**ABSTRACT**

**Rationale:** Apparel, along with food and grocery, will lead the organized retailing in India, and over the past few years there have been sweeping changes in this sector with the introduction of private labels, which carry benefits for the retailers as well as customers. Price and quality are the two most important variables which the consumers take into account apart from several other variables related to perceptions like store image, brand positioning, risk aversion etc. Moreover, even a cursory look through the literature, which shows that little empirical work on correlates of price and quality, is done in Gujarat. It has also been found that major studies in private labels emphasize on the grocery sector. A detail analysis on price-quality relationship in private label industry is the need of the day.

**Purpose:** The study indicates the major factors that affect the perception of consumers related to private label apparels. It also examines the major price related dimensions and the importance of quality related perceptions (extrinsic and intrinsic cues) influencing the private label purchase. Additionally, the study segments the consumers on the basis of factors affecting the consumer perceptions. Finally, the study analysis the relationship between price and quality dimensions related to private label apparels.

**Design / Methodology / Approach:** The data is collected using a self administered questionnaire. The sample for the study is consumers who are aware of private labels, of major apparel formats located in Ahmedabad (Pantaloon, Westside, Globus, Big-Bazar), Baroda (Pantaloon, Westside, Big-Bazaar), Surat (Pantaloon, Westside, Big-Bazar) of Gujarat State. The sample size for the study is 608 respondents. The sampling technique used for the study is cluster followed by stratified sampling through mall intercept. Parametric tests like Anova, T-Test (independent and paired) and non parametric test including Chi-Square Test and Multivariate Analysis like Factor Analysis and Cluster Analysis are used to arrive at the conclusion.

**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. The major factors influencing price dimensions related to private labels are Value Maximization, Sale Proneness, Price Consciousness, Price Mavenism, and Prestige Sensitivity. Consumers give more importance to intrinsic cues as
compared to extrinsic cues pertaining to quality dimensions in private label apparels. There is a moderate positive correlation between the price and quality indicators in case of private labels in apparels. Private Label Consumers can be grouped into four categories namely Quality Conscious Shoppers, High Expectation Seekers, Apathetic Shoppers and Impression Oriented Shoppers.

**Research Limitations / Implications:** A key limitation of this study is the sampling frame. Future studies should replicate this study in different contexts.

**Keywords:** Private Labels, Perceptions, Price and Quality