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A study of consumer perceptions towards private label brands within the grocery retail sector in Bangalore

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Abstract
As bulk of the shoppers are seeing brand as an significant component in their choice of decision while purchasing, it is very important that sellers should make the most on the type of brand that they are offering to the consumers, Currently the private label has widespread in retail segment. For example; Big Giants like D-Mart, Reliance fresh, Vishal Mart, provide private label for some of its products like; rice, lentils, spices, sugar etc. But the query is how the customers perceived it and which variables influence the most to the customers' perception in private label. Based on that phenomena this research is aimed to find out the consumers' perceptions towards private label and its effect on repurchase intention. Perceived price, perceived risk, perceived quality and private label loyalty were chosen for this research for the independent variable, the present research is mainly carried out to check consumer perceptions towards private label brands within the grocery retail sector in Bangalore.

Keywords: Private label brand, grocery retail, perception, perceived risk, perceived price, perceived quality, repurchase intention

1. Introduction

The grocery market in India has progressed extensively in the past decade with 12 million retail outlets, a million distributors and wholesalers, the Indian retail ecosystem is one of the most multipart in the world. Over the past ten years, gradual shifts such as the onslaught of modern trade, the entry of cash and carry, the advent of the e-commerce revolution, and, more recently, the growth in new age B2B providers have begun to transform this ecosystem. To add to it, the Indian consumer has been developing dynamically in their pursuit for convenience, health, and value. The pandemic that forced everyone to stay home further accelerated many of these trends. The grocery landscape has a transformation under way. According to a Global Private Label consumer study by AC Nielsen, 56% of their survey respondents in India considered private labels to be good replacements to branded groceries, currently the Private label brands are becoming popular because they are sold at low prices with good quality when compared to the branded groceries. The consumer perception towards the private label is changing due to the quality and price; the popularity of private label brands has increased. In addition the consumers are becoming more price conscious and paid more attention on private label brand products

1.1 Objectives of the study

- To study and understand the consumers perception about private label grocery brands in Bangalore.
- To analyse the consumers satisfaction level with respect to grocery private label brands.
- To know the consumers perception regarding price of private label grocery brands.
- To know the consumers perception regarding quality of private label grocery brands.
- To analyse the factors influencing the purchase of private label grocery brands
- To understand the possibility of success when retailers introduce private brands

2. Literature Review

This research analyzed the effects of brand image, product knowledge, and store loyalty on consumer perceptions of private label grocery brands from metropolitan cities like Bangalore.

This study found that younger consumers and working professionals with a higher awareness of brands increasingly accept private labels as a result of a better perception of value for money and improved packaging but the research also found the lack of aggressive marketing of PLBs is something retailers need to be aware of.

This study explored the interrelations between customers' perceived value and satisfaction, along with brand loyalty towards Private Labels (PL) by Indian customers. Study findings show that price conscious buyers will only re-purchase PLB's if they are consistently satisfied in quality and price expectation. Also, generally, the shifting loyalties of middle income households from national brands to PLB's were more positively influenced in Tier-1 cities such as Bangalore. For instance, snacks, cleaning products and staples in the grocery sector saw more loyalty towards PLBs than branded variations.

The authors concentrated on store atmosphere, employee behaviour patterns, shelf placement, and promotional activities affecting consumer attitudes towards private labels (PLB). It was concluded that consumers are more favourable towards PLB with increased trust in the retail environment and limitations in any encoding failures when forming attitudes. The authors stressed that contemporary trade formats in food retail, such as supermarkets, clearly enhance consumer acceptance of PLBs.

In his study the researcher shared that if we consider the total retail market in India, private branding strategy is gaining more popular from retailers. Players such as D Mart, More, Big Bazaar, Food World, Reliance, More have come up with private brands in different product categories.

Empirically researched consumer attitude towards private labels in comparison to nation brands. One of the objective was to study the unfair trade practices adopted to attract consumers towards private label products. The study reveal that, majority respondents prefer both national and private labels as compared to individual specific brand, but has changed demographic profile

Has made a study on bookmaking solely by private labels. The analysis is the relationship between diverse consumer attitudinal variables related to consumers perception of the store. The objective used to categorize the casual relationship is established using structural equations.

Revealed that most of the youngsters have good perception towards the private brands in fashion wear & munchies. Further quality, trustworthy and brand image were the leading features that distinguished private label brand with other branded product.

3. Research Methodology

The data and information has been collected from primary sources and secondary sources like online questionnaire, online journals, online blogs, magazines, business newspapers, periodicals, reports, text books and websites. Further face to face interviews for the related area were also taken into consideration for the study, the participants are consecutively selected in order of appearance according to their convenient accessibility, and Convenience sampling method was adopted to collect the sample. The sample size is determined as 150 respondent's opinion from the customer s of all the age groups.

4. Analysis and Discussion

Table 1: Age group of respondents

Age Group of Respondents		
Age	**No of Customers**	**%**
18-20	9	6
21-30	18	12
31-40	51	34
41-50	59	39
Above 50	13	9
Total	150	100

Data Expressed in Numbers & Percentage

Age group of respondents: Majority of respondents fall in on an average age group of 31-50 Years, 39% of the respondents are aged between 41 to 50 years & 34% are of 31-40 years.

Table 2: Gender of Respondents

Gender of Respondents		
Gender	**No of Customers**	**%**
Male	61	41
Female	89	59
Total	150	100

Data Expressed in Numbers & Percentage

Gender of respondents: Majority 59% of the respondents are female respondents and 41% were male respondents.

Table 3: Marital Status of respondents

Marital Status of Respondents		
Marital Status	**No of Customers**	**%**
Married	98	65
Unmarried	52	35
Total	150	100

Data expressed in numbers & percentage

Marital Status of Respondents: Majorities 65% of the respondents are Married and 35% were Unmarried

Table 4: Factors influence the purchase of private label brands

Factors influence the purchase of private label brands		
Factor	**No. of Respondents**	**%**
Quality	37	25
Price	13	9
Trust	26	17
Availability	9	6
Variety	25	17
Private Label Brand Image	40	27
Total	150	100

Data Expressed in Numbers & Percentage

Factors influence the purchase of private label brands 27% of respondents are influenced by Private Label Brand Image, 25% of customers are influenced by Quality of the product and 17% on Average are influenced by Trust & Variety.

Table 5: Frequency of visiting the outlets by the respondents

Frequency of visiting the outlets by the respondents		
Frequency	**No of Respondents**	**%**
Atleast monthly once	32	21
Twice a month	8	5
As Per Need or Requirement	110	73
Total	150	100

Data expressed in numbers & percentage

Frequency of visiting the outlets by the respondents considerable Majority 73% of respondents visit outlets As Per Need or Requirement, 21% of respondents visit outlets At least monthly once & 5% of respondents visit outlet Twice a month.

Table 6: Customers perception about risk involved while purchasing private label brands

Customers perception about risk involved while purchasing private label brands		
Scale	**No of Respondents**	**%**
Low	18	12
Moderate	76	51
High	56	37
Total	150	100

Data expressed in numbers & percentage

Customer's perception about risk involved while purchasing private label brands majority 51% of respondents belive that private label has moderate risk, 37% of respondents belive that private label has high risk and 12% of respondents belive that Private label has low risk.

Table 7: Source of awareness about private label brands

Source of awareness about Private Label brands		
Source	**No of Respondents**	**%**
Family & Friends.	42	28
Advertisement (In Store)	22	15
Convenient store display	86	57
Total	150	100

Data expressed in numbers & percentage

Source of awareness about private label brands considerable majority 57% of respondents claim the source of awareness about private label brands was from Convenient Store Display, 28% of respondents claim Family & Friends, 15% of respondents claim Advertisement (In Store).

Table 8: Consumer perception towards future purchase of private label brands

Consumer perception towards future purchase of private label brands		
Scale	**No of Respondents**	**%**
Yes	114	76
No	36	24
Total	150	100

Data expressed in numbers & percentage

Consumer perception towards future purchase of private label brands considerable majority 76% says yes to purchase private label in future and 24% of respondents say no.

Table 9: Customer feedback on varieties offered by private label brands

Customer feedback on varieties offered by private label brands		
Scale	**No of Respondents**	**%**
Poor	34	23
Average	68	45
Good	48	32
Total	150	100

Data expressed in numbers & percentage

Feedback on varieties offered by private label brands 45% of respondents believe the variety of private label brands offered is average, 32% of respondents believe the variety of private label brands offered is good and 23% of respondents believe the variety of private label brands offered is Poor.

Table 10: Overall satisfaction level of the respondents towards private label brands

Overall satisfaction level of the respondents towards private label brands		
Scale	**No of Respondents**	**%**
Very satisfied	21	14
Satisfied	73	49
Neither satisfied nor dissatisfied	41	27
Dissatisfied	10	7
Very dissatisfied	5	3
Total	150	100

Data expressed in numbers & percentage

Overall satisfaction level of the respondents towards private label brands Majority 62% of respondents are Very satisfied & Satisfied, 27% of respondents are Neither satisfied nor dissatisfied, 7% of respondents are Dissatisfied & 3% of respondents are Very dissatisfied.

5. Conclusion

Private Label Brand Image, Quality of the Product, Variety and Price Perception have strong positive influence on Private Label brand in the minds of consumer perception, whereas availability has very little influence on Private Label brand perception in the consumers mind. Regarding visiting the outlets 73% of customers visit outlet as per requirement so the outlets have to maintain private label stock level at every given point of time. 51% of Customers find moderate risk while purchasing private label brands. The store has to focus on creating more trust in the minds of consumer to shift consumer's perception from moderate risk to no risk while purchasing private label brands. 57% of consumers learn about the private label product inside the store through convenient display the retail outlets has to plan and implement convenient display for creating awareness and increase sales and loyalty. Overall 63% of consumers are satisfied & very much satisfied towards private label brands.

6. Limitations of the study

- The research is carried out in Bengaluru, Karnataka; hence Parameters taken into consideration may differ at different places.
- We have used Convenience sampling method; if other sampling method is applied the results may differ.
- The study was carried out for a limited period of time only, if furthermore time is provided much more elaborate data could be accessed.

7. Scope of further research

If the retail outlets have to sustain in the business and grow constantly and expand their business they have to promote the private label brands so that they can be less dependable on other brands. This study was conducted to understand the consumer perception about private label brands, in further study we can target each factors affecting the consumer perception on detail in different product categories to understand more about the private label brands in

Bangalore.

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