasons to believe that the perceptual gap between retailer and manufacturer brands in Lithuania might be even narrower than that in countries with longer market history. Thus, the general question of how consumers differentiate one type brand from another in markets like Lithuania is of special interest.

Extensive scholarly research up to date (e.g., Laurent, Kapferer, 1985; Zaichkowski, 1985; Mittal, 1989; Donovan, Jalleh, 1999; Worrington, Shim, 2000; Knox, Walker, 2003; Hynes Lo, 2006; Howard, Kerin, 2006) demonstrated that the extent to which consumers utilize available brand-related information depends on their involvement with purchase decision. In this paper, we are interested how purchase decision involvement affects the degree to which consumer differentiate – or don’t differentiate – between manufacturer and retailer brands.

For measuring the levels of consumer purchase decision involvement, we choose to use modified purchase decision involvement scale by Mittal (1995). The empirical study of baby diaper category is carried with Lithuanian consumers using multiple factor full-concept (or full-profile) conjoint analysis.

Our results demonstrate that consumers with differing purchase involvement levels differ in their relative valuation of manufacturer and retailer brands in the same category. Namely, at lower levels of purchase decision involvement, brand type signals become more important. We find other interesting differences between the low- and high- involvement groups. For example, extra category-specific benefit (“extra dry security” for baby diapers) is significantly higher valued by low-involvement group. This is in line with the Elaboration Likelihood Theory – in that low-involvement consumers are taking the peripheral processing route, and give more weight to simple, non-numerical inferences or cues, thus engaging in context-driven processing.

The entire paper is organized as follows. In the introduction, differentiation and marketing specifics of manufacturer and retailer brands in Lithuania and abroad are briefly discussed. Research aim and objectives formulated. Then, the phenomenon of purchase decision involvement and the ways it affects consumer brand choice are explored. Next, the chosen research method is explained. Results of an empirical study in a form of conjoint analysis are further provided and analyzed. Finally, we conclude with discussing the findings of the study and their implications to marketing of manufacturer and retailer brands and identify main implications for further research.

Keywords: purchase involvement, brand choice, manufacturer brands, retailer brands, conjoint analysis.

Introduction

Why compare retailer vs. manufacturer brands.

The concept of retailer brands, i.e., the products marketed by retailers and often having adopted the name of the store, continues to increase in popularity in Lithuania together with the booming retail sector. In many advanced markets in Europe, the markets witnessed a long evolution from retail brands as lower quality product alternative for a lower price, to retail brands offering a true quality brand alternative and having a clear marketing approach in their retail environment (Burt, 2000; Wulf, Odekerken-Schroeder et al., 2005). According to Velotsou et al. (2004), now consumers increasingly choose between the various available brands, including the retailers’ brands, on equal grounds. Many retailers have successfully managed to create a retail brand which is now regarded by customers as being at least equal to, if not better than, the established manufacturer brands – a gradual process following the notion of evolutionary sequence of retail brand development (Burt, 2000). Retailer brand are increasingly imbued with emotion and imagery rather than only with the functional logic that dominated private labels a generation ago (Kumar, Steenkamp, 2007).

In contrast to such a gradual development, Lithuanian retailer brands skipped the extensive period of being pure price-tighteners. This is one of the reasons to believe that the
involvement that marketing practitioners should measure, involvement. Mittal (1989) provided operational definition conceptualize and develop a general scale for consumer Zaichkowsky (1985) was one of the pioneers to comprehensive evaluation of the choice alternatives. years ago, a great deal of consumer behavior does not involve extensive search for information or a comprehensive evaluation of the choice alternatives. Zaichkowsky (1985) was one of the pioneers to conceptualize and develop a general scale for consumer involvement. Mittal (1989) provided operational definition of purchase decision involvement and defined it as the extent of interest and concern that a consumer brings to bear upon a purchase decision task. He clearly distinguished between purchase- and product-decision involvement and made an argument that it is the purchase involvement that marketing practitioners should measure, if interested in differentiating in the consumer mind their brand from competing brands.

Commercial and academic interest in purchase decision involvement and its relation to brand choice remains strong, as evidenced by the number of recent year articles in leading academic journals, only a fraction of which get referenced in this paper. Hynes and Lo (2006) emphasize that the very concept of involvement plays an increasingly important role in explaining consumer behavior, as it possibly affects the level of brand loyalty, brand discrimination, the amount of comparison between products, the amount and role of information searching, how advertising is processed, and which elements within an advertisement are responded to.

However, there is still a lack of empirical evidence how purchase decision involvement relates to brand discrimination and the amount of comparison between different brand ownership types, such as manufacturer and retailer brands.

This paper attempts to contribute to exploration of the consumer purchase decision involvement - brand type choice relationship. Based on theoretical considerations and previous research results, we hypothesize that consumer purchase decision involvement is a brand type choice differentiating factor.

Role of consumer purchase decision involvement. A number of complex consumer theories historically attempted to explain and predict brand choice behaviors, proposing that consumers actively search for and use information to make informed brand choices. However, as Olshavsky and Granbois (1979) rightfully noted almost 30 years ago, a great deal of consumer behavior does not involve extensive search for information or a comprehensive evaluation of the choice alternatives. Zaichkowsky (1985) was one of the pioneers to conceptualize and develop a general scale for consumer involvement. Mittal (1989) provided operational definition of purchase decision involvement and defined it as the extent of interest and concern that a consumer brings to bear upon a purchase decision task. He clearly distinguished between purchase- and product-decision involvement and made an argument that it is the purchase involvement that marketing practitioners should measure, if interested in differentiating in the consumer mind their brand from competing brands.

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The purpose of the paper is to determine the relative acceptance of manufacturer and retailer brands by low- and high- purchase decision involvement consumers.

Research objectives:

1. Explore the phenomenon of purchase decision involvement and the ways it affects consumer brand choice.
2. Explain and substantiate chosen research methodology – the choice of a purchase involvement scale and method of conjoint analysis, as most appropriate method to measure relative importance of brand attributes.
3. By performing conjoint (quantitative) research, estimate the value distances between manufacturer and retailer brands and generic brand as a baseline case for low-and high- involvement consumers in a product category.
4. Discuss the findings and their implications to marketing of manufacturer and retailer brands.

Research methods: literature and general review, consumer survey, conjoint analysis.

Practical implications. Research results will allow us to see whether consumer purchase involvement is an appropriate criterion for retail and manufacturer brand segmentation.

Consumer Purchase Decision Involvement and Brand Choice Behavior

Scholarly literature defines, describes and measures various types of involvement (Hynes and Lo, 2006). Definitions of involvement vary from researcher to researcher, and various terms for more specific types of involvement have been historically appearing in the literature. Laaksonen (1997) categorizes definitions of involvement in a three-category classification: cognitively-based approach, individual-state approach and response-based approach. Michaelides and Dibb (2006) admit that this is the most rigorous attempt to categorize definitions of involvement up to date.

For the purpose of this paper, we are interested in consumer purchase decision involvement (PDI). According to Laaksonen’s (1997) classification, consumer purchase decision involvement would fall into the category of individual-state approach, which coincides with so-called situational involvement, to which Kapferer and Laurent (1985) refer as to “purchase of the product involvement”, emphasizing its transitory, or situational nature.

In order to hypothesize how consumer purchase involvement might affect brand type preferences, we need to remember that involvement is an important moderator of the amount and type of information processing elicited by a stimulus (Vaidyanathan, Aggarval, 2001). According to the Elaboration Likelihood Method, various attitude formation processes can be classified into two types: those that take considerable effort and cognitive resources (the “central route”), and those that require little thinking (the “peripheral route”). Vaidyanathan and Aggarval (2001) conclude that when involvement is high, a consumer would take the effortful central processing route and go to data-driven signals to evaluate the offer. This means, that he or she would more likely analyze price and other numerical information. Whereas low-involvement consumers taking
the peripheral processing route, would likely to give more weight to simple inferences or cues, such as brand ownership type or non-price promotions, engaging in context-driven processing.

Some other researchers follow similar paths of reasoning: “Individuals with low levels of involvement may have lower levels of commitment and may be more open to persuasion efforts” (Roser, 1990). “Highly involved consumers are motivated to scrutinize information more fully, whereas less involved consumers are likely to apply simple heuristics, or judgment-relevant cues that are easily understood” (Chen, Chaiken, 1999).

In conclusion, we hypothesize that low-involvement consumers in Lithuania baby diaper category would place relatively more value on non-analytic inferences, and, based on the still prevalent vertical brand value hierarchy in Lithuania, go more extra length in order to get manufacturers’ brand instead of retailers’ than would high-involvement consumers. On the other hand, high involvement consumers would be more likely to place more value on numerical characteristics, such as price. We are now ready to test this proposition empirically.

**Research methodology**

**Consumer purchase involvement measure.** In the first part of our research, we will need to determine survey respondents’ purchase decision involvement levels.

Wishing to use consumer involvement concept, researchers in marketing are faced with a huge array of constructs and measures. Various scales have been in particular developed to measure consumer purchase decision involvement. For measuring the levels of consumer purchase decision involvement, we choose to use modified purchase decision involvement scale by Mittal (1995). Mittal examined and compared four prominent involvement measures – Zaichkowsky’s (1985) Personal Involvement Inventory (PII), Laurent and Kapferer’s (1985) Consumer Involvement Profile (CIP), the Foote, Cone and Belding (FCB) Involvement grid (Ratchford, 1987), and the Mittal (1989) Purchase Decision Involvement (PDI) measure. The modified scales were empirically compared in terms of unidimensionality, convergent and discriminant validity, and nomological validity. Modified PDI had one of the highest construct validity (0.85) and captured variance (0.66).

**Table 1**

<table>
<thead>
<tr>
<th>Item no.</th>
<th>Questionnaire items and response scales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>In selecting from many types and brands of baby diapers available in the market, would you say that: I would not care at all as to which one I buy 1 2 3 4 5 6 7 I would care a great deal as to which one I buy</td>
</tr>
<tr>
<td>2</td>
<td>How important would it be to you to make a right choice of this product? Not at all important 1 2 3 4 5 6 7 Extremely important</td>
</tr>
<tr>
<td>3</td>
<td>In making your selection of this product, how concerned would you be about the outcome of your choice? Not at all concerned 1 2 3 4 5 6 7 Very much concerned</td>
</tr>
</tbody>
</table>

Table 1 provides questionnaire items used in our study.

During the initial research step, respondents will be asked to indicate their degree of agreement with the involvement scale items using a seven-point scale, as indicated in Table 1.

**Conjoint design.** Consumers make selection of products based on anticipated satisfaction with that product, i.e., a subjective expectation or likelihood of liking the product (Weiner, 2000). Most traditional research techniques in assessing consumer preferences tend to treat each attribute independently and provide little useful information how consumers are likely to make tradeoffs in their buying decisions. These methods fail to account for the contribution of individual attributes or components from reactions to the entire mixture or total concept.

Green and Srinivasan (1990) describes conjoint technique as a decompositional method that estimates the structure of a consumer’s preferences (i.e., estimates preference parameters such as part-worths, importance weights, ideal points), given his or her overall evaluations of a set of alternatives that are pre-specified in terms of levels of different attributes. Conjoint analysis most realistically models day-to-day consumer decisions and is especially useful when one wants to predict consumer behavior in a multiattribute decision context (Carroll, Green, 1995; Green et al., 2001).

The virtue of conjoint analysis is that it produces two important results. First, “utility” of each attribute level - a numerical expression of the value that consumers place in an attribute level, with lower utility indicating less value, and higher utility representing more value. Second, “importance” of each attribute, which can also be manually calculated as the difference between the lowest and highest utilities across the levels of attributes.

We chose the multiple factor full-concept (or full-profile) conjoint approach for this study. This approach is preferred over the alternative two-factor-at-a-time tradeoff approach, as it is considered more realistic, ecologically
valid because all factors are considered at the same time (SPSS, 2005). In a full-profile approach, the respondents are asked to rank or score a set of profiles according to their preference, and on each profile, all factors of interest are represented with a different combination of factor levels.

**Choice of a product category and retailer brand for testing.** We select baby diaper product category for empirical testing. This category is quite typical FMCG category. For our purposes it is important that in this category, there is a definite clearly dominant ethical brand ZLWKLQDPDUNHWRIUHIHUHQFH±³3DPSHUV´

For retailer brand in this category, we have chosen “Maxima”, as it exercises a value proposition of a classical store brand. As read on brand’s internet page: “The concept of goods bearing the “Maxima” private label is to offer the same quality as the market leader for that group of goods, only at a lower price” (www.maxima.lt). Second, no less important criterion was that tested retailer brand’s package design in this category should straightforwardly resemble ethical (leading manufacturer) brand design, with retailer brand logo on them covering no more than half of packaging area (so that retailer brand borrows the identity and is not dominant).

A literature review and above mentioned category considerations helped us select five variables that respondents would consider while evaluating product alternatives. As Cheng, Chen et al. (2007) generalize, quality and price perceptions are the two frequently compared consumer perceptions between proprietary and private label brands. In particular, we choose a brand name (branding type), and four promotional types – two price-related promotions, and two non-price promotions, as indicated in Table 2.

![Table 2](image)

**Research findings**

The purchase decision involvement survey and orthogonal array forms were administered on 71 respondents. Sample size considerations of conjoint analysis are often quite different from those of traditional market research surveys. Market research rules of thumb apply with regard to statistical sample size and accuracy when designing conjoint analysis interviews. According to Akaah and Korgaonkar (1988), sample size below 100 are typical for conjoint analysis, thus, the sample used for this study could be considered as acceptable.

Conjoint design allowed us to reduce the total number of testable profiles from 48 (3×2×2×2×2=48). The SPSS generated a parsimonious orthogonal array of only 8 profiles, where each card’s profile is represented by a different combination of factor levels. Table 3 illustrates the 8 cards used in this study and calculated total utility scores for these profiles.

![Table 3](image)
Interpreting resulting utilities in Table 4 involves the analysis of the gaps between utility levels. As Curry (1997) suggests, we can analyze utility averages at the level of segmentation, for which we would possibly be making recommendations. In our case, we perform comparison analysis between the two groups of high- and low-purchase

decision involvement, as if they would be our hypothetical segments. These two-group data facilitate t-test analyses on the utility scores to discern utility values among different consumer groups for market segmentation purposes (Koo, Tao, Yeung, 1999).
type signals are relatively more important – these consumers place bigger value to manufacturer brand, remaining relatively less attracted to retailer brand. At the same time, the high involvement group involves in data driven processing and goes beyond brand signals by placing relatively bigger value on tangible characteristics, requiring more information processing – such as price promotion and extra percentages of free product.

To summarize, purchase decision involvement is an appropriate criterion for retail brand or manufacturer brand acceptance in a product category, thus, it is also an appropriate criterion for consumer segmentation.

Further research in the area of consumer involvement and how it affects brand type choice is important to both theory building and strategic planning. A notable limitation of this study is that the data is drawn only from one category in one country. Future studies should replicate this study with other product categories and test broader vertical extent of brands within those categories. We suggest future research that seeks to understand effect of other kinds of involvements, research that compares effects of non-situational kinds of involvement among several categories, or involvement effects within a category internationally. Also, involvement has been measured in our research, but not manipulated. Involvement manipulation could be considered for future researches.

Finally, here are a couple of practical implications of our study.

First, consumer purchase involvement is a relative behavior, and, among other things, category-specific. Within a category, consumers tend to purchase from a portfolio of brands. Brand risk being the most important antecedent to brand involvement for grocery products (Knox, Walker, 2003), the challenge for manufacturer and retailer brand marketers is to sort out their portfolios according to purchaser perceived brand risk and accordingly manage consumer segmentation across all the product categories.

Second, according to study results, high-involvement purchasers relatively favor retailer’s brands, while low-involvement purchasers – manufacturers’. But retailer and manufacturer brand competition is close-knit game: the growth of retailer brands leads to a decrease in shelf space availability for manufacturer brands, while the growth of manufacturer brands generates better grounds for me-too strategies of retailer brands. Therefore, active targeting of a purchase-involved segment by any retailer or manufacturer should affect market behavior of the remaining market players.

References


Kristina Maikštienė, Viliūtė Aurškevičienė

**Gamintojo ir mažmenininko prekių ženklių paturėjimo skirtingo įsitikinimo lygio pirkėjams**

Santrauka


**Santrauka.**

1. Aptarti gautus rezultatus ir jų vertinimą.
2. Pagrindinio įsitikinimo lygio pirkėjams.

1. **Dėl** įsitikinimo į pirkinio prekių ženklą, vartotojai stipriau diferencijuoja vieno tipo prekių polinkį. Kaip atsitiko, ir šiandien šią lūkesčių sistemą gali užtikrinti tik prekių ženklių kūrėjas arba mažmenininkas. Tada yra pagirdo manyti, kad suvokiamas atotrino skirtingų prekių ženklių populiarumas. Taigi pagirdo manyti, kad suvokiamas atotrino skirtingų prekių ženklių populistinis tikslas atitinka Lietuvos pirkėjų atotrino skirtingų prekių ženklių populiarumą.

2. **Pagrindinio įsitikinimo lygio pirkėjams.**

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