Chapter 6

Findings
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6.1 Introduction

Findings are the soul of any research, without which any study loses its meaning. Findings give an insight to the problem under study, provide replies to the unanswered research questions and fill the research gap in the relevant area. Findings are the crux, which by themselves narrate the purpose and outcome of research and help the beneficiaries, in this case, the retailers. This chapter discusses the findings of the research. The summary of the findings of the analysis is shown below.

6.2 Findings

The findings with reference to each objective along with general findings are noted herewith.

6.2.1 Findings for Objective 1

Objective 1: To study the emergence, growth and future of private labels in India

Findings

Retail occupies a significant portion of the country’s economic growth, and a predominant feature of retailing in the current scenario is the advent of private labels. A few decades ago the concept of Private label brands in India never existed as Indian consumers were more dependent on mom and pop stores which were unorganized. Shoppers Stop was the first to come up with private labels in India, which was followed by several other retailers like Westside, Future Group, Trent, Pantaloons Retail, Infiniti Retail, and The Mobile Store. The evolution of private labels gradually passed from one stage to another from generic brands to classic/copyright brands to premium private labels to value innovators.

Private labels are expanding across all the categories like apparels, food and grocery, lifestyle and electronics though the growth in electronic durables being high involvement products is slow due to after sales service, brand building support and long gestation period. A Shoppers Trend Study by Nielsen found awareness about
private labels has gone up from 64 per cent in 2009 to 78 per cent in 2010 across 11 cities in India. Value for money and enhanced quality are the advantages of private labels from the angle of customers whereas higher margins and source of store differentiation from the angle of the retailers.

In the book Private Label Strategy, Nirmalya Kumar has said that private brands which occupy 5 percent of the market in India now, are likely to corner 50 percent of the market as the retail space opens up and matures. Country’s leading retailers like Future Group, Aditya Birla Retail Reliance Retail and Hypercity are having ambitious plans across food and non food sectors and the future of private labels seems to be bright in India.

6.2.2 Findings for Objective 2

Objective 2: To bring out the major factors that affect the perception of consumers related to private label apparel

Findings:

- The major factors influencing consumer perceptions related to private labels are Proximity, Private Brand Loyalty, Risk Aversion, Serviceability and Corporate Image in addition to Price and Quality dimensions.

- Regarding Store Brand loyalty, prior studies on this topic tested the negative influence of brand loyalty (in general) on SB perceptions and purchasing (Baltas, 1997; Burton et al., 1998; Garretson et al., 2002). Consistent with some recent research (Rond´an et al., 2006), there is a segment of shoppers already loyal to these brands.

- Bettman (1973) finds variables reflecting lower perceived risk and greater information to be associated with store brand perceptions. Livesey and Lennon (1978) highlight the importance of consumer experience with store brands and perceived risk. Majority of studies have cited that perceived risk is higher in case of private labels, but contrasting finding has emerged out in this study.
• 50.3% of shoppers shopped for more than Rs 1000/- from Pantaloons whereas 47.7% and 51.8% of shoppers shopped for 700-1000 (rupees bracket) from Westside and Big Bazaar respectively. It was found that there is an association between the amount spent on private labels per shopping trip and the name of the store. There might be several reasons behind this phenomenon. One plausible reason is that the penetration of private labels is higher in Pantaloons, thereby offering a wider variety to the consumers which may tempt them to spend more. Again, Big Bazaar also competes with Pantaloons in terms of options offered, but the prices are also competitive which is clearly reflected in their positioning statement. The tag line of Big Bazaar which was earlier “Sabse Sasta” has been reframed as “Naye India ka Bazaar”. Westside has a lower variety of private label merchandise as compared to Pantaloons, which could act as a cause of lower spending of consumers.

• Irrespective of the monthly income of the consumers, they would not like to compromise on the aspects of quality and serviceability related to private label apparels.

• Consumers having monthly income less than 25000 showed more proximity (closeness) to buy private labels in comparison to those who have monthly income between 25000-50000 (rupees bracket). When interviewing the former category of consumers, it was observed that they felt ease and comfort in private labels and these defined their image.

• Consumers having monthly income less than 25000 are most brand loyal while those who have monthly income above 100000 were the least loyal towards private labels.

• Consumers having monthly income less than 25000 consider private labels less risky in comparison to those who have an income between 25000-50000 rupees bracket. This is in line with the previous finding that consumers with monthly income less than 25000 showed more proximity (closeness) to buy private labels. Both these factors are related as these consumers feel that private labels are a safe option to buy, which makes them convenient and comfortable to shop.
• All consumers other than those belonging to the category of monthly income greater than rupees 100000 perceive that private labels have a good corporate image. The higher income category exception may be because they consider private labels to be a devalued product.

• Previous research has shown that a consumer’s level of price consciousness rises with lower income (Gabor and Granger, 1979; Lumpkin, Hawes, and Darden, 1986). This is also supported by the study which reports that consumers having monthly income above 100000 did not consider price as an important factor driving the perceptions related to private labels. On interviewing these candidates, it was observed that they found private labels to be cheaper and hence not worth their status, which explains the lack of corporate image and private brand loyalty associated with private label shopping.

• Consumers of all age brackets perceive no difference as far as factors like proximity, serviceability, corporate image, price indicators and quality indicators are concerned.

• Consumers belonging to all age groups rated poor brand loyalty towards private labels and the lowest in the rung are consumers in the age group of 35 – 45 years.

• Consumers younger than 25 years believe that private labels are not risky in comparison to 35 – 45 years age group.

• Females have moderately positive attitude towards private label brands across all categories with respect to price as an attribute (Pandya, 2011). This study shows that males give more emphasis to price indicators in comparison to females.

• As far as quality is concerned, study indicates that equal weightage is given by males as well as females. This is also evident from the finding of the ranking scale wherein majority of consumers gave first priority to quality aspect in private labels.
6.2.3 Findings for Objective 3

Objective 3: To identify major price related dimensions influencing the purchase of private label apparels

Findings:

• The major factors influencing price dimensions related to private labels are Value Maximization, Sale Proneness, Price Consciousness, Price Mavenism, and Prestige Sensitivity.

• Value related measures are positively related and the most important dimension of price to private label brand purchase. This result coincides with prior research (Jin, 2005; Lichtenstein et al., 1993)

• Baltas (1997) found that consumers who usually search for price cuts and special offers were not private label brand prone. The study reports that majority of shoppers have a neutral opinion towards sale as an important dimension to price during private label purchase.

• Majority of shoppers have a neutral opinion towards price consciousness as an important dimension to price during private label purchase. This finding is contradicting several studies conducted earlier which emphasized that consumers look for very low prices in case of purchase of private labels (Jin et al., 2002).

• Patel (2010) also proved that there exists a negative relationship between price mavenism and private label brand usage. This study reports that majority of shoppers have a neutral opinion towards price mavenism as an important dimension to price during private label purchase.

• Majority of shoppers have a neutral opinion towards prestige sensitivity as an important dimension to price during private label purchase.
6.2.4 Findings for Objective 4

Objective 4: To determine the importance of quality related perceptions (extrinsic and intrinsic cues) influencing the purchase of private label apparel

Findings

- Extrinsic cues are product-related attributes—such as price, brand name, and packaging—which are not part of the physical product. Conversely, intrinsic cues represent product-related attributes, such as ingredients, that cannot be manipulated without also altering physical properties of the product.

- A review of the literature suggests that consumers rely on extrinsic cues such as price (Leavitt, 1954), brand name (Allison and Uhl, 1962), packaging (McDaniel and Baker, 1977), and store name (Wheatley, Chiu, and Goldman, 1977).

- From this study, it is observed that consumers give more importance to intrinsic cues as compared to extrinsic cues pertaining to quality dimensions in private label apparels. This is in contradiction to previous studies stated above.

- This might be the case because the consumers in the present age have become more aware about the fabric and the make and hence emphasize on the internal ingredients of private label apparels.

6.2.5 Findings for Objective 5

Objective 5: To analyze whether there is any relation between price and quality dimensions related to private label apparels

Findings

- Riesz (1978) examined the price-quality relationship for 685 product categories reported in Consumer Reports published from 1961 to 1975. In this study, he noted that the relationship between price and quality for nondurables was much weaker than for durables. Gerstner (1985) also reported the same finding. Later, Edgecliff (2001) said that consumers always use this ‘price-quality’ formula to
calculate the brand differences in the course of their buying decision making process.

- This study also supports the above findings from the previous literature. It is found that there is a moderate positive correlation between the price and quality indicators in case of private labels in apparels. Hence, we can say that consumers feel that high price would indicate high quality and vice-versa. However, the positive correlation is only of moderate level, which indicates that although price and quality move in the same direction, they do not move at the same pace.

6.2.6 Findings for Objective 6

Objective 6: To segment the consumers on the basis of factors affecting their perceptions towards private labels brought out from the study

Findings

- Private Label Consumers can be grouped into four categories namely Quality Conscious Shoppers, High Expectation Seekers, Apathetic Shoppers and Impression Oriented Shoppers.

- Majority of Quality Conscious shoppers (46.1%) shop from Westside followed by Globus (38%). This group of shoppers want good quality private label apparels. Additionally they also consider private labels very close to their heart and are ready to continue purchasing it and gifting the same to their family and friends on different occasions. Majority of quality conscious shoppers shop once in every six months (47.4%).

- Majority of High Expectation Seekers (36.1%) shop from Pantaloons. They will pay attention to every detail before making a purchase. They are demanding shoppers who would reflect both utilitarian and hedonic benefits of shopping.

- Shopping for Apathetic type of shopper is an onerous task and often shops ‘to get it over with’. These consumers try to minimize shopping time by getting into and out of store as quickly as possible
Majority of Impression oriented shoppers shop from Big Bazaar. They consider both the reputation of the store as well as the reputation of the brand which they are buying. Majority of Impression oriented shoppers (44.7%) shop once every month.

6.2.7 General Findings

- The following is the order of ranking given by the consumers while shopping private label apparels: Quality, Comfort, Price, Brand Name and Store Name.

- Majority of shoppers like shopping private labels from Pantaloons (32.1%) followed by Westside (31.7%), Big Bazaar (28%) and Globus (8.2%).

- Majority of consumers shop private labels once in every month (30.9%) or once in every three months (35%).

- Majority of consumers (41.6%) spend Rs 700-1000 while shopping private label apparels.

- Majority of people belonging to the service sector (35.9%) as well as businessmen (40.3%) prefer to shop from Pantaloons whereas majority of housewives (43.8%) shop from Big Bazaar.

- Majority of males like to shop from Pantaloons (32.8%) and Big Bazaar (26.5%) whereas majority of females like to shop from Westside (40.5%).

- John Miller is the most popular private label of Pantaloon and Westside was the most popular brand of private labels.

- Majority of shoppers younger than 25 years shop from Westside (36.1%) whereas majority of shoppers in the age bracket between 35-45 years shop from Big Bazaar (40.6%).

- Majority of unmarried people like shopping from Pantaloons (35.8%) whereas majority of married people like shopping from Big Bazaar (35.4%).

- Majority of males (37%) shop once in every three months while female (41%) purchase every month.
• Majority of consumers in service sector shop for more than Rs 1000 whereas majority of students spend on an average 700-1000 per shopping trip.

• Married consumers shop less frequently in comparison to unmarried consumers.

• Majority of shoppers (48.4%) in the age bracket of 35-45 years shop once in every six months whereas majority of people less than 35 years like to shop once every month or once in every three months.

• Majority of males (42.5%) and females (40%) shop private labels for Rs 700 – 1000 per shopping trip. It is also apparent that more than 75% consumers belonging to both genders shop for more than Rs 700 per trip.

• Majority consumers belonging to segments of Under-graduates and graduates spend in the range of Rs 700 – 1000 per trip. However, majority consumers who are Post-graduates or Professionals spend more than Rs 1000 on every trip. This might be the case as the latter earn higher incomes as compared to the others.

• Majority of lower income groups spend in the range of Rs 700 – 1000 per shopping trip. Additionally it can also be said that, as the income increases, the gap between number of consumers spending in the bracket of Rs 700 – 1000 and more than Rs 1000 reduces, inclining towards the latter.

• Majority shoppers below 25 years of age (42.6%) spend on an average between Rs 700 – 1000 per trip, while consumers belonging to the age group of 25 – 35 years (48.9%) spend more than Rs 1000 per trip.

• There is a similarity in the consumers of Ahmedabad, Baroda and Surat regarding quality perceptions.

• Consumers in Surat lay more emphasis on price dimensions in comparison to consumers in Ahmedabad and Baroda.

• In general, consumers consider private labels as neither economical nor costly. As far as the other parameters are concerned, consumers perceptions are slightly above the neutral category, inclining towards the positive variables, namely,
superior quality, excellent brand image, excellent store image and highly fashionable.

6.3 Conclusion

Private labels show a rapid growth across all the categories like apparels, food and grocery, lifestyle and electronics though the growth in electronic durables being high involvement products is slow due to after sales service, brand building support and long gestation period. The major factors influencing consumer perceptions related to private labels are Proximity, Private Brand Loyalty, Risk Aversion, Serviceability and Corporate Image in addition to Price and Quality dimensions.

It is observed that there is a moderate positive correlation between the price and quality indicators in case of private labels in apparels. Private Label Consumers can be segmented into four categories namely Quality Conscious Shoppers, High Expectation Seekers, Apathetic Shoppers and Impression Oriented Shoppers. The chapter discusses at length the findings related to each objective formulated earlier and recommendations for the same to the retailers are discussed in the next chapter.