

Customer Preference on Store Brand Groceries

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Abstract: *“Human Beings identity is given by their name, Products identity is given by brand”. The manufacturer’s success does not lie in just shaping a good product alone, but gets a completion only when he makes his product remain distinguished from others. Products are like the children of manufacturers. They give the identity to products through the brand name. This study is to identify the factors preferred by the customers on store brand groceries in Chennai city.*

Introduction

A brand is a name, term or sign, symbol or design or a combination of these that identifies the maker or seller of a product or service. Though there are lot of attributes which make a buyer to choose a product, this brand name is one among the powerful and influencing attribute to decide and buy a particular product.

Store brands are a line of products strategically branded by a retailer within a single brand identity. They bear a similarity to the concept of house brands, private label brands (PLBs) in the United States, own brands in the UK, and home brands in Australia and generic brands. (wikipedia.org).

According to Batlas “Store brands or Private label brands are brands owned, controlled and sold exclusively by a retailer”.

Store Brand in India

The store brand concept is a contemporary and popping up everywhere. The store brand concept is catching in all the major cities. The store brand is going through a transformation. The increased consumer demand, improved sourcing option and larger availability of products have been the reason for significant growth. Majority of the customers were aware of store brand groceries. Larger reputed companies like Reliance, Tata, Birla group have also stepped in store brand where the country’s major income is earned through store brand.

Need For the Study

One of the fastest growing in the recent past in India is the retail market. This retail market has started contributing a significant amount of revenue to the country’s GDP (nearly 10%-11%) (Shana Kumar 2013). Indian retail market is supposed to be the largest retail outlet density in the world with close to 10 million outlets. A new phase of retail market emerged some 15 years ago called the store brand. This is becoming popular in major cities of India. This store brands are now into the growth phase. Nearly 40% of the store sales are earned through store brand

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products. Thus the research need is created to identify the factors that are preferred by the customers to choose their daily needs.

Literature Review

Gilles Pache (2007) describes their buying strategies focusing on supplier selection in the case of private label contracts. It introduces the concept of opportunism to explain recent and probably irreversible developments in retail buying organizations, integrating a growing number of technologists and scientists. New businesses, with close relationships to industrial purchasing, have appeared in the retailing industry. In the end, they will require a new 'species' of managers, able to simultaneously monitor logistical, technical and commercial interfaces between large food retailers and their private label producers.

Archana Kumar (2010) aimed to assess consumer behavior towards single brand apparel retailers by employing the stimulus-organism-response model. This study also introduced the concept of store as a brand' which was evaluated to identify whether consumers considered the single brand apparel retail store and the merchandise carried by the store to be a single holistic entity. 438 completed responses were used for the data analyses. The data were analysed by using a structural equation modeling approach. The results supported the store as brand' concept, thereby validating that consumers do not perceive the store and the merchandise sold by the single-brand apparel retailer to be different from each other.

Agne Sesto Kaite (2010) purpose of the study is to offer more insights into consumers. Store brand products' buying motives and by applying the Means end Chains methodology and the corresponding "laddeing" inter viewing techniques to design cognitive structures (i.e. product attributes-use benefits – consumers' value like) of the consumers' purchasing behavior towards the national brands and the private labels.

Manyu Huang and Kevin E. Voges, (2011) demonstrate that customers with higher price sensitivity are more likely to purchase private brand groceries and commodities. The lower price seems to be the main advantage for private brand commodities, which gives the advantage when they introduce these commodities. The differences in perceived quality between private brands and manufacturer brands are small for consumers who purchase private brand commodities.

Objective of the Study

1. To analyze the shopping awareness and information search of customers.
2. To evaluate the preference of customers on store brand products.

Data Collection

Data for the study were collected as small part of a smaller study through self-administered questionnaires from the customers in Chennai city. Convenience sampling method is used to collect questionnaire. A total of 100questionnaires were hand-delivered to respondents. After two days the 100 questionnaire distributed were collected and all the 100 were usable.

Analysis of the Study

From the below table it is found that the sample unit consist of 36.8% employed customers followed by 31.4% professionally employed and 16.8% occupy themselves in business ventures. It is further found that the sample unit comprises 10% student and 5% other occupation.

Customer Preference on Store Brand Groceries

Classification of Customer Based on its Type

Type of Customer	Valid Percent
Student	10.0
Employed	36.8
Business	16.8
Professional	5.0
Others	31.4
Total	100.0

Classification of Customer Based on Age

Age	Valid Percent
18-25	12.8
26-35	12.8
36-45	38.6
46-55	31.8
Above 55	4.0
Total	100.0

From the above table it is identified that 38.6% of the respondents fall under the age group of 36-45 followed by 31.8% of them are 46-55. It is also found that 12.8% of them are 18-25 followed by 12.8% of them are under the age group of 26-35 and 4% of them are above 50.

Classification of Customer Based on Gender

Gender	Valid Percent
Male	48.4
Female	51.6
Total	100.0

From the above table it is interpreted that 51.6% of respondents are Female and 48.4% of respondents are Male.

Classification of Customer Based on Family Income

Family Income	Valid Percent
Less than 10,000	41.8
10,001-20,000	32.4
20,001-30,000	11.8
30,001-40,000	4.6
40,001-50,000	3.8
50,001 & Above	5.6
Total	100.0

From the above table it is elucidated that the sample unit consists of 41.8% income level below 10,000 followed by 32.4% earns monthly income of 10,001-20,000 and 11.8% of 20,001-30,000. It is also found that the sample unit comprises of 5.6% earns monthly income above 50,000 followed by 4.6% earns 30,001-40,000 and 3.8% between 40,001-50,000.

Classification of Customer Based on Marital Status

Marital Status	Valid Percent
Single	12.4
Married	87.6
Total	100.0

From the above table it classified that 87.6% respondent as married and 12.4% respondents' remains as single.

Classification of Customer Based on Frequency of Purchase

Frequency of Purchase	Valid Percent
< 2 weeks	46.2
2-6 weeks	37.6
6-10 weeks	8.2
10-14 weeks	3.0
>3 months	5.0
Total	100.0

From the above table it is analysed that 46.2% respondents' frequency of purchase is less than 2 weeks and 37.6% involves purchasing grocery between 2-6 weeks. It is also identified that 8.2% respondents purchase between 6-10 weeks followed by 5% consume more than 3 months and 3% purchase grocery between 10-14 weeks.

Classification of Customer Based on Place of Purchase

Place of Purchase	Valid Percent
Neighbourhood store	53.4
Super Market	42.6
Hyper Market	4.0
Total	100.0

From the above table it is noticed that 53.4% respondents buy their grocery in neighbourhood store followed by 42.6% of them in supermarket and 4% of them in hyper market.

Classification of Customer Based on Tenure of Purchase

Tenure of Purchase	Valid Percent
Less than 1year	38.0
1-2 years	17.2
More than 2 years	44.8
Total	100.0

From the above table it is found that 44.8% of respondents purchase grocery more than 2 years in a store followed by 38% less than 1 year and 17.2% consumer between 1-2 years.

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Classification of Customer Based on Consumer Influence

Consumer influence	Valid Percent
Friends	20.0
Family members	45.2
Relatives	20.4
Others	14.4
Total	100.0

From the above table it is identified that 45.2% respondents are influenced to purchase grocery in store brand by family members followed by 20.4% by relatives and 20% by friends. It also identified find 14.4% of respondents are influenced by others.

Classification of Customer Based on Consumer Influence

Consumer preference	Valid Percent
Complete purchase	29.6
Only selected items purchase	70.4
Total	100.0

From the above table it is interpreted that 70.4% respondents buy grocery as only selected items in the particular store brand and 29.6% respondents purchase completely in the store brand.

Classification of Customer Based on Mode of Payment

Mode of Payment	Valid Percent
Credit card	4.0
Debit card	5.6
Food Pass	1.6
Offer cards	0.4
Cash	88.4
Total	100.0

From the above table it is found that 88.4% respondents pay their grocery by cash followed by 5.6% respondents by Debit card and 4% by credit card. It also found that 1.6% of them pay through food pass and 0.4% of them pay through offer cards.

One – Sample Statistics for Customer Preference Factors on Store Brand Groceries

Factors	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
Quality	100	4.496	0.80702	0.0361	41.45	000	1
Taste	100	4.250	0.79041	0.0354	35.36	000	2
Freshness	100	4.326	0.90629	0.0405	32.72	000	3
Brand	100	4.078	0.98685	0.0441	24.43	000	4
Package	100	3.974	0.9461	0.0423	23.02	000	5
Ingredients	100	3.972	0.98242	0.0439	22.12	000	6
Manufacturer	100	3.972	1.01847	0.0456	21.34	000	7
Label	100	3.912	0.99107	0.0443	20.58	000	8
Price	100	3.838	1.07986	0.0483	17.35	000	9
Aroma	100	3.724	0.96628	0.0432	16.75	000	10

Texture	100	3.710	0.98379	0.044	16.14	000	11
Advertisement	100	3.666	1.16841	0.0523	12.75	000	12
Convenience	100	3.628	1.20853	0.0541	11.62	000	13
Discounts & Offers	100	3.530	1.19665	0.0535	9.904	000	14
Sales personnel	100	3.296	1.18625	0.0531	5.58	000	15

From the above table the mean values of 15 variables range from 3.29 to 4.49 similarly the standard deviation also range from 0.79 to 1.21. This leads to the computation of the standard error which also possesses the range from 0.03 to 0.05. The subsequent computation of t values for the mean and standard deviation range from 5.58 to 41.451. These t values are statistically significant at 5% level. Therefore the ranking can be done on the basis of mean values as well as the t values. Hence it can be concluded that quality is most influencing factor for the customers to purchase store brand products and it is followed by taste and freshness. The customers also believe that brand also influences in purchasing product and it is further followed by package where the customers attract towards the appearance of the product.

The customers also further influenced by the ingredients of the product and about the manufacturer followed by the complete details of the production of the product called label. The customers are further influenced by price of the product followed by the aroma and texture of the product. The customer influenced by advertisement which induces the customer to buy the product and convenience factors also considered by them. The customer also further considers discount and offers followed by the sales personnel who makes customer's to feel comfortable while shopping in the store.

Conclusion

The main purpose of the study is to identify the Customer preference on store brand groceries; the study is proved that customer highly prefer to use the groceries with good quality, taste, freshness, brand. The customers are least attracted on discounts and offers provided by the sstore and store personnel word of mouth advertisement also not influenced by the customers during their purchase.

Limitations

The scope of this study is limited to customers. Only 100 samples were collected at using convenient random sampling. The findings are thus limited in their ability to be preferred on store brand groceries. There is no denying of the fact that because of socioeconomic background and different types of customers there is a variation in the perception of respondents.

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