CHAPTER – 6

SUMMARY OF FINDINGS, SUGGESTIONS
AND CONCLUSIONS

6.1 INTRODUCTION

The researcher after going through the results and interpretation, found out the existing consumers’ perception in Chennai Retail Sector towards Private Label Brands in Grocery / Food Items and statistically proved the needs and expectations, and agreement and disagreement towards Demographic variables, Consumer perceptual factors and Brand Personality.

The objective of the present study is to analyze the Perception of Consumers’ towards Private Label Brands in Grocery/ Food Retail Sector and to understand how the consumers’ have perceived the Private Label Brands. The result of the analysis were presented and discussed in the previous chapters. However the work done and its findings are summarized in the present chapters so as to draw specific inferences with their strategic applications.

The concept and methodology were formulated according to the objectives of the study with the help of a comprehensive review of previous studies. The data were collected from selected samples from the consumers’ of Retail Formats dealing with Private Label Brands. The sample size consisted of 800 Consumers’ which comprised of population of Chennai.
6.1.1 Descriptive Statistics

- With regard to Attitude towards PLBs, the respondents have stated they feel good on purchase of PLBs with the mean value 5.25, followed by love for PLBs having the mean value of 4.75 and the best buy are PLBs, of mean value 4.62 as the most significant factors contributing to their Attitude towards PLBs.

- With regard to Familiarity towards PLBs, the respondents have stated they are familiar with PLBs with the mean value 5.27, followed by well informed about PLBs having the mean value of 4.88 and that Know very well, of mean value 4.86 as the most significant factors contributing to their Familiarity towards PLBs.

- With regard to Purchase Intention towards PLBs, the respondents have stated they have strong Interest in PLBs with the mean value 4.93, followed by PLBs is very important to me having the mean value of 4.49 and PLBs Matters me lot, of mean value 4.45 as the most significant factors contributing to their Familiarity towards PLBs.

- With regard to Perception towards Economic Situation, the respondents have stated they purchase large quantity for want of discounts with the mean value 5.35, followed by looking for promotion and coupons on national brands having the mean value of 4.92 and purchase for current need, of mean value 4.87 as the most significant factors contributing to their perception towards Economic situation.

- With regard to Perception towards Benefits from PLBs, the respondents have stated they expect consistency in quality with the mean value 5.54, followed by looking for Nutritional ingredients with mean value of 5.31 and Sales promotions (like discounts and
offers), with mean value 4.85 as the most significant factors contributing to their Benefits from PLBs.

- With regard to Perception towards quality from PLBs, the respondents have stated they expect good taste in PLBs with the mean value 5.33, followed by looking for price quality ratio with mean value of 5.04 and Purity in item, of mean value 4.93 as the most significant factors contributing to their Quality perception towards PLBs.

- With regard to Perception towards Price Sensitivity, the respondents have stated Price matters for buying smaller things, with the mean value 5.08, followed by money can be saved by shopping around for bargains, with mean value 4.72 and Cheap price is important consideration, with mean value of 4.64 are the most significant factors contributing to their price sensitivity towards PLBs.

- With regard to Perception towards Risk, the respondents have stated PLBs may affect their social image with the mean value 4.58, followed by PLBs Cannot be trusted as good as other products with mean value of 4.46 and PLBs are Inferior to national brand in quality attributes, with mean value 4.39 are the most significant factors contributing to their perceived risk towards PLBs.

- With regard to Brand Sensitivity, the respondents have stated, on purchase they pay more Attention to brand with the mean value 5.38, followed by Brand tells about product’s quality with mean value of 5.24 and Brand name is very important, with mean value 5.14 are the most significant factors contributing to Brand Sensitivity.

- With regard to Brand Attributes, the respondents have stated, PLBs are economical to buy with the mean value 5.13, followed by PLBs items may be associated with luxury with mean value of 4.61 and PLBs are good for ones image, with mean value 4.60 are the most significant factors contributing to Brand Attributes.
With regard to Brand Loyalty, the respondents have stated they buy the same brand regularly with the mean value 5.27, followed by based on choice made to purchase a brand I continue to buy the same brand without considering other brands with mean value 4.87 and though different brands are available for the same product, I tend to buy the same brand, with mean value 4.82 are the most significant factors contributing to Brand Loyalty.

6.1.2 Inferential Analysis on samples

- There is significance difference between male and female with regard to PLBs are poor-quality products. Quality of a product can be assessed based on experience one derives on using the product and expectations of individual differ hence there is significant difference between male and female with regard to perception about quality of PLBs.

- There is no significant difference between male and female with respect to their attitude towards PLBs related to Feeling Good on purchase of PLB, Love PLBs available for categories I purchase, PLBs are the Best buy for most categories and PLB are preferred for considering Value for money.

- There is significant difference between male and female with regard to dimensions related to Perceived Economic Situation and they are, buying less of PLBs expecting price fall and Buying for meeting current needs only this dimension plays a vital role in purchase decision and the same dimension is supported by inference from other statistical tools.

- There is significant difference between male and female with regard to dimensions related to Perceived Benefits and they are, Nutritional ingredients is a must in PLBs and PLBs should have Long shelf-life.
There is significance difference between male and female with regard to dimensions relate to Perceived Quality and they are, Good taste of PLBs, Good price quality ratio and PLBs are items of purity which indicates that PLBs quality has improved in certain product categories but still consumers need to be provided with more information by way of both extrinsic and intrinsic cues to make sure that PLBs have quality equal or higher than national brands.

There is no significant difference between male and female with regard to Price Sensitivity variables and they are, Price matters for buying smaller things, cheap price is important, Shop around to save money by bargains and Shop offer lots of special.

There is significance difference between male and female with regard to Perceived Risk dimensions and they are, Purchase of PLBs is a mistake and PLBs are inferior to national brand in quality attributes which indicates that PLBs should be promoted in an effective way to bring change in attitude towards risk.

There is significance difference between male and female with regard to Brand Sensitivity dimensions and they are, brand name is very important, brand name gives trust in brand and purchase of PLBs is good deal the same factors gain support in factor analysis which reveals that brand name is an important variable in brand sensitivity dimension.

There is no significant difference between male and female with regard to dimensions related to Brand attributes and they are, PLBs are economical to buy, PLBs are associated with luxury and PLB are good for one’s image.

There is significance difference between male and female with regard to Loyalty dimension related to PLBs and it is, buying the same brand of one’s choice without considering other brands.
6.1.4 Analysis of Variance

- There is significant difference between Educational Qualification with respect to dimensions of attitude towards PLBs and it is, feeling good on purchase of PLBs. The consumers’ of different educational qualification have different attitude towards purchasing PLBs, the retailers can focus more on providing needed information to enable consumers’ to make purchase decision.

- There is significant difference between Educational Qualification with respect to dimensions of Purchase Intention and they are, PLBs are very important to me and PLBs matters me a lot.

- There is significant difference between Educational Qualification with respect to dimensions of perceived economic situation and they are, switch over to other brand on cost competition and purchase only to meet current need.

- There is no significant difference between Educational qualifications with respect to dimensions of perceived benefits and they are, Consistent quality is important, Nutritional ingredients a must, Sales promotions (like discounts/offers), Recyclable packaging and Long shelf-life.

- There is no significant difference between the age of the respondents with respect to dimensions related to attitude towards PLBs and they are, Feel good on purchasing PLB, Love PLBs available for categories I purchase, Best buy for most categories, PLB in general are poor-quality products and Considering Value for money PLB is preferred to national brands.

- There is no significant difference between the age of the respondents with respect to dimensions related to familiarity with PLBs and they are, Familiar with PLB Grocery / Food items, well informed about PLB Grocery / Food items and I know very well PLBs.
• There is no significant difference between the age of the respondents with respect to purchase Intention dimensions and they are, Strong interest in PLB Grocery / Food items, PLB Grocery / Food items is very important to me and PLB Grocery / Food items matters me a lot.

• There is significant difference between the age of respondents with respect to perceived economic situation dimension and it is buying less expecting fall in price.

• There is significant difference between income level of respondents with respect to dimensions related to attitude towards PLBs and they are, Feel good on purchasing PLB, Love PLBs available for categories I purchase, Best buy for most categories and PLB in general are poor-quality products.

• There is significant difference between income levels of respondents with respect to dimension related to familiarity towards PLBs and it is, For me PLB Grocery / Food items represents product category that I Know very well.

• There is no significant difference between income levels of respondents with respect to dimension related to familiarity towards PLBs and they are I consider myself familiar with PLBs and I am well informed about PLBs.

• There is significant difference between income levels of respondents with respect to dimension related to Purchase intention and it is strong interest in PLB Grocery / Food items.

• There is significant difference between income levels of respondents with respect to dimensions related to Perceived Economic situation and they are, Buy less expecting fall in price and Purchase to meet current needs only.
• There is significant difference between income levels of respondents with respect to dimensions related to perceived Benefits and they are Nutritional ingredients a must, Recyclable packaging and Long shelf-life.

• There is no significant difference between income levels of respondents with respect to dimensions related to Perceived Benefits and they are consistent quality is important consideration and sales promotion (like discounts/offers).

• There is significant difference between occupations of respondents with respect to Perceived Economic Situation dimensions and they are, Buy less expecting fall in price and Buy more expecting rise in price.

• There is no significant difference between occupations of respondents with respect to Perceived Economic Situation dimensions and they are, Large purchase advantage by way of discounts, look for more promotion and coupons on national brands, switch over to other brand on cost competition and purchase only to meet current needs.

• There is significant difference between occupations of respondents with respect to dimension related to perceived benefit and it is, Recyclable packaging.

6.1.4 Chi-square Analysis

➢ There is association between marital status and general shopping behavior related to the number of items purchased usually per shopping trip.

➢ There is association between marital status and purchase frequency of Food/ Grocery items purchased with regard to general shopping behavior.
- There is association between marital status and Purchase Pattern of PLB Food/ Grocery items.

- There is no association between marital status and frequently purchasing a particular Brand regarding buying pattern towards PLB Grocery/ Food items.

- There is association between marital status and Number of PLBs Purchased in their last five purchase shopping trip and this relates to how many times PLBs have been purchased.

- There is no association between marital status and Number of manufacturer brand items Purchased in their last five purchase shopping trip and this relates to how many times manufacturer brand have been purchased.

- There is no association between Type of family and Number of items purchased per shopping trip related to general shopping behavior.

- There is no association between Type of family and Number of Food and Grocery items purchased per shopping trip.

- There is association between Type of family and purchase of PLB Food and Grocery items related to buying pattern towards PLBs.

- There is no association between Type of family and frequently purchased Brand whether it is Private label brand or Manufacturer brand.

- There is no association between size of family and frequently purchased Brand whether it is Private label brand or Manufacturer Brand.

- There is no association between Type of family and Number of times PLB items have been purchased in the last five shopping trip.

- There is no association between Type of family and Number of times Manufacturer Brand items have been purchased in the last five shopping trip.
➢ There is association between Purchase Pattern of Grocery/Food items and Purchase of PLB Food/Grocery items.

➢ There is no association between Purchase Pattern of Grocery/ Food items and Frequently Purchased Brand.

➢ There is association between Purchase Pattern of Grocery / Food items and the Number of PLB Items Purchased in last five Shopping trip.

➢ There is no association between Purchase Pattern of Grocery / Food items and the Number of Manufacturer brand Items Purchased in last five Shopping trip.

➢ There is association between frequently purchased brand and the Purchase of PLB Food and Grocery Items.

➢ There is association between frequent Purchase of PLB Grocery and Food Items and the Number of PLB Items Purchased in last five Shopping trip.

➢ There is association between frequent Purchase of PLB Grocery and Food Items and the Number of Manufacture Brand Items Purchased in last five Shopping trip.

6.1.5 Multiple Regression Analysis

• PLBs Matters me lot had strongest significant effect on purchase intention with a standardized beta of .379. Strong Interest had a significant effect with a standardized beta of .301, Know well had a significant effect with a standardized beta of .113, Purchase of PLB is a mistake had significant effect with a standardized beta of .080 and Nutritional Ingredients had a significant effect with a standardized beta of .062. According to the computation, PLBs matters me a lot has a high positive T value showing that there is no negative relationship between Purchase Intention and Familiarity.
6.1.6. Friedman Rank Test

- There is significant difference between Mean Ranks towards Attributes of PLBs. Based on the Mean Rank Availability is the most important factor.
- There is significant difference between Mean Ranks towards Factors to be considered in selection of PLBs. Based on the Mean Rank Quality is the most important factor.
- There is significant difference between Mean Ranks towards Factors to prefer National Brand. Based on the Mean Rank Quality is the most important factor.
- There is significant difference between Mean Ranks towards Key Motivators in selecting PLBs. Based on the Mean Rank Discounts and offers is the most important factor.
- There is significant difference between Mean Ranks towards Effective Advertising Media used in stores. Based on the Mean Rank Television is the most important factor.

6.1.7 Factor Analysis

- There are several factors that contribute towards Perceptual Factors like Perceived Quality towards PLB Grocery/Food items, Perceived Risk towards PLB Grocery/Food items and Purchase Intention towards PLB Grocery/Food Items.
- There are several factors that contribute towards Market Factors like Perceived Economic Situation and Brand Sensitivity towards PLB Grocery/Food Items.
- There are several factors that contribute towards Consumer Characteristics like Price Sensitivity towards PLB Grocery/Food Items. Brand Loyalty towards PLB Grocery/Food Items and Brand Familiarity towards PLB Grocery/Food Items.
6.1.8 **Structural Equation Model**

- The standardized co-efficient reveals that among different variables that contribute to purchase intention of PLBs, the variables Product familiarity have highest co-efficient value of 0.596 which implies that retailers should focus more attention in making PLBs as familiar product, the other factor that contribute to purchase intention of PLBs is perceived economic situation with standard coefficient value of 0.436 which implies that PLBs are gaining attention due to the prevailing economic situation and it is the right time for retailers to formulate appropriate marketing strategy that will create positive attitude in the minds of consumers’ about PLBs. Perceived Quality is the third factor that ranks next in the standard coefficient with value of 0.356 which brings to light that quality is the main factor that contributes to purchase intention towards PLBs.

6.1.9 **Frequency Analysis**

- The below 20 yrs of age group of respondents represent the study group with 45(5.6%), the 20-39 years of age 434 (54.2%), the age 40-60 years of age 200 (25%) and the respondents above 60 years of age are 121(15.2%).
- The below Rs.15,000 Household Income group of respondents represent the study group with 224 (28%), the Rs.15000-30000 Household of Income is 355(44.4%), the Household of Income Rs.30001-45000 123(15.4), the Household of Income Rs.45001-60000 is 53(6.6%) and the Household of Income Above Rs.60000 is 45(5.6%).
- Out of 800 samples of respondents considered for this study, the male constitutes 381 (47.6%) and the females are 419 (52.4%).
- 94(11.8%) are Business people, 53 (6.6%) are servicing in Government, 310 (38.8%) are employed in Private Sector, 154 (19.2%) are Professionals, 105 (13.1%) are students and the Housewives constitute 84 (10.5%).
35 (4.4%) in under the category group I, Who have not completed their Schooling. Those up to Higher Education are 71 (8.8%) under the category group II. The Graduates are 400 (50%) are under the category group III. The Post-Graduates are 285 (35.6%) are under the category group IV and Others 09 (1.1%) are under group V.

452(56.5%), in category Group I, Who are married. Those who are single 348(43.5%) are under the category Group II.

210 (26.2%), in category Group I, in the Joint family. Respondents who live in Nuclear family 590 (73.8%).

There are 236 (29.5%), in category Group I, in the family size of 1 to 3. Respondents with family size of 4 to 6 are 499 (62.4%), in the family size of 7 to 9 are 055 (6.9%) and Respondents with family size of above 9 are 10 (1.2%). Since, the most of the respondents have their family size of 4 to 6, it can be inferred that they belong to nuclear family.

128 (16.0%), in category Group I, who purchase Grocery/Food Items from Discount Store. Respondents who purchase Grocery/Food Items from Departmental Store 256 (32%), Respondents who purchase Grocery/Food Items from Supermarket 336 (42%), Respondents who purchase Grocery/Food Items from Malls 40 (5%) and Respondents who purchase Grocery/Food Items from Other formats 32 (5%).

64 (8.0%), in category Group I, who purchase Staples under PLB Grocery/Food Items. Respondents who purchased Food Item under PLB Grocery/Food Items 160 (20%), Respondents who purchase Cooking Oil under PLB Grocery/Food Items 120 (15%), Respondents who purchase Milk related Items under PLB Grocery/Food Items 96 (12%), Respondents who purchase Spices under PLB Grocery/Food Items 160 (20%), Respondents who purchase Fresh Fruits/ Vegetables under PLB Grocery/ Food Items 184 (23%) and Respondents who purchase other items under PLB Grocery /Food Items 16 (2%).
6.2 SUGGESTIONS

The findings from the study has enabled the researcher to pave way for following recommendations and suggestion to the retail industry especially the retail outlets that are dealing with Private Label brands to understand clearly how the consumers have perceived different factors related to their buying decision process and this could enable retailers to formulate marketing strategies to make PLB a successful brand in the coming era.

- Among the demographic variables that influence decision to buy a particular brand, age factor contributes significantly. Consumers’ who belong to the category of older people who are budget constraint and are more price sensitive prefer to buy PLBs to meet current needs, hence it is the turn of retailers to price PLBs lower than NBs as price sensitive and value-conscious consumers are less loyal to NB and are likely to switch brands or buy PLBs in the current economic situation.

- Educational qualification and Gender differ with respect to PLBs poor-quality perception. At this juncture retailers can focus more on search characteristics which are easy to compare than experience characteristics because consumers may resist paying premium price for NBs in product categories with low-experience characteristics.

- PLBs can be offered at high-quality, this in turn can build exclusive – positive store image and can act as a tool to boost sales because PLB customers tend to be store loyal and PLBs boost sale and build good will (especially if price is subsidized and high quality).

- Retailers should take measures to reduce consumers’ doubts about PLBs value for money and this can be done by maintaining low quality variance within product category which in turn could reduce financial risk, by showing preference to buy PLBs than national brands.

- The purchase intention of PLBs can be influenced by retailers through devoting more space to high-quality PLBs. Other factors that can be considered to create purchase intention among consumers are
to increase popularity of PLBs in economic downturns as PLB consumers’ have attitude to spent less in product category.

- The managers of retail outlets should try to influence consumers by using effective advertising media which carries more information about the benefits they enjoy from PLBs in terms of price, packaging, and flavor, so that they could create positive attitude towards the product.

- Retail managers should instill confidence in their clients about PLBs and preserve level of quality as they sell PLBs under their own name, emphasizing selection and quality control process.

- Retailers are more efficient to sell their brands when economic situation are bad, when consumers are more specific about their economic situation, the more they appreciate the benefit from PLBs by way of low price of PLBs and this is possible for retailers as retailers have low marketing cost, spend less on R&D, product launch, selling and image building for PLBs, so perceived economic situation has direct effect of perceived benefits.

- Retailers need to emphasize on quality that matches or exceeds national brands and this can be accomplished through differentiating National brands, retailers should position high – (low) quality PLB closer to Strong (weaker) national brand in contrast when national brands are undifferentiated, retailer should position PLB away from National Brands.

- In food category, price and value consciousness contribute to predicting PB attitude and purchase intention, this suggest that PB purchase can be increased by lowering price and increasing value for money. Retailers can create economies of scope and signal commitment to its PLBs through varied PLB offerings.

- The retailers can gain market share easily because of low entry barrier and few national brands leads to less spending on advertising but when advertising is done complementary, it may increase expenditures for either or both national brands and PLBs and this leads to high transfer and consumer prices and expand market demand for both NBs and PLBS.
6.3 CONCLUSION

Private label brands have made tremendous inroad over the past two decades. Indian retailers continue to expand the domain of Private label offerings though the success of private label has been limited to segment of consumers and certain product categories. The findings generate relevant insights that are more directly applicable by marketing management. A key empirical finding is the insignificance of perceived economic situation and the relative importance of perceived quality, perceived benefits and perceived risk variation in PB purchase intention, familiarity and attitude towards PLB Grocery/Food items. Therefore, emphasizing the low price of Grocery/Food items along with comparable quality that matches or exceeds national brands may be effective. This may be accomplished through concentrating both on price and value consciousness as these are the major predictors of private brand attitude and purchase intention.

The first step in increasing PB purchase is to lower price and increase value for money simultaneously. This could create fierce competition between PB and NB because manufacturers sell products to consumers, while retailers sell a service to shoppers. Therefore, manufacturers rely heavily on traditional mass media, while retailers engage much more in experience marketing. That is why to retailers the branding of their private label products should be a means to an end.

The second step is building store loyalty by way of private label as private label is a part of the total store experience and helps to build the store brand. The resulting synergies in brand image will in turn help to drive the sales, brand equity and hence the gross margin of the product, retailer brands. For the purpose of a turnover as high as possible, these results lead to the implication for retail managers – especially for those of supermarkets and hypermarkets – of avoiding a delisting of national brands in the course of extending the number of listed private labels. Against this background, a “mixed assortment strategy” containing private labels as well as national brands seems to be preferable compared to a mainly “private-label-oriented-strategy” including primarily or solely private labels. Regarding management practice, it is to be noted in this context that the decision about which assortment strategy to pursue should additionally be made on the basis of contribution margins.

If all the suggestions given above are carried out by retailers, then retail sector will reach new heights in the near future with success of PLBs.