

A COMPARATIVE STUDY ON THE GROWTH PROSPECTS OF PRIVATE LABEL BRANDS TO THAT OF NATIONAL BRANDS IN FMCG RETAIL IN DELHI WITH SPECIAL REFERENCE TO ATTA

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Abstract: Private labels entered in Indian retail almost two and half decade before and still have not picked up as compared to their dominance in western part of the world. With recent growth of organized retail in India, we can see these private labels as emerging force in Indian retail. Many of Indian retailers like Future Group, Tata's Croma, Aditya Birla's More, Shoppers Stop, Spencer's etc are relying on private label strategy in a big way. Besides, rapid technological and socio-economic changes over the last two decades have affected the buying behavior of consumers forcing retailers to innovate and build new brands (PLBs/Store Brands) across different categories to attract more buyers in their stores. This research study the factors affecting the sales growth of private labels in India and also determining and comparing customer's demographic profile for Private Label brand and national brand. The methodology proposed to achieve this objective consisted of examining the data of FMCG.

Keywords: National brands, Private Label Brands, Store Brands, FMCG, Retail.

INTRODUCTION

There has been a significant increase in Private Label brands in recent years worldwide. Private Labels are growing faster than manufacturer's brands. They are more popular today than at any time before. Private Labels have gained an increased market penetration and are growing at a rapid rate. A Private Label is defined as 'the products retailers sell under their own names'. According to the Private Label Manufacturers' Association (PLMA), "Private Label products encompass all merchandise sold under a retailer's brand. That brand can be the retailer's own name or a name created exclusively by that retailer". The term

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retailer's own-brand is often used interchangeably with private label, own-label, retailer brand or store brand. Private labels have come a long way over the past three decades. In the past, Private labels were a cheap, low-price alternative to manufacturer brands but today, private labels have taken on a premium brands image. They are no longer seen as just cheap and poor quality products bought by less affluent customers but rather they Endeavour to be an alternative option of value or quality to manufacturer's brands. Retailer's brands are to be found next to national brands in every category.

It is very difficult to see a clear picture of the retail sector in India. Local shops, kirana stores, vegetable vendors, paan and bidi shops are termed as by so many people as unorganized retail sector. These shop owners are aware about the needs, wants, taste and preferences of their consumers, however they are not using any technology to deal with. Many of these vendors would also know their customers by name and offer add on services like credit facilities and free home delivery etc. This is called traditional retailing of India. The overall size of Indian retail is estimated to be INR 31 trillion (USD 534 billion) in 2013-14, with a CAGR of 15 per cent over the last five years, which is actually much higher than the actual growth of the Indian GDP for the same period. Going forward, the overall retail sector growth is likely to witness a CAGR of 12-13%, which would be worth INR55 trillion (USD948 billion) in 2018-19.

As per the Crisil Research estimates-2014, approximately 92 per cent of the business coming from the unorganized sector, such as family run stores and other corner stores. The Indian retail sector offers huge potential for growth and consolidation. The revenue generated from organized retail was INR 0.9 trillion (USD 15.5 billion) in 2009, INR 2.4 trillion in 2012 (USD 41.4 billion), and is expected to continue growing at an impressive rate to a projected INR 5.5 trillion (USD 94.8 billion) by 2019¹.

OPPORTUNITIES IN INDIAN RETAIL

Retailing in India is growing and large number of big Indian players like Ambanis, Tatas, Birlas, Sunil Bharti Mittal, K Raheja, RPG, Kishore Biyani and many more are competing with each other and with the government's positive node on liberalizing FDI norms for foreign players the competition in Indian retail is going to be intense in the near future. This growing scenario in the retail market will surely open the doors for opportunities in various aspects.

To cope with a highly competitive and challenging environment, retailers in Indian market are offering opportunities for new hiring, and promotion of their existing human resource with wide range of skills and interests. Retailing will thus create good employment opportunities by offering large number of jobs to

the fresh candidates in retail and marketing as well as huge growth prospects for the experienced people in retail.

Retail segment is a lucrative sector offering good employment opportunities presently and in the years to come. Retailing also provides opportunities for entrepreneurial ventures. Some of the world's richest people are retailing entrepreneurs. India being a huge retail market with growing and high population statistics can be a good entrepreneurial venture in retail. Retailing examines the life of one of the world's greatest entrepreneurs like Sam Walton (Wal-Mart), Kishore Biyani (Future group), Jeff Bezos (Amazon.com), Donald Fisher (The Gap) and Dave Thomas (Wendy's). Thus, retailing in India has a wide scope for the people who wish to start their own business.

KEY PLAYERS IN THE SEGMENT

The food and grocery segment in India has witnessed the onslaught of many new players in the market. Many players in the segment include the RPG Group, Aditya Birla Group, Future Group and Reliance Retail. The key format of Future Group under the umbrella of food retail is food bazaar chain of supermarkets. The value proposition that it brings to the consumers is "Ab Ghar Chalana Kitna Aasan" and it replicates the local market to provide the much important touch and feel factor that Indian housewives are used to in the local bazaar.

FUTURE GROUP

Food bazaar offers items such as staples, soaps and detergents, oils, cereals and biscuits which fall under daily consumption category. Private labels are an integral part of this format and some of the categories in which private labels exist are atta, ghee, chips, butter, ready mix masalas, floor cleaner, deo, scrubbers, hand wash, etc. Farm fresh is now a key focus area for the company. With 185 Food Bazaar stores, 123 KB's Fairprice stores and a Food Right store in Mumbai, the company's reach and scale is now unparalleled in the Indian market².

THE AV BIRLA GROUP

AV group has also joined the array of organized retailing and has launched a supermarket under the brand name More. The mission of AV Group is to change the way people are shopping and accordingly they aim at giving them "more". The AV group acquired the Hyderabad-based supermarket chain Trinethra Super Retail, including its very fast increasing online shopping outfit, FabMall. By this acquisition they had more than half a million square feet of selling area and a strong presence in the supermarket business in all southern states, where it is no.1 retailer. AV group currently operates two formats supermarkets and hypermarkets.

The supermarket is called more for you and these are conveniently located in the neighborhood areas. Having more supermarkets will help in catering the routine and daily shopping needs of consumers. The product offered under the supermarket format include a wide range of fresh fruits and vegetables, personal care, home care, general merchandise and an exclusive range of apparels. Presently, more than 600 more Supermarkets are doing good business across the country³.

RELIANCE RETAIL LIMITED (RRL)

Reliance Retail Limited is a subsidiary of Reliance Industries Limited (RIL) and it was set up to lead Reliance group's venture into organized retail in India. Since its inception in the year 2006, RRL has now expanded its presence in more than 85 cities across 14 states in India. RRL is moving ahead with its expansion plans and opening out stores throughout India. RRL's presence now spans a network of nearly 1000 stores throughout India⁴.

RRL operates several 'value' and 'specialty' formats in the food and grocery segment. The 'value' formats offer a wide range and assortment of products required for daily household needs.

REVIEW OF LITERATURE

Ulf Johansson and Steve Burt (2004) found out that handling of private label brands in a retail organization is pretty complex job as compared to handling of manufacturer brands. They stressed that it involves greater number of different activities and which requires capabilities to be able to perform these activities. They also expressed that if retailers see their product ranges as a set of categories then working with PLBs become very natural ways of achieving category goals and filling the variety with attractive goods⁵.

Georg Muller, Mark Bergen, Shantanu Dutta and Daniel Levy (2006) studied in grocery retailing of large US supermarket chain and found out that people wish to leave affirmative impressions by buying the best and do not want to appear cheap. They also expressed that social consumption that takes place during holiday periods decreases the value of private label products as compared to products of national brands⁶. More specifically, study underscores the importance of studying price adjustment behavior during holiday periods and the value of holiday periods as a 'natural laboratory' for further studies by economists on various issues.

Suzana de M. Fontenelle (1996) suggests that private label is Brazilian supermarkets have several characteristics which are close to private labels in supermarkets of more developed countries and are as under:

- (i) The emergence of private labels in Brazilian supermarkets is associated with economic concentration of the food retailing industry.

- (ii) Private label brands in Brazilian supermarkets present quality products at cheaper price as compared to manufacturer brands
- (iii) Benefits resulting from private labels are enjoyed by consumers described as price sensitive and loyal to their usual store

The development of private label brands in Brazilian market presents a paradox to consumers. Private label products offer good quality at lower price but these benefits are not enjoyed by the poor people and on the opposite, these benefits are enjoyed by the more rich consumers. From this research a window is open for further research which can address the public policy implications of extending the benefits derived from private labels to other segment of the society⁷.

Enrique Manzur, Sergio Olavarrieta, Pedro Hidalgo, Pablo Farias and Rodrigo Uribe (2011) pointed out that promotion of national brands may be a good instrument for fighting back store brands, but manufacturers require to design and target these promotions very watchfully in order to keep away from head to head competition⁸.

(Hidalgo *et. al.* 2008) found out that brand loyalty decreases both attitudes in a similar way. The result of the study suggests that manufacturers of national brands must focus their strategies on getting customer loyalty because loyal customers showed a weaker attitude toward store brands as well as toward promotions of other manufacturer brands, which reduces the risk of competition from either approach.

Prasad and Reddy (2007) found that consumers are shopping products of food and groceries in a more concerned manner than ever before. They also found out that present organized retail stores are the preferred point of purchase for consumers. The opinion and observation of consumer varies significantly while buying items of food and groceries in different retail outlets. They also expressed that housewives and working women are more prone to do shopping in supermarket kind of organized retailing. Further it reveals that retailers of organized retail format should be cautious while serving the needs, requirements and preferences of prospective consumers in order to retain and acquire⁹.

Muhammad Ehsan Malik *et. al.* (2014) Results of the study revealed that brand image has strong positive impact on consumer buying behavior as it is an implied device that can change people's behaviours positively. Advertisement also has positive impact on consumer buying behavior. It is evident from this research that if people will be well be aware about the brand and they have good brand perception, then brand image will be more stronger in the minds of consumers hence that brand will become the part of their buying behavior¹⁰.

Dhruv Grewal, R. Krishnan, Julie Baker and Norm Borin(2002) Research done by them suggests that previous knowledge and familiarity with the brand or product category moderates the effect of price on consumer evaluations. This may suggest that the undesirable effects of price discounting on consumer assessment found by other researchers (*e.g.*, Blattberg and Neslin, 1990) may not grip for soaring quality products, at least in the short term. One of the interesting facts of the study is that consumers who have high knowledge use brand name to a greater degree to assess perceived quality than do low knowledge consumers. Finally, the substantive finding of the study is that internal reference price is influenced by price discounts, brands perceived quality and finally with brand name¹¹.

Ali Nasar Esfahani, Maryam Jafarzadeh (2012) The results indicate that psychographic variables concerns such as quality, price consciousness, innovativeness of towards new products, variety seeker, store loyalty and planning have been influenced by sales promotions and have considerable relationship with these variables and sales promotions. In order to encourage for discounted products, marketers and sellers can consider expensive products with multi quality and characteristics in promotional programs to show consumers that of products have high quality and low price¹².

Done Hayan Dib and Mokhles Alnazer (2013) The findings of the study show when the promotional benefit is high, the price discounts are more effective than premiums because they are valued more and generate higher buying intentions. When the promotional benefit is moderate, the findings indicate that price discounts are more effective than premiums because they are valued more and generate higher buying intentions. Hence, marketers have to get into account that consumers value a “high” price discount more than an equivalent premium but also that, as Raghubir (2006) suggests, sometimes consumers may purchase a product on sale because it is on sale, rather than as a result of the cost savings of the sale. This may incline managers to avoid offering an unnecessarily soaring price cut. Also, at the reasonable benefit level the price reduction more effective than premium¹³.

Done J. Joshua Selvakumar and P. Varadhrajan (2013) This study found that quality is more important than price to shoppers. Perception of quality is an important component relating to private-label product usage. If all brands are seen as sharing a similar quality in a category, then private -label brand use is repeatedly observed to increase (Richardson *et. al.* 1994). It is concluded that quality and price of national brand products are high when compared with brand of private label products¹⁴.

M. Raja and Dr M. I. Saifil Ali (2014)The findings of the study revealed that private label brands maintain good image and consumers are happy and satisfied

with its quality, price and packaging¹⁵. They also found out that consumers strongly believe that products of PLB category are not associated with luxury goods.

Muhammad Arslan and Rashid Zaman (2014) The findings of study reveal the positive effect of brand image and service quality on consumer purchase intention. Results reveal the significant relationship between price and consumer purchase intention. Mostly the purchases of consumers depend upon the brand image and service quality. Normative and informative susceptibility have a very positive effect on brand image. The findings of the study are very helpful for managers and operators of large stores¹⁶.

HYPOTHESES

H1: There is a significant association between Income and Atta (PLB and NB).

H2: There is a significant association between Gender and Atta (PLB and NB).

H3: There is a significant association between Age and Atta (PLB and NB).

H4: There is a significant association between profession and atta. (PLB and NB)

H5: There is a significant association between qualification and atta. (PLB and NB)

OBJECTIVES OF RESEARCH

The major objective of the research paper is to find out the factors contributing towards the buying Intention of shoppers with reference to Private Label Brands and National Brands.

The objective is to compare the Private Label Brand and National Label Brands from Demographic point of view.

METHODOLOGY

A descriptive study was undertaken to determine and describe the characteristics of the variables of interest in a situation. Customers from retail chains of Big Bazaar participated in the survey. A sample size of 250 was deemed to be appropriate to the represented population. Roscoe (1975) proposes a thumb rule that sample size larger than 30 and less than 500 are appropriate for most research. A questionnaire was administered to the customers of these FMCG retail outlets and information was gathered on a random basis. Customers within the age group of 20-60 were involved in the study. The sampling technique used for the study was non-probability convenient sampling. For collection of primary data, a structured

questionnaire was framed to administer the customers of the retail outlets and information was gathered on a random basis. The statistical software used was Statistical Package for Social Studies (SPSS v 19.0) and Microsoft Excel 2007.

DATA ANALYSIS

CHI Square Test

*Income * Type*

Table 1
Chi-Square Income

		<i>Type</i>			
			<i>Local</i>	<i>National</i>	<i>Total</i>
Income	Less than 20,000	Count	74	52	126
		Expected Count	64.9	61.1	126.0
		% within Income	58.7%	41.3%	100.0%
		% within Type	36.8%	27.5%	32.3%
		% of Total	19.0%	13.3%	32.3%
	20,001-30,000	Count	76	54	130
		Expected Count	67.0	63.0	130.0
		% within Income	58.5%	41.5%	100.0%
		% within Type	37.8%	28.6%	33.3%
		% of Total	19.5%	13.8%	33.3%
	30,001-40,000	Count	23	39	62
		Expected Count	32.0	30.0	62.0
		% within Income	37.1%	62.9%	100.0%
		% within Type	11.4%	20.6%	15.9%
		% of Total	5.9%	10.0%	15.9%
	40,001-50,000	Count	28	44	72
		Expected Count	37.1	34.9	72.0
		% within Income	38.9%	61.1%	100.0%
		% within Type	13.9%	23.3%	18.5%
		% of Total	7.2%	11.3%	18.5%
Total		Count	201	189	390
		Expected Count	201.0	189.0	390.0
		% within Income	51.5%	48.5%	100.0%
		% within Type	100.0%	100.0%	100.0%
		% of Total	51.5%	48.5%	100.0%

From the output of Table-1, it is found that respondents with less income groups or average income buy more local products than the higher income group. It has also seen that there has been a shift in the trends of buying of national products with the increase in income.

Table 2
Chi Square Likelihood Ratio

	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
Pearson Chi-Square	14.894 ^a	3	.002
Likelihood Ratio	14.994	3	.002
Linear-by-Linear Association	11.406	1	.001
N of Valid Cases	390		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 30.05.

From the table 2, it has been found that the significant value is 0.002 which is less than 0.05 at 95% confidence level. As a rule of thumb, the significant value has to be less than 0.05 at 95% confidence level. In this case, the small value of Pearson's Chi-square test states that there is a significant interrelationship between income and Type of product you buy. So at 95% confidence level $100-95=5$ divided by 100 or 0.05 significant level, it is concluded that there is a significant interrelationship between income and the "Type of Atta you buy".

Table 3
Contingency Coefficient - Income

		<i>Symmetric Measures</i>	
		<i>Value</i>	<i>Approx. Sig.</i>
Nominal by Nominal	Phi	.195	.002
	Cramer's V	.195	.002
	Contingency Coefficient	.192	.002
N of Valid Cases		390	

The contingency coefficient gives the measure of strength of the output. If the value is close to 0, there is less correlation between the two variables. However, if the range is between 0.5 and 1, then there a strong correlation exists. From the table above, it can be concluded that there is less correlation between the variables namely income and the "Type of Atta" which is .195.

Gender * Type

Table 4
Cross Tab gender

		<i>Type</i>			
		<i>Local</i>	<i>National</i>	<i>Total</i>	
Gender	Male	Count	116	123	239
		Expected Count	123.2	115.8	239.0
		% within Gender	48.5%	51.5%	100.0%
<i>Cont. table 4</i>					

		<i>Type</i>		
		<i>Local</i>	<i>National</i>	<i>Total</i>
	% within Type	57.7%	65.1%	61.3%
	% of Total	29.7%	31.5%	61.3%
Female	Count	85	66	151
	Expected Count	77.8	73.2	151.0
	% within Gender	56.3%	43.7%	100.0%
	% within Type	42.3%	34.9%	38.7%
	% of Total	21.8%	16.9%	38.7%
	Total	Count	201	189
	Expected Count	201.0	189.0	390.0
	% within Gender	51.5%	48.5%	100.0%
	% within Type	100.0%	100.0%	100.0%
	% of Total	51.5%	48.5%	100.0%

Table 5
Chi Square Likelihood Ratio Gender

	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>	<i>Exact Sig. (2-sided)</i>
Pearson Chi-Square	2.229 ^a	1	.135	
Continuity Correction ^b	1.929	1	.165	
Likelihood Ratio	2.233	1	.135	
Fisher's Exact Test				.146
Linear-by-Linear Association	2.223	1	.136	
N of Valid Cases	390			

From the Table 5, it has been found that the significant value is 0.146 which is more than 0.05 at 95% confidence level. But as the thumb rule the significant value has to be less than 0.05 at 95% confidence level. Therefore, null hypothesis cannot be rejected. In this case, the higher value of Pearson's Chi-square test states that there is no significant association between Gender and Type of Atta you buy. So at 95% confidence level $100 - 95 = 5$ divided by 100 or 0.05 significant level, it is concluded that there is no significant interrelationship between Gender and Type of atta you buy.

Table 6
Contingency Coefficient - Gender

		<i>Symmetric Measures</i>	
		<i>Value</i>	<i>Approx. Sig.</i>
Nominal by Nominal	Phi	-.076	.135
	Cramer's V	.076	.135
	Contingency Coefficient	.075	.135
N of Valid Cases		390	

From the table above, it is clear that there is less correlation between the variables namely profession and “Type of Atta you buy” which is .135.

Age * Type

Table 7
Chi Square Age

		<i>Crosstab</i>				
		<i>Type</i>				
		<i>Local</i>	<i>National</i>	<i>Total</i>		
Age	Less than 30	Count	49	21	70	
		Expected Count	36.1	33.9	70.0	
		% within Age	70.0%	30.0%	100.0%	
		% within Type	24.4%	11.1%	17.9%	
		% of Total	12.6%	5.4%	17.9%	
	31-40	Count	69	58	127	
		Expected Count	65.5	61.5	127.0	
		% within Age	54.3%	45.7%	100.0%	
		% within Type	34.3%	30.7%	32.6%	
		% of Total	17.7%	14.9%	32.6%	
	41-50	Count	53	66	119	
		Expected Count	61.3	57.7	119.0	
		% within Age	44.5%	55.5%	100.0%	
		% within Type	26.4%	34.9%	30.5%	
		% of Total	13.6%	16.9%	30.5%	
	51-60	Count	13	20	33	
		Expected Count	17.0	16.0	33.0	
		% within Age	39.4%	60.6%	100.0%	
		% within Type	6.5%	10.6%	8.5%	
		% of Total	3.3%	5.1%	8.5%	
	More than 60	Count	17	24	41	
		Expected Count	21.1	19.9	41.0	
		% within Age	41.5%	58.5%	100.0%	
		% within Type	8.5%	12.7%	10.5%	
		% of Total	4.4%	6.2%	10.5%	
Total		Count	201	189	390	
		Expected Count	201.0	189.0	390.0	
		% within Age	51.5%	48.5%	100.0%	
		% within Type	100.0%	100.0%	100.0%	
		% of Total	51.5%	48.5%	100.0%	

Table 8
Pearson Likelihood Ratio Age

<i>Chi-Square Tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
Pearson Chi-Square	15.899 ^a	4	.003
Likelihood Ratio	16.224	4	.003
Linear-by-Linear Association	12.724	1	.000
N of Valid Cases	390		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 15.99.

From the Table 8, it has been found that the significant value is 0.003 which is less than 0.05 at 95% confidence level. Therefore, null hypothesis is rejected. In this case, the lesser value of Pearson's Chi-square test states that there is significant association between Age and Type of Atta you buy.

Table 9
Contingency Coefficient Age

<i>Symmetric Measures</i>			
		<i>Value</i>	<i>Approx. Sig.</i>
Nominal by Nominal	Phi	.202	.003
	Cramer's V	.202	.003
	Contingency Coefficient	.198	.003
N of Valid Cases		390	

From the table above, it is clear that there is less correlation between the variables namely profession and "Type of Atta you buy" which is .202.

TYPE AND PROFESSION

Table 10
Crosstab Profession

		<i>Crosstab</i>			
		<i>Type</i>			
		<i>Local</i>	<i>National</i>	<i>Total</i>	
Profession	Student	Count	39	38	77
		% within Profession	50.6%	49.4%	100.0%
		% within Type	19.4%	20.1%	19.7%
		% of Total	10.0%	9.7%	19.7%

Cont. table 10

		<i>Crosstab</i>		
		<i>Type</i>		
		<i>Local</i>	<i>National</i>	<i>Total</i>
Private servant	Count	46	57	103
	% within Profession	44.7%	55.3%	100.0%
	% within Type	22.9%	30.2%	26.4%
	% of Total	11.8%	14.6%	26.4%
Government servant	Count	40	37	77
	% within Profession	51.9%	48.1%	100.0%
	% within Type	19.9%	19.6%	19.7%
	% of Total	10.3%	9.5%	19.7%
Business man	Count	76	57	133
	% within Profession	57.1%	42.9%	100.0%
	% within Type	37.8%	30.2%	34.1%
	% of Total	19.5%	14.6%	34.1%
Total	Count	201	189	390
	% within Profession	51.5%	48.5%	100.0%
	% within Type	100.0%	100.0%	100.0%
	% of Total	51.5%	48.5%	100.0%

Table 11
Pearson Likelihood Profession

<i>Chi-Square Tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
Pearson Chi-Square	3.653 ^a	3	.301
Likelihood Ratio	3.661	3	.300
Linear-by-Linear Association	2.003	1	.157
N of Valid Cases	390		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 37.32.

Table 12
Contingency Coefficient Profession

<i>Symmetric Measures</i>			
		<i>Value</i>	<i>Approx. Sig.</i>
Nominal by Nominal	Phi	.097	.301
	Cramer's V	.097	.301
	Contingency Coefficient	.096	.301
N of Valid Cases		390	

TYPE AND QUALIFICATION

Table 13
Crosstab Qualification

			<i>Crosstab</i>			
			<i>Type</i>			
			<i>Local</i>	<i>National</i>	<i>Total</i>	
Educational qualification	Undergraduate	Count	63	46	109	
		% within Educational qualification	57.8%	42.2%	100.0%	
		% within Type	31.3%	24.3%	27.9%	
		% of Total	16.2%	11.8%	27.9%	
		PG	Count	45	73	118
			% within Educational qualification	38.1%	61.9%	100.0%
	% within Type		22.4%	38.6%	30.3%	
	Professional education	% of Total	11.5%	18.7%	30.3%	
		Count	74	51	125	
		% within Educational qualification	59.2%	40.8%	100.0%	
	Higher Secondary	% within Type	36.8%	27.0%	32.1%	
		% of Total	19.0%	13.1%	32.1%	
Count		19	19	38		
% within Educational qualification		50.0%	50.0%	100.0%		
Total	Count	% within Type	9.5%	10.1%	9.7%	
		% of Total	4.9%	4.9%	9.7%	
	% within Type	Count	201	189	390	
		% of Total	51.5%	48.5%	100.0%	
% within Type	Count	100.0%	100.0%	100.0%		
	% of Total	51.5%	48.5%	100.0%		

Table 14
Pearson Likelihood Qualification

<i>Chi-Square Tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
Pearson Chi-Square	13.171 ^a	3	.004
Likelihood Ratio	13.257	3	.004
Linear-by-Linear Association	.028	1	.868
N of Valid Cases	390		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 18.42.

Table 15
Contingency Coefficient Qualification

<i>Symmetric Measures</i>			
		<i>Value</i>	<i>Approx. Sig.</i>
Nominal by Nominal	Phi	.184	.004
	Cramer's V	.184	.004
	Contingency Coefficient	.181	.004
N of Valid Cases		390	

FACTOR ANALYSIS

The broad purpose of factor analysis is to summarize data so that relationships and patterns can be easily interpreted and understood. It is normally used to regroup variables into a limited set of clusters based on shared variance. Hence, it helps to isolate constructs and concepts.

Factor analysis uses mathematical procedures for the simplification of interrelated measures to discover patterns in a set of variables (Child, 2006). Attempting to discover the simplest method of interpretation of observed data is known as parsimony, and this is essentially the aim of factor analysis (Harman, 1976).

Table 16
Total Variance Explained

<i>Total Variance Explained</i>									
<i>Component</i>	<i>Initial Eigenvalues</i>			<i>Extraction Sums of Squared Loadings</i>			<i>Rotation Sums of Squared Loadings</i>		
	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>
1	7.528	22.813	22.813	7.528	22.813	22.813	4.658	14.115	14.115
2	6.267	18.991	41.804	6.267	18.991	41.804	4.657	14.112	28.227
3	2.293	6.948	48.752	2.293	6.948	48.752	3.660	11.089	39.317
4	2.063	6.252	55.004	2.063	6.252	55.004	2.927	8.870	48.186
5	1.626	4.927	59.930	1.626	4.927	59.930	2.550	7.726	55.913
6	1.509	4.573	64.503	1.509	4.573	64.503	2.246	6.807	62.720
7	1.219	3.694	68.197	1.219	3.694	68.197	1.808	5.478	68.197
8	.893	2.707	70.904						
9	.776	2.351	73.255						
10	.721	2.185	75.440						
11	.708	2.146	77.586						
12	.597	1.809	79.396						
13	.579	1.755	81.150						

Cont. table 16

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
14	.542	1.641	82.792						
15	.526	1.595	84.387						
16	.476	1.443	85.830						
17	.454	1.375	87.205						
18	.431	1.305	88.510						
19	.417	1.264	89.774						
20	.395	1.196	90.970						
21	.343	1.041	92.011						
22	.320	.971	92.982						
23	.311	.942	93.924						
24	.291	.882	94.806						
25	.280	.847	95.653						
26	.257	.780	96.433						
27	.246	.746	97.180						
28	.211	.639	97.819						
29	.170	.516	98.334						
30	.160	.485	98.820						
31	.151	.458	99.277						
32	.130	.393	99.670						
33	.109	.330	100.000						

Extraction Method: Principal Component Analysis.

Table 17
Rotated Component Matrix^a

	Component						
	1	2	3	4	5	6	7
PQ2	.793						
PQ3	.775						
PQ7	.735						
PQ6	.723						
PQ8	.682						
PQ4	.678						
PQ1	.581						
PQ5	.556						
BA6		.854					
BA7		.853					
BA5		.843					

Cont. table 17

	Component						
	1	2	3	4	5	6	7
BA4		.806					
BA3		.806					
BA8		.632					
BA2		.579					
PI6			.865				
PI5			.836				
PI4			.803				
PI3			.679				
BI3				.823			
BI4				.806			
BI2				.763			
BI1				.751			
L3					.808		
L4					.743		
L5					.560		
L1					.549		
L2					.537		
P2						.878	
P1						.826	
P3						.727	
AFP2							.828
AFP1							.791

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.

Exploratory Factor Analysis (EFA)

Exploratory Factor Analysis is a general name denoting a class of procedures primarily used for data reduction and summarization (Malhotra, 2007). Exploratory Factor Analysis allows researchers to condense a large set of variables or scale items down into a smaller, more manageable number of factors or components (Pallant, 2007). It does this by summarising the underlying patterns of correlation and looking for groups of closely related or not related items (Tabachnick and Fidell, 2007). It identifies how many factors best represent the scale items in the context of the data collected and which factor each scale item loads most highly onto (Hair *et al.* 2010).

After the standards indicate that data is suitable for factor analysis, Principal Components Analysis (PCA) was employed for extracting the data, which lets determining the factor underlying the relationship between numbers of variables. The total variable Explained box was suggesting that it extracts one factor accounts for 68.19% of the variance of the relationship between variables. In order to ‘extract’

factors from the data, components that have an eigenvalue of 1 or more have to be identified from the Total Variance Explained extracted using Principle Component Analysis (Pallant, 2007). This determines the number of factors extracted from the data (Kaiser, 1960). As displayed in Principle Component Analysis of this research data identifies that the first seven components have recorded eigenvalues above 1. Loading on factors may be positive or negative. A negative loading points to that this variable has an inverse relationship with the rest of the factors. The upper the loading the more important is the factor. However Comrey (1973 : 1346) recommended that anything more than 0.44 could be considered salient, with increased loading becoming very important in determining the factor. All the loadings in the research were positive.

Rotation is necessary when extraction technique suggest there are two or more factors. The rotation of factors was calculated to have an idea of how the factors initially extracted differ from each other and to provide a clear picture of which item load on which factor. There are only seven factors, each having Eigen value exceeding 1 that is 4.65, 4.65, 3.66, 2.92, 2.55, 2.24 and 1.80 respectively.. The percentage of total variance is used as an index to determine how well the total factor solution accounts for what the variables together represent. The index for present solution accounts for 68.19% of the total variations for compensatory consumption. It is pretty good extraction as it can be economize on the number of factors (from 38 it has reduced to 7 factors) while we have lost 31.81% information content for factors for buying behavior of Private Label and National Brand. The percentage of variance explained by factor one to seven for factors for buying behavior of National label brand are 14.11, 14.11, 11.08, 8.87, 7.72, 6.80 and 5.47 respectively.

The Components Matrix is the output of the Exploratory Factor Analysis process that lists the loadings of each of the scale items on each of the seven components. Valid components having scale item loadings of 0.5 and above (Hair *et al.* 2010) and scale items with the highest loading on that component (Wixom and Todd, 2005). This Components matrix is subsequently rotated by using varimax rotation to assist interpretation of its results (Malhotra, 2007), displaying only loadings of 0.5 and above.

Large communalities indicate that a large number of variance has been accounted for by the factor solution. Varimax rotated factor analytic results for buying behavior. The seven factors shown in table have been discussed below:-

Interpretation of Factors

Each construct needs to be assigned a name or label to characterise it and aid its interpretation (Tabachnick and Fidell, 2007). Each of the type of product you buy factors that have been extracted *via* Principle Component Analysis in the Exploratory Factor Analysis process of this research data is displayed. The names

allocated to each factor are a result of the interpretation of buying behavior of Private Label Brands and National Brands scale items and are discussed in the following sub-sections.

PRICE AND QUALITY (VALUE FOR MONEY)

The first factor with the Total Variance Explained value 14.11% has been interpreted as Price and Quality (*value for money*) due to its inclusion of scale items identified and adapted from academic literature surrounding buying behavior of Private Label Brands and National Brand, *Price and Quality (value for money)*, as displayed in table below.

Table 18
Factor Loading of Price and Quality

PQ1	I am willing to make an extra effort to find a low price.	.581
PQ2	I will change what I had planned to buy in order to take advantage of lower price.	.793
PQ3	I am very sensitive in price difference of the product.	.775
PQ4	If I were going to buy this product, I would consider buying the product at price shown.	.678
PQ5	The product from this brand would be of very good quality.	.556
PQ6	The product from this brand appears to be durable.	.723
PQ7	The product of this brand has very good service facilities.	.735
PQ8	I trust the quality of this brand.	.682

BRAND AWARENESS

The second factor with the highest Total Variance Explained value 14.11% has been interpreted as *Brand Awareness* due to its inclusion of scale items identified and adapted from academic literature surrounding buying behavior of Private Label Brands and National Brands, *Brand Awareness*, as displayed in table below.

Table 19
Factor Loadings of Brand Awareness

BA2	It is easy to describe many features related to product.	.579
BA3	I could easily explain many features associated with the product.	.806
BA4	When I think about product, I always remember the brand.	.806
BA5	I can quickly recall the symbol or logo of the brand.	.843
BA6	Some characteristics of brand come to my mind quickly.	.854
BA7	The brand I use is my first choice among the available brands.	.853
BA8	The brand which I use has created a distinct image in my mind.	.632

PEER INFLUENCE

The third factor with the highest Total Variance Explained value 11.08% has been interpreted as *peer influence* due to its inclusion of scale items identified and adapted from academic literature surrounding buying behavior of PLBs and NBs, *peer influence*, as displayed below in the table.

Table 20
Factor Loading Peer Influence

P13	I am proud to tell others that I purchase product of this brand.	.679
PI4	I buy products of this brand on my friend's recommendations.	.803
PI5	I generally receive good recommendations about the product of this brand.	.836
PI6	I do not miss an opportunity to tell others about the product of this brand.	.865

BUYING INTENTION

The fourth factor with the Total Variance Explained value 8.87% has been interpreted as *buying intention* due to its inclusion of scale items identified and adapted from academic literature surrounding buying behavior of Private Label Brands and National Brand, *buying intention*, as displayed in table below.

Table 21
Factor Loading Buying Intention

BI1	I will recognize the need of product or brand before buying	.751
BI2	I will search information from various sources before buying	.763
BI3	I will compare or evaluate the number of alternatives before buying	.806
BI4	I will select the best product or brand among alternatives available	.823

LOYALTY

The fifth factor with the Total Variance Explained value 7.72% has been interpreted as *loyalty* due to its inclusion of scale items identified and adapted from academic literature surrounding buying behavior Private Label Brands and National Brand *loyalty*, as displayed in table below.

Table 22
Factor Loading of Loyalty

L1	I consider myself very loyal to the product of this brand.	.549
L2	I am very committed for repeat purchase of the product of this brand.	.537
L3	Once I find a product of my choice, I stick with it.	.808
L4	I will not buy products of other brand if my brand is available in the store.	.743
L5	I will buy products of this brand even if its price has increased.	.560

PROMOTION

The sixth factor with the Total Variance Explained value 6.80% has been interpreted as *Promotion* due to its inclusion of scale items identified and adapted from academic literature surrounding buying behavior of Private label Brands and National Brand, *Promotion*, as displayed in table below.

Table 23
Factor Loading of Promotion

P1	The product of this brand has complimentary product combination.	.826
P2	The product of this brand has good fitted combination.	.878
P3	There is free coupon on product purchase of this brand.	.727

ACCEPTABILITY AND FREQUENCY OF BUYING

The seventh factor with the Total Variance Explained 5.47% value has been interpreted as *acceptability and frequency of buying* due to its inclusion of scale items identified and adapted from academic literature surrounding buying behavior of Private Label Brands and National brand, *acceptability and frequency of buying*, as displayed in table below.

Table 24
Factor Loadings of Acceptability and FOP

AFP1	I prefer to buy product of my choice from store, when I need it.	.791
AFP2	The product of a brand which satisfy my need is acceptable to me.	.828

FINDINGS

- It is found that people of less than 30 age group and people within the age group of 31-40 years are the majority buyers of private brand atta. People falling under the age group of 41-50 and 51-60 are buying national brand atta.
- From the analysis 57.7% of the respondents are male and 42.3% of the respondents are female. It shows that majority of the respondents are male. Within the group 48.3% male purchase local brand atta where as 56.3% female purchase local brand atta, it shows that females are the majority preferring to buy local brand atta.
- It is found that 74.6% people fall in the income group below 30000 per month and these are the majority buyers of local brand atta where as respondents having income above 30000-50000 per month buy national brand atta. It is proved that income plays a significant role while choosing PLBs for their own consumption.
- From the analysis it is found that student, private servant and government servant buy equally local brand and national brand atta but in case of businessman the majority buyer of local brand is businessman.
- From the analysis it is found that majority of the buyers of private labels are from undergraduate and professional category of qualification. Rest of other categories buyers are almost equal in numbers towards their purchases of PLBs and NBs.

CONCLUSION

Private label brands have made remarkable inroads over the past three decades. Indian retailers continue to expand the domain of private label offerings, however the success of PLBs has been limited to segments of consumers and certain product categories. In this research the objectives were to assess how PLBs are perceived in a specific product category atta (FMCG). The findings reveal that PLBs have gradually made some ground in various class as an advantage of low cost and they are quality and more economical. Consumers believe that PLBs are the best option to save money.

From the study it is obvious that private labels are able to position themselves significantly in the minds of consumers and are gaining acceptance.

LIMITATIONS AND FURTHER RECOMMENDATIONS

This research was very limited to a particular product category in FMCG segment. Some other categories may be tested choosing different segments like apparel and consumer durables. The geography covered for the research was limited to the Delhi only and it can be taken for other metros as well with change in sample and variables under study.

Notes

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Nishith Kumar Mishra, and Dr Navneet Gera. Determinants of Consumer Buying Behaviour of Private Label Brands in Delhi in Retail: Proposition and test of SEM Model. International Research Journal of Management Sociology and Humanity (IRJMSH), Vol 7 Issue 3 [Year 2016] ISSN 2277-9809 (online).

Nishith Kumar Mishra, and Dr Navneet Gera. Presence and Impact of Private Label Brands in Indian Organized Retailing: A Review. International Research Journal of Management Science and Technology (IRJMST) Vol 5, Issue 7 [Year 2014] ISSN 2250 - 1959 (Online) 2348-9367 (Print).

Nishith Kumar Mishra, and Dr Navneet Gera . Conceptual Framework on Consumer Buying Behaviour and Attitude: A Comparative Study on Private Label Brands V/S National Brands. Edited Book on 'Managing organisations of tomorrow by capitalising Generation Next' Vol-2- 2015, ISBN -978-93- 85000-02-7

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