CONSUMER PERCEPTION FOR PRIVATE LABEL FOOD BRANDS IN AHMEDABAD CITY

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Abstract

India is witnessing growth in private label brands which in turn are giving tough competition to national brands. Retailers also prefer self-private brands as profit margin is higher in private brand. 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. Not extensive literature is available on private label. Majority of the literature available focuses on price aspect highlighting it as one of strong reasons for purchase of private label. This paper studies the consumer perception about private label food products in Ahmadabad city.

Keywords: Private label;Consumer perception;Quality;Awareness.

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1. Introduction

Many literary research work has been done in subject of private label. Some of the literary work can be briefed as follows:

Nehal A. Shah and Dr. Ritesh K. Patel, 2013 suggested that private label marketers should focus on quality, local taste and image in the local market. Also it has been found that price discount & bonus packs are two prime promotional activities by which retailers can induce customers to purchase private label over branded label product. M. Ramakrishnan and Dr. SudharaniRavindran, 2012 studied private label with special reference to Big Bazaar, Coimbatore, Tamilnadu. The study concluded that private labels are able to position themselves significantly in the mind of customers and are gaining acceptance. M. Yaseen khan and Zafar, 2011, research paper Survey among the 180 consumers regarding the consumer buying behavior and consumer brand perception in Metropolitan Mall consumers came for the fun & entertainment, shopping for the branded apparels, sportswear and mostly for the food. Labeaga et al. 2007 studied psychology of consumer while buying private label, shows that private labels assist in building loyalty by differentiating the retailer 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.

Ciheam 2005, studied penetration private label brand in FMCG, in Greece. The study suggested that retail chains are gaining market shares rapidly at the expense of well known, manufacture products, as the former are sold at a considerable discount. Gabrielsen et al., 2001, did a comparative study on price differentiation between national brand and private label. The paper highlighted the deemed necessity of introduction of a private label at lower retail prices in comparison of competing national brands. Wei Song, 2000, studied the role of private label in retail industry. The role of private labels in the retail market has become increasingly important the development of private labels varies notably from Western to non-Western markets. The former market has a very advanced private label program in terms of quality and market share, while the latter is at an early stage of development. As a result, the majority of the research has been drawn from the Western market, and the focus of these studies is mainly on the retailers

themselves, and on consumers' perspectives. However, a few studies have addressed the issues from manufacturers' standpoints

Thus we can derive that existent literature review though available, shows persistent gap in depth analysis of private label brand. Therefore the need underlies in understanding the concept part of private label and its effectiveness in India.

2. Research Method

- **Problem statement**: Private labels are mushrooming in India. Though the concept is widespread in western countries still it's wide spreading its roots in India. The need therefore arises to understand the basic concept of mushrooming growth of Private Labels in India.

- **Rationale of the Study:** It is very essential to understand the consumer perception to get a clear picture of consumer intention for buying and knowing the brand position of Private Label in the consumer mind. The study therefore focuses on analyzing in depth the choice pattern, beliefs and preference of private label consumers.

- **Objectives of Study:**

To know the level of consumer awareness in private label.

To study difference in consumer perception with respect to private label quality for various demographic profiles.

To study factors affecting the consumer behavior while purchasing the private label foods products.

- **Research Design**

Table 1. Research Design

Type Of Research	Descriptive Research
Sampling Type	Non Probability Convenience Sampling
Sampling Frame	Users of Private Label
Sample size	75
Primary Data	Structured Questionnaire
Secondary Data	Journals, websites

3. Results and Analysis

Ranking of factors affecting purchase decision of food products in private label (Rank 1 to 8)

Table 2: Rating of factors affecting purchase decision

Factors	Average Ratings
Excellent Quality	5.8
Value for Money	5.04
Freshness	5.55
Packaging	4.07
Healthiness	5.7
Local Popularity	3.62
Local taste	4.07
Availability	4.83

Of all the factors excellent quality was the most rated factor followed by healthiness and freshness.

Age:

H0: There is no significant difference between age of consumer and perceived quality private label food products.

H1: There is significant difference between age of consumer and perceived quality private label food products.

Table 3: ANOVA test for Age groups

	Sum ofSquares	Df	MeanSquare	F	**Sig.**
Between	1.030	3	.343	.819	**.487**
Within	29.750	72	.419		
Total	30.780	75			

The value of sigma is .487 which is more than .005 therefore H1 is accepted. Therefore it could be said that there is no significant difference between the age of consumer and perceived quality label food products.

Income:

H0: There is no significant difference between income of consumer and perceived quality label foodproducts.

H1: There is significant difference between income of consumer and perceived quality label food products.

Table 4: ANOVA test for Income groups

	Sum ofSquares	df	MeanSquar	F	**Sig.**
Between	.169	4	.056	.131	**.942**
WithinGroups	30.611	71	.431		
Total	30.780	75			

Here the significance level is 0.942, which is more than 0.05, therefore null hypothesis is accepted. Thus it could be concluded that there is no significant difference between income of the consumer and perceived quality of private label food products.

Occupation

H0:There is no significant difference between perceived quality label food products and various occupational groups.

H1: There is significant difference between perceived quality label food products and various occupational groups.

Table 5: ANOVA test for Occupation groups

	Sum ofSquares	df	MeanSquare	F	**Sig.**
BetweenGrou	.812	4	.203	.474	**.755**
WithinGroup	29.968	71	.428		
Total	30.780	75			

Here the significance level is 0.755, which is more than 0.05, therefore null hypothesis is accepted and alternate hypothesis is rejected. Thus it can be concluded that there is no significant difference between occupation of the consumer and perceived quality private label food products.

Qualification

H0:There is no significance difference between perceived quality label food products and various qualification groups.

H1: There is significant difference between perceived quality label food products and various qualification groups**.**

Table 6: ANOVA test for Qualification groups

	Sum	df	MeanSquare	F	**Sig.**
BetweenGroups	.961	2	.480	1.160	**.319**
WithinGroups	29.819	72	.414		
Total	30.780	75			

Here the significance level is 0.319, which is more than 0.05, therefore null hypothesis is accepted and alternate hypothesis is rejected. Therefore it could be concluded that there is no significant difference between qualification of the consumer and perceived quality of private label food products

Gender

H0: There is no significance difference between perceived quality label food products and gender groups.
H1: There is significant difference between perceived quality label food products and various gender groups

Table 7: Mann-Whitney U test for gender groups

	Average
Mann-Whitney U	315.500
Wilcoxon W	1911.500

Z	-2.650
Asymp. Sig. (2-tailed)	**.008**

Here the significance level is 0.008, which is less than 0.05, so here we should accept the alternate hypothesis and reject the null hypothesis. So the conclusion is that there is significant difference between gender of the consumer and perceived quality private label food products.

4. Findings

Demographic Analysis:

Most of respondents (69.2%) were male, 59.3% in the age category 15 to 25.Most of respondents (40.1%) were in the income group of more than 10 lacs. Most of respondents were post graduate and belonged to student fraternity.

Graphical Analysis:

Most important factor rated are excellent quality, freshness and least ranked factor for preference of private label was local popularity. Only 69%of the respondents are aware about private label. 64% of respondents aware about the product actually purchase product.47% of respondents are purchase private label products in food category.36% of respondents strongly disagree that private label food products are healthy.25% of respondents strongly disagree that private label food products are trustworthy.40% of respondents are neutral that private label food products have clearly stated their ingredients such as how much the percentage of each ingredient contains.29% of respondents believe that private label food products seem to be good in quality. 31% of respondentsbelieve that private label food products are equally nutritious such as high in vitamin, omega3, etc.32% of respondents are neutral that private label food products are fresher than other brands.52% of respondents believe that price of private label is comparatively low with national brand.

Statistical Analysis:

No significant difference between the age of consumer and perceived quality label food products was found. No significant difference between income of the consumer and perceived quality of private label food products was found. No significant difference between income of the consumer and perceived quality of private label food products. No significant difference between

qualification of the consumer and perceived quality of private label food products was found. A significant difference was found between gender of the consumer and perceived quality private label food products.

5. Conclusion

It could be concluded that consumer have negative attitude toward private label foods products. Quality and healthiness are very important factor for consumer to purchase private label food products. Private label awareness is very low and consumer perception toward quality of private label food products is negative Consumer don't think that private label brands give same quality as national brands therefore adequate positioning strategy needs to be built to create the image of qualitative products.

Limitations and future scope

Sample size undertaken for the study is small therefore pure generalization of the study is not possible. Time constraint is another limitation as repeated purchase intention over a period of time was not taken into consideration. Future scope of study may include carrying on the similar study wherein repeated purchase intention is taken care. Besides that private label brand versus manufacturer brand comparative study may be taken into consideration. Impact of information cues specifically internal and external cues on the various product categories and their quality perception may be further explored.

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