CHAPTER II

REVIEW OF LITERATURE
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2.1. Introduction

Review of literature paves the way for a clear understanding of the areas of research already undertaken and throws light on the potential areas which are yet to be covered. Keeping this in mind, an attempt has been made to make a brief survey of the work undertaken on the field of brand particularly private label brand field. This chapter deals with the review of literature concerned with the subject of this study. Many studies have been conducted. They highlight the private label brand various angle. The review of some of the important studies is presented below.

2.2. Review of Literature

Ales Kuhar and Tanja Tic (2008) studied Attitude towards private labels example of a consumers’ sensory evaluation of food in Slovenia. Consumers’ sensory test of sour gherkins was conducted in two experimental conditions where the effect of brand information on hedonic judgment was examined. The difference between private label and producer label products was especially scrutinized. Results show that consumer’s in Slovenia perceive private labels as a lower price alternative of comparable quality to producer brands. Disposable income and family size proved to have a significant effect on propensity to buy private label food. The study confirms that the information about brand significantly affects consumers’ sensory judgment.
The effect of assimilation has been confirmed also in the case of private label. This study concludes as consumers’ sensory judgment is therefore influenced by past experiences, familiarity, advertising etc. and preference is therefore influenced by more than the taste of food itself.

When comparing the impact of experimental condition with respect to the type of brand, they observed the effect of assimilation also in the case of private label products which might be explained by responses from the attitudinal questions and actual market conditions in Slovenia. It has been noticed that consumer’s have a set of expectation related to a certain private label which is furthermore influenced by the perceived image of the retailer. In case where the retailer has a reputation on offering private labels produced by domestic leading manufacturers assimilation revealed has been positive. Opposite was discovered in the case of an international retailer where the assimilation has been negative, however not significant. It might be therefore inferred that consumers’ when making sensory evaluation are influenced similarly by the private label and producer label e.g. there is no difference regarding the type of label.

Consumers’ do not perceive private labels as a “second class” label also in the case when the segment is non-diversified and only first generation private labels exist. Slovenian private label shoppers might be identified as a price-cautious but quality-sensitive. This highlights the necessity of permanent low price strategy for private label food and preventing differentiation from the producer brands in respect of perceived quality. On the other hand the food
enterprises should strengthen the extrinsic cues of their products. Potentials for competitive advantage for producer brands therefore relies on superior quality and highly differentiated images via advertising, effective and continuous product innovation and creative design.

A study by Christina Boutsouki, Yorgos Zotos and Zafeiria Masouti (2008) was aimed to identify the consumers’ behaviour towards private labels and to identify the important factors that lead to prefer the private labels. For this purpose the researcher used to collect data from 518 respondents who were selected randomly through a structured questionnaire consisted of four modules. The study found that most of the people are extremely satisfied hence they preferred to buy the canned food. Further the study added that majority of the people are influenced in their decision-making by the products low price, the good quality, the location/presentation on the shelf, the retailers’ name and finally packaging. The satisfaction is linked to low price, high level of education and limited time of groceries. This study suggests that the primary requirement for private label improvement regardless of the product category is quality followed by price, variety and packaging.

Justin Beneke (2010) explored customers’ perceptions of fast-moving private label brands in the South African grocery food sector. Flourishing arrangement of these brands has been attained internationally, most remarkably in urbanized markets. Nevertheless, in a South African circumstance this does not emerge to be the case. Research has been assumed in order to better appreciating the current position these brands engage in the minds of South
African consumers’. The information gained through this research should preferably assist the process of progressing private label brand research in an academic framework and improving brand positioning, rising market share and optimizing profit extorted from private label brands in a managerial circumstance. South African consumers’ are uncertain to embrace private label brands.

There appears to be skepticism nearby the quality of the whole spectrum of such brands, with important heterogeneity between exact private label brands. South African retailers have taken unreliable stances based on positioning their private label brands, which can mainly be sorted out into two divergent approaches. Firstly, private label brands can be positioned as finest quality products with price stage variety from slightly below to above prices of category-leading producer brands. And on other hand the retailers can position their private label brands based on wholesome value for money. This associates to average quality foodstuffs at extremely reasonable prices. Private label brand message policies have effectively reached a great amount of the South African market.

Abhishek (2011) considered the private label brands focusing on the choice of private labeled brands by using the simple demographic variables that extended to work on attitudinal and behavioural aspects of the customers. In addition, these studies have not attempted to integrate the demographic and psychographic variables to attain the explanatory control. Further this paper also describes the operationalisation of these variables with the integrated
models in present Indian retail scenario and also the limitations are briefed out. This model makes the most comprehensive and lacks in the inclusion of various environmental variables. This study is fixed to the particular category of product but not to all other related product categories. The loyalty programmes are to be initiated to the individuals to make the regular purchases. By the analysis it can be concluded that the private label brand and the domestic brands are independent of one another and in real it is not the same, one can resort to nested logic.

In a study Diallo Mbaye-Fall (2011) examined the perception of private label brand image among the three different nationality consumers’ groups; in this study the researcher stated that the market share for store brands across different food categories have increased in all Western countries within the last decade. In an increasingly competitive retail market, retailers have turned to focus on their brand image in an attempt to further differentiate themselves from competitors and create a distinctive retail offer, through manipulation of tangible and intangible assets. This article seeks to investigate Private Label Brands (PLB) image perceptions by consumers’ living in a multi-cultural context. Based on the case of Carrefour, the French leading retailer, two focus groups and a consumers’ survey including three different nationality consumers’ groups living in France were used to see how PLB products are perceived. The results of Means and Kruskal-Wallis Test procedures show that there are more similarities than differences in PLB image perceptions between three consumers’ groups and
indicate also that PLBs are increasingly well perceived by consumers’. This study suggests that PLBs are becoming more strategic for retailers in the sense that similarities of PLB image perceptions allow to standardize the retail offer in a multi-cultural context.

Hariprakash (2011) explained the fundamental transformation captivating position in the Indian retail Industry. Strong elementary financial expansion, population extension, the rising possessions of individuals and the quick creation of organized retail infrastructure are the factors causal for such changes. Indian retail Industry is the intensification of Private Brands in the organized retail. This paper converses the Private Brands in Indian Retail Industry. It mostly focuses on the significance of private labels to a retailer, well known private brands in Indian retail Industry, the growth possible of private brands, and recital of private brands. They started with retailers want to proffer cheaper substitutes products.

The researcher mentioned that during the study time, private labels are less than 5 per cent of the retail trade. But Indian retail is enormously attractive for patron, will continue to rise in the other countries. Monitoring the tendency in the growth of private labels, the private labels provides the strong contest to the domestic brands and retailer entrust to the quality of the private label and adds assessment to the product. The customers required to discover a difference in buying a private label rather than buying a domestic brand. The retailer focuses on short-term benefits and to attract only by the price distinction of the
private label then the brand will not endure for long run against a nicely established domestic brand.

**May Chen Yap et al., (2011)**, investigated consumers’ perceptions on perceived price, perceived quality, confidence, social influence, and brand image towards international supermarket private brand products. Using Multiple Regressions, they found all factors significantly influence consumers’ purchase intention and price is the key factor that triggers purchase. They conclude as that these factors would provide international supermarkets to cater for local consumers demand. Further they added in the conclusion part of their study that in the competitive industry, international supermarket providers should consider these factors to products innovation to capitalize market share as this effort may determine their sustainability. To differentiate private brand products with national brand products, pricing and product quality play an important role in achieving this objective. Consumers’ tend to look for products that meet their end needs, with fairer price and better quality. This suggests that good quality shall not be compromised with high cost. Good quality to consumer point of view is fairer and cheaper price. Confidence will be another issue for the company to take note. This is because customers are always looking for something trustable and hassle-free. Stronger influence of social and brand image lead to higher purchase intention based on this study. The international supermarket providers should continuously enhance and build respectable reputation image
in order to sustain the market share. Simply this study has successfully ranked the order of importance the predictors to private brand purchase.

Jose G. Vargas-Hernandez and Mohammad Reza Noruzi (2011) studied different perspectives on private labels. In this paper they mentioned that as over the years, private label of products or items have always been considered attractive to the consumers for having cheaper price than the similar manufacturing labels. Further, they add, there are some doubts about the quality of products privately labeled. In this paper the researchers conclude that acquiring a store label is commonly considered a bad purchase and it can be noted that regardless of the economical differences between countries, the perceptions of Private Labels vs. National Labels have the same tendency, and this has been demonstrated by comparing the background research against the results of the study.

So based on results it can conclude that whenever a consumers’ has a positive post-purchase feeling the level of concern around the price and quality decreases because the satisfaction level has created also a level of trust which makes the consumers’ feel that they are getting something reliable. Economical crisis on the country would also be another factor that might change tendencies and perceptions around the Private Labels against the National Labels considering that there is always a difference on the price and depending on the consumers’ economical situation they purchase either Private Labels or National Labels.
Krishna C.V. et al. (2012)\textsuperscript{9} stated that the Indian apparel retail is the second major group in organized retail after food and groceries segment and the boost of private label brands is elevated equally in food and groceries segment and in apparel segment. Numerous retailers are escalating the proportion of private label brands in their product range as the store brands will depart superior boundaries to the retailer.

The consumer’s prefer store brands profoundly because they save cash. This present paper is focused on the pilot study conducted to determine the consumers’ preferences towards private label branded apparels in India, which is an empirical study using conjoint analysis. The paper provides the findings to the pilot study carried out in Hyderabad and Secunderabad cities only. It assists to appreciate the consumers’ buying behaviour towards private label branded apparels.

Ramakrishnan (2012)\textsuperscript{10} aims to examine the Consumers’ Perception towards Private Label Brands in Big Bazaar, Coimbatore. This study is to know the likelihood of sensation when retailers initiate private brands. The research is to discover if trade preferences are made based on brand loyalty and to evaluate whether customers aggressively request for new brands to the old brands. Preponderance of the respondents relies on the quality, reliable and brand image is the foremost attribute that distinguishes private label brand with extra branded product.

Private labels are capable of placing themselves considerably in the minds of the customers and are ahead of recognition. Expansion in explicit
private label segments such as food and apparel segments are mounting at a faster pace. Whereas, the prospect of private labels is reliant on the retailer’s capability to conquer key in confront like adaptive supply chain performance, quality infrastructure, speed up enlargement in new categories, and distort in-between appearance private label and national brands. It was found that high quality, Cost/ price, truthful, huge assortment are the most manipulate factor, which constrain the customer to purchase the private label brand. Above stated factors should be considered while approaching with the future private brand. It also facilitates the retail stores to boost more and more sales.

In a study Ramakrishnan and Sudharani (2012) analyzed the Consumers’ Perception towards Private Label Brands in Big Bazaar, Coimbatore with the objective of understanding the possibility of success when retailers introduce private brands. The research is also aimed to explore if buying choices are made based on brand loyalty and to analyze whether customers actively seek for new brands or stick to the old brands. A detailed study is conducted from the views of customers.

The required data was collected by conducting a survey with a sample size of 150 (75 Fashion bazaar and 75 Food bazaar) from Coimbatore region using a structured questionnaire. The collected data was analyzed using statistical tools and the study reveals that most of the youngsters have good perception towards the private brands in fashion wear and munchies. The consumers have stated that they rely on the leading features like quality,
trustworthiness and brand image to differentiate between private label brand and branded products.

Shivakanth Shetty and Manoharan (2012) stated in an article that the private brands which were once treated as inferior, substandard and poor man’s products are now proving to be the new game changers in the vibrant Indian retail sector, threatening to pose an existential threat to the various national brands. By adopting value pricing, better quality through up-scaling, high safety standards, customized packaging, differentiation, and leveraging the brand equity of the retailers, they have significantly grown over the last decade across the world in general, and particularly in India.

This sudden surge of private brands in India has necessitated a new strategy paradigm for the national brands which are increasingly facing a tough situation of eroding market share, dwindling profits and increased hostility with the retailers, who were once their loyal customers. This new strategic reality facing the national brand manufacturers is to find answers to pertinent questions like: Should they fight the expansion of private labels aggressively or adopt a defensive position? Should they risk the symbiotic relationship with retailers by taking aggressive measures against the private labels? and should they partner with the big retailers and cash in on the market opportunity, or resort to discounting to stem the decline in market share? Hence this study intended to probe the emergence and surge of private brands in India, the reasons for their astounding success in India, and recommend strategies for the
national brands to stem the onslaught of private brands in the vibrant Indian retail sector.

**Shubham Goswami (2012)** explained that private labels are obtainable by an explicit store, it is confront for the vendor to make the finest marketing mix. The boost in market share of private label brands has been recognized to increase of organized retail. The paper focuses on an involvement between the variables such as quality, number of group, store name as private label name, pioneering private labels promotions and price discrepancy between domestic brand and private label.

This paper also examines the involvement of private labels in terms of total sales and the enlargement rate in major sectors. Private labels are gradually becoming the central character in the large Indian trade growth story. Taking prompt from the West, Indian vendors also agitate out newer customs to boost their profit margins. With Indian customers increasingly accepting these private label brands, they would soon be most important providers to the profits of Indian retailers. The prospect of private labels is reliant on the retailers’ capacity to overcome input challenges such as adaptive supply chain perform, quality infrastructure, co-operation, hybrid marketing direct, talented professionals, speed up enlargement in new categories, haziness dividing lines between private label and domestic brand.

**Siti Nurafifah Jaafar, Pan Ein Lalp and Mohaini Mohamed (2012)**, examined the factors influencing consumers’ intention to purchase private label food products in Malaysia. They examined extrinsic factors
which include ‘perceived price’, ‘packaging’, ‘advertisement’ and ‘store image’; intrinsic factors (i.e. ‘perceived quality’, ‘perceived risk’ and ‘perceived value’) and consumers’ attitudes (in terms of trust, familiarity and perceived economic situation). All responses were collected by using a questionnaire through convenience sampling. The data was analyzed to obtain descriptive statistics, comparing mean analysis (i.e. independent t-test and ANOVA) and other analyses (i.e. Correlation analysis and multiple linear regression).

The study shows that ‘perceived value’ becomes prominent in consumers’ purchasing of private label brand food products, followed by other factors. Almost all independent variables are associated with purchase intention towards private label brand food products. The most significant factors that influence consumers’ purchase intention towards private label food products are ‘consumers’ attitude’ and ‘perceived price’. Consumers’ past purchasing experience with the private label food products also influences their perception towards price, packaging, store image and trust of those products.

Further they mentioned that retailers are anticipated to better understand the factors influencing the purchase and re-purchase intention of private label food products which could better improve the standard of private label food products in the local market.

Varatharaj et al. (2012)\textsuperscript{15} studied the perception and consumers’ behaviour towards private labels at retail outlets in Chennai city. In this study
they stated that Private Labels are product brands that are owned by the retailer instead of entity that produces the product. Private Labels are getting retailers attention due to higher profit margin on such products, compared with branded alternatives. The Pantaloon Retail (India) Ltd is India’s leading retailer that operates multiple retail formats in both the value and lifestyle segment.

It operates a nationwide chain of stores that include Big Bazaar, Food Bazaar, Pantaloons, Central, Home Town, eZone, Depot, Loot Mart, Brand Factory, Urbana, Indigo Nation, One Mobile, Staples, Lee Cooper Sports Bar, Copper Chimney and F123. Big Bazaar offers a wide range of products which range from apparels, food, farm products, furniture, child care, toys, etc of various brands like Levis, Allen Solly, Pepsi, Coca-Cola, HUL, ITC, P&G, LG, Samsung, Nokia, HP along with a number of Private Labels like DJ & C, Tasty Treat and Clean Mate. This research is mainly focused to find out the market potential and Preference of Private Labels of Big bazaar among consumers’ in Chennai city.

This study will help Big Bazaar to identify the buyers’ behaviour and to design their marketing strategy accordingly and also it gives an improved service quality in future scenario. The study shows that customers of Big Bazaar store are satisfied towards the quality and price of Private Labels. The analysis is performed using Chi-square and weighted average analysis to draw meaningful inferences and conclusions.

Deepali Gala et al. (2013) discuss the concept of private labeling as it is not a new concept in India and its markets. The origin of private label can be
traced from the ancient days, where goods and products of private labels are sold along with the national brands. To boost productivity and improve customer loyalty, numerous retailers have turned to private label products. Private label products are extremely attractive to retailers because these products can enhance gross margins. Retailers have documented that profit margins on PLB products can be decided by them which considerably affected branded products.

This study is based on marketing strategies accepted by the retail outlets to boost the sale of private label products. The study is based on the beliefs of customers; the retailers have been observed to deflect the customers from national brands to private label products. The study on the consumers’ attitude towards private label and national brand has given a wider outlook of their actions towards diverse retail outlets and Kirana stores available. The study has demonstrated that the customers see private label as a local product which is not measured as the national brand. This also helps to recognize the causes behind getting involved towards private label. The study has revealed that respondents favour both national and private label. The observation of customers towards any buy is dependent on the price of the product, after which the quality and accessibility of the product. These uninspired products demonstrate an improved means for customers to convince their fondness towards branded products.

In a study **Siohong Tih and Kean Heng Lee (2013)** examined consumers’ perceptions of retail store brands and identified the predictors of
purchase intentions for the store brands. To examine the proposed research model, the researchers use two independent samples. The first sample consists of 120 responses collected via mall intercept at a famous hypermarket retail chain store, and the second sample consists of 120 responses collected using the mall intercept method at a supermarket chain store in Klang Valley, Malaysia. Multiple regressions are used to test the hypotheses.

They find there are mixed results in relation to the tested relationships. Perceived value for the money, perceived quality variance, perceived price and perceived risk have a significant impact on consumers’ purchase intention for the store brand in the hypermarket sample. However, analysis using the supermarket sample indicated that only perceived quality variance has a significant impact on consumers’ purchase intention for the store brand.

Joshua Selvakumar et al. (2013) portrayed the numerous international, national and regional companies which vie with each other to tap the market among them; retail is one of the most active, speed-imminent sectors in India. Enlargement of organized retail sequence in India has also led to an increase of Private Labels. They construct a stage for store reliability and amplify footfalls. This research focuses on the factors affecting the trade growth of private labels and also formative and contrast customer’s attitude towards National brand and Private Label with dissimilar aspect.

The preferred sample of demographic outline of respondents is considered for both the Private Label brand and national brand. The methodology planned to attain the data of three categories of private labels,
specifically food and non-food FMCG, Apparel and consumers’ durables. This study inspects how customers in Coimbatore city distinguish private label brands in contrast to national brands with reference to 5 attribute aspects. The result of the study can be helpful to retailers in devising strategies to make foodstuffs other than the national branded ones suitable in the market. Private labels are a fairly pretty suggestion as they craft a win-win situation for both the customer and vendor.

They offer lesser prices and superior margins; Quality is similar to that of national brands. Vendors should be careful about not to exaggerate this, particularly in a region where the community is new to the design of private brands and share much stronger connection with the age-old marketed products. Customer wants the product of fine quality at lesser price. A make a private label product successful the retailers have to track a ‘lesser price-advanced quality’ strategy. Customers accept the private label brands beyond the developed brands; now the customers are more quality-oriented and service-oriented.

Prasanth M. K et al. (2013) focused on the private labels that are well-liked among shoppers of contemporary trade channel. The stock up brands is used to contend with the domestic brands. The domestic brands were advanced to private brands at the preliminary stages. The circumstances have distorted over era of time and the private labels are evenly capable to contend with domestic brands. The retail chains or the channels promote the store brands as it yields more group productivity and other related benefits. The
study briefs that the private label utilization in Grocery and FMCG are entirely
different. The profession and spending are strongly related. In the case of
business class people and professionals their expenditure is more at the retail
outlet which contrasts with others.

The private label favourite in Grocery is additional to FMCG. It is
because the consumers’ are more brand-cognizant in FMCG than Grocery. In
FMCG, more inclination for private labels is shown in Home Care than
Processed Food. In the organized retail sector, the purchaser spends more time
in acquiring Home Care and Processed Food. The spending depends on a
number of factors like demographic, geographic and much more. This study is
helpful for organized retail players in Kerala to plan the shoppers. Based on
this research and mapping, one can formulate the unique strategies to attract
more customers in the region where private label is much weaker than the
FMCG.

Prasanth M. K et al. (2013) store brands, is also known as private
labels, and is varying the prospect of contemporary buy and sell outlets in
India. In progress on a short input outline, like lesser price, lesser quality and
incomplete association, the store brands have gone an extensive mode in
ascertain its testimonial. The store brands are in equivalence with the national/
domestic brands at lowest in chosen order in India in terms of quality and price.
The private labels have more than 50% market share in various branches of the
urbanized world. The private labels are thriving at private care, residence care,
processed food, groceries and consumers’ durables and so on. The age set has a
momentous crash on consumption outline of private labels in Kerala. The instructive ability of buyers is a further significant factor, which influences consumption model of private label.

In a study **Sarah Nyengerai et al. (2013)** examined the determinants of perception towards private label brand in Zimbabwe. The survey was conducted in Harare, Bulawayo and Bindura to quantify the effect of selected variables on private label brand perception. The following variables were tested; familiarity, store image perception, selected demographic factors (age and income) and consumers’ characteristics (intolerance of ambiguity, price consciousness, the level at which an individual believes brand names reflect product quality and social status).

Data was analyzed using stepwise multiple linear regression. The factors that were found to have a significant and positive effect on private label brand perception were familiarity (p<0.01) and store image perception (p<0.05). The authors concluded that there is scope to increase growth of the private label brand market share in the grocery sector of Zimbabwe. The authors recommended that retailers should embark on marketing strategies that focus on increasing the familiarity of private label brands. Recommendations were also made for retailers to focus on the improvement of store appearance and environment as this affects private label brand perception.

**Sathya (2013)** stated in a paper that the retail sector in India was worth $280 billion As per the BMI India Retail Report, for the third quarter of 2010, the total retail sales will grow from US$ 353 billion in 2010 to US$ 543.2
billion by 2014. With the expanding middle and upper-class consumers’ and increase in disposable income, the scope of organized retailing is widening in India. Store brands have also started capturing the market share from national brands. Almost every retailer is coming out with their own brands, trying to increase the number and the categories of private brands as their efforts are paying off. The fight between national brands and private labels is getting tougher and interesting. This paper is focused on integrating effect of consumers’ perception factors towards the private label food and grocery items and to analyze the attitude and perception associated with the purchase of Private Label Brand with special focus on retail outlets in Chennai region.

This paper aims to uncover current consumers’ perception and attitudes towards private label brands in the grocery and food sector. In doing so, the researcher will ascertain the impact of various demographic factors (with particular reference to gender and income) on consumption of private label brands. Furthermore, it aims to shed lights on the effect that pricing, accessibility packaging, retail communications, shelf positioning and in-store promotions have on shopping behaviour with reference to purchasing of private label brands. The data are collected using a self-administered questionnaire through mall intercept interview.

A non-probability, convenience sampling technique was used to administer consumers’ survey. The focal product was the food and grocery products sold at retail stores. A key limitation of this study is the sampling
frame. Future studies should replicate this study in different contexts and with different target population. The knowledge gained through this research should ideally facilitate the process of advancing private label brand research in an academic context and improving brand positioning, increasing market share and optimizing profit extracted from private label brands in a managerial context.

In a theoretical, study Irfan Mumtaz (2014)\textsuperscript{23} stated that most of the buyers believe that the products provided by the retailers under the retailer’s brand are fresh products, and they also believe that there is no old stock is available. This is the main reason for buying the retailer’s brand. The buyers prefer the proximity / close to premises (most near place) to buy the retailer’s brand and the retailers provide free home delivery of the products. Buyers also verify that if they want to purchase any sort of products that should be available under one roof because, buyers of one stop - shopping. Buyers are interested in buying the good quality products. They believe that the retailers’ brands provide the good quality products. They also confirmed that the buying retailers brand is pure and hygienic and they can check the products in their desired manner. Most of the buyers are fully satisfied with the retailers’ brand and show the loyalty towards the retailers’ brand.

In an unpublished thesis Thu Ha, Nguyen and Ayda Gizaw (2014)\textsuperscript{24} Identified and analyzed the factors that influence consumers’ purchasing decision of private label food products. They adopted case study method In this case study, both secondary data and primary data were utilized. Secondary data
was obtained from relevant literatures, online journals, articles, blogs, and other electronic sources. The primary data was collected by the combination of quantitative and qualitative approaches. Qualitative data was carried out through interviews with store manager of ICA Skrapan, Vasteras and with ICA PLB manager; quantitative data were collected through online survey, designed on the platform provided by the commercial website surveymonkey.com. This study concludes that the research identified five factors that influence consumers’ purchase decision of low-price private label brands i.e. brand related activities (advertisement & word of mouth), perception, attitude, purchase intention and demographic factors.

The study proved that brand and brand-related factors are not significant factors that influence purchase intention. However, for food products, price-quality relationship is the most important factor. If consumers’ perception of quality and price match their expectation, they will be satisfied and they perceive high value for the products. However if the consumers’ are dissatisfied with the product, they perceive risk and that has negative impact on their purchase decision. The study also showed that women buy more low-price private label compared to men and those who have low income also buy more low-price private label compared to those with higher incomes. Further the result showed a positive attitude towards the ICA brand that have a positive influence on buying of the PLB.

In an article Raja and Saiful Ali (2014) express as that the retailing occupies a pre-eminent position in all economies. Retailing includes all those
activities that involve the sale of goods and services to ultimate consumers’ for personal, family and household use. Changes in Indian retailing have been constant but the pace of development is fast over the past few years. One such change is the emergence of private labels on the shelves of retailers which becomes the integral part of retailing. Further they mentioned that private label products or services are typically those manufactured or provided by one company for offer under another company’s brand. Private label goods and services are available in a wide range of industries from food to cosmetics to web-hosting.

They are often positioned as lower cost alternatives to regional, national or international brands, although recently some private label brands have been positioned as “premium” brands to compete with existing “name” brands. Organized retail is a big revolution to Indian economy, which not only contributes to national brands and but also to private label brands. In this paper they highlighted the factors which influenced the customers’ perception towards private labels and analyzed the customers’ expectation towards private labels using Big Bazaar as a platform and provided suggestions to promote private labels in Big Bazaar, Chennai.

This study found that the factors about PLB and economical benefits associated with PLB are key factors influencing the consumers’ to purchase decision, and further they found that nearly one-third of consumers’ perceive that quality and price are quite satisfactory. The researcher concludes with a
suggestion that retailers should continue to expand the domain of private label offerings.

In a study **Chirag B Rathod and Nishithkumar H Bhatt (2014)** stated that the highly competitive environment in India, with the advantage of organized retail growth, has produced the need for loyal consumers’ for each store. In order to be competitive, the retailers must identify the determinants of customer loyalty and the perceived importance of such determinants to the consumers’. The organized retail chains are involved in qualitative store brand promotion in all categories of products through their multi-chain outlets and innovative format strategies. This study investigated the perceived importance of consumers’ loyalty with reference to apparel shopping. It further investigated the determinants of loyalty in the organized apparel retail store context.

A sample of 220 apparel shoppers was surveyed using a self-administered questionnaire. To test the importance of determinants of loyalty, the binary logit model was used. The findings contribute to framework development and organizing strategy for apparel stores.

**Sunita Kumar and Mohith Kothari (2015)** studied consumers’ perception regarding private label branding in India. This study found that majority of the consumers’ are considering brand as an important element in their choice of decision while purchasing. It is very important that sellers should capitalize on the type of brand that they are offering to the consumers’. Both private labels and national brands have their own advantages and
disadvantages over each other mainly in terms of pricing and quality factors. But the main motive the consumers’ are looking forward is to buy a product which would effectively satisfy their wants and needs. If they find a product which would satisfy their needs effectively, they would buy it irrespective of whether it is a private label or a national brand. Even the price of the product may not be a major factor in such a case. The study is mainly carried out to check the preference of the customers over the usage of private labels and national branded products to satisfy their needs and requirements.

The study tries to differentiate between private labels and national brands. It checks the customers’ preference between private labels and national brands. There is preference towards PLB although strong preference cannot be derived. The one-way ANOVA analysis of consumers’ preference on the income level of the consumers’ infers that consumers’ preference over PLB is not dependent on the income level of the consumers’. The consumers’ is dependent on tools like word of mouth, advertisement, and promotions on the purchase of PLBs although strong preference cannot be derived.

In a study Udhaya Selvaraj (2015)28 mentioned that the retail is an ever-growing and ever-changing sector worldwide. The mounting competition among retailers to increase customer footfall empowers the buyers to have varied choices of products to pick. Since the retailers have realized this fact they create a ‘private label’ as marketing strategy to stand by in the struggle for survival. Further this paper enumerates that a private label brand is a brand owned, merchandised and sold by retailers themselves that carries the retailer’s
name and is exclusive to a retailer, but is produced by another company. In this study the researcher examined the factors influencing customers to purchase private labels and how they perceive those brands using data collected from various retail outlets in Coimbatore city. From this study it is found that majority of the consumers’ are aware of the store brands through friends and relatives and they are satisfied with private label products availability. Further the study adds that the consumers’ perceive store brands as low price substitute to national brands and majority of them complained about the private label is complained about defective packaging and expired goods.

In a study Richardson et al. (1996)²⁹, studied the consumer characteristics that lead to purchase of private label brands: demographic factors like income, family size, age and education; individual consumer characteristics like reliance on extrinsic cues and tolerance of ambiguity in the products; and finally consumers’ perception of particular product categories, which includes the customers’ knowledge of product category.

Batra and Sinha (2000)³⁰ studied the role of ‘search’ and ‘experience’ attributes in creating the risk perception in a particular product category. The hedonic attributes like taste, aroma, color and texture come under ‘experience’ qualities of a product whereas; ‘search’ qualities are the qualities of a product that can be verified by direct inspection before purchase.

Narasimhan and Wilcox (1998)³¹ postulated that consumers prefer national brands to private label brands when the level of perceived risk in
buying the private label brand in that category is high. One of the determinants of risk is the degree of inconvenience in making a mistake.

**Erdem and Swait (1998)** argued that in the categories of product where ‘experience’ qualities are predominant, the brand equity reduces the perceived risk associated with the purchase.

**Corstjens and Lal (2000)** divided retail consumers into two segments. First is represented by ‘quality’ segment, where the customers are greatly benefitted from the perceived quality, and the second segment is the low price segment. They proposed that by projecting store brand in the quality-conscious segment, a retailer can avoid brand switching by consumers.

**Bellizzi et al. (1981)** initially studied the perception of quality of private label brands and compared it with the perception of national brands, private label brands, and generic brands. The result showed that the private label brands were consistently rated lower than the national brands in the functions related to quality, appearance and attractiveness. On similar lines, Omar (1994) did a blind test on ‘taste’ quality and found that the consumers did not perceive any difference among the private label and national brands, but revealed that ‘taste’ test indicated a superior rating to national brands.

**Ailawadi and Harlam (2004)** found that medium users of private labels contribute more than light users or non-users of private labels to retailer
sales and profit, but heavy private label users contribute less than medium users. Though there is a well-established importance on store loyalty-private label purchase relationship, empirical evidence is very limited and is more focused on perceptual measures and bivariate correlation pattern.

In a study by Tulay Girard et al. (2017)\textsuperscript{37} examines consumer-based brand equity of private-label branding and relative significance of its dimensions in creating a strong private-label brand. Based on brand equity theory and private-label branding research, a survey instrument was developed, scale measures were pretested, and the final purified survey was administered online to Wal-Mart shoppers. The study found that awareness/familiarity and perceived quality are keys in reducing the perceived risk and increasing the perceived value of private-label brands in building brand equity. Also, perceived risk, perceived value, and brand loyalty for Wal-Mart have significant mediating roles in creating private-label (i.e., Great Value) brand equity.

In a study Djavlonbek Kadirov (2015)\textsuperscript{38} mentioned that private labels are consolidating their gains in national markets, a conventional recommendation to national brand manufacturers would most likely be to invest more in marketing in order to increase the perceived quality gap between national brands and private labels. It is assumed that the quality gap would boost consumer willingness to pay a price premium for national brands over private labels. Differing from this conventional approach, the current study focuses on the perceived authenticity gap between national brands and private
labels, to explore whether and how this factor influences the effect of marketing and manufacturing variables on willingness to pay. This relationship is relevant in milieus where consumers might take brand authenticity rather than quality perceptions to guide their brand evaluations. The current study finds that the perceived authenticity gap mediates the effect of only some particular conventional marketing tools on willingness to pay. The study suggests that national brand managers should take the presence of private labels in the national markets as an opportunity to exploit the dynamics of authenticity evaluations, rather than as a threat.

Anocha Aribarg (2014), stated in a study as In brand imitation lawsuits, the primary focus is on demonstrating harm as it relates to brand confusion. The authors’ premise is that such a narrow focus does not capture the complete impact of brand imitation. They offer a broader, theory-based perspective of harm by proposing that brand imitation affects both brand consideration and preference in the consumer choice process. The authors establish a formal nexus between brand consideration and the legal doctrine “initial interest confusion.” Using choice experiments and statistical modeling, they show that brand imitation harms the imitated brand even after controlling for brand confusion. Moreover, brand imitation harms not only the imitated brand but also other national brands in the category that are not being imitated. To quantify brand consideration and preference harm in financial terms, the authors propose two metrics: choice share shift and share-equalizing price cut. The results show that brand imitation harms the national brand more when the
imitating brand is not associated with a well-known retailer and that brand imitation harm extends beyond brand confusion.

**Sathiskumar and Balanaga (2016),** stated as there has been an immense change which has taken place in retail sector, and the shift from unorganized to organized retailing is growing. Private labels though in its nascent stage, have a very bright future. The trend of private label brands is fast catching up among the Indian retailers. In future, there is great scope for development for private labels as their share in India is only 6 per cent currently as compared to 19 per cent and 39 per cent in the US and UK, respectively. This research paper aims to highlight and analyse specifically the growth and prospects of private label brands in Indian retail industry.

**Rainer Olbrich, Hans Christian Jansen, and Benedikt Teller (2016)** stated as Consumers use test ratings to inform their buying decisions and enhance their well-being. This study considers whether and how poor test ratings might induce anti-consumption behaviors, out of fear of poor product performance. In contrast with previous research, the focus for this study is not intrinsic reasons for anti-consumption but rather actual purchasing, or non-purchasing, behavior. With panel data representing 30,000 households, the authors show that the market shares of national brands and private labels considerably decline after the publication of poor test ratings, suggesting high customer churn and anti-consumption behavior. The use of price promotions for national brands also declines, leading to increasing average paid prices. Among private labels, though, poor test ratings affect the use of price
promotions and paid prices only to a small extent. These findings in turn suggest implications for manufacturers, retailers, consumers, and scholars.

Rajneesh Mehra (2016) in a study mentioned that, organized retail industry in its present form is not very old and has a very small share in the overall retail market in India. Consequently the industry of private label branded products is evolving. Majority of the organized retail firms are still offering products under national and local brands. However, many of them are also offering a large range of products under their own private label brands. Most Indian customers in urban areas, however, exhibit intentions to buy products under national or local brands, irrespective of whether purchase is being made from an organized outlet or a stand-alone store.

This behaviour can be attributed to various reasons such as customer’s familiarity with national brands, lack of faith in private label brands, product availability, promotion of national brands, etc. Nevertheless, many existing stand-alone retail outlets have been selling many product categories under private label brands. The present study examines the effect of demographic factors of age and monthly household income on the proneness to buy private label brands of instant noodles and milk and milk products from the organized retail stores amongst customers in Chandigarh. It is an exploratory study based on data gathered using questionnaire. It has been concluded that the demographic factor of income does not create any positive impact on the proneness to buy private label brands of instant noodles and milk and milk products sold by the organized retail outlets. Age has been identified as the
factor that positively influences the proneness to buy private label brands of milk and milk products but not those of instant noodles.

2.3. Research Gap

The review of relevant literature has revealed that majority of the studies have been conducted on macro level only. There has been no study in the context of Coimbatore. Most of the studies have focused on the switching behaviour of the consumer from one national brand to another national brand. The literatures reveal that those who are aware of PLB food products, quality, and price of the PLB products, are specially purchasing the PLB products. The studies on consumer’s perception and attitude on PLB food products and purchase intention in the Indian context are limited as the PLB products has entered into the Coimbatore market only a few years only. The literatures so far reviewed relates to the studies conducted outside India especially in the western countries where the PLB products market is high. As taken the case of Coimbatore scenario where the PLB food product has just emerging into the market and already it has climbing the ladder. Though there are certain literature reviews by the context of Indian consumers.

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