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CONSUMER PERCEPTION AND PURCHASE INTENTION TOWARDS LABELED FOOD PRODUCTS IN NEPAL

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Abstract

The purpose of this research is to understand factors that lead to purchase intention of labeled food products. This includes understanding consumer's perception of price, quality, value, brand, trust and familiarity. This article is based on quantitative method of research and convenience sampling was used. Data was collected from 260 respondents. Descriptive statistics, Pearson correlation and multiple regression were conducted. The results showed that there was a significant relationship in the overall regression analysis [$F(6, 253) = 6.514$, $p < .001$]. There was a moderate relationship between purchase intention and the variables, as it explains 13.4% of the variance in the outcome variable ($R^2 = .134$, adjusted $R^2 = .113$). Trust was significantly positively correlated with purchase intention. The p values did not show significant relationships for quality, brand and familiarity. Results suggest that retailers should consider fair pricing, good value for money and building trust for labeled food products.

Keywords

Labeled food products, private label brands, purchase intention, perceived price, perceived value, trust, Nepal.

1. Introduction

Private label or store brands are products that are developed by a retailer and are owned by them. They allow retailers to provide a unique range within their store. The consumer's perception can be influenced by various factors when purchasing private label food products. Such as, perceived quality, value, brand, trust and familiarity.

The research project has highlighted the importance of understanding these factors. In the past few years there have been increases in organized retailing and labeled food products. This article will look into private label products and understand how these factors influence purchase intentions. Due to the lack of evidence in Nepal, it will be useful to understand if factors that have previously been seen to influence purchase intentions are also seen in a suitable sample of consumers from Nepal.

This research has looked at six predictor variables and how they relate to purchase intention. It can help retailers and the food industry understand what perceptions consumers have.

2. Literature Review and Hypothesis

2.1 Private Label Food Products and Consumer Perception

In general, private label products are owned and sold by the retailer. Research has shown that private label brands compete with manufacturer's brands by looking at price and perceived quality. Hoch and Banerji (1993) looked at what makes store brands successful. They emphasized that quality is an important factor. Richardson et al (1996) looked at consumer perceptions of private label brands and how extrinsic cues affect perceived quality. A recent review of consumer research on private label products (Riboldazzi et al (2021)) looked at how consumer characteristics and perceptions, marketing stimuli and post purchase factors all influence consumers in choosing private label products.

2.2 Perceived Price and Value

Price is not always looked at purely by how much money a product is, but how good the value is for the price. If consumers see the price as good value for money, then it can increase perceived value and purchase intention. Dodds et al (1991) looked at the effect of price, brand and store information on product evaluation. Sweeney and Soutar (2001) looked at perceived value being a multifaceted concept. Calvo-Porral and Levy-Mangin (2016) looked at price, familiarity, store image, trust and purchase intention in relation to food private label. Konuk (2018) looked at store image, perceived quality, trust and perceived value in relation to organic private label food purchases. These studies all had a very similar concept to the one in this research.

2.3 Perceived Quality, Brand, Trust and Familiarity

Perceived quality looks at the overall excellence of the product and how suitable it is. Brand cues can help consumers identify products and make them distinct. Familiarity can help reduce uncertainty. Trust can be a key factor in food products as consumers may struggle to determine the quality and safety of the product. Calvo-Porral and Levy-Mangin (2016) found that trust plays an important role in brand loyalty and purchase intention for food private label. Konuk (2018) looked at trust in relation to perceived quality and value for organic private label food. Thapa (2019) looked at consumer perceptions of green products in Nepal. They found that many consumers saw green products as healthy and safe, however price was not conclusive. Although green products are not the same as labeled food products, this research can still help as it shows there is evidence (specifically from Nepal) that consumer perception of safety, quality and price should be considered. Thapa and Joshi (2026) looked at brand trust and perceived quality as important antecedents of brand equity for bank customers in Nepal. This research is not specifically focused on food; however, it does provide some related evidence.

2.4 Evidence from Related Research

Overall previous research suggests that purchase intention for private label food products can be influenced by value for money, quality, brand, familiarity and trust. Research internationally has shown direct relevance to private label food purchase intentions (Calvo-Porral & Levy-Mangin, 2016; Konuk, 2018). The research conducted in Nepal (Thapa, 2019; Thapa & Joshi, 2026) will look at consumer perceptions and the general factors such as trust and perceived quality. However, the strength of the relationships may vary depending on the product. This study will look at the six predictors in relation to labeled food products in Nepal.

2.5 Research Framework and Hypothesis

The dependent variable in this research was purchase intention and the independent variables were perceived price, perceived quality, perceived value, brand, trust and familiarity. The research project provided the following hypothesis:

H1: Perceived quality will have a significant impact on purchase intention.

H2: Perceived value will have a significant impact on purchase intention.

H3: Perceived price will have a significant impact on purchase intention.

H4: Brand will have a significant impact on purchase intention.

H5: Trust will have a significant impact on purchase intention.

H6: Familiarity will have a significant impact on purchase intention.

3. Materials and Methods

3.1 Research Design and Sample

This research used a quantitative and cross sectional approach. The research project used a convenience sample of 260 respondents. A questionnaire was used which included six explanatory variables and purchase intention. All were measured using a five point likert scale (1= Strongly Disagree, 5= Strongly Agree). The sample consisted of respondents with varying demographics and occupations. Some of the sample also had no previous consumption experience.

3.2 Reliability of Instrument and Analysis

The research had a high reliability score of .764 using Cronbach's alpha for the 26 questions. Frequencies and percentages were used to analyze the respondents' characteristics. Means and standard deviations were used to analyze the variables. Pearson correlations, multiple regression, overall ANOVA test and variance inflation factors (VIF) were used. The VIF scores were between 1.121 and 1.656 which does not indicate any serious multicollinearity.

4. Results

4.1 Respondent Profile

There were 260 respondents in total. 52.6% were Male (n = 137); 47.4% Female (n = 123). The majority of respondents were aged 26-35 years (60.4%, n = 157). 32.7% of respondents were aged 18-25 years old (n = 85). There were a total of 260 observations in the table. The frequencies add up to 260 if we assume the age categories are 85, 157, 10 and 8. However the age category 36-45 years old does not appear in the table. The majority of respondents were single (70.4%, n = 183). The majority of respondents had a bachelor's degree (51.2%, n = 133). 63.1% (n = 164) of respondents were working. 46.2% earned between NPR 25000-50000 per month.

Table 1: Respondent Profile

Characteristic	Category	n	%
Gender	Male	137	52.6
	Female	123	47.4
Marital status	Married	77	29.6
	Unmarried	183	70.4
Education	SLC and below	3	1.2
	Intermediate	62	23.8
	Bachelor's	133	51.2

	Master's and above	62	23.8
Occupation	Student	55	21.2
	Employed	164	63.1
	Self-employed	33	12.7
	Retired	4	1.5
	Unemployed	4	1.5

4.2 Descriptive Statistics

The means show that the responses were moderately positive. Perceived value had the highest mean (M = 3.52). This was followed by brand (M = 3.51) and perceived quality (M = 3.49). Purchase intention had a mean of 3.46. Perceived price had a lower mean of 3.215. This does not mean that these variables cause purchase intention.

Table 2: Descriptive Statistics

Construct	**Mean**	**SD**
Perceived price	3.215	0.898
Perceived quality	3.49	0.89
Perceived value	3.52	1.07
Brand	3.51	1.03
Trust	3.27	0.85
Familiarity	3.28	0.94
Purchase intention	3.46	0.78

4.3 Correlation Analysis

All the independent variables had a positive correlation with purchase intention. Trust had the strongest correlation (r= .324). This was followed by perceived quality (.251), perceived value (.165), perceived price (.160), familiarity (.151), brand (.024). Overall there was significant correlation at the 5% level. However not all the variables were fully shown to be significant in the table.

Table 3: Correlation between variables

Predictor	**Correlation with Purchase Intention**
Perceived price	0.16
Perceived quality	0.251
Perceived value	0.165
Brand	0.024
Trust	0.324
Familiarity	0.151

4.4 Multiple Regression

The overall model was found to be statistically significant ($F(6, 253)= 6.514$, $p<.001$). The multiple correlation was R=.366, R2=.134 and Adjusted R2=.113. This means that the six predictors accounted for 13.4% of the variance in purchase intention.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.366	0.134	0.113	1.81896

5 Hypothesis decisions

The source report labels H_2 (perceived value), H_3 (perceived price), and H_5 (trust) as accepted, and H_1 (perceived quality), H_4 (brand), and H_6 (familiarity) as rejected.

Hypothesis	**Predictor**	**p value**	**Decision**
H_1	Perceived quality	0.453	Rejected
H_2	Perceived value	0.013	Accepted
H_3	Perceived price	0.034	Accepted
H_4	Brand	0.251	Rejected
H_5	Trust	0	Accepted
H_6	Familiarity	0.253	Rejected

5. **Discussion**

The results showed that trust had the highest positive correlation with purchase intention. It also had the highest standardized coefficient in the model. This is because consumers may look to trust when they are unable to judge the quality of the food product. Retailers can build trust by providing quality products, clear labeling, clear information on ingredients and expiry dates, consistent availability and credible customer service.

Perceived price and perceived value were found to be significant in the hypothesis summary. This shows that it is important to provide a credible price and value for money.

Perceived quality, brand and familiarity were not statistically significant. This does not mean they are not important; however, they were not found to have any unique effect in the model. The R^2 was also quite low which means that there is a lot of variance in purchase intention which hasn't been explained. Other variables such as store image, food safety, product type, household characteristics, previous experience and promotion could help explain more variance.

This research has looked at labeled food products in Nepal. It cannot be generalized to all consumers in Nepal as it used a convenience sample.

6. Conclusion and Implications

This research has looked at the relationship between perceived price, perceived quality, perceived value, brand, trust and familiarity for labeled food products in Nepal. The overall model was found to be statistically significant and explained 13.4% of the variance. Trust had the clearest positive predictor in the coefficient table. The hypothesis summary showed perceived price and perceived value were significant. Perceived quality, brand and familiarity were not significant,

6.1 Managerial Implications

Ensure trust is built and maintained by providing consistent product performance, clear labeling, food safety and responsive customer service.

Ensure value for money by linking price to product benefits and providing clear information on products.

Be careful with price positioning. Being affordable can encourage people to try the product however it shouldn't make consumers feel like the product is of lower quality.

Conduct regular research on different product types. Separating those with previous experience from those new to the product.

6.2 Limitations and Future Research

This research had limitations due to using a convenience sample, cross sectional and self-report method. There were also limited variables and the sample had varying levels of previous experience. Future research could use probability or stratified sampling in different areas of Nepal. Different food types could be looked at. Economy and premium private label ranges could be compared. Store image, perceived risk, food safety, social influence and actual purchase behavior could also be added.

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