

# The Impact of Store Atmosphere and Retailers' Price Positioning on Economy, Standard, and Premium Private Labels

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Cite as:

Thomas Oliver, Reimann Olivier, Nagengast Liane, Kucza Gunther (2024), The Impact of Store Atmosphere and Retailers' Price Positioning on Economy, Standard, and Premium Private Labels. *Proceedings of the European Marketing Academy*, (122610)

Paper from EMAC Regional Conference, Lisbon, Portugal, September 25-27, 2024



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## **Abstract**

We investigate the effect of two major retail marketing mix instruments, namely store atmosphere and retailer's price positioning, on consumer evaluations of modern private label (PL) brand portfolios. Drawing on cue-utilization theory, we propose that both factors increase consumers' attitudes, quality perceptions, and purchase intents for economy, standard, and premium PLs. We test our hypotheses in a 2x2 between-subjects experiment. We find a positive main effect of store atmosphere for all PL tiers and DVs. We do not find any significant main effect of retailer price positioning, but there is a significant interaction effect on the premium PL's quality perception.

**Subject Areas:** *Branding; Consumer Behavior; Marketing-Mix Effectiveness; Retailing*