CAN INTRINSIC AND EXTRINSIC FACTORS CONTROL THE CUSTOMER PURCHASE INTENTION FOR PRIVATE LABEL FOOD BRANDS? STUDY IN THE SUPERMARKET CUSTOMERS IN ANURADHAPURA DISTRICT.

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INTRODUCTION

Due to rising private label product demand, this presents a business potential. Since 1970, giant retailers' growth has significantly impacted the market for manufacturer-branded goods. Private-label goods are inexpensive but satisfy consumers' basic needs, encouraging more people to buy their products (Nielsen, 2008). They produced and sold their products in a particular chain of stores to boost their margin. A retailer can offer inexpensive goods in order to compete in the market. To make consumers' buying behavior habitual behavior toward their brand, manufacturers work to increase customer loyalty to their products. Customer buying behavior is determined by the customer's purchasing experience, which subsequently determines whether or not the customer will repurchase the goods. Studies on consumer behavior concentrating on private-label brands are scarce, particularly in Sri Lanka. Therefore, this study aims to fill this knowledge gap by identifying the intrinsic and extrinsic factors controlling customer purchase intention for supermarket customers in the Anuradhapura district's private-label food brands (PLBs).

The present study was inspired by the study on consumers' intentions to purchase own-label luxury food goods (Chaniotakis *et al.*, 2010). According to Chaniotakis *et al.* (2010), "consumers' attitudes," "extrinsic factors," and "intrinsic aspects" of the items are factors that influence consumers' purchase intentions. According to them, intrinsic factors are perceived quality, perceived risk, and perceived value. In extrinsic factors, perceived price, advertisement, packaging, and store image are considered. In this study, the researcher used perceived quality and value as intrinsic factors, and for the extrinsic factors, the researcher used perceived price, advertisements, and store image.

There are numerous studies on private-label products in other countries. However, there is no significant number of specific studies on Sri Lankan consumers' intentions to buy private-label food products. This empirical study aims to make various contributions to the brand management literature on par with PLBs in the supermarket sector in Sri Lanka. As a result, this study's findings would help maximize the market share used to achieve supermarket goals with PLBs in the food market. Consequently, the findings of this research provide the necessary information to the managers of the supermarket sector to make future market and positioning decisions. This study is also essential to study how PLBs enhance sales volume, supermarket, and brand image. This study is also essential to reduce research gaps like knowledge and practice gaps since there is a dearth of research in the selected study area. Thus, exploring this research area further from the Sri Lankan context is also timely and significant.

The results are limited to conventional PLB food categories most frequently purchased in Sri Lanka and a particular developing market area. Anuradhapura is a limitation that cannot be generalized to the results. This study focused on cross-sectional investigation despite the strength of the experimental design. Similarly, it would not be preferable to provide a deep

insight into the study variables since the study used only the quantitative research approach rather than a mixed method, which is a limitation. The current research was geographically bound to the Anuradhapura district, Sri Lanka. Future research can examine and validate the research model in other districts and industries, given that most of the existing research on PLBs focuses on Western countries.

METHODOLOGY

This study examines the impact of intrinsic and extrinsic factors on customers' purchase intentions for private-label food brands in Anuradhapura district, Sri Lanka. The dependent variable is customers' purchase intention to PLBs, and the independent variables are intrinsic factors (perceived quality, perceived value) and extrinsic factors (perceived price, advertisement, store image). Two main hypotheses and five sub-hypotheses were formulated to test the significance of these variables on customer purchase intention. The research design is descriptive and cross-sectional, adopting a quantitative approach. Data was collected through a structured online questionnaire targeting customers of supermarkets. The questionnaire utilized a five-point Likert scale for closed-ended statements to assess respondents' perceptions. Statistical Package for Social Statistical (SPSS) software, including descriptive and inferential statistics, was used for data analysis. The reliability of the data was confirmed through Cronbach alpha values.

The population consists of female and male individuals who reside within the Anuradhapura district in Sri Lanka. Thus, the estimated population in Anuradhapura district would be 954,000 (Department of Census and Statistics, 2020). Further, the study is based on the supermarket industry. According to the Morgan table, the current study aims for a minimum sample size of 384 people. Male and female store consumers in the Anuradhapura district made up the sample.

Figure 1

Conceptual Framework
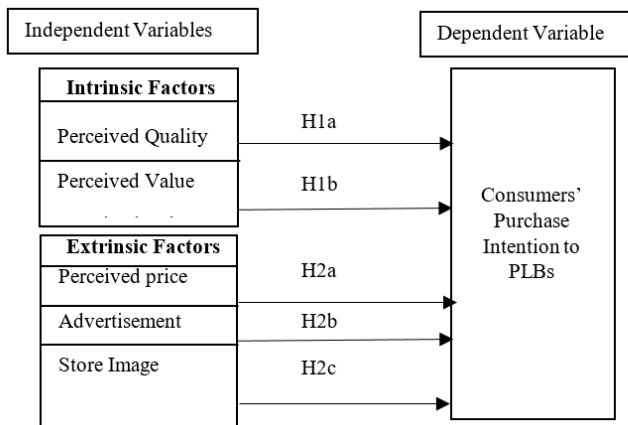
HYPOTHESES

H_1: There is a significant impact of intrinsic factors on the customer purchase intention of private label brands related to food products in the supermarkets in the Anuradhapura district.

H$_{1a}$: Perceived quality of private label brands impacts customer purchase intention in food products in the supermarkets in Anuradhapura district.

H$_{1b}$: Perceived value of private label brands impacts customer purchase intention in food products in the supermarkets in Anuradhapura district.

H$_2$: There is a significant impact of extrinsic factors on the customer purchase intention of private label brands related to food products in the supermarkets in the Anuradhapura district.

H$_{2a}$: The perceived price of private label brands impacts customer purchase Intention in food products in the supermarkets in the Anuradhapura district.

H$_{2b}$: Advertisements of private label brands impact customer purchase intention in food products in the supermarkets in the Anuradhapura district.

H$_{2c}$: Store image of private label brand's impact on customer purchase intention in food products in the supermarkets in the Anuradhapura district.

RESULTS AND DISCUSSION

Along with the methodology, the focus is on presenting and analyzing the collected data results. Research objectives are addressed and discussed in detail through various statistical analyses.

Table 1

Reliability of data

Constructs	Number of Items	Cronbach's Alpha
Intrinsic Factors	8	0.782
Extrinsic Factors	15	0.768
Purchase Intention	4	0.790
Overall Reliability	27	0.896

This table illustrates Cronbach's alpha coefficient, a measure of internal consistency reliability for different survey constructs that indicate that data is reliable.

Table 2

Validity of data

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.855
Bartlett's Test of Sphericity	Approx. Chi-Square	617.003
	Df	15
	Sig.	0.000

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is a statistic that measures the suitability of data for factor analysis. It ranges from 0 to 1, with values closer to 1 indicating that the data is more suitable for factor analysis. In this case, the KMO measure is .855, considered good, indicating that the data is suitable for factor analysis.

Table 3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.496[a]	0.246	0.244	0.309
a. Predictors: (Constant), IF				
2	0.503[a]	0.253	0.249	0.308
b. a. Predictors: (Constant), PV, PQ				

The table shows that model 1's R squared value is 0.246. It demonstrates that intrinsic factors may account for 24.6% of customer purchase intention. The model 1 adjusted R Square value is 0.244. The number and the estimate's standard error of 0.30974 indicate that the data has diverged from the fitted regression line.

Table 4

ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.094	1	12.094	126.064	0.000[b]
	Residual	37.129	387	0.096		
	Total	49.223	388			
a. Dependent Variable: PI						
b. Predictors: (Constant), IF						
2	Regression	12.434	2	6.217	65.231	0.000[b]
	Residual	36.789	386	0.095		
	Total	49.223	388			
a. Dependent Variable: PI						
b. Predictors: (Constant), PV, PQ						

The table demonstrates that the F-value is 126.064, which a high F-value is leading to a modest P-value for model 1. The model 1 P-value equals 0.000, which is less than 0.5. In consequence, H0 (Null hypothesis) will be rejected. The H1 (Alternative hypothesis) can be accepted in light of the previous results of basic linear regression.

Table 5

Coefficients for regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		β	Std. Error		β		
1	(Constant)	1.491	0.218			6.845	0.000
	IF	0.616	0.055		0.496	11.228	0.000
a. Dependent Variable: PI							
2	(Constant)	1.427	0.220			6.491	0.000
	PQ	0.240	0.045	0.251		5.310	0.000
	PV	0.392	0.052	0.354		7.505	0.000
a. Dependent Variable: PI							

If the value of 'b' is positive, the relationship between the dependent and independent variables is positive. Therefore, when evaluating the intrinsic factors, a positive value of 49.6%. The alternative hypothesis can, therefore, be accepted, while the null hypothesis can be rejected.

Table 6

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.487[a]	0.237	0.235	0.311
a. Predictors: (Constant), EF				
2	0.497[a]	0.247	0.241	0.310
b. a. Predictors: (Constant), SI, A, PP				

According to the table, the model 1, R squared value is 0.237. It demonstrates that extrinsic factors may account for 23.7% of customer purchase intention. The model 1 adjusted R Square value is 0.235. The number and the estimate's standard error of 0.311 indicate that the data has diverged from the fitted regression line.

According to the table, the model 2 R squared value is 0.247. It demonstrates that 24.7% of customer purchase intention may be accounted for by perceived price, advertisement, and store image. The model's adjusted R Square value is 0.241. The number and the estimate's standard error of 0.310 indicate that the data has diverged from the fitted regression line.

Table 7

ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.654	1	11.654	120.054	0.000[b]
	Residual	37.569	387	0.097		
	Total	49.223	388			
a. Dependent Variable: PI						
b. Predictors: (Constant), EF						
2	Regression	12.141	3	4.047	42.018	0.000[b]
	Residual	37.082	385	0.096		
	Total	49.223	388			
a. Dependent Variable: PI						
b. Predictors: (Constant), SI, A, PP						

The table demonstrates that the F-value is 120.054, which is a high F-value, leading to a modest P-value for model 1. The model 1 P-value equals 0.000, which is less than 0.5. In consequence, H0 (Null hypothesis) will be rejected. The H1 (Alternative hypothesis) can be accepted in light of the previous results of basic linear regression.

If the value of 'b' is positive, the relationship between the dependent and independent variables is positive. Therefore, when evaluating the extrinsic factors, a positive value of 48.7%.

The information intrinsic factors (perceived quality, perceived value) and extrinsic factors (perceived price, advertisement, store image) positively impact customer purchase intention for private label food brands study in the supermarket customers in Anuradhapura district, Sri Lanka. All independent variables have caused this significant impact on the collected data from the questionnaires.

Table 8

Coefficients for Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		β	Std. Error	β		
1	(Constant)	1.287	0.242		5.319	0.000
	EF	0.661	0.060	0.487	10.957	0.000
a. Dependent Variable: PI						
2	(Constant)	1.322	0.242		5.471	0.000
	PP	0.328	0.054	0.315	6.084	0.000
	A	0.196	0.052	0.189	3.747	0.000
	SI	0.128	0.058	0.114	2.209	0.028
a. Dependent Variable: PI						

CONCLUSION AND IMPLICATIONS

This study investigates the impact of intrinsic and extrinsic factors on customer purchase intention for private-label food brands. The study utilized the supermarket customers in the Anuradhapura district. The findings of the study revealed that the intrinsic factors (perceived quality and perceived value) and extrinsic factors (perceived price, advertisement, and store image) positively and significantly influence customer purchase intention for private-label food products. This study was conducted to understand the most affecting factor during the customer purchase intention for private label food brands in the supermarket in Anuradhapura district, Sri Lanka, and its vicinity. Convenience, advertisement, and product availability have positively affected customer purchase intention. Hence, the retailers should focus more on these factors when considering their product sales in Anuradhapura district, Sri Lanka, and its vicinity. These factors should be considered essential norms during the private label food brands in the supermarket.

This study's scope was limited to the Anuradhapura district, with 384 supermarket customers as the sample size applying quantitative research methods. This research could be extended by increasing the targeted consumer size to get a clearer idea and more reliable results. The data collection locations are mainly selected as Anuradhapura district; this targeted area can be expanded for further research targeting various districts around Sri Lanka and its vicinity. It is also recommended to consider other approaches, such as multidimensional scaling, for future analysis and to carry out the same research in different parts of Sri Lanka, dividing them into three regions: North, Central, and South, to get the more detailed information regarding supermarket goods purchase intention.

Keywords: Brands, extrinsic, intrinsic, private label, supermarkets

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