A Study on Consumer Perceptions of Private Labels in Apparels in Gujarat with an Emphasis on Price and Quality (with Special Reference to Ahmedabad, Baroda and Surat)

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Key Words:

1. Private Labels,
2. Perceptions,
3. Price and Quality

Abstract

Purpose: The study indicates the major factors that affect the perception of consumers related to private label apparels. It also examines the major price related dimensions and the importance of quality related perceptions (extrinsic and intrinsic cues) influencing the private label purchase. Additionally, the study segments the consumers on the basis of factors affecting the consumer perceptions. Finally, the study analysis the relationship between price and quality dimensions related to private label apparels.

Design / Methodology / Approach: The data is collected using a self administered questionnaire. The sample for the study is consumers who are aware of private labels, of major apparel formats located in Ahmedabad (Pantaloon, Westside, Globus, Big-Bazar), Baroda (Pantaloon, Westside, Big-Bazaar), Surat (Pantaloon, Westside, Big-Bazar) of Gujarat State. The sample size for the study is 608 respondents. The sampling technique used for the study is cluster followed by stratified sampling through mall intercept. Parametric tests like Anova, T-Test (independent and paired) and non parametric test including Chi-Square Test and Multivariate Analysis like Factor Analysis and Cluster Analysis are used to arrive at the conclusion.

Findings: The major factors influencing consumer perceptions related to private labels are Proximity, Private Brand Loyalty, Risk Aversion, Serviceability and Corporate Image in addition to Price and Quality dimensions. The major factors influencing price dimensions related to private labels are Value Maximization, Sale Proneness, Price Consciousness, Price Mavenism, and Prestige Sensitivity. Consumers give more importance to intrinsic cues as compared to extrinsic cues pertaining to quality dimensions in private label apparels. There is a moderate positive correlation between the price and quality indicators in case of private labels in apparels. Private Label Consumers can be grouped into four categories namely Quality Conscious Shoppers, High Expectation Seekers, Apathetic Shoppers and Impression Oriented Shoppers.

INTRODUCTION

Retail is the first stage of any economic activity and so it occupies an important place in the world economy. Retailing comprises the business activities involved in selling goods and services to consumers for personal, family, or household use. Retailing, being an inevitable and essential part of distribution process, has also become important for the economic development of a country. The Indian retail market, which is the fifth largest retail destination globally, has been ranked as the most attractive emerging market for investment in the retail sector by AT Kearney's eleventh annual Global Retail Development Index (GRDI), in 2012. The Indian retail market is highly fragmented with 94 percent business coming from unorganized retailing and 6 percent share from organized retailing. Growth is supported by strong macroeconomic conditions, including 6 to 7 percent rise in GDP, higher disposable incomes and rapid urbanization.

Current trends and future prospects indicate that government initiatives are favourably taken in this respect, foreign investments are encouraged, the awareness of consumers is increasing, retailers are also experimenting with new formats and rural areas are also being tapped with innovative store formats. So in this era of survival of

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the fittest, one strategy which a retailer can think of is to go for private branding. Private labels have come a long way over the last three decades. According to Private Label Manufacturer's Association (PLMA), "Private Label products encompass all merchandise sold under retailer's brand. That brand can be retailer's own brand name or created exclusively by the retailers. In some cases, a retailer may belong to a wholesale group that owns the brands that are available only to the members of the group. Private labels have metamorphosed over a period of time, from being a simple concept of "low price & low quality" to myriad classifications of "premium value brands", "value innovators", etc. As time passes, the difference between private labels and national brands seems to blur. It is also evident from the study that drivers like cost reduction, combination of several functions of supply chain and store loyalty have actually led to the growth of private labels in India. Though there are a few challenges which need constant attention for the growth of this sector, private labels, in spite of being in an introduction stage have a very bright future in India. Private Labels are also called as Private Brands or Store Brands or Own Brands.

Apart from food and grocery, apparel is expected to grow 9 to 10 percent year over year, for the next five years. A Mc Kinsey report 'The rise of Indian Consumer Market', estimates that the Indian Consumer Market is likely to grow four times by 2025. In 2005, the middle class segment was relatively smaller in size, comprising just 5% of the total population but this is expected to increase to 41% by 2025. The total apparel consumption by these classes is said to increase more than 10 times from $3.6 billion in 2006 to $37 billion by 2025. According to estimates by the India Retail Report 2007 India' s domestic market for clothing, textiles, and fashion accessories is estimated to be worth Rs. 113,500 crores, of which nearly 19 percent is fully organized.

SUMMARY OF LITERATURE REVIEW

A price is the amount of money, goods or services that must be given to acquire ownership or use of a product. Some prospective customers are interested in low prices, whereas another segment is more concerned with other factors, such as service, quality, value and brand image (Etzel et al., 2005). Price is a multidimensional concept and it is important to understand the underlying dimensions of the price. Perceived quality is an important factor of consumer purchase of private brands (e.g. Hoch and Banerji 1993). In light of the importance of quality perception, marketing researchers advocate a switch of positioning of private brands from price to quality (e.g. Hoch and Banerji 1993).

A bundle of strategies have been studied to take further the quality perception of private brands, such as motivating consumer in store product trial (Sprott and Shimp 2004), improving package design (Sayman, Hoch, and Raju 2002), combining brand name from its store identity (Richardson et al. 1994), and using price as a quality signal (Sheinin and Wagner 2003). These strategies utilize either internal cues (i.e. actual product ingredients) or external cues (i.e. package design, brand name, and price). Cue utilization theory may provide an attractive framework through which to assess consumer perceptions of store brand quality. According to this theory, products consist of an array of cues that serve as surrogate indicators of quality to shoppers (Cox 1967; Olson 1972). Sethuraman (2003) also finds that past studies show a positive relationship between quality perception or quality consistency of store brands and store brand purchase intention or market share.

Omar (1994) conducted a quality test for Private Label Brands and National Brands across three product categories. The result showed that consumers did not perform any difference among brands during a blind taste test but revealed taste test indicated that superior ratings to national brands. Thus, private label offers were rated much lower in revealed taste test than in blind taste test. Invariably majority of studies indicate that private labels suffer from low quality image when compared to national brands despite improvements made in quality. This spawned the efforts of academicians and practitioners to examine ways to improve quality perceptions of private labels (Abhishek and Abraham, 2008)

Consumers always use this 'price-quality' formula to calculate the brand differences in the course of their buying decision making process (Edgecliff, 2001). They do make quality judgments on the basis of price rather than other product attributes and feel that low priced products are inferior in quality (Batra and Sinha 2000). Krishnamurthi and Raj (1991) demonstrate that brand loyal consumers are less price sensitive compared to non-brand loyal consumers. As such, when a brand is promoted, its loyal consumers buy more of it than they would usually buy under normal circumstances. Perceived risk also emerges as a critical factor that influences consumer intentions to buy PLB products (Batra and Sinha, 2000; Bettman, 1973; Dunn et al., 1986) and adopts a retail perspective. Richardson et al. (1996) test a comprehensive framework in

which quality, risk, external cues and demographic factors are antecedents of Private Label Brand purchasing.

RESEARCH GAP

Apparel, along with food and grocery, will lead the organized retailing in India and over the past few years there have been sweeping changes in this sector with the introduction of private labels, which carry benefits for the retailers as well as customers. The introduction and development of private brands is constantly on the rise. Private brands which were once a small part of retailers' merchandize, are a significant proportion of most retail operations today. For evaluating any retail store, the first thing customer takes into account is the brands (merchandize) it carries (Bhatt, 2012). This statement holds true in case of metro cities; however, a similar trend is evident in the young urban population of Gujarat as well. The current study attempts to discover the consumer perceptions related to private labels in apparels. The proven relationships of private brands with store loyalty, satisfaction have been studied by several researchers and so it provides the base to understand the perceptions of consumers relating to private brands.

Price and quality are the two most important variables which the consumers take into account apart from several other perceptions like store image, brand positioning, risk aversion which have also been studied. It has been studied that the people of Gujarat are very much price conscious. It has also been found that major studies in private labels emphasize on the grocery sector. Clothes are generally a higher involvement and higher ticket product than grocery items. People are more conscious on quality in the case of grocery. Researcher has tried to study whether the same is true in the case of apparels also. A detail analysis on price-quality relationship in private label industry is the need of the day.

Considering the research and literature gap on the subject, he present study is undertaken to understand the profile of customers visiting new-generation retail outlets like Big Bazar, Pantaloon, Westside and Globus. To address this, the researcher has studied the factors that affect the general consumer perceptions related to private labels in Gujarat (Ahmedabad, Baroda and Surat). Additionally the researcher has identified the major price related dimensions and has segmented the customers based on those dimensions. Also quality dimensions have been worked upon and interrelationships between them and other demographic variables have also been studied.

Apparel sector is on the edge for growth in domestic and global markets due to liberalization. Very few studies have been conducted using multivariate analysis (factor analysis and cluster analysis) for studying the segments of shoppers for an apparel retail store, and so the study has been undertaken to better understand the consumer perceptions.

RESEARCH OBJECTIVES

To study the emergence, growth and future of private labels in India

To bring out the major factors that affect the perception of consumers related to private label apparels

To identify major price related dimensions influencing the purchase of private label apparels

To determine the importance of quality related perceptions (extrinsic and intrinsic cues) influencing the purchase of private label apparels

To analyze whether there is any relation between price and quality dimensions related to private label apparels

To segment the consumers on the basis of factors affecting their perceptions towards private labels brought out from the study

Justification for Paradigm and Methodology

Research Design Descriptive cross-sectional research is used for the study.

Sampling Element

Population The study has the population base as the Retail Apparel Formats located in Ahmedabad, Baroda and Surat cities of Gujarat State as it is experiencing highest growth rate.

Sample Consumers who are aware of private labels of major apparel formats located in Ahmedabad (Pantaloon, Westside, Globus, Big-Bazar), Baroda (Pantaloon, Westside, Big-Bazaar), Surat (Pantaloon, Westside, Big-Bazar) of Gujarat State.

Sampling Size

Sample size has been decided taking both logical and statistical considerations into account.

Logically

As there are ten stores in the sample, 65 consumers from each store should be surveyed. It is found through statistics (from inquiring the store managers) that approximately 500-800 consumers visit the stores on a daily basis. Hence, taking an average of 650 consumers and further 10 percentage of that, sample size can be

Statistically:

$$\text{Sample Size} = \frac{Z^2 * (p) * (1-p)}{c^2}$$

Z = Z value (e.g. Table value for 95% confidence level =1.96)

Sampling Technique

The samples are taken from four stores in Ahmedabad, three stores in Baroda and three in Surat. So the groups are heterogonous in nature. Hence at the primary level, cluster sampling is taken. Then two other considerations are made to identify the strata: (i) samples have been taken on weekdays and on weekends, and (ii) on hour (timings when there is a lot of rush in the store) and off hour (timings when there is no rush in the store) Hence stratified sampling technique is used as there is homogeneity within groups and heterogeneity between groups and is collective and mutually exclusive in nature. Therefore, the sampling technique used for the study is Cluster followed by Stratified Sampling through mall intercept.

Data Source

The proposed study is mainly based on the primary data, but it is supported by the secondary data.

Secondary data is collected from the publications and authentic records and websites of the selected stores. The data is also collected from libraries of IIMA, National Institute of Cooperative Management, Gandhinagar, AT Kearney's ninth annual Global Retail Development Index (GRDI) articles from journals in Retailing published by IIMA, ICFAI, summary proceedings of seminars and conferences, Internet, Newspapers etc.

Questionnaire is used as an instrument for collecting primary data. Looking to the nature of study the questionnaire is structured and mainly contains questions, which are closed ended. Questionnaire was hand carried and personally explained to respondents by the trained interviewers. The interviewer waited until a respondent filled out the questionnaire, then collected the questionnaire. The response was recorded and measured by using Likert scale. The questionnaire has been pre-tested before final use. Some senior professionals affiliated to Retail Industry in Gujarat have also evaluated

p = percentage picking a choice, expressed as decimal (.6 used for sample size needed)
c = confidence interval, expressed as decimal (0.0375)

Hence sample size finalized for the study is 656 consumers. The final sample size for the study after coding and editing is 608. Justification for the same is given in Data Analysis.

the questionnaire.

Questionnaire Development

The first few questions comprise of the name of store, frequency of shopping, preferences in shopping private labels and average amount spent on a shopping trip. This is followed by four scales which are developed by the researcher as discussed in the section below. Lastly, the questionnaire also contains questions to solicit demographic information of the respondents such as gender, age, education, monthly income and marital status.

All the scales were checked, reliability and content validity of the scales was done. The questionnaire was pretested and certain items with low correlation were eliminated from each scale which has been shown below.

The first three scales were five point Likert type scales in which respondents were asked to indicate their level of agreement (1 = strongly disagree to 5 = strongly agree).

General Consumer Perceptions

For general consumer perceptions, scale was constructed exhibiting consumer characteristics, multi items were taken from Ailawadi et al. (2001), Batra and Sinha (2000), Linchtenstein et al. (1993), Jin and Suh (2005), and revised to fit the Indian condition. However, as the study emphasizes on price and quality dimensions, they were not included in this scale. Two separate scales are constructed for that purpose which has been discussed below.

Quality Related Perceptions

For quality related perceptions, scale was constructed comprising of both cues (extrinsic and intrinsic). Items were taken from Richardson et al. (1994), Jain et al. (1994). In their study, the authors have examined the relative importance of extrinsic verses intrinsic cues in determining the perceptions of store brand quality. Promotion which is an extrinsic cue has not been included for the study as store brands are not promoted in India. Changes were made to make the scale relevant in Indian context.

Price Related Perceptions

For price related perceptions, scale was constructed comprising of multiple items which were derived from Vipul Patel (2010), Jin et al.(2003), Baltas (1997), and Rao and Monroe (1989). Major items were taken from Vipul Patel (2010) who made an attempt to study the relation between several price dimensions and private label brand usage. Additionally the study was also done in Ahmedabad, so fewer changes had to be made.

Overall Private Label Attitude

The semantic differential scale comprised of price, quality, brand image, store image, innovativeness and reliability with two bipolar words on a scale of -3 to 3.

DATA ANALYSIS

For analyzing the hypothesis, parametric as well as non-parametric tests have been used in this research. The collected data has been edited, coded, tabulated, grouped and organized according to the requirement of the study and then entered into SPSS (statistical package for social sciences) for analysis Different statistical tests have been performed for Nominal, Ordinal and data collected by using Likert scale, semantic differential scale etc. The data has been interpreted with the help of various statistical tools like Frequency analysis, Cross Tabulation for nominal scale data, CHI-Square Test for Symmetric measure for test of association like Phi, Cramer and Contingency Coefficient, Z-Test for testing the difference amongst the sample mean and population mean, independent sample t test, correlation, paired sample t test, and multivariate analysis like Factor Analysis, Cluster Analysis have also been used.

For each scale, data replicated normal distribution. This was assessed by checking the frequencies and mean, median and mode for all the questions. As the sample size was huge, data showed a bell shaped curve. This was checked mainly as it is one of the key assumptions for conducting parametric analysis.

Major Findings

The following section explains the objectives followed by the analytical techniques, hypothesis (if any) and findings related to the respective objective of the study.

Objective 1: To study the emergence, growth and future of private labels in India

FINDINGS

A few decades ago the concept of Private label brands in India never existed as Indian consumers were more dependent on mom and pop stores which were unorganized. Shoppers Stop was the first to come up with private labels in India, which was followed by several other retailers like Westside, Future Group, Trent, Pantaloons Retail, Infiniti Retail, and The Mobile Store. The evolution of private labels gradually passed from one stage to another from generic brands to classic/copyright brands to premium private labels to value innovators.

Private labels are expanding across all the categories like apparels, food and grocery, lifestyle and electronics though the growth in electronic durables being high involvement products is slow due to after sales service, brand building support and long gestation period. A Shoppers Trend Study by Nielsen found awareness about private labels has gone up from 64 per cent in 2009 to 78 per cent in 2010 across 11 cities in India. Value for money and enhanced quality are the advantages of private labels from the angle of customers whereas higher margins and source of store differentiation from the angle of the retailers.

In the book Private Label Strategy, Nirmalya Kumar has said that private brands which occupy 5 percent of the market in India now, are likely to corner 50 percent of the market as the retail space opens up and matures. Country's leading retailers like Future Group, Aditya Birla Retail Reliance Retail and Hypercity are having ambitious plans across food and non food sectors and the future of private labels seems to be bright in India.

Objective 2: To bring out the major factors that affect the perception of consumers related to private label apparel

Hypothesis Testing

To determine the important factors affecting the perceptions of consumers, the Principal Component Factor Analysis (PCA) with varimax rotation was performed for the 23 items measuring perceptions of consumers. The result indicated that the Bartlett's Test of Sphericity (Bartlett, 1954) was significant (Chi-Square 2960.790, p-value < 0.0001). The Kaiser-Mayer-Olkin (KMO) measure of sampling adequacy was high at 0.850. Exploratory Factor Analysis (EFA) resulted into five factors affecting the the perceptions of private labels in apparels in addition to price and quality as mentioned in the findings below the table.

S. No.	Null Hypothesis	Test applied	Test Result	Rejected/ Not Rejected
1	There is no association between selection of a retail store and amount spent	Chi - square Test	$\chi(9) = 62.915, p = .000$	Rejected
2	There is no significant relationship between the following factors influencing consumer perception and monthly income.			
2 (a)	There is no significant relationship between the proximity and monthly income	One - way ANOVA & Post - hoc Test (Tuckey / Games Howel l)	$F(4, 603) = 3.153, p = .014$	Rejected
2 (b)	There is no significant relationship between the private brand loyalty and monthly income		$F(4,603) = 7.739, p = .000$	Rejected
2 (c)	There is no significant relationship between the risk aversion and monthly income		$F(4, 58.43) = 3.986, p = .006$	Rejected
2 (d)	There is no significant relationship between serviceability and monthly income		$F(4,603) = 1.681, p = 0.153$	Not Rejected
2 (e)	There is no significant relationship between		$F(4,603)$	Rejected

2 (e)	There is no significant relationship between corporate image and monthly income		$F(4,603) = 2.885$, $p = .022$	Rejected
2 (f)	There is no significant relationship between the price indicator and monthly income		$F(4, 57.58) = 3.986$, $p = .04$	Rejected
2 (g)	There is no significant relationship between quality indicator and monthly income		$F(4,603) = 2.061$, $p = 0.084$	Not Rejected
3	There is no significant relationship between the following factors influencing consumer perception and age	One-way ANOVA & Post-hoc Test (Tuckey / Games Howell)		
3 (a)	There is no significant relationship between the proximity an d age		$F(3,87.49) = 1.959$, $p = .126$	Not Rejected
3 (b)	There is no significant relationship between the private brand loyalty and age		$F(3,604) = 8.810$, $p = .000$	Rejected
3 (c)	There is no significant relationship between the risk aversion and age		$F(3,97.09) = 3.403$, $p = .021$	Rejected

3 (d)	There is no significant relationship between serviceability and age		F (3,94.916) = 1.196, p = .315	Not Rejecte d
3 (e)	There is no significant relationship between corporate image and age		F (3,604) = .076, p = 0.973	Not Rejecte d
3 (f)	There is no significant relationship between the price indicator and age		F (3,86.489) = 2.234, p = .090	Not Rejecte d
3 (g)	There is no significant relationship between quality indicator and age		F (3,604) = .746, p = 0.525	Not Rejecte d
4	Price related perceptions towards private labels are not significantly different between male and female	Indepe ndent Sampl e t Test	t (606) = 3.355, p = .001	Rejecte d
5	Quality related perceptions towards private labels are not significantly diff erent between male and female	Indepe ndent Sampl e t Test	t (606) = - 1.202, p = .230	Not Rejecte d

FINDINGS

The major factors influencing consumer perceptions related to private labels are Proximity, Private Brand Loyalty, Risk Aversion, Serviceability and Corporate Image in addition to Price and Quality dimensions

• 50.3% of shoppers shopped for more than Rs1000/-

from Pantaloons whereas 47.7% and 51.8% of shoppers shopped for 700-1000 (rupees bracket) from Westside and Big Bazaar respectively.

• Irrespective of the monthly income of the consumers, they would not like to compromise on the aspects of quality and serviceability related to private label apparels.

Consumers having monthly income less than 25000 showed more proximity (closeness) to buy private labels in comparison to those who have monthly income between 25000-50000.

Consumers having monthly income less than 25000 are most brand loyal while those who have monthly income above 100000 were the least loyal towards private labels.

Consumers having monthly income less than 25000 consider private labels less risky in comparison to those who have an income between 25000-50000

Consumers having monthly income between 75000-100000 consider that corporate image is very important factor driving the purchase of private label apparels

Consumers having monthly income above 100000 did not consider price as an important factor driving the perceptions related to private labels

Consumers of all age brackets perceive no difference as far as factors like proximity, serviceability, corporate image, price indicators and quality indicators are concerned.

Consumers in the age group below 25 years are most brand loyal.

Consumers younger than 35 years believe that private labels are not risky.

Males give more emphasis to price indicators in comparison to females.

As far as quality is concerned, equal weightage is given by males as well as females.

Objective 3: To identify major price related dimensions influencing the purchase of private label apparels

To determine the important price related dimensions affecting the perceptions of consumers, the Principal Component Factor Analysis (PCA) with varimax rotation was performed. The result indicated that the Bartlett's Test of Sphericity (Bartlett, 1954) was significant (Chi-Square 3913.341, p-value < 0.0001). The Kaiser-Mayer-Olkin (KMO) measure of sampling adequacy was high at 0.841. Exploratory Factor Analysis (EFA) resulted into five factors as enlisted in the findings below.

FINDINGS

The major factors influencing price dimensions related to private labels are Value Maximization, Sale Proneness, Price Consciousness, Price Mavenism, and Prestige Sensitivity

Objective 4: To determine the importance of quality related perceptions (extrinsic and intrinsic cues) influencing the purchase of private label apparel

Findings

S. No.	Null Hypothesis	Test applied	Test Result	Rejected/ Not Rejected
1	There is no significant difference between extrinsic cues and intrinsic cues related to quality	Paired Sample t Test	t (607) = -10.261, p = .000	Rejected

Consumers give more importance to intrinsic cues as compared to extrinsic cues pertaining to quality

dimensions in private label apparels.

Objective 5: To analyze whether there is any relation between price and quality dimensions related to private label apparels

S. No.	Null Hypothesis	Test applied	Test Result	Rejected/ Not Rejected
1	There is no correlation between price indicators and quality indicators	Pearson Cor relatio n	r (608) = .402, p < .001	Rejected

There is a moderate positive correlation between the price and quality indicators in case of private labels in apparels

Objective 6: To segment the consumers on the basis of factors affecting their perceptions towards private labels brought out from the study

Hypothesis Testing

A cluster analysis (hierarchical followed by non hierarchical) was run on 608 cases, each responding to the factors influencing consumer perceptions of private labels in apparels (Quality indicators, Price indicators, Proximity, Private Brand Loyalty, Risk aversion, Serviceability and Corporate Image). ANOVA test indicated that all seven factors contributed to differentiating the four clusters (p<0.001), as enlisted in the findings.

S. No.	Null Hypothesis	Test applied	Test Result	Rejecte d/ Not Rejecte d
1	There is no association between the different types of shoppers and the store selected for purchasing private labels	Chi - square Test	χ (9) = 53.735, p = .000	Rejecte d
2	There is no association between the different types of shoppers and frequency of purchase	Chi - square Test	χ (9) = 37.995, p = .000	Rejecte d

FINDINGS

• Private Label Consumers can be grouped into four categories namely Quality Conscious Shoppers, High Expectation Seekers, Apathetic Shoppers and Impression Oriented Shoppers
• Majority of Quality Conscious shoppers (46.1%) shop from Westside followed by Globus (38%)
• Majority of High Expectation Seekers (36.1%) shop from Pantaloons
• Majority of Impression oriented shoppers shop from Big Bazaar
• Majority of Impression oriented shoppers (44.7%) shop once every month
• Majority of quality conscious shoppers shop once in every six months (47.4%)

General Findings

• The following is the order of ranking given by the consumers while shopping private label apparels: Quality, Comfort, Price, Brand Name and Store Name
• Majority of consumers (41.6%) spend Rs 700-1000 while shopping private label apparels
• 30.9% consumers shop private labels once in a month and 35% consumers shop private label apparels once in three months
• Majority of people belonging to the service sector (35.9%) as well as businessmen (40.3%) prefer to shop from Pantaloons whereas majority of housewives (43.8%) shop from Big Bazaar
• Majority of males (37%) shop once in every three months while female (41%) purchase every month.
• Majority of consumers in service sector shop for more than Rs 1000 whereas majority of students spend on an average 700-1000 per shopping trip.
• There is a similarity in the consumers of Ahmedabad, Baroda and Surat regarding quality perceptions.
• Consumers in Surat lay more emphasis on price dimensions in comparison to consumers in Ahmedabad and Baroda.
• In general, consumers consider private labels as neither economical nor costly. As far as the other parameters are concerned, consumers perceptions are slightly above the neutral category, inclining towards the positive variables, namely, superior quality, excellent brand image, excellent store image and highly fashionable.

RECOMMENDATIONS

• In addition to the well-established factors like price and quality, some other factors also play an important role in consumers' perceptions about private labels, which need to be payed attention to by the retailers, namely, Proximity, Private Brand Loyalty, Risk Aversion, Serviceability and Corporate Image.
• Retailers need to ensure that the private label apparels are identified with by the consumers, these are always available so that consumers do not postpone their purchase, retain the good impression that private labels carry, provide improved service at all times and maintain a good corporate image.
• For better serving the middle-class customers (monthly income less than 25000), private labels should be kept simple and designed such that these customers can identify with these apparels. Moreover, since this income bracket consumers are more brand loyal and perceive store brands as a safe option; they become an important category to be served by the retailers.
• In contrast to the abovementioned point, the wealthier customers are the least brand loyal towards private labels; however, their perceptions are driven by corporate image. Hence, maintaining a good mix of store and national brands would help get more sales from this class of consumers.
• Retailers should focus more on young consumers (less than 25 years) as they are believed to be more brand loyal.
• While serving male consumers, retailers need to be more emphatic on price related criteria. However, retailers need to ensure consistent quality products when catering to both the genders.
• While pricing the private label apparels, the factors which influence the consumers' perceptions need to be considered, viz., Value Maximization, Sale Proneness, Price Consciousness, Price Mavenism, and Prestige Sensitivity.
• So, the prices should be such that they give value for money and are relatively lower to national brands.
• It has been found that consumers in the present lay more emphasis on the intrinsic cues of quality like the product ingredients and the texture rather than the extrinsic cues like packaging, price, brand name, etc. Thus, the retailers should also align their quality acceptance procedures to this finding.
• Since consumers correlate price and quality, given the low price of the private label apparels, best quality in that price slab should be provided.

• Private Label Consumers can be grouped into four categories namely Quality Conscious Shoppers, High Expectation Seekers, Apathetic Shoppers and Impression Oriented Shoppers. Almost 66% consumers belonged to the category of Quality Conscious shoppers and Impression oriented shoppers. Also, the frequency of purchasing of Impression oriented shoppers is high as they shop once every month. Hence, both these groups of customers are important for retailers.

• To cater to these groups, retailers need to ensure that they consistently provide quality products and improve on it, and at the same time maintain a good store and brand image.

• As far as High expectation shoppers are concerned which consist of nearly 26% of the consumers, they are difficult to handle as their requirements are varied and they pay attention to every detail. The best way to handle such customers is to give utmost respect; and go right to the point.

Delimitations of Scope & Key Assumptions

The availability of precise and timely data is essence to good research. Again the Study on Consumer Perception of Private Labels in Apparels has been restricted to Gujarat state only because of availability of time and other monetary and non-monetary resources. If carried out nationwide chances of better finding would be possible. In Gujarat state again sample will deal with three main cities namely Ahmedabad, Baroda, Surat. Due care has been taken in selecting the cities as the apparel stores here are experiencing a very high growth in organized retail sector so as to make it true representative of the population.

Two variables price and quality have been given more emphasis in the study. It has been found that people give more emphasis on price and quality compared to other variables like store name, brand name, innovativeness etc. Moreover the study deals with apparels. This research can be carried out for other retail sectors such as food and grocery, consumer electronics, gifts and so on.

CONCLUSION

Private labels have come a long way, from being referred to as cheap store brands to being reflected as reasonable and customer-friendly products today. Private labels in fact enjoy more attention as they are celebrated as being value conscious products, which give the best quality in the most economic price. However, given the benefits to both retailers as well as customers, the private label bandwagon still needs to penetrate deeper into organised retailing. Moreover, the consumers being the kings of the market, their perceptions on private labels need to be studied so as to provide an insight on the future of the same. This study focuses on the consumers perceptions about private labels in the apparel sector, especially in Gujarat. For this purpose, three major cities of Gujarat, namely, Ahmedabad, Baroda and Surat were chosen and customers from four major retail outlets, namely, Pantaloons, Westside, Big Bazaar and Globus were studied. Questionnaires were filled up by 656 consumers through the mall intercept method and data analysis was done on complete questionnaires of 608 respondents.

Several findings emerged from the study, of which the salient ones are mentioned below. The major factors influencing consumer perceptions related to private labels are Proximity, Private Brand Loyalty, Risk Aversion, Serviceability and Corporate Image in addition to Price and Quality dimensions. The major factors influencing price dimensions related to private labels are Value Maximization, Sale Proneness, Price Consciousness, Price Mavenism, and Prestige Sensitivity. Consumers give more importance to intrinsic cues as compared to extrinsic cues pertaining to quality dimensions in private label apparels. There is a moderate positive correlation between the price and quality indicators in case of private labels in apparels. Private Label Consumers can be grouped into four categories namely Quality Conscious Shoppers, High Expectation Seekers, Apathetic Shoppers and Impression Oriented Shoppers. Overall, it was observed that quality plays the most important role as far as consumer perceptions are concerned. Infact, majority consumers were more quality conscious than price sensitive, which becomes an important learning for the retailers.

Some recommendations could be given on the basis of findings such as retailers need to ensure that the private label apparels are identified with by the consumers, these are always available so that consumers do not postpone their purchase, retain the good impression that private labels carry, provide improved service at all times and maintain a good corporate image. Further, they need to price the private label such that the value for money is ensured and it is the best price for the given quality level.

Hence, as forecasted by Nirmalya Kumar in his book Private Label Strategy, the future of private labels is bright.

OUTLINE OF THE REPORT

Chapter 1 introduces the core research problem and then 'sets the scene' and outlines the path that will travel towards the theses conclusion. It comprises of background of the research, statement of problem, hypotheses, the rationale behind doing the research, research methodology, the outline of report followed by limitations and conclusions

Chapter 2 deals with literature review related to the topic. It includes literature survey related to consumer perceptions in private labels in general followed by perceptions related to price, quality, brand image, store image, brand loyalty, store loyalty, risk aversion and innovativeness. It also encompasses some of the important contributions in a tabular form.

Chapter 3 studies the emergence, trends and growth prospects of retailing and more specific on private labels in India. It tries to identify the drivers which led to the growth of private labels in India, brings out the advantages of private labels, studies the current scenario of private labels in Indian context, studies the existing private labels across categories by dominant retail players, identifies the reasons which envisage the future prospects of private labels in India, and identifies the issues and challenges of private labels in India.

Chapter 4 deals with the methodology used in conducting the research. It commences with the research objectives and hypotheses, followed by research design, sampling element, sample size calculation, sampling technique used, data sources, research instrument formation, and statistic techniques used for analysing the data collected.

Chapter 5 includes data analysis. It starts with the pilot study analysis followed by reliability analysis of the scales used in the instrument. Later the chapter talks at length on several statistic methods and analyses the data collected.

Chapter 6 comprises of the major findings on the results obtained by Data Analysis.

Chapter 7 is on conclusions and implications from the study. Conclusions about each research objectives or hypotheses, conclusion about the research problem, implication for theory as well as practice, limitations and scope for further research.

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