

# Consumer Attitude towards Private Labels In Comparison To Domestic Brands

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**Abstract-** *The idea of private marking / labeling / own identification is not new concept in India. The beginning of own identification can be followed from the past days, where merchandise of privately branded goods are sold alongside the national brands. To expand productivity and improve client unwaveringness, numerous retailers have swung to private mark items. Private name items are exceedingly alluring to retailers in light of the fact that these items can help net edges.*

*Retailers have perceived that overall revenues on items outlined and sourced by their own particular groups are fundamentally higher than on marked items. In the present examination the creator has endeavored to think about the promotion methodologies embraced by the retail outlets to expand the offer of own identification items.*

*This paper investigation depends on the feelings of clients. In this examination it is discovered that, retailers are following different practices to occupy the clients from national brands to private mark items.*

**Keywords-** Private marking, private labeling, own identification, retailers, marketing tactics, domestic brands, retail industry, organized retail, etc.

## I. DESCRIPTION OF RESEARCH PAPER (MAIN BODY)

### Private Label / Own Identification in Retail Industry

Retail is one of the divisions that have experienced a gigantic change where it has pressed the disorderly segment all things considered. Clients are furnished with enormous choices for a same kind of item which has developed brand inclinations in the psyches of the client. The rising wage level of the client is another reason which has built up a propensity in the psyches of the client to utilize marked item. Clients are the ruler who connects the brand with particular qualities under suspicions of balance in cost and its accessibility. This has inspired numerous producers to turn out with various brands to influence client to purchase those and treasure.

The event of subsidence is another reason that has carried with it new open doors for retailers to turn out with less expensive contrasting options to save money on ordinary buys. In this manner private marks have turned into an easier technique to trim bills by changing to a comparable however a less expensive brand.

This adjustment in disposition of client is one of the significant reasons that have helped private mark marks in the retail outlets. Private label or identification otherwise called Own brands or Store brands have progressed significantly in the previous couple of decades. In late 80's the terms „generic“ and “Private Label“ were utilized to depict the item that were less expensive contrasted with national brands and were of lower quality than marked items. From that point forward private mark brands have built up their own particular personalities, getting to be plainly well known customer decision.

Private labels or such goods are produced available to be purchased under a particular retailer's. They are frequently intended to go up against marked items, offering clients a less expensive other option to national brands. In spite of the fact that people in general by and large used to consider them to be minimal effort impersonations of marked items, private names have defeated this notoriety and accomplished huge development as of late. The most normally known private mark products are the "store brands" sold by nourishment retailers, however this is only one case of numerous. Retail establishments, gadgets stores, and office supply retailers all offer private name items or administrations.

### Changing Consumer Attitude towards Own Labeled Goods

There are many looks into done to locate the different foundations that administer the inclination of customers about specific brands. In the present examination the accompanying written works have been checked on with a specific end goal to recognize the zones that have effectively secured.

In the article titled "Purchasing Behavior and Consumption: Social Class versus Income" authors have discovered that, income level of the customers is the most

important when it comes to purchasing. It assumes a noteworthy part in their purchasing conduct in regard to less unmistakable items while social class has extraordinary effect on items with high extravagance which mirrors the way of life esteems. [1]

In the earlier study related to ability of the clients to pay for private goods exchanges, it was observed that buyers purchasing conduct is not reliable with their uplifting disposition toward moral items. They likewise found that, most of the customers were not willing to pay the normal value premium for reasonable priced private goods. [2]

Another investigation named "Analyzing Marketing Mix from an Ethical View: A Field Research on Marketing Executives", have featured that, cost is most critical range where, exploitative practices jump out at a greatest degree. They additionally found that, promoting directors are the most capable substance who impacts untrustworthy practices. [3]

The acceptance and success of own identification goods are growing, even though it cannot survive on the off chance that it draws customers just within the premise of cost of the item. [4]

It was observed that the retailers depend on domestic brands or national manufacturers for their private name creation as long as the latter’s dealing power is low. [5]

An research study done earlier was concentrated on negative results of the disallowance of resale value support under the part of assortment gave in the items or the opposition between the retailers and furthermore the aggressive position of labeled goods. [6]

It was observed that domestic brands are pressing out because of the quantity of private mark items. This thus has turned into a negative factor for a client who has less decision because of this sort of rivalry. [7]

It was well understood that the customer’s disposition towards Private name by concentrating on three classifications i.e. impact of age, conjugal status and calling on purchasing conduct were taken in to thought. [8]

The simplicity, reasonableness, quality, accessibility, big name, clarity, image and economic wellbeing are the key drivers to the move to extravagance marked merchandise from center tire marked products. They have likewise expressed that brand discernment and buy esteem is additionally influenced by budgetary, useful, and singular angles, aside from socially arranged intentions of purchasing to inspire others. [9]

Privately marked goods and its exchanging by buyer depend on looking for conduct and inspirations, for example, interest, and value thought process and so on. [10]

**II. OBJECTIVES**

- To ponder the brand –wise client inclination.
- To consider the effect of cost of item on purchasing conduct of the clients. To ponder the fulfillment level of the clients about private mark items.
- To consider the uncalled for rehearses embraced to draw in clients towards private label items.

**III. HYPOTHESIS**

- H1 There is huge distinction between inclination for domestic brands and private label item.
- H2 Majority clients might want to lean toward private name items.

**Empirical Research Results [11]**

**HYPOTHESIS TESTING**

**H1-** There is significant difference between preference for domestic brands and private label product.

**Null Hypothesis:** There is no significant difference between preference for domestic brands and private label product.

**Exhibit 1:** Product-wise Preference for Domestic Bands and Private Label Products (Chi Square Test)

Table 1.

	O <sub>i</sub>	E <sub>i</sub>	O <sub>i</sub> - E <sub>i</sub>	(O <sub>i</sub> - E <sub>i</sub> ) ^ 2	((O <sub>i</sub> - E <sub>i</sub> ) ^ 2) / E <sub>i</sub>
<b>Domestic Brand</b>					
Food	21	30.89	-9.89	97.82	3.17
Clothing	32	30.23	1.77	3.12	0.10
Sanitary	36	32.86	3.14	9.85	0.30
Electronic	44	32.86	11.14	124.05	3.77
Luxury	37	31.55	5.45	29.73	0.94
Others	16	27.60	-11.60	134.66	4.88
<b>Private Label</b>					
Food	26	16.11	9.89	97.82	6.07
Clothing	14	15.77	-1.77	3.12	0.20
Sanitary	14	17.14	-3.14	9.85	0.57
Electronic	6	17.14	-11.14	124.05	7.24
Luxury	11	16.45	-5.45	29.73	1.81
Others	26	14.40	11.60	134.66	9.35

Total	283	38.41
Table value of $\chi^2$ at 5%		11.070
Calculate		38.41
Result (38.41 > 11.070)		Reject H0

In order to serve the basic objectives of the study the various hypothesis were set of which H1 has been tested with the help of chi square test, wherein it is found that the calculated value of  $\chi^2$  is greater than the table value of  $\chi^2$  i.e.  $38.41 > 11.070$  at 5% level of significance.

Hence the result is Null hypothesis has been rejected and alternate hypothesis is accepted, which concludes that there is a significant difference between the preference of domestic brands and the private label products.

H2: Majority clients might want to lean toward private name items.

Null Hypothesis: There would be no difference between number of customers who would prefer private label products and number of customers who would prefer domestic brands.

Table 2.

Reasons for preference	Number of Customers
Better Quality	8
Better Offer	11
Suggestions by close ones	12
others	1
<b>Total</b>	<b>32</b>
	H
n1	32
n2	18
p1	0.64
p2	0.36
p	0.5392
Z	1.6448
Z	1.9065
<b>Result</b>	<b>Reject H</b>

Since calculated Z value of H2 is greater than the table value i.e.  $1.9065 > 1.6448$  the null hypothesis is rejected at 5% level of significance. Hence it is concluded there is significant difference between the customers who prefer private label products and domestic brands.

**Inferences / Suggestions [11]**

The investigation on the customer mentality towards own identification and domestic brand has given a more extensive point of view of their conduct towards different retail outlets and Kirana stores accessible in the locality. The examination has demonstrated that the clients see private name as a neighborhood item which is not been viewed as same as the domestic brand. This additionally recognizes the explanations for getting pulled in towards private mark.

The investigation has uncovered that, dominant part respondent’s lean toward both domestic and private name when contrasted with singular particular brand, yet has changed alongside change in statistic profile. Item insightful inclinations demonstrates that, greater part clients lean toward domestic brands for buying Electronic, Luxury, Sanitary and Clothing things though they favor private name for Food and different random things. The examination likewise reveals that, out of the specimen respondents greater part incline toward private mark items because of recommendations by close ones or better offer, though the individuals who don't favor private name items, are not content with the nature of these brands.

The perspective of clients towards any buy is reliant on the cost of the item, after which the quality and accessibility of the item considers. Numerous clients see private mark as a low quality item which is seen to be purchased by low pay aggregate who need a superior way of life yet would prefer not to spend on the same. These imitative items demonstrate a superior means for these clients to fulfill their inclination towards marked / branded items.

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