ABSTRACT

The brand name of a product has always been considered important in determining perception of brand quality and attitude towards the product. Branding has enabled producers to increase consumer awareness of the product, build consumer loyalty, and generate added value for product and companies. Private label brands (PLBs) are considered as important component of retail branding. Private label brands, also known as store brands, refer to those brands that are owned by, and sold through specific chain of stores. The private label (PL) revolution was first observed in Europe and Canada. Internationally, Private label brands have gained acceptance, in contrast India’s Private Label brand has only now started to gain attention among consumers. Despite strategic significance and acceptance of PLBs our understanding of Private Label Brand (PLB) in Indian market is limited. Contribution of PLB over retail sales depend upon various factors like Countries’ retail structure, national market, level of retail concentration, advertising rate by the manufacturer, economies of scale, scope and imagination of the retailers and also consumer characteristics.

The Indian retailers have now started to focus their attention on Private Labels(PLs) as they have become permanent feature of competitive retail landscape, majority of people now include PLBs in their shopping basket. During the process of seeing, buying and using PLBs, people develop brand association about them. Many of these associations relates to how brand performs in terms of meeting category needs. The key role of category needs is to act as cues to retrieve brand name or to evaluate appropriateness of brand once retrieved. Therefore each PLB compete in consumer memory with national brands and other PLBs. It is inevitable and of utmost necessity to understand how consumers’ have perceived PLBs. Therefore it has been stated that perception plays a vital role in decision making process and that understanding perception of consumers’ towards PLBs enable retailers to formulate effective marketing strategy that will lead to success of PLBs.
The study has kept some of the important objectives, which are perfectly suit to current research. They are: analyzing the emotional and rational values attached to Private Label Brands, finding consumer’s preference towards purchase of PLBs in various categories of Food and Grocery products, analyzing demand drivers in PLBs market by way of analyzing consumer’s buyer behavior, analyzing perception associated with consumer factors which are related with PLBs, analyzing consumer’s perception towards brand sensitivity and brand loyalty and to suggest alternative routes to Position PLBs ways and means to communicate the current route in more relevant and competitive and unique manner. In order to have systematic way of analyzing the data, the researcher has employed a research design called exploratory research design to examine the association between profile variables of the consumers’ and various perceptual factors.

Based on review of literature eleven consumer perception factors namely Attitude, Familiarity, Purchase Intention, Perceived Economic Situation, Perceived Benefits, Perceived Quality, Price Sensitivity, Perceived Risk, Brand Sensitivity, Brand Attributes and Brand Loyalty have been identified, Structured questionnaire have been designed to obtain the perception of consumers’ towards Private Label Brands. Retail outlets in Chennai have been chosen as the sample for the study.

Qualitative sample must be big enough to assure that we are likely to hear most or all of the perceptions that might be important. Within a target market, different customers may have diverse perceptions. Therefore, the smaller the sample size, the narrower the range of perceptions we may hear. On the positive side, the larger the sample size, the less likely it is that we would fail to discover a perception that we would have wanted to know. The researcher in this study endeavored to obtain a sample which was representative of supermarket shoppers in Chennai and the sample size chosen for this study is 800. Questionnaires were deployed using the self administered, mall intercept method at local shopping centers in Chennai. Primary data was used for the present study. Before undertaking the survey a pre-test was conducted .In light of the Pre-test the questionnaire was modified to improve data reliability and validity.
With respect to the data analysis, a master chart was prepared for entering the response of each respondent and small cross tables were made from the master chart for analysis. In order to examine the relationship between the consumers’ socio-economic background and their levels of agreement in respect of the predictor variables, the statistical tool such as “t” test, ANOVA, Chi-square, Friedman test, Multiple Regression Analysis, Factor Analysis and Structural Equation Model were employed. With the help of above stated tools, the results have been analyzed and suitable suggestions have been made to the retailers for ensuring success of Private Label Brands.

Some of the suggestions made to the retailers were: age factor contribute significantly towards consumer perception about Private Label Brands, the perception of consumers’ towards PLBs differ significantly based on the educational qualification of respondents. The current economic situation has made significant mark in perception towards PLBs, that consumers’ prefer brands which are cheap in price and that can provide value for money. Another important factor that needs to be focused by retailers is consumers’ perception towards risk factor associated with PLBs and this may be mainly related to PLB food products. Even though the retailers have started to pay more attention to PLBs, they should try to spend more on R&D and sales promotion activities which could increase store traffic and bring loyal customers to store as this could be required to reap high profit margin for the stores and create positive attitude in the minds of the consumers’.