

A STUDY ON PURCHASE INTENTION SATISFACTION AND LOYALTY OF CUSTOMERS TOWARDS PRIVATE LABEL BRANDS

Gijo George, Research Scholar, Manonmaniam Sundarnar University Tirunelveli

Dr. Herald. M. Dhas, Associate Professor, Scott Christian College, Nagarcoil

Abstract: Private-label products or services, also known as “phantom brands”, are those manufactured or given by one company for offer under a store's brand name. Private-label products that are bought and sold are available in a wide range of businesses from food to cosmetics to web hosting. They are often positioned as lower-cost other choices to national or international brands. Some private label brands have been positioned as premium brands "higher price/higher cost" to fight against existing "name" brands. Private labels referred to as home brands, own brands, own labels, store brands, retailer brands and probably more. Examining purchaser preference towards private label brands have generous implications in marketing. The objectives of the study are to find out the private label brand products tried so far, the switching brand behavior of consumers and to assess the factors influencing consumer preference for private label brand products. The study has been conducted in the shopping malls of Chennai. Data were collected by means of questionnaires from 282 shoppers. The findings show the consumers preference for private label brand products.

IndexTerms - Private label brand, preference, behaviour

I. INTRODUCTION

Introduction

Retail is the first stage of any economic activity and occupies a consequential place in the economy. The business activities involved in retailing are selling goods and services to consumers (Pradhan, 2010). The Indian retail market is highly broken-up with 94 percent business coming from unorganized retailing and 6 percent share from organized retailing. Growth of the industry is fortified by vigorous macroeconomic conditions, including 6 to 7 percent lift up in GDP, rapid urbanization and higher disposable incomes.

Current trends and future possibilities shows that the Government of India has taken diverse plans to improve the retail industry in India. Some of them are listed below:

- Change the Foreign Direct Investment (FDI) rules in food processing, in a bid to permit e-commerce companies and foreign retailers to sell Made in India consumer products.
- Allowed 100 per cent Foreign Direct Investment (FDI) in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of e-commerce companies operating in India.

Increasing participation from foreign and private players has given a boost to Indian retail industry. India's price competitiveness attracts large retail players to use it as a sourcing base. Global retailers such as Walmart, GAP, Tesco and JC Penney are rising their sourcing from India and are moving from third-party buying offices to establishing their own wholly-owned sourcing and buying offices. The Indian Consumer Market is possibly going to grow four times by 2025 as per Mc Kinsey report 'The rise of Indian Consumer Market'.

The retail environment is highly competitive and retailers are competing for customers, suppliers, locations, services, and merchandise with other traditional store-based retailers, as well as internet and catalog retailers. To face these competitive challenges, retailers are trying to gain differential advantage (Burt and Mavrommatis 2006). To accomplish this objective, retailers have recognized that brands constitute essential resources for creating and supporting competitive advantage and this lead to a major challenge of building a strong retail brand (Kent 2003; Grewal, Levy et al. 2004).

Private label product is the most important element of retail branding (Glynn and Chen, 2009). Private label products have attained another level for many products like household chemicals, groceries, cosmetics and foods (Veloutsou et al., 2004). Private label product is classified as consumer products, manufactured on behalf of retailers, and branded with retailer's brand or trademark and sold through their own outlets (Jaafar and Lalp, 2012).

Review of Literature

Brands

A brand is a specific name, symbol or design- or, more usually some combination of these- that is used to distinguish a particular seller's product. Branding is the the craftsmanship and foundation of marketing. Brand is a complex symbol and presents six levels of meaning. Attributes: A brand brings to mind certain attributes; Benefits: Attributes being translated into functional and

emotional benefits; Values: the brand also says something about the producer's values; Culture: the brand may represent a certain culture; Personality: the brand can project a certain personality; User: the brand suggests the kind of consumer who buys or uses the product. Aaker (1997) brand names have become increasingly valuable assets for many multinational companies.

Private Label Brand

Private-label products or services, also known as "phantom brands", are those manufactured or given by one company for offer under a store's brand name. Private-label products (that are bought and sold) and services are available in a wide range of businesses from food to cosmetics to web hosting. They are often positioned as lower-cost other choices to national or international brands. Some private label brands have been positioned as premium brands "higher price/higher cost" to fight against existing "name" brands. Private labels referred to as home brands, own brands, own labels, store brands, retailer brands and probably more. Kumar and Steenkamp define a private label to be any brand that is owned by the store, retailer or the distributor and is sold only in its own outlets.

Prasanth M. K et. al. (2013) clarifies the store brands, is otherwise called private labels, and is changing the possibility of contemporary purchase and offer outlets in India. In advance on a short input outline, like lesser cost, lesser quality and incomplete association, the store brands have gone an extensive mode in discover its testimonial. The store brands are in equivalence with the national/ local brands at slightest in chosen sequence and channel in India in terms of quality and price. The private labels have more than 50% market share in various branch of the urbanized world. The private labels are persistent in private care, home care, processed food, groceries and consumer durables and so on. The age set has a momentous crash on consumption outline of private labels in Kerala. The informative capacity of buyers is a major factor which influence consumption model of private label

Objectives of the study

1. To study the demographic profile of consumers.
2. To find out the private label brand products tried so far
3. To find out the switching brand behavior of consumers..
4. To assess the factors influencing consumer preference for private label brands.

Research Methodology

The study has been conducted in the shopping malls of Chennai. Data were collected by administering pre-coded structured questionnaires to 282 customers. The method of sampling is non-probability sampling, in which convenience sampling was followed. The study was conducted in September 2018.

Findings

Demographic Profile of Shopper's

Table.1. Demographic profile of shoppers

	Particulars	Percent
Gender	Male	52.7
	Female	47.3
	Total	100.0
Age	Below 20 years	11.9
	21-30 years	25.4
	31-40 years	21.5
	41 -50 years	14.4
	51 -60 years	14.0
	61 years and above	12.7
	Total	100.0
Marital status	Married	75.6
	Unmarried	24.4
	Total	100.0
Family Type	Nuclear	92.2
	Joint	7.8
	Total	100.0
Monthly Income of	Less than Rs.10,000	12.7

the family	Rs.10,001 - Rs.20,000	18.3
	Rs.20,001 -Rs.30,000	19.5
	Rs.30,001 -Rs.40,000	22.8
	Rs.40,001 -Rs.50,000	17.6
	Above Rs.50,001	9.0
	Total	100.0

A completed profile of the respondents who participated in the survey is presented in Table 1. The sample consists of 52.7% male shoppers and 47.3% female shoppers. Age of shoppers shows 11.9% are of below 20 years, 25.4% are 21-30 years; 21.5% of them are 31- 40 years, 14.4% are 41-50 years, 14% are of 51-60 years and 12.7% are above 61 years. Marital statuses of the shoppers show that 75.6% are married and 24.4% unmarried. The type of family shows that 92.2% belong to nuclear family and 7.8% joint family. The monthly income of the family of shoppers shows that 12.7% have less than Rs.10,000, 18.3% has Rs. Rs.10,001 - Rs.20,000, 19.5% have Rs.20,001 - Rs.30,000, 22.8% have Rs.30,001 -Rs.40,000, 17.6% have Rs.40,001 - Rs.50,000 and 9.0 % have above Rs.50,001.

Trial of private label products
Table 2 Trial of private label products

Particulars		Percent
Fresh Foods (Milk and Bread)	Yes	65.8
	No	34.2
Groceries (Sugar, wheat flour, maize flour grains, rice)	Yes	80.6
	No	19.4
Confectionaries (Ice cream, crisps, ground nuts)	Yes	74.6
	No	25.4
Personal care & Cosmetics	Yes	58.8
	No	41.2
Household cleaners (bleach, disinfectants, detergent powder)	Yes	85.0
	No	15.0
Dishwashers (Dishwashing Liquid or paste)	Yes	74.8
	No	25.2
Toiletries (tissue, serviettes)	Yes	71.9
	No	28.1
Footwear	Yes	65.6
	No	34.4

Table 2 depict the trial of different private label brand products by the respondents; Fresh Foods like Milk and Bread (65.8%), Groceries like Sugar, wheat flour, maize flour grains, rice (80.6%), Confectionaries like Ice cream, crisps, ground nuts (74.6%), Personal care & Cosmetics (58.8%), Household cleaners like bleach, disinfectants, detergent powder (85%), Dishwashers like Dishwashing Liquid or paste (74.8%), Toiletries like tissue, serviettes(71.9%), and Footwear (65.6%).

Tendency to switch brands
Table 3 Tend to switch brands

Particulars		Percent
Fresh Foods (Milk and Bread)	Yes	64.4
	No	35.6
Groceries (Sugar, wheat flour, maize flour grains, rice)	Yes	55.4
	No	43.8

Confectionaries (Ice cream, crisps, ground nuts)	Yes	76.0
	No	24.0
Personal care & Cosmetics	Yes	67.1
	No	32.9
Household cleaners (bleach, disinfectants, detergent powder)	Yes	55.2
	No	44.8
Dishwashers (Dishwashing Liquid or paste)	Yes	55.6
	No	44.4
Toiletries (tissue, serviettes)	Yes	58.8
	No	41.2
Footwear	Yes	61.3
	No	38.7

Table 4 shows the tendency to switch the brands by the respondents; Fresh Foods like Milk and Bread (64.4%), Groceries like Sugar, wheat flour, maize flour grains, rice (55.4%), Confectionaries like Ice cream, crisps, ground nuts (76%) Personal care & Cosmetics (67.1%), Household cleaners like bleach, disinfectants, detergent powder (55.2%), Dishwashers like Dishwashing Liquid or paste (55.6%), Toiletries like tissue, serviettes(58.8%), and Footwear (61.3%).

Preference for private label products

Table 4 Preference for private label products

Factors influencing purchase of private label brands	Calculate Average	Divide with N = 520	Rank
Competitive price	7078	13.61	2
Quality	9172	17.64	1
Safe and secure	5399	10.38	3
Inspection stamp and certificate	4002	7.70	7
Packaging	4509	8.67	6
Variety of products	4612	8.87	5
Discount	3021	5.81	8
Convenience	5012	9.64	4
Store displays	2001	3.85	10
Availability	7078	13.61	9

Table 5 shows that quality is ranked first followed by competitive price, safe and secure, convenience, variety of products, packaging, inspection stamp & certificate, discount, availability and store displays.

CONCLUSION

The trial of different global brand products shows that majority of the respondents had tried global products like Personal care & Cosmetics, Household cleaners like bleach, disinfectants, detergent powder Dishwashers like Dishwashing Liquid or paste, Toiletries like tissue, serviettes Confectionaries like Ice cream, crisps, ground nuts, Apparels, Electronic goods and Footwear (. Factors influencing the preference for private label brand products show that quality is the main factor followed by competitive price, safe and secure, convenience, variety of products, packaging, inspection stamp & certificate, discount, availability and store displays.

REFERENCE

1. Aaker, David A., (1997), "Dimensions of Brand Personality", JMR, Journal of Marketing Research; Aug 1997; 34, 3
2. Aydinoglu, N. Z.; Batra, R. (2009). Understandings the Situational Appeal of Local Brands In Emerging Economies: The Case Of Turkey, IIMA Conference on Marketing Paradigms for Emerging Markets, India ACR Conference, Pittsburg. October.
3. Burt, S. and A. Mavrommatis (2006). "The international transfer of store brand image." *International Review of Retail, Distribution & Consumer Research* 16: 395-413.
4. Fischer, M., V. F. and Sattler, H., (2010). How Important Are Brands? A Cross- Category, Cross-Country Study, *Journal of Marketing Research*, (XLVII) October: 823–839.
5. Grewal, D., M. Levy, et al. (2004). "Retail Branding and Customer Loyalty: an overview." *Journal of Retailing* 80(4): ix-xii.
6. Harun, A., Kassim, A., Igau, O., Thajuddin, S., Al-Swidi, A. (2010). Managing Local Brands in Facing Challenges of Globalization: Be a Local or Global Leader. *European Journal of Social Sciences*. (17) 2:254-265.
7. Jaafar and P. E. Lalp, "Consumers' perception towards extrinsic and intrinsic factors of private label product in Johor Bahru, Malaysia," in *Proc. the UMT11th International Annual Symposium on Sustainability Science and Management*, Terengganu, Malaysia, July 9-11, 2012, Page 828-834
8. Kent, T. (2003). "2D23D: Management and design perspectives on retail branding." *International Journal of Retail & Distribution Management* 31(3): 131.
9. Lee, M.Y.; Knight, D., Kim, Y.K. (2008). Brand Analysis of a US Global Brand In Comparison With Domestic Brands in Mexico, Korea, and Japan. *Journal of Product & Brand Management*. (17) 3:163 – 174.
10. Merino, M., and Gonzales, S. (2008). Global or Local? Consumers' Perception of Global Brands in Latin America. *Association for Consumer Research*. (2) :16-21.
11. Nasir, V. A., and Altinbasak, I. (2009). The Standardization/Adaptation Debate: Creating A Framework For The New Millenium. *Strategic Management Review*. (39)1: 17-50.
12. Natarajan, P. and Thiripurasundari, U. (2010). Local Brand vs. Global Brand Syndrome – A Study With Reference To Indian Car Industry. *Advances in Management*. 3(10) :41-46.
13. Schuiling, I. and Lambin, J. J. (2005). Do Global Brands Benefit From A Unique Worldwide Image?' *The ICFAI Journal of Brand Management*, (II) 2:1-16.
14. Steenkamp JBE, Batra R and Alden DL (2003) How perceived brand globalness creates brand value. *Journal of International Business Studies* 34 (1): 53-65.
15. Veloutsou, C., Giouslistanis, E., and Moutinho, L. (2004). Own labels choice criteria and perceived characteristics in Greece and Scotland: factors influencing the willingness to buy. *Journal of Product & Brand Management*, Volume 13(4), Page 228-241
16. Zeithaml, V.A. (1988). Consumer Perceptions of Price, Quality, and Value: A Means-End Model And Synthesis Of Evidence. *Journal of Marketing*. (52) 3:2-22.