International Journal of Economic Research

ISSN : 0972-9380

available at http: www.serialsjournal.com

Volume 14 • Number 1 • 2017

The Retail Kaleidoscope of Private Labels with Special Reference to Food Products in Chennai

M. Raja[1] and Saifil Ali[2]

[1] *Research Scholar, Sathyabama University, Chennai, Tamil Nadu*
[2] *Associate Dean, St.Theresa International College, Thailand.*

Abstract: *Background*: Retailers who attempt to expand their market share against their competitors are inclined to develop their own brands. Though the way that this term is deferentially used in different countries, retailers' brands are named, for instance, private brands (PB), own brands, vendor's brand and retailer brand. Retailers' brands, which retailers own and offer just in their own specific stores are called "private brands" and these things are, broke down in the sustenance retailing area in this study. *Methods*: Thus, in this study, a survey was managed to get the assessments of the customers. *Findings*: This exploration demonstrates the essential measurements of customers' assessment on private labels and to make commitments to the literature.*Application and implications*: This study helps the retailers to comprehend the ramifications of private labels and its impact in business has been talked about.

Keywords: Food brands, retailer brand, private brands, store product, wholesaler brand.

INTRODUCTION

Retailers who try to expand their market share in the retailing domain tend to develop their own particular brands. In this article, brands that retailers own and offer just in their own particular stores are called private label things. Of late, the relentless effort towards private labels by retailers makes the subject a focal point of interest. Apparently, even in the most significantly made private label country, high degree of private label areas; these things' total bit of the general business was 45% (Nishikawa and Perrin)[1]. Countries like, Germany, Belgium, the UK, and Spain have starting now surpassed 30% (Gomez and Rubio) [2]. As demonstrated by KPMG report (2014), Private label's offer is just around 6% stood out from 19% and 39% in US and UK Respectively[3].

Research studies in various countries have analyzed this subject both generally (retailer- manufacturer) and from a basically speculative perspective. There are couples of findings about private labels in the literature. Some of these studies are shopper based studies taking a gander at the cost sensibility of purchasers, (Sethuraman and Cole)[4], the risk perspective of purchasers (Batra and Sinha)[5], purchasers' evaluations (Dick et al.)[6], store commitment (Corstjens and Lal)[7] and store's image (Vahie and Paswan)[8]. Various studies focused more especially on national brands and private labels (Bontemms et al.)[9], PB manufacturers' aims, and the powerful positions of retailers and creators as to private brands (Jonas and Roosen)[10] (Oubina et al.)[11] (Oubina et al.)[12] (Gomez and Benito)[13].

In India, the amount of the studies with regard to private brands is remarkably inadequate. These studies are especially customer based studies. Some of these studies are investigating customers' evaluations, acknowledgments (Korkmaz) [14] (Orel) [15] and the threat impression of purchasers. Various studies focused on the progression of NB and PB things and the relationship amongst producers and retailers.

To the extent of our knowledge, not much articles have published around the topic customers' perception on private label. This study has been planned to develop an understanding of the basic estimations of the objectives in making private brands for food retailers. This paper is composed as takes after: initially, the present literature on private brand is investigated. Second, we depict the study framework. Ultimately, the conclusions, limitations, and suggestion for future investigation are given.

REVIEW OF LITERATURE

Private brands are accessible in a huge number of stores. There are, basically, three assortments of private brands. The first being an agent brand, which is a private brand that through its name and bundling reports that it is created and exclusively claimed by the retailer. The second being a selective private brand, which is claimed and delivered by the retailer, yet this is not unequivocally passed on to the buyer through brand name and bundling. The last sort is limited brands. These are brands that are not possessed by the retailer but rather are discovered solely in their stores. This sort of private brand has not been fused in this examination study. Producer brands then again are controlled and created by makers and sold through a plenty of retailers. As far as marking, the general agreement seems, by all accounts, to be that private name brands are viewed as "just as much a brand as manufacturer's" (Murphy, 1987)[16].

Ailawadi and Keller (2004) distinguish no less than four levels of private brands. These incorporate low quality generics; mid-range quality private brands; to some degree less costly yet equivalent quality items; and premium quality private brands that are valued in abundance of contender producer brands. Whilst the way of a store's private brand(s) ought to be guided, most importantly, by its objective market, the creators recommend that fruitful retailers will embrace more than one level of private name brand on the off chance that they are to accomplish wide scale market scope[17].

As indicated by Kumar and Steenkamp (2007), half of private brands are copycat brands. These brands basically endeavor to mirror the bundling and substance of first level maker brands[18]. Retailers investigations the substance of driving brands, and after that re-make the item, through a procedure known as figuring out (in the same place). In this manner, since there are negligible innovative work costs, and the retailers have effectively perceived that there is a conceivably lucrative business sector accessible, these items are as a rule fruitful. This kind of system includes creating a practically indistinguishable item and offering it at a diminished value with respect to contenders.

METHODOLOGY

A review of Customers Preference of Private Labels in Retail Platform was led in light of the fact that these retailers are seen to advertise arranged furthermore have a tendency to have private label products. In this manner, the point of this study is to demonstrate the primary measurements of customer opinion on private label products in Chennai. Thus, factor analysis has been utilized for the things identified with customer opinion on private label products.

SAMPLING

The sampling frame was the customers enlisted on the "Retailing Stores" furthermore found while acquiring. Altogether, 350 customers were recorded and welcomed to take an interest. The study was completed from April to June of 2015. Altogether, 280 customers addressed the questionnaire, 80% reaction rate. At the point when contrasted and past studies, the sampling size was adequate with a specific end goal to utilize analysis procedures to depict the customer's opinions on private label products from the customer's viewpoint.

DATA COLLECTION AND QUESTIONNAIRE

The questionnaire was developed with the help of literature review of past studies. The principal segment of the questionnaire contained common data about sampling. It included eleven base questions. The second segment was intended to gather data about the objective of the study. The opinions of customers on private labels were gotten from the literature. The responses were measured using Likert- five point scales starting with "Strongly Disagree" (1) and "Strongly Agree" (5). The questionnaire was pre-tested with 30 customers before it was distributed among the target respondents. Two questions were rearranged, as the phasing was insufficient. Internal consistency was evaluated utilizing Cronbach's alpha test, which was 0.782.

In this manner, customer's opinions on private label products are the accompanying:

- Easy Accessibility in the business sector than adversaries (Location).
- Efforts to develop new products (New Product).
- Existing Product assortment (Diversification).
- Increase purchaser's reliability (Loyalty).
- The store brand (store image).
- The power against national (producer) branded products (Competition).
- Healthy associations of buyers (Relationship).
- Staffs participation in customer's buying (Cooperation).
- Advertising (Promotion).
- Be less affected by predicaments in the business sector (Crisis).
- Allow buyers to purchase products with lower costs (Price).

- Increase the customer's general shopping Experience (Over all Shopping Experience).
- Brand value (Brand value).
- Obtain control over rack space and stocks (Freshness).
- Presence of Quality products for the customers (Quality).
- Create difference (Differentiation).
- Role of the store to minimizing dependency of national (maker) branded products (Dependence).

RESULTS AND DISCUSSIONS

Attributes of Sampling

There were 350 questionnaires appropriated, 280 were returned by the respondents. Purposes behind non-reaction were "it is not our approach to take part in surveys" or "we are excessively occupied as of now."

The Attributes of the customers who took part in the study are given in Table 1, beneath.

Variables	*Parameters*	*Frequency*	*Percent*	*Cumulative Percent*
Gender	Male	35	12.5	12.5
	Female	245	87.5	100.0
Age	18 – 24	10	3.5	3.5
	25-29	29	10	13.5
	30-34	73	26.5	40.0
	35 – 39	91	32.5	72.5
	Above 40	77	27.5	100.0
Educational Level	Primary Education	10	3.5	3.5
	HSC	49	17.5	21
	Graduation	119	42.5	63.5
	Post Graduation	102	36.5	100
Occupation	Housewife	161	57.5	57.5
	Salaried	56	20.0	77.5
	Self Employed	35	12.5	90
	Others	28	10	100

Factor Analysis

The fundamental motivation behind this study is to figure out which factor impact the customer preference in private labels in Chennai district. To perform the fundamental reason the target things were factor analysed utilizing principal components (varimax rotated) method. SPSS version 21.0 was utilized to do the analysis. Before complete the factor analysis the reliability analysis for the scale was led utilizing Cronbach's alpha. The estimation of test was 0.782. Running of the factor analysis with 17 things brought about 4 factor arrangements with more predictable thing structure. The factor analysis showed that the stacking went somewhere around 0.716 and 0.913. Eigen values more prominent than 1 were extricated and labeled.

Dimensions	*Component*			
	1	*2*	*3*	*4*
Location	0.857			
Efforts on New Product Development	0.753			
Diversified Products	0.818			
Image	0.796			
Competition	0.781			
Customer Relationship				0.881
Staff's Cooperation				0.891
Advertising				0.913
Crisis				0.752
Price				0.798
Overall Shopping Experience		0.880		
Trust Worthiness		0.784		
Freshness		0.716		
Quality			0.737	
Store Differentiation			0.856	
Dependence			0.742	

CONCLUSION

The motivation behind this paper was to arrange the vital goals for PL products from the customer's viewpoint in India. In this light, an observational analysis was directed on information from 280 customers. Comparative exploration exists in this field, however none exists on the Turkish business sector. Some helpful and pertinent discoveries can be drawn for these retailers. As indicated by the exploratory factor analysis results, PL products are by and large created utilizing six primary measurements as key goals. These measurements are expanding the piece of the overall industry, situating, creating connections, cost administration, expanding net revenues, and aggressiveness. This finding was unique in relation to the studies that analysed different nations. For example, Jonas and Roosen (2005) analysed private labels in natural products in Germany. In this study, while couple of variables are identified with retailers' goal for creating private label products. In Spain, Oubina et al. (2006) discovered three fundamental measurements of the targets in creating private label products: the value of the store name, aggressive position, and productivity. Our discoveries contain these measurements, additionally uncover a special measurement: creating connections. This idea addresses the way that private labels are an imperative device for creating associations with purchasers and makers. Consequently, PL products can be utilized as a specialized apparatus for retailers. What's more, with private labels, there is relationship amongst makers and retailers (Oubina et al., 2006).

REFERENCE:

Nishikawa, Clare, Perrin, Jane. Private Label Grows Global. Consumer Insight.2005; 20-24.

Gomez Monica, Rubio Natalia. Shelf management of store brands: an analysis of manufacturers' perceptions. International journal of retail & distribution management. 2008; 50-70.

KPMG. *Indian Retail the next growth story*. Swizzerland: KPMG.2014;

Sethuraman Raj, Cole Catherine. Factors influencing the price premiums that consumers pay for national brands over store brands. Journal of product & brand management.1999; 340-351.

Sinha indrajit, Batra Rajeev. The effect of consumer price consciousness on private label purchase. International journal of research in marketing. 1999; 237-251.

DickAalan, Jain Arun, Richardson Paul. Correlates of Store Brand Proness: Some Empirical Observations. Journal of Product & Brand Management. 1995; 15-22.

Corstjens Marcel, Lal Rajiv. Building Store Loyalty through Store Brands. Journal of Marketing Research.2000; 281-291.

Vahie Archie, Paswan Audwesh. Private Label Brand Image: Its Relationship with Store Image and National Brand. International Journal of Retail and Distribution Management. 2006; 67-84.

Bontemms Philippe, Dilhan Sylvette Monier, Requâllart Vincent. Strategic Effects of Private Labels. European Review of Agricultural Economics. 1999; 147-165.

Jonas Astrid, Roosen Jutta. Private Labels For Premium Products – The Example of Organic Food. International Journal of Retail & Distribution Management.2005; 636-653.

Oubina Javier, Rubio Natalia, Yague Jesus Maria. Strategic Management of Store Brands: An Analysis from the Manufacturer's Perspective. International Journal of Retail and Distribution Management. 2006; 742-760.

Oubina Javier, Rubio Natalia, Yague Jesus Maria. Relationships of Retail Brand Manufacturers with Retailers. International Review of Retail, Distribution and Consumer Research.2005; 257-275.

Gomez Monica, Benito Natalia R. Manufacturer's Characteristics That Determine the Choice of Producing Store Brands. European Journal of Marketing. 2008; 154-177.

Korkmaz, Sezer. Hypermarket brand Selection Process. Journal of Marketing and Business World. 2000; 27-34.

Orel, Fatma Demirci. "Market Brands and Manufacturers Brands. Cukurova University Institute of Social Sciences Journal. 2004; 157-174.

Murphy J. Branding Key Marketing Tool. The MacMillan Press Ltd, Hong Kong.1987; 136-155.

Ailawadi K, Keller K. Understanding retail branding: conceptual insights and research priorities. Journal of Retailing. 2004; 331 – 342.

Kumar N, Steenkamp J. Private label strategy: how to meet the store brand challenge. Harvard Business School Press, Boston.2007; 123-136.