CHAPTER 3: SCOPE OF RESEARCH WORK

3.1. RATIONALE OF THE STUDY

India is one of the most promising retail destinations of this century. Global retailers are eying India as their current favourite. The reasons are an increase in working women who have less time and want convenience shopping, rising middle class with high disposable income, and preference of youngsters for big brands.

Store Brand prices are almost always lower than the national brands. Store Brand retail sales exceed $48 billion annually and continue to grow. Moreover, a review of literature shows that while the topic is popular in the economically developed nations, very little work has been done in India on marketing of private label brands. Further most researches related to private label brands have been done in marketing of groceries and very little work have been done in the area of apparels marketing.

Last decade saw the entrance of big players like TATAS, Rahejas, Piramal biyanis entering Indian retail market with their store brands. These private label brands today are competing with popular national brands and giving them a run for their money. Greater margins have attracted retailers to increase and promote private label brands. An avid mall hopper would have noticed a marked difference in the assortment of brands in your shopping basket. For among the Louis Philippe, Levis, and Lee Coopers, new names such as RIG, Gia, Richmond, Eliza and Vittorio Fratini among many others would have cropped up in your shopping bag. Further, more consumers are purchasing Store Brand (Private label) products today than ever because of the growing awareness of the good value Store Brands offer.
Surely, with almost every retail chain launching products under their own private label or in-store brand, the consumer has never had it so good as far as purchasing options are concerned. Pantaloon Retail India, which owns the retailing chains Pantaloon and Big Bazaar, already sees a large percentage of sales coming from private labels.

Similarly, retail chain LifeStyle is targeting to increase the business from private labels. Says Kumar S, Managing Director, LifeStyle India, "At LifeStyle, one can find a healthy mix of popular brands and private labels. Shoppers' Stop, the retail chain has brands such as Life, Kashish and Vittorio Fratini in its portfolio and recently launched two more. "While the chain is growing at about 35 per cent per annum, the private labels at the store have been growing at about 40-45 per

Meanwhile, Westside (which is owned by Trent Ltd) follows a somewhat different model, stocking a very small percentage of outside labels. At present, about 90 per cent of the chain's sales come from its 15 private labels. Similarly, almost every major retail chain including the RPG-owned Giant, Ebony and Nilgiris has increased focus on private labels.

Keeping the above background in mind, it was felt that there was a need to understand how consumers in India perceive private labels in the apparel industry. In these times of increasing competition and the survival of the fittest the private label brands will appear increasingly attractive to the consumer as he will also look for value for money.