International Journal of Technical Research and Applications e-ISSN: 2320-8163,
www.ijtra.com Volume 1, Issue 3 (july-August 2013), PP. 80-84

A STUDY ON THE CONSUMER PERCEPTION TOWARDS PRIVATE LABEL BRANDS WITH SPECIAL REFERENCE TO BIG BAZAAR, LUCKNOW

Shruti Kirti Chauhan[1], Ram Singh Kamboj[2]
[1]Lecturer, Management Department
Shri Ramswaroop Memorial Institute of Engineering & Management, Lucknow, India
[2]Lecturer, Management Department
Institute of Engineering and Technology, Lucknow, India

***Abstract*—As competition is becoming stiff, retailers are working on new marketing strategies to sustain in the market, one such strategy being private branding adopted by most of the retailer. Private brand is one of the strategies decisions for most of the retail organizations in recent years and hence many retailers' have introduced varieties of private label in different categories like apparel, food and grocery, health care, personal care, consumer durables, lifestyle etc. Major driving force behind introducing store brand is to ensure the customer store loyalty. This can be accomplished as brand is available only in specific stores. The study aims to analyze the Consumer Perception towards Private Label Brands on Big Bazaar, Lucknow. The objective of the study is to understand the possibility of success when retailers introduce private brands. The research is aimed to explore if buying choices are made based on brand loyalty and to analyze whether customers actively seek for new brands or strict to the old brands. A detailed study is conducted from the views of customers & collected by conducting a survey with a sample size of 200 (100 Fashion bazaar and 100 Food bazaar) from Lucknow region with the help of structured questionnaire.**

***Index Terms*— Private Label, Fashion wear, Brand image, Brand loyalty.** *(key words)*

I. Introduction.

Indian Retail sector is vibrant and has become one of the world's top 5 global retail destinations. It is estimated that the total number of shopping malls will grow at the rate of 18.9% by 2015. The study conducted by RNCOS indicates that the Indian organized retail market is expected to reach US$ 50billion by 2011. Private label brands are brands owned, controlled, and sold exclusively by a retailer (Baltas, 1997). The concept of private label brands was popularized by large corporate supermarket chains which expanded their private label business at the expense of some heavily advertised national brands and items (Stern, 1966). India has not witnessed Private label brands before the liberalization of Indian economy in 1990's. Indian retail sector was unorganized and customers were relying on unorganized retailers almost for all the products. In early 1990s, Shoppers Stop pioneers the concept of private label in India and redefined the concept of 'shopping' by making efforts to provide the Indian consumers with an international shopping experience. It launched a STOP brand in India with the branded women ethnic wear. With the growth of private label brands, national brands are grabbing the share from the national brands. Private labels are not only low priced but are also high on quality and for the retailers its high margin. Growth of organized retail chain in India has also facilitated the growth of private label brands in India. Indian economy has seen average growth rate of more than seven percent since1994 and putting purchasing power in hands of customer. Though, initial growth of private label brands in India has been limited to certain categories like grocery and apparel, it is slowly expanding into other categories as well.

II. Objectives of the Study

The research paper focussed attention on number of factors that highlights the customer's perception about the private label brands and the national brands. The objective of the study are

a. To find preference of customer about the private and national label brands

b. To analyse the factors influencing the purchase of national brands and private label brands

c. To understand the possibility of success when retailers introduce private brands

III. REVIEW OF LITERATURE

The main reasons that have been cited in the business and academic press for retailers' desire too stock private labels are (a) higher retail margins on private labels; (b) negotiating leverage with national brand manufacturers; and(c) higher consumer store loyalty (Hoch and Banerjee 1993).The private label brand choice is depending on 'experience', 'value', 'time utility', 'possession utility',' mechanism' and 'place utility'. Hoch and Banerjee (1993) contested the common perception that a private label's primary attraction was the substantial price discount relative to the national brands, at which they were sold. They emphasized the role of quality in the private label purchase decision. They found evidence to support the notion that perceived quality was much more important than the level of price discount in determining the private-label category share. Several studies have examined the role of taste on the perceptions of private label brands.Sundel (1974) used a 'blind' (brands not identified) taste test and found that there were no significant differences in respondent ratings between national, regional and store brands of bread and canned corn. However, the national brands were still perceived by consumers to be superior to the regional or local store brands.Labeaga et al. (2007) contend that private labels assist building loyalty by differentiating the retailer. These brands are available at one retailer exclusively whilst manufacturer brands are available at many competing outlets. Regular consumers of private label brands are confronted with psychological costs when switching retailers as their preferred private label choice is no longer available. As a result, consumers who change retailers undergo demanding cognitive processes by evaluating other brands, including unfamiliar store brands, in choosing a new product. Consumers who purchase private label brands regularly do not only become loyal to that particular brand but also to the retailer through which it is sold (Collins and Burt, 2003).Among consumers, one obvious reason for their popularity and growth is their price advantageover national brands (Batra and Sinha, 2000). Nevertheless, high quality seems to be more important in determining PLB success than lower price (Hoch and Banerji, 1993). One of the interesting phenomena concerning PLBs is the fact that their growth has been highly uneven across product categories (Hoch and Banerji, 1993).

A. The Sample Size

A detailed study is conducted from the views of customers & collected by conducting a survey with a sample size of 200 (100 Fashion bazaar and 100 Food bazaar) from Lucknow region

B. The Tool of Data Collection

The basic design of survey instrument consists of structured questionnaires. It is so designed to collect all required information from customers.

C. The Hypothesis

a. There is significant relations between the risk perception for private label brands over the national brands

b. Private Label Brands offer value for money to customer over national Brands

c. Private Label Brands offer more varieties to customer over national Brands

D. Data Source

The source of data would be primary and secondary . primary data will be collected through questionnaire, the secondary data will be collected from related research works, published books, and websites

E. Research Approach:

The research will mainly use survey approach

F. Tools of Data Analysis

The data and information collected will be classified , cross tabulated and processed its findings presented in a systematic manner. Chi Square Test is used for testing the hypothesis.

IV. Results and Discussions:

A. FASHION BAZAAR:

Table 1: (a) Consumers Choice of National Brands Instead of Private Brands:

S.No	Presently in Use	Frequency	Percentage
1	Peter England	15	15
2	Lee Cooper	18	18
3	Louis Philip	10	10
4	Park Avenue	7	7
5	Raymond	6	6
6	Levis	10	10
7	John Player	14	14
8	Reebok	20	20

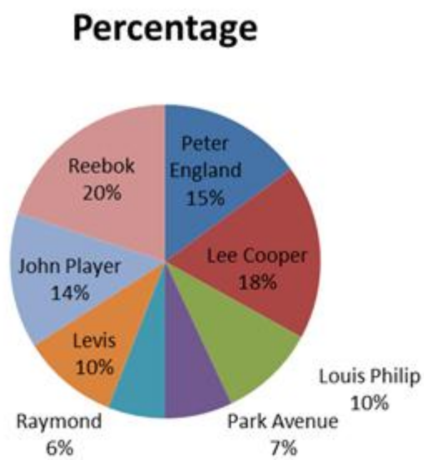

Fig.1 pi diagram of consumers choice for brands

Table 2: Respondents Preference on Big Bazaar Private Label Brands:

S.No	Knowledge about Brands	Frequency	Percentage
1	DJ & C	25	33.33
2	Knight Hood	14	18.67
3	Privilage Club	6	8
4	AFL	25	33.33
5	Shristi	5	6.67

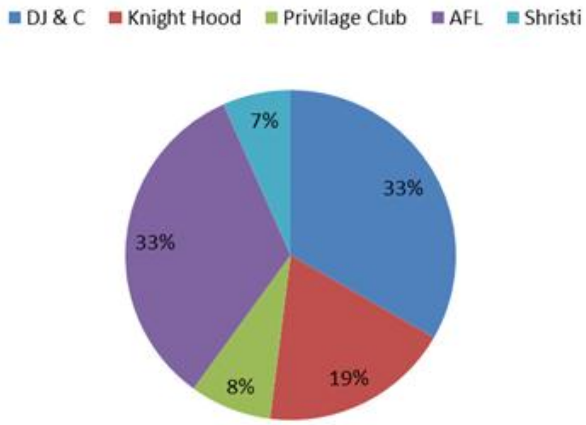

Fig.2 **Pi diagram of Respondents Preference on Big Bazaar Private Label Brands.**

In the classification of the private brands used by the respondents it was found that 61% of the respondents have preferred DJ&C, followed by Knight Hood and Spunk.

B. FOOD BAZAAR

Table 2: (a) Respondents Preference On Big Bazaar National Label Brands

S.No	Knowledge about Brands	Frequency	Percentage
1	Aashirvad	40	40
2	Annapurna	15	15
3	Britannia	10	10
4	Tata	20	20
5	Nescafe	15	15

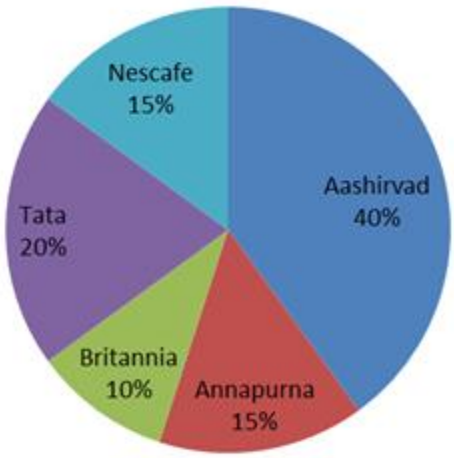

Fig.3 Pi diagram of respondents Preference On Big Bazaar National Label Brands

Table 2: (b) Respondents Preference On Big Bazaar Private Label Brands

S.No	Knowledge about Brands	Frequency	Percentage
1	Tasty Treat	24	24
2	Clean Mate	25	25
3	Mohini	25	25
4	Anmol	12	12
5	Fresh & Pure	14	

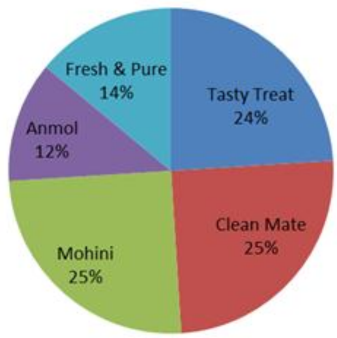

Fig.4 Pi diagram of respondents Preference On Big Bazaar Private Label Brands

Table 4: (a) Factors Influencing The Purchase Of National Brands

S.No	Factors	Frequency	Percentage
1	Quality	35	35
2	Price	17	17
3	Trust	4	4

4	Availiablity	5	5

Fig.5 Factors Influencing The Purchase Of National Brands

Table 4: (b) Factors Influencing the Purchase of Private label brands

S.No	Factors	Frequency	Percentage
1	Quality	35	35
2	Price	25	25
3	Trust	25	25
4	Variety	12	12
5	Brand Image	3	3

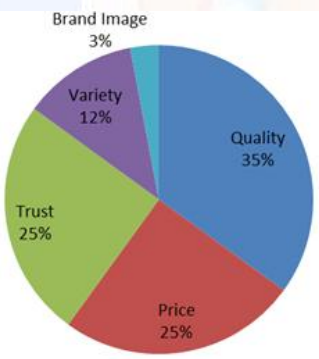

Fig.6 Factors Influencing the Purchase of Private label brands

Table 3: Expensive Brand

S.No	Categories	Frequency	Percentage
1	Private Brand	44	27
2	National Brand	73	73

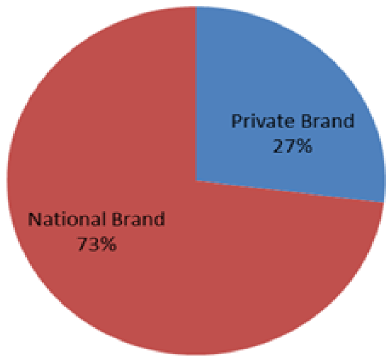

Fig.7 Pi diagram of Expensive Brand

Table 4: Private Label Attractiveness

S.No	Categories	Frequency	Percentage
1	Yes	93	93
2	No	7	7

Out of the total respondents 93% of respondents think that private label brands are innovative as brand in terms of its offer to the shopper.

Table :5 Consumer Perception Towards Future Purchase of Private Label Brands

S.No	Categories	Frequency	Percentage
1	Yes	50	67
2	No	25	33

HYPOTHESIS 1 :

Null Hypothesis (Ho): There is significant relations between the risk perception for private label brands over the national brands

Alternative Hypothesis (H1): There are no significant relations between the risk perception for private label brands over the national brands

Table 6: To Study the Risk Involved while purchasing Private and National Brands

Risk Perception associated while buying		National Brands			Total	Chi Square Value
		Low	Moderate	High		
Private Label Brands	Low	14	12	8	34	
	Moderate	35	14	10	59	
	High	50	25	32	107	
Total		99	51	50	200	

HYPOTHESIS 2 :

Null Hypothesis (Ho): Private Label Brands offer value for money to customer over national Brands

Alternative Hypothesis (H1): Private Label Brands offer value for money to customer over national Brands

Table 7: To Study the value for money offer to customer by Private Label Brands over National Brands

Value for money		National Brands			Total	Chi Square Value
		Poor	Average	Good		
Private Label Brands	Poor	16	14	15	45	
	Average	12	13	30	55	
	Good	50	30	20	100	
Total		78	51	50	200	

HYPOTHESIS 3 :

Null Hypothesis (Ho): Private Label Brands offer more varieties over National Brands

Alternative Hypothesis (H1): Private Label Brands do not offer more varieties over National Brands

Table 8 : To Study the varieties offer by Private Label Brands over National Brands

Value for money		National Brands			Total	Chi Square Value
		Poor	Average	Good		
Private Label Brands	Poor	12	15	8	20	46.48
	Average	38	14	20	66	
	Good	49	25	40	114	
Total		99	51	50	200	

V. Conclusion And Managerial Implications

From this study, one can come to the conclusion that private labels are able to position themselves significantly in the mind of customers and are gaining acceptance. Growth in specific private label segments like food and apparel segments are growing at a faster rate. While, the future of private labels is dependent on the retailer's ability to overcome key challenges such as adaptive supply chain practices, quality infrastructure, accelerated growth in new categories, blurring dividing lines between private label and national brands. From the study, it was found that good quality, price, trustworthy, large variety are the most influencing factor which drive the customer to buy the private label brand. Therefore, these are the factors which should be considered while coming with the future private brand. This in return it will help the retail stores to increase sales.

References

[1] Baltas, G., & Doyle, P. (1998). An empirical analysis of private brand demand recognizing heterogeneous preferences and choice dynamics. The Journal of the Operational Research Society, 49(8), 790-798

[2] Batra, R., &Sinha, I., (2000). Consumer level factors moderating the success of private label brands across product categories, Journal of Retailing, 76(2), 175-191

[3] Collins A, Burt S (2003). Market Santions, Monitoring and vertical coordination with retailer manufacturer relationships: the case of retail brand suppliers, Eur. J. Mark. 37 (5/6): 668-689.

[4] Hoch, Stephen J. and ShumeetBanerji (1993). "When Do Private Labels Succeed?" Sloan Management Review, 34(4), Summer, pp. 57-67.

[5] Kothari C R, Research Methodology, New Delhi; New Age International Publication, 2009.

[6] Labeaga J, Lado N, Martos M (2007) Behavioral loyalty toward store brands, J. Retailing Consumer Serv. 1 (1): 1-10.

[7] [Stern, L. (1966). The new world of private brands. California Management Review, 8(3), 43-50.

[8] Vedamani, Gibson G , Retail Management, New Delhi; Jaico, 2010