CHAPTER 7: CONCLUSION

In the past, private label was a moniker for consumer products that were lower priced and lower value. Retailers fostered them as they represented a growth engine because of high returns in terms of margins and profitability on a relatively small investment.

As the industry continues to advance, there is increased acknowledgement that this approach to private label management may allow for near-term gain, but can have a detrimental impact on a retailers’ long-term success.

There has been a rapid shift in mindset about the role and requirements for today’s private label brands. Retailers are evolving to a new definition and greater focus for these proprietary offerings to elevate their stature and influence on the current and future business strategy.

Today’s private label brands need to embody the attitude and demeanour of an “own” brand. “Own” brands are relevant to the broadest set of audiences. The trade feels an affinity and desire for the “own” brand to prosper. The consumer is loyal to “own” brands and seeks them out as an integral part of his/her lifestyle. The retailer celebrates and nurtures the “own” brand as a vital embodiment of its brand proposition that will build and sustain a greater degree of loyalty.

This new paradigm of private label thinking requires that retailers consider an arsenal of often-overlooked business and branding tools to further success.

Category management and brand management must work together to fuel the marketing strategy. One cannot replace the other. Both product and
positioning points of difference set the “own” brand apart in consumers’ minds. A consumer-centric approach is at the heart of “own” brand development and elevates above the product-centric thinking of the past.

When “own” brands are appropriately created and steered, they have the potential to reach their pinnacle of success. In doing so, they create a persuasive connection with consumers, drawing them into a retail store, but more importantly, becoming an essential, experiential and indispensable lifestyle choice that they embrace over the long-term.

7.1. CONSUMER PERCEPTION ABOUT PRIVATE LABEL BRAND

H1: There is no difference in perception of consumers between national brands and retail brands

- The respondents were well aware about the concept of store brand or Private Label Brand or house brand.
- Top three stores in the minds of respondent- SHOPPERSTOP, LIFESTYLE, MAX
- All the respondents stated that they have been buying apparels of private label brands regularly
- These respondents shopped in these private label brand stores because of the following reasons.
  a) VARIETY
  b) HIGH QUALITY
  c) GOOD BARGAINS
- Influence of friends came out as an important factor in purchase decision
• Respondents really like the display of merchandise at the stores.
• The sales staff at the stores were courteous and always willing to help
• Top four important factors in shopping
  1. SHOPPING EXPERIENCE: Private label buyers enjoy very good store ambience. The shopping experience with high trained staff of departmental store, centrally air conditioned floor space and beautifully displayed merchandise is quote amazing.

  2. DISCOUNT: Private label brands are inexpensive as compared to their counterparts. The same product picked up from shelf of a private label brand is at least fifty percent cheaper then National Brand.

  3. VARIETY AND RANGE: Variety and range offered in store brand is immense. You get huge variety within each category of apparel.

  4. FASHION AND STYLE: Private label brand are highly fashionable, stylish and trendy. They are versatile enough to change themselves very fast according to latest trends colours, cuts designs

• Top five least important factors
  1. AVAILABILITY
  2. STORE NAME
  3. QUALITY
  4. STATUS IMPLICATION
  5. EXCITING DISPLAYS
- Men mostly preferred a national brand in jeans and shirts which are essentially formal wear similarly in under garments they prefer a national brand but in T/Shirts/ Casual Shirts, socks they prefer a Private Label
- In women wear category only jeans is preferred in National Brand whereas other products, likes Tops, Skirts, Nighties, Undergarments, Sarees and coordinates are picked up from the shelves of a store brand
- In Kids wear which is a relatively new segment woman prefers National Brand for apparels.
- Respondents agree that people buy private label brand because price is low whereas they disagree that people buy national brand because price is low
- Respondent agree private label brands have acceptable quality national brand are of high quality.
- Respondents agree that private label brands are value for money and national brands are not value for money
- There’s a general perception among respondents that more people buy private label brands as compared to store brands
- Respondent believe private label brand offer more variety as compared to national brands.
- National brands stand more or high status as compared to private label brands.
- Both the brands are not looked upon as cheap and trendy. The difference in perception is not significant
- No difference in perception in terms of exchange benefits.
- Private label brands have a better complaints handling system as compared to national brands.
- No difference in perception in terms of innovative products.
THUS WE CAN CONCLUDE THAT CONSUMER DOES DIFFERENTIATE BETWEEN PRIVATE LABEL BRAND AND NATIONAL BRAND. THIS PROVES OUT HYPOTHESIS ONE INCORRECT.

7.2. CONSUMER PERCEPTION BASED ON GENDER

H2a: There is no difference in the perception of consumers regarding private label brands and national brands on the basis of gender.

MEN PERCEPTION ABOUT PRIVATE LABEL BRANDS

- Cheap and value for money
- Average quality
- Having same variety as national brands
- Lower in status
- Similar exchange policies as of national brands
- Similar complaint handling system as of national brands
- Offer equally innovative products as of national brands

WOMEN PERCEPTION ABOUT PRIVATE LABEL BRANDS

- Low priced option
- Value for money
- Good quality
- Offer better variety than national brands
- Trendy and innovative products.
- Better exchange policies than national brands
- Willing to compromise a little on quality.
- Better complaint handling procedure
MEN PERCEPTION ABOUT NATIONAL BRANDS

- Highly priced
- High quality
- Low value for money
- High status implication
- Good complaint handling system
- More number of people buys national brands.
- Equally innovative products as of private label brands.
- Equal variety as of private label brands.
- Not willing to compromise on quality

WOMEN PERCEPTION ABOUT NATIONAL BRANDS

- Good quality.
- Less variety as compared to private label brand.
- Less fashionable and trendy.
- Less effective exchange policies
- Highly priced
- Less innovative products as of private label brands.
- Not willing to compromise on quality in case of national brand

THUS WE CAN CONCLUDE THAT CONSUMER DOES DIFFERENTIATE BETWEEN PRIVATE LABEL BRAND AND NATIONAL BRAND ON THE BASIS OF GENDER. THIS PROVES OUT HYPOTHESIS INCORRECT
7.3. CONSUMER PERCEPTION BASED ON INCOME

H2b: There is no difference in the perception of consumers regarding private label brands and national brands on the basis of income.

PRIVATE LABEL BRANDS
- Significant statistical difference in perceptions of middle income and higher income group for private label brands in terms of private label being low priced.
- No difference among the three groups about quality of private label brands. They all agree of its acceptable quality
- No difference among the three groups about variety of private label brands. They all agree of its huge variety.
- Cheap and trendy products are offered by private label brands.
- All groups disagree that PLB have very good quality
- They are neutral on the grounds of innovation

NATIONAL BRANDS
- National brands are perceived as highly priced by three groups.
- Very high quality products are offered by national brands.
- They are not perceived as value for money product
- National brands offer less variety as compared to private label brands.
- National brands stand for high status.

THUS WE CAN CONCLUDE THAT THERE IS NO DIFFERENCE IN THE PERCEPTION OF CONSUMERS REGARDING PRIVATE LABEL BRANDS AND NATIONAL BRANDS ON THE BASIS OF INCOME. THIS PROVES OUT HYPOTHESIS CORRECT
7.4. CONSUMER PERCEPTION ON EDUCATION

H2c: There is no difference in the perception of consumers regarding private label brands and national brands on the basis of education.

PRIVATE LABEL BRANDS

- The three groups agree that private label brands are low priced as compared to national brands. Statistically significant difference in perceptions of three groups.
- They are considered cheap and trendy.
- Statistically significant difference in perceptions of three groups in terms of quality of private label brands. They are perceived to have acceptable quality.
- Respondents perceive private label brands as of average variety as compared to national brands
- In terms of innovation too respondents perceive private label brands as almost similar to national brands.
- No statistically significant difference in terms of complaint handling.
- Significant difference in terms of exchange facilities. Respondents perceive private label brands have better exchange facilities than national brands.
- Does not stand for high status.

NATIONAL BRANDS

- Three groups agree that national brands are highly priced as compared to private label brands.
- National brands don’t give value for money. National brands are not cheap and trendy.
• National brands stand for high status.
• National brands stand for high quality.
• Respondents are not willing to compromise on quality if the brand in case is national brand.
• National brands are less innovative as compared to private label brands.
• National brands offer average variety.

THUS WE CAN CONCLUDE THAT CONSUMER DOES NOT DIFFERENTIATE BETWEEN PRIVATE LABEL BRAND AND NATIONAL BRAND ON THE BASIS OF EDUCATION. THIS PROVES OUT HYPOTHESIS CORRECT

7.5. CONSUMER PERCEPTION BASED ON OCCUPATION

H2d: There is no difference in the perception of consumers regarding private label brands and national brands on the basis of occupation.

PRIVATE LABEL BRANDS
• Respondents in business category perceive private label brands as low priced alternative to national brands whereas not working respondent feels neutrally about it.
• Not working respondents do not see private label as cheap and trendy offering whereas working and business perceive them as cheap and trendy.
• Not working people perceive private label brands offering higher variety as compared to national brands. Working people believe they offer similar variety as of national brands and business group feels private label offers less variety as compared to national brands.
• Working and business group perceive that private labels have more innovative products than national brands.

• Not working respondents perceive status implication of private brands at par with national brands whereas working and business feel they don’t stand for high status.

• Not working and business groups feel complaints are better handled by private label as compared to national brands.

**NATIONAL BRANDS**

• The three groups perceive national brands to be highly priced as compared to private labels. They are not perceived as value for money. The difference is statistically significant.

• Not working and business respondents feel that national brands are high quality whereas working group feel the quality is at par with private labels.

• Business and working respondents feel national brands offer products which are equally innovative to private labels. Whereas not working respondents feel national brands offer more innovative products.

• Statistically significant difference in perception about exchange policy.

**THUS WE CAN CONCLUDE THAT CONSUMER DOES DIFFERENTIATE BETWEEN PRIVATE LABEL BRAND AND NATIONAL BRAND ON THE BASIS OF GENDER. THIS PROVES OUT HYPOTHESIS INCORRECT**
7.6. IMPLICATIONS

The findings of this study have implications for decision-makers in the apparel retail business. It is critical that profitable new product opportunities can be identified, by investigating the circumstances in which product categories will be beneficial to a store brand assortment.

The present study has provided some new insights into this matter. New store brand products have greatest potential in product categories associated with low risk. Research also point to the fact that retailers can take the lead in the further development of store brands. A major chunk of respondents were aware about private label brands and are buying some or the other private label brands in their clothing. Respondents are well aware about the price value equation of private label brands.

The present study confirms that developing, nourishing and sustaining a private label brands can create opportunities to achieve differentiation and positioning relative to other chains.

Retailers should therefore focus on aspects, such as store environment, merchandise quality, variety, latest fashions and trends and customer service. There is not much difference in area such as exchange policy and customer complaints. To differentiate themselves from national brand retailer should target delighting customer in above mentioned areas.

Stores need to focus their generic product offering to women buyers who have a tilt towards private label brands. New sub brands and product categories like accessories can be introduced keeping women folks in mind. The price value relationship can be enhanced (e.g. special offers on women’s day) to attract women.
Respondents who are not working (students’ housewives etc) had positive perception of private label brands. They gave thumbs up to private label brands. They feel private label brand has better variety as compared to national brands. Status orientation of private label brands was positive in their case. They are the group who wants fashionable and trendy products at low prices. They also feel that complaints are better handled by private label brands. Stores should focus on this group and make special offers for them.

**7.7. AREAS FOR FUTURE RESEARCH**

This is an exploratory study which only scratched the surface of private label branding in the retail apparel sector. A number of pivotal issues did however come to the front which was not explicitly covered in this study. These are listed below for possible further research projects.

- The manufacturer-retailer relationship important to effective private label brand growth. Due to a very limited number of major suppliers, retailers have limited bargaining power in persuading such manufacturers to supply content for their private label brands. Hence, this interaction should be further investigated in an attempt to uncover means through which both sets of parties can achieve a symbiotic relationship in the long term.

- The new emerging middle class, who seemingly have exponential spending power, may present a future lucrative market for private label brands. Therefore, investigations into this rapidly growing market segment may reveal insightful and beneficial findings in order for
retailers to effectively position and differentiate their private label brands.

- The effectiveness of in-store promotions could be probed to determine how brand conversions may be achieved at the point of sale.