



A STUDY ON THE CONSUMER BEHAVIOUR TOWARDS PRIVATE LABEL BRANDS

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Abstract:

The retail scene is facing a change in the increase of private label brands in apparel segment. Many of the retailers are increasing the % of private label brands in their product portfolio as store brands which enhance the store image. It is gaining importance in the various retail stores across the country. The consumers too are preferring private label brands because of relatively low price compared to national brands. This study is done to understand the consumer's perception towards private label brands of retail stores. It helps us to understand the rudimentary aspects of consumer buying behaviour towards private label brands. The conclusion is that the respondents said that they disagree for purchasing the same brand because new cloths of different brand do not match well the old one. So the company can introduce new models based on old trend to attract the customers and to retain them and the company can have a live interaction with the customers so that the level of satisfaction can be increased which leads to good word of mouth with other customers about the brand.

Key Words: Brand, Private label & Products

Introduction:

Quick understanding about Private label brands Private label products are commonly referred to as name brand, store brand or own label, retailer's brand, private labels etc, These brands are owned by the retailer rather than the producer or manufacturer. Private label products are found in all food and grocery categories. Private label brands existed in generics and gradually expanded to various product categories. During 1990's India had not viewed Private label brands as an important entity because the Indian retail industry at that time was still in nascent stage. Moreover, retailing in India was completely unorganized because of dominance of mom and pop stores. Gradually, the retail took shape in the form of organized retailing at the same time Private label brands came into being. With the increasing growth of the organized retail sector, private labels too are accepted by the retail market. The very reason behind this is that from economic angle, the recession has significantly given a thrust and favouring private label brands. It is evident from the major retailers like Future Group, Shopper's Stop, Westside, Aditya Birla group etc., offering Merchandise mix has given rise to competition in retail market and the future is bright for Private label brands. We can say that organized retailers can offer various merchandise In Private label brands.

The term consumer behavior may be defined as the behavior that consumer displays in searching for purchasing, using, evaluating, producing, services and ideas which they expect will satisfy their needs. In other words, "It is a study of physiological, social, physical, behaviors of all potential customer as they become aware of evaluation, purchase and consumption and tell other about products and services".

Statement of the Problem:

The needs to satisfy customer for success in any commercial enterprise is very obvious. The income of all commercial enterprise is derived from the payments received for the products and services supplied to its customers. If there is no customer there is no income and there is no business. Then the core activity of any company is to attract and retain customers. It is therefore no surprise that Peter Drucker the renowned management Guru, has said "to satisfy the customers is the mission and purpose of every business".

Satisfaction of customer is essential for retention of customer's and for continuous sales of the products and services of the company to customers. This establishes the needs for and the importance of customer satisfaction. The satisfaction of consumers is different from one to another. Became, each consumer has the different behaviour in their life. So, the marketer satisfy the consumer, he must very well know the behaviour of consumer.

Objective of the Study:

- To assess customer preference towards Private label brands
- To know about the attitude of customer while purchasing clothes from Private label brands.
- To analyze the customers attitude towards the Private label brands.

Scope of the Project:

- The study is conducted based on the customers who prefer private label brands
- The study will help the companies to know the customers preference and attitude towards branded shirts.
- The recommendations and suggestions will help the loan providers to make a considerable changes.

Review of Literature:

Aithal Rajesh (2009) researched on the improved understanding of the current status of private labels in the country & explained how it can evolve in the future. The study is exploratory in nature and gives insights into the aspects of private label brands but it lacks the distinctive feature of private label brands in retailing

Beneke Justin (2010) This study is made in private label brands in grocery category of South African context. This gives insights into the type of consumers who are looking for substitute to opt for Private label brands. It means profitable to the retailer. The advantage to retailer is through less expensive private label brands as the cost involved is less to maintain plb and visible growth in terms of margin can be witnessed. The store loyalty is increased and store distinction can be achieved. Also bargaining power can be increased with vendors. The attractively packaged items address the consumer needs of esteem & status. Introduction of private label products can be lesser by undergoing test marketing in a few of their own retail outlets eventually lower R & D costs. An important aspect in the study is about the product package is discussed Demographic variables were largely ineffective in determining an individuals' tendency to buy private label brands.

Chimhundu, et al (2010)- This study has mentioned that though manufacturer brand innovation hinders the performance of Private label brand it has a positive impact on the retailer brands pertaining to grocery category. Further, the impact is seen in various aspects such as driving category growth, copying of successful innovations and customer pulling power. It indicates retail managers to look National brand as strategic resource which can benefit both retailer brands and national brands.

Fraser Allison (2009) –This study has been pursued based on the influence of Store image impact on attitude of the private label brands. In most cases, it is found that positive relations exists between the two. This relationship emphasizes the fact that retailers should specially consider the aspects of Private label brands they offer to create and enhance unique store positioning. Besides this, study addresses that there should be a match between the consumer's perception of the store and private label positioning. The important aspect is that Consumer perceptions of store image & the store's private label brands are positively associated. Consumer's perceptions of private labels are uniquely related to unique positioning of stores & hence can play a key role in retail differentiation & store loyalty

Hariprakash (2011) This Study has mentioned that the consumers trust 'Retailer brand' or 'private label' as they sell quality products. Private label brands tend to be cheaper as 5-20% as compared with National brands. By doing this, retailers pass the cost benefit to consumers wherein middlemen is eliminated. Another important aspect of Private label brand is that it was started as a cheaper alternative for the very reason that retailer could negotiate a better margin from the manufacturer and other is PLB was a differentiating factor for retailer. Besides this, customers expect more choices in the retail outlet. As Quality is concerned, retailers started offering Private Label brand with high quality product more than national brands.

Research Methodology:

Research Design:

Research design is the arrangement of conditions for collection and analyze of data in a systematic manner that aims to combine relevance to research purpose with economy in procedure. The research study applied here is purely descriptive.

Sampling Procedure:

The simple random sampling method was used for the primary data collection. Simple random sampling is the basic sampling technique where we select a group of subjects (a sample) for study from a larger group (a population). Each individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample. Every possible sample of a given size has the same chance of selection; i.e. each member of the population is equally to be chosen stage in the sampling process.

Convenience Sampling: The researcher has adopted convenience sampling method for this study.

Sample Size: 150 respondents are chosen as a sample size for the study.

Data Collection: Target Audience: Customers of Private label brands.

Area of Study: Coimbatore

Primary Data: Information obtained from the original source by research is called Primary Data. They offer much greater accuracy and reliability. The data was collected from the respondents through the questionnaire.

Secondary Data: In means data that are already available i.e. it refers to the data which have already been

Tools Used for the Study:

- Percentage analysis
- Factor analysis
- Descriptive statistics

Analysis and Interpretation:

		Frequency	Percent
Gender	Male	98	65.3
	Female	52	34.7
	Total	150	100
Age	18-25	12	8
	26-30	24	16
	31-35	50	33.3
	36-45	53	35.3
	Above 45	11	7.3
	Total	150	100
Qualification	School Level	62	41.3
	Graduate/Diploma	20	13.3
	PG and Above	56	37.3
	Professional Degree	12	8
	Total	150	100
Income group	Upto 15k	62	41.3
	16k-25k	24	16
	26k-35k	16	10.7
	36k-50k	28	18.7
	50k and above	20	13.3
	Total	150	100
Family size	1	24	16
	2--3	26	17.3
	4--5	45	30
	Above 5	55	36.7
	Total	150	100

Interpretation

The above table shows the gender of the respondents were out of 150 respondents 65.3% are male and 34.7% are female. 8% are from the age group of 18-25, 16% are from the age group of 26-30, 33.3% are from the age group of 31-35, 35.3% are from the age group of 36-45 and 7.3% are from the age group of above 45. 41.3% have completed school level, 13.3% are graduates, 37.3% have completed PG and above, 8% have completed professional degree. 41.3% are earning upto 15000 per month, 16% are earning from 16000 to 25000, 10.7% are earning from 26000 to 35000, 18.7% are earning from 36000 to 50000 and 13.3% are earning more than 50000. 16% are having 1 member in their family, 17.3% are having 2-3 members, 30% are having 4-5 members, 36.7% are having above 5 members.

Descriptive Statistics for Level of Acceptance towards Private Label Brands:

Descriptive Statistics			
	N	Mean	SD
Acceptance on most favourite brand	150	3.59	1.295
Acceptance on purchasing the same brand	150	2.7	1.351
Acceptance on Various of style	150	2.67	1.505
Acceptance on new cloth models	150	2.86	1.547
Acceptance on information on clothes for new ideas	150	2.47	1.304
Acceptance on purchasing various types of clothing	150	2.86	1.422
Acceptance on Store atmosphere	150	2.72	1.119
Acceptance on help by staff	150	2.89	1.307
Acceptance on purchasing cheapest clothes	150	2.99	1.239
Acceptance on preferring Private label brands for all clothing needs	150	2.97	1.274
Acceptance on telling others about the level of satisfaction	150	2.58	1.162
Acceptance on buying the product for the next time	150	2.4	1.073
Acceptance on intention on shopping at Private label brands	150	2.8	1.306
Acceptance on considering Private label brands as first choice	150	2.53	1.188
Acceptance on repetition of purchase of products from Private label brands	150	2.43	1.219
Acceptance on shopping when needed from Private label brands	150	2.44	1.017
Acceptance on purchasing more clothes based on delivery service given by the company	150	2.5	1.159

Acceptance on knowledge on trending clothes	150	2.67	1.132
Acceptance on influence by sales person	150	2.51	1.367
Acceptance on influence by the family	150	4.01	1.052
Acceptance on purchasing cloth based on celebrity endorsement	150	4.19	1.054
Acceptance on price	150	3.11	1.388
Acceptance on quality	150	3.95	0.805
Acceptance on collections	150	1.8	1.331
Acceptance on advertisement	150	3.67	1.446
Acceptance on brands	150	2.83	1.505
Acceptance on celebrity endorsement	150	3.59	1.847
Acceptance on location of the store	150	3.2	1.298
Acceptance on fashion	150	3.04	1.303
Acceptance on uniqueness	150	2.72	0.767
Acceptance on durability	150	3.16	1.055
Acceptance on store image	150	3.09	1.117

Interpretation:

The above table shows about the mean and standard deviation of the factors based on level of acceptance. The factors above the average mean (2.93) are taken in to consideration for the decision making process. The factors are acceptance on most favourite brand, acceptance on purchasing cheapest clothes, acceptance on preferring Private label brands for all clothing needs, acceptance on influence by the family, acceptance on purchasing cloth based on celebrity endorsement, acceptance on price, acceptance on quality, acceptance on advertisement, acceptance on celebrity endorsement, acceptance on location of the store, acceptance on fashion, acceptance on durability, and acceptance on store image.

Findings:

- Maximum of the respondents are male in our survey.
- Most of the respondents are from the group of 36-45.
- Maximum of the respondents have completed their school level in our survey.
- Most of the respondents are earning up to 15000 in our survey.
- Maximum of the respondents are having above 5 members in our survey.
- Most of the respondents are having only 1 dependency in our survey.
- Maximum of the respondents strongly agree for purchasing cloths only of their most favourite brand.
- Most of the respondents disagree for purchasing the same brand because new cloths of different brand do not match well the old one.
- Maximum of the respondents strongly disagree for purchasing brand cloths to have various of style.
- Most of the respondents strongly disagree for information on clothes for new ideas.
- Maximum of the respondents disagree for purchasing cloths where they can buy various types of clothing.
- Most of the respondents disagree for help by staffs of providing choice of cloths.
- Maximum of the respondents strongly disagree for purchasing cheapest clothes.
- Most of the respondents agree for preferring Private label brands for all clothing needs.
- Maximum of the respondents disagree for telling others about the level of satisfaction.
- Most of the respondents disagree for purchasing the product for the next time.
- Maximum of the respondents agree for intention on shopping at Private label brands.
- Most of the respondents strongly disagree for considering Private label brands as first choice.

Suggestions:

- The respondents said that they disagree for purchasing the same brand because new cloths of different brand do not match well the old one. So the company can introduce new models based on old trend to attract the customers and to retain them.
- The company can give more training to staffs of the company to help the customers for providing choice of cloths.
- The company can provide more offers and discounts based on the customers demand and needs.

Conclusion:

The conclusion is that the respondents said that they disagree for purchasing the same brand because new cloths of different brand do not match well the old one. So the company can introduce new models based on old trend to attract the customers and to retain them and the company can have a live interaction with the customers so that the level of satisfaction can be increased which leads to good word of mouth with other customers about the brand.

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