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A Study of Private Label Brands (Apparel category) on the Basis of Preference of Youth across Personal and Behavioral Variables

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Abstract: In India so many sectors are on boom and organized retail is one of them. Today in fast changing markets, organized retailing is one of the most contributors to the economy. Consumer of today wants different brands for them. And retailers of organized sectors provide them both manufacturer and private label brands and this is the reason that consumers turn as more shopaholic than before. Manufacturer brands are also known as National brand. Private label brands are today more accepted than the manufacturer brand and these brands are also known as own brands, store brands, retailers' brand. All these terms are synonym for them. Inclination towards private labels is increasing day by day. And this inclination makes customers more loyal and increases the sales of retailers as well. This study is conducted on the big five retailers. In this study loyalty of youth customer is checked out that how much they are aware about the private label brand with the help of analysis of data collected.
Keywords: Private label brand, Manufacturer brand, Customer loyalty

I. INTRODUCTION

In organized retail sector, analysis plays a great role to judge and to take right decision. Retailers need to take appropriate decision on the basis of such analysis. Customer loyalty is the main concern when it comes to choose brands among different brands. Basically there are two types of brands from the stores of retailers. One is manufacturer brand and the other is private label brand. Private label brands are now on priority of the youth as these brands gives them comfort with style. Youth nature is dynamic and there dynamic nature goes well with those brands which fits to their pocket and also make them trendy. This study will be analyzed that different personal and behavioral variables plays great role in loyalty among youth towards private label brands. This paper deals with the chapter-4 of the thesis which is the main part of analysis based on demographic and psychographic variables. Demographic variables are like age, gender, income, occupation which decides the loyalty for the brands of a consumer. Different behavioral or psychographic variables like attitude, buying behavior, preferences etc. also gives impact on the private label brands.

II. RESEARCH PROBLEM

The main focus of the research is on young Indian consumers about their inclination towards private label brand. By this study we would be able to know, why Indian youth prefer private label over manufacturer brands. The purpose of the research is to discover answers to questions through the application of the procedures. The main aim of the research to finds out the hidden truth which has not been discovered yet.

III. RESEARCH OBJECTIVE AND HYPOTHESIS

Finding out their overall preference of private versus national brands while purchasing.
Customer satisfaction with private label brands
Effect of age, income and occupation variables on loyalty among youths

A. Research Hypothesis

$H_{a:}$ Youth are more loyal towards Private Label Brands.
H_0: Youth are less or not loyal towards Private Label Brands

IV. RESEARCH METHODOLOGY

The data collection mode will be used to get the desired information from primary sources & unstructured direct interviews & the instruments used in the questionnaire. In this research, data will be collected through two different modes, namely primary and secondary source.

A. Sampling unit

College going students, working youths and various young customers at retail stores. These findings are purely based on the analysis of data collected for the research and results are with table no. which are mentioned in the thesis. These results are from the chapter -4 of thesis. So, table no. are used as same.

B. Analysis on the basis of buying patterns across demographic variables Demographic Profile of respondent

Table 4.1 Demographic profile of respondent (%) N=400

S. No.	Category	Percentage (%)
1	Gender: Male= 184 Female= 216	 46 54
2	Age: 18-30= 235 31-45= 95 More than 45= 70	 58.75 23.75 17.50
3	Educational status: Undergraduate =114 Graduate = 142 Postgraduate = 144	 28.50 35.50 36.00
4	Profession: Service= 109 Business = 51 Student = 167 Any other = 73	 27.25 12.75 41.75 18.25
5	Yearly Household Income Less than 2 Lakh = 79 3lakh-5 lakh = 135 6 lakh-10 lakh = 127 More than 10 lakh = 59	 19.75 33.75 31.75 14.75

1) Stores carrying private label

Table-4.2.1 favorite Indian retailers of the respondents

Name of the retailer	No. of respondent	% of total respondent
Shoppers stop (K Raheja Corp Group)	91	22.75
Pantaloons fashion (Aditya birla group)	56	14
Westside(Tata group)	74	18.5
Lifestyle (landmark group)	160	40
Globus stores (Rajan Raheja)	19	4.75
Total no. of users	400	100

From the above table, it has been noted that, out of the total number of respondents 40 % are using Lifestlye. Or we can say that, most of the respondent comes under this category. Second most preferred retailer carrying private label is Shoppers stop with 22.75% followed by Westside With 18.5%. Pantaloons retailer is having 14% of frequent shoppers, remaining 4.75% shop from Globus.

2) Age group wise classification of PLBs and MBs Buyers

Table 4.2.2 Age group wise classification of PLBs and MBs

Age Group	Private label brand	Manufacturer brand	Any Others	Total no. of Respondents
18-30	185	15	35	235
31-45	55	25	15	95
More than 45	20	50	00	70
Total no of respondents	260	90	50	400
Overall % of respondents	65	22.5	12.5	100

As per the table shown above It can be seen that, the customers in age group 18-30 are 6.38% of Manufacturer brand, 78.72% respondents use Private label brand and 14.89% of any other category of brands. 31-45 years is another age group which comprises of 26.31% of manufacturer brand, 57.89% of private label and 15.78% in other related brands.

Customers who belong to the age group of 45 and above are more inclined towards manufacturer brands with 71.42% followed by private label user with 28.51% and no respondents use any other brands. Overall manufacturer brand users are 22.5%, private label buyers are 65% and rest 12.5% are other brand buyers.

3) Occupation-wise classification of PLBs and MBs

Table 4.2.3 occupation-wise classification of PLBs and MBs

Occupation	Private label Brand		Manufacturer Brand		Other available Brands		Total Respondents	
	No. of Resp.	% of Resp.	No. of Resp.	% of Resp.	No. of Resp.	% of Resp.	No. of Resp.	% of Resp.
Service	61	23.46	35	38.88	13	26	109	27.25
Business	19	7.30	24	26.66	8	16	51	12.75
Students	130	50	11	12.22	26	52	167	41.75
Any Other	50	19.23	20	22.22	3	6	73	18.25
Total no. of Respondent	260	65	90	22.5	50	12.5	400	100

The above table 4.2.3 shows that, 23.46% of service respondents, 7.30% of business respondents, 50% students, 19.23% of other consumers use to purchase Private label brands. 38.88% of Service customers, 26.66% of business oriented customers, 12.22% of students and 22.22% of any other consumers use to buy manufacturer brands while shospping. Other brand users possess 26% of service class, 16% of business class, 52% of students and 6% of any other class.

Overall respondents of all the three categories of brands in service class is 27.25%, 12.75% of business class consumers buy all three brands, 41.75% of students purchase above mentioned three brands and overall buyers of all the three categories of brands in any other profession is of 18.25%. Total no. of respondents of private label brand in all categories of profession is 65%. Overall 22.5% of respondents are from manufacturer brand among all classes of profession. Remaining 12.50% respondents come under other brand consumers' category from all professions taken together.

4) Income-wise classification of PLBs and MBs

Income Group	Private label brand	Manufacturer brand	Any Others	Total no. of Respondents
Less than 2lakh	65	00	14	79
3lakh-5lakh	110	09	16	135
6lakh-10lakh	70	40	17	127
More than 10lakh	15	41	03	59
Total no of respondents	260	90	50	400
Overall % of respondents	65.00	22.50	12.50	100

As shown in the above table 4.2.4, approximately 69.23% of the private label consumers come under income group of 3lakh-10lakh. In private label category, 25% consumers are in less than 2lakh criteria of income. 42.30% are from 3lakh-5lakh income group, 26.92% are from 6lakh-10lakh income group and the income range of 10lakh and above come up with 5.76% consumers use to buy private label brands. As far as manufacturer brands is concerned no consumers buy MBs, whose income is less than 2lakh. 3lakh-5lakh income group consumers are 10%. 6lakh-10lakh income group comprises of 44.44% and 45.55% comes under 10 lakh and above income group. The first income level of the study is less than 2lakh which includes 28% of respondents who buys any other brand apart from PLBs and MBs. Any other brand users from 3lakh-5lakh income group are with 32%, consumers from 6lakh-10lakh income group include 34% of other brand users and 6% of 10lakh and above income group consumers are consuming any other brands.

C. Shopping prefernecs of youths

1) Frequency of shopping apparels as per ages

Age group	Weekly shopping	Monthly shopping	Shopping in 6 months	Shopping in a year	Total respondents	% of respondents
18-30	13	85	100	37	235	58.75
31-45	9	36	39	11	95	23.75
45 and above	4	29	32	5	70	17.5
Total respondents	26	150	171	53	400	
% of Respondents	6.5	37.5	42.75	13.25	100	

The null hypothesis (H_0) thus stated is that there is no significant relationship between age and shopping of apparels. The result shows that the calculated value of $\chi^2 = 5.585 < \chi^2_{0.05, 6} = 12.592$. Since the calculated value is less than table value, it is inferred there is no significant relationship between age and frequency of shopping of apparels. Hence H0 is accepted.

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2) *Frequency of shopping apparels as per occupation*

Profession	Weekly shopping	Monthly shopping	Shopping in 6 months	Shopping in a year	Total respondents
Service	5	31	64	11	111
Business	4	19	24	3	50
Student	9	68	66	24	167
Any other	9	31	18	14	72
Total respondents	27	149	172	52	400
% of respondents	6.75	37.25	43	13	100

The result shows that the calculated value of $\chi^2 = 25.6912 > \chi^2_{0.05,9} = 16$ .919. Since the calculated value is greater than table value, it is inferred that there is significant relationship between occupation and frequency of shopping of apparels. Hence H_0 is rejected.

3) *Frequency of shopping apparels as per Income*

Income	Weekly shopping	Monthly shopping	Shopping in 6 months	Shopping in a year	Total respondents
Less than 2lakh	6	17	25	31	79
3lakh-5lakh	2	55	71	7	135
6lakh-10lakh	8	53	57	9	127
10lakh and above	11	24	18	6	59
Total respondents	27	149	171	53	400
% of respondents	6.75	37.25	42.75	13.25	100

The result shows that the calculated value of $\chi^2 = 83.1067 > \chi^2_{0.05,9} = 16$ 919. Since the calculated value is greater than table value, it is inferred that there is significant relationship between income and frequency of shopping of apparels. Hence H_0 is rejected.

D. Factors affecting buying decisions while selecting garment

1) *Garment selection as per age factor*

Age	Brand name	Design	Quality	Price	Proximity	Total respondents
18-30	12	63	64	90	6	235
31-45	14	16	26	31	8	95
45 and above	28	8	21	11	2	70
Total respondents	54	87	111	132	16	400
Percentage %	13.5	21.75	27.75	33	4	100

The result shows that the calculated value of $\chi^2 = 70.6265 > \chi^2_{0.05,8} = 15$ .507. Since the calculated value is greater than table value, it is inferred that there is significant relationship between age and selection of garment. Hence H_0 is rejected.

2) *Garment selection as Per Occupation*

Occupation	Brand Name	Design	Quality	Price	Proximity	Total respondents
Service class	18	20	31	35	5	109
Business class	12	11	15	11	2	51
Student	9	28	54	73	3	167
Any other	15	28	11	13	6	73
Total respondents	54	87	111	132	16	400
Percentage %	13.5	21.75	27.75	33	4	100

The result shows that the calculated value of $\chi^2 = 50.995 > \chi^2_{0.05,12} = 21.026$. Since the calculated value is greater than table value, it is inferred that there is significant relationship between occupation and selection of garment. Hence H_0 is rejected.

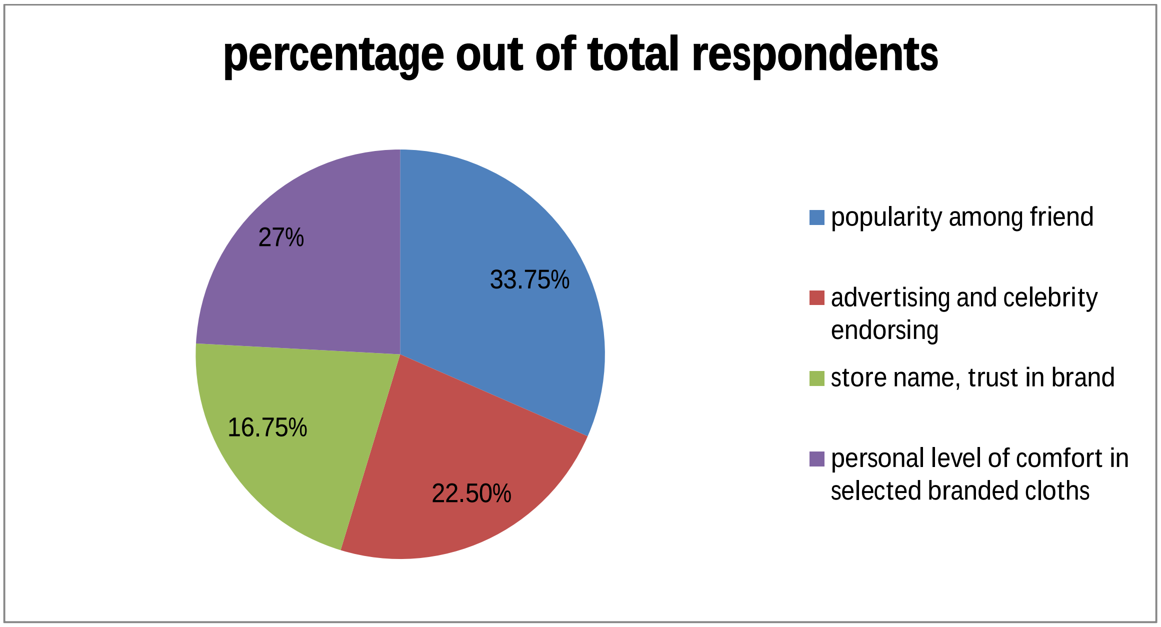
3) Garment Selection As Per Income

Factors	Less than 2lakh	3lakh-5lakh	6lakh-10lakh	More than 10lakh	Total
Brand name	8	8	18	20	54
Design	6	39	31	11	87
Quality	24	28	41	18	111
Price	40	54	32	6	132
Proximity of store	1	6	5	4	16
Total	79	135	127	59	400

The result shows that the calculated value of $\chi^2 = 63.229 > \chi^2_{0.05,12} = 21.026$ Since the calculated value is greater than table value, it is inferred that there is significant relationship between age and selection of garment. Hence H_0 is rejected.

E. Selection criteria of purchasing private label brands

Pie-chart no. 4.5 Selection criteria of purchasing private label brands



F. Youth preferences in specific apparel retailer

Retailer carrying Private label	Number of respondents						Total	Percentage %
	Private label	Percentage %	Manufacturer brand	Percentage %	Any other	Percentage %		
Shoppers stop	56	61.53	21	23.07	14	15.38	91	22.75%
Pantaloons	30	53.57	17	30.35	9	16.07	56	14.00%
Westside	49	66.21	20	27.02	5	6.75	74	18.50%
Lifestyle	111	69.37	28	17.50	21	13.12	160	40.00%
Globus	14	73.68	4	21.05	1	5.26	19	4.75%
Total	260	65.00	90	22.50	50	12.50	400	100.00 %

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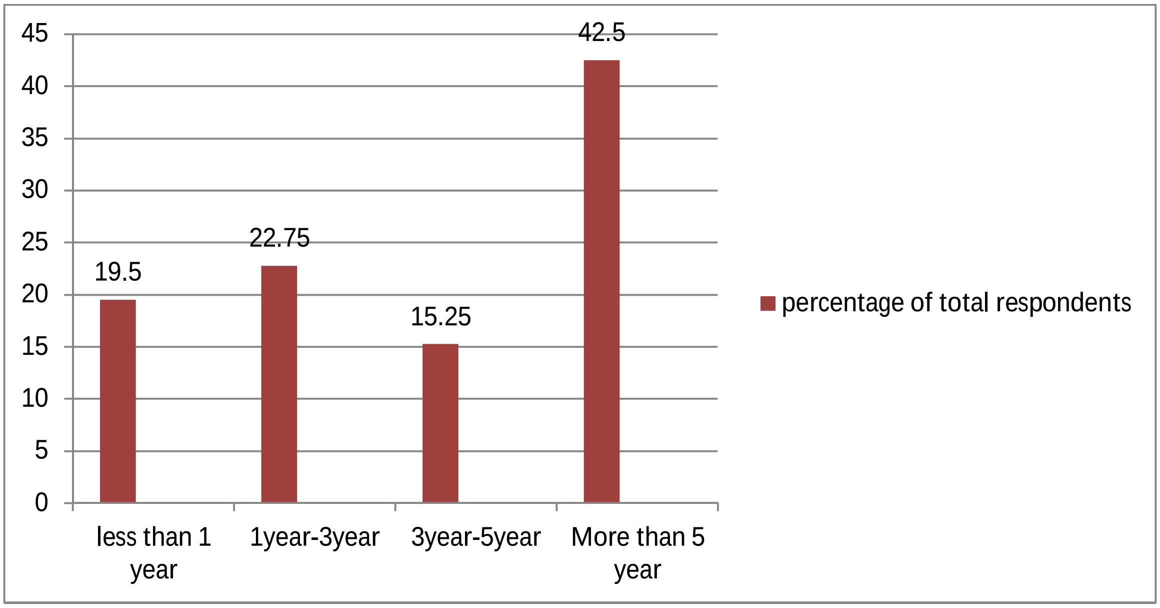
F. Experience of using Private Label

Graph 4.7 Experience of using Private Label



The above graph shows the experience of using private label in years. Lesser the number of years implies less awareness about the brand and vice-versa. The respondents who are not that much aware about the PLBs are comes under using the product less than year with 78 in no. and in 19.5%. The consumers who are using private labels since 3 years are 91in no. with 22.75 %. 3-5 years' experience counted to 61 in no. and in 15.25%. Youth who are shopping apparels in private label brand since 5 years are170in no. and 42.5 % of total respondents.

G. Preference for Private Label Category

1) Preference for private label as per ages

Age group (years)/ Respondents	Ethnic wear	Relaxed Wear	Semi Formal	Formal	Total Respondents
18-30	44	116	42	33	235
31-45	30	20	25	20	95
45 and above	15	22	17	16	70
Total respondents	89	158	84	69	400
Percentage%	22.25	39.5	21	17.25	100

The result shows that the calculated value of $\chi^2 = 26.3822 > \chi^2_{0.05,6} = 12.592$ Since the calculated value is greater than table value, it is inferred that there is significant relationship between age and preference for private label brands. Hence H_0 is rejected.

2) Preference for private label as per occupation

Occupation	Ethnic wear	Relaxed Wear	Semi-formal	Formal	Total respondents
Service class	18	27	31	33	109
Business class	6	21	19	5	51
Student	31	92	20	24	167
Any other	34	18	14	7	73
Total respondents	89	158	84	69	400
Percentage%	22.25	39.5	21	17.25	100

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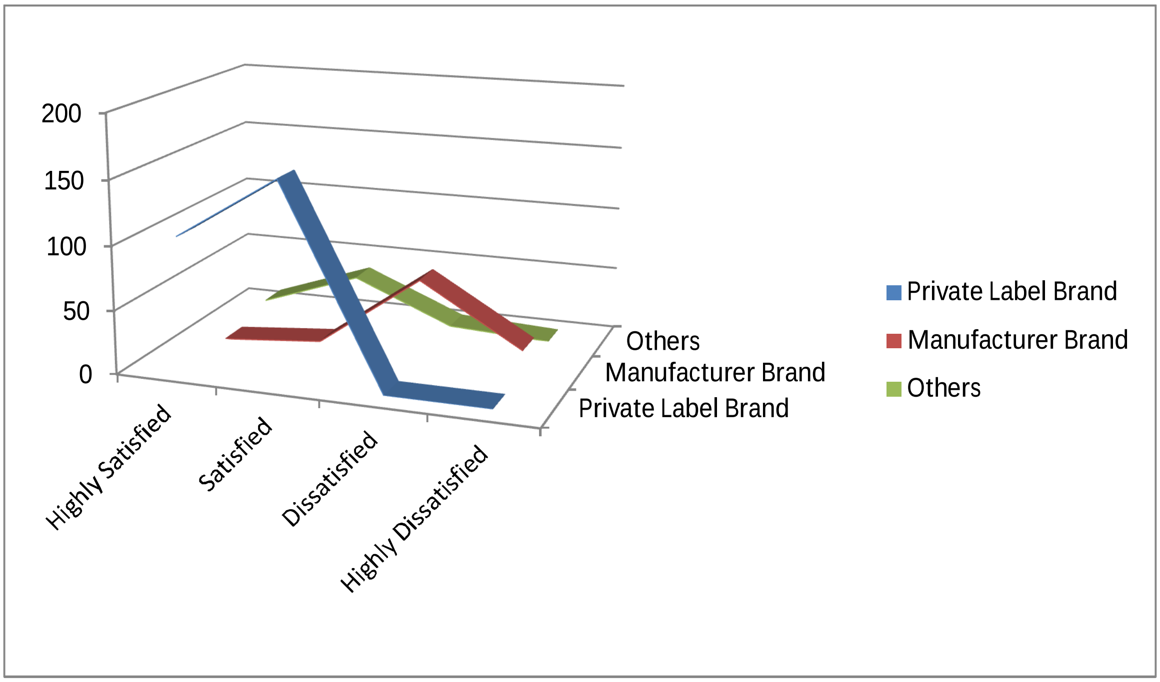
The result shows that the calculated value of $\chi^2 = 76.463 > \chi^2_{0.05,9} = 16.919$ Since the calculated value is greater than table value, it is inferred that there is significant relationship between occupation and preference for private label brands. Hence H_0 is rejected.

H. Satisfaction of Private Label over Manufacturer Brand

Chart on Private Label over Manufacturer Brand



I. Analysis of Hypothesis

Hypothesis of the study is: Loyalty among youth towards private label brand over manufacturer brand". Findings are as follows as per hypothesis: The main focus of the study is young Indian consumer who has limited pockets with them. As per analysis of the study it comes as, they like to buy more and more private labels over manufacturer brand. This resulted in more private labels due to dominance of young population of India. But it generally varies with economic conditions. In this study we collected data from Delhi NCR. According to calculated data form research questionnaire, personal conversations, interviews from professionals, suggestions from consumers, it comes that private labels have high acceptance over manufacturer brands in apparel category

J. As per Demographic Profile

As per table no. 4.1, demographic variables clearly show that female is more shopaholic than males. And it is good to see this positive result which favors "Nature of the Nature" means females have kind of nature who loves shopping. If we take age group, then it comes that 18-30 year age group consumers who are youth are purchasing more private label brands than others. Which itself proves the loyalty of youth towards private label brands. Basically four income groups is divided according to the study; Less than 3 Lakh, 3-5 Lakh and 6-10 lakh and greater than 10 lakh. And the credit of more shopping goes to the 3-5 lakh followed with almost same ratio by 6-10 lakh. And according to the Income groups both groups comes under lower middle income and middle income group who are purchasing more store brands than manufacturer brands. This is also favorable result towards hypothesis. As per occupation 4 categories is divided into student, service, and business and other. The people who shop more are from students category with 41.75% followed with service category with 27.25%. This also proved that students are purchasing more than other categories. And service class also follow this category with second highest. As both group are well educated and know very well that "Where to buy, when to buy and how much to buy".

K. Shopping Preferences of youths

From the analysis it has been said that youths prefer store barnds more than manufacturer brands. Because these brands provide them better price, design, varieties, colors, comparable quality and most importantly their trusted Indian retailer who keeps private labels and national brands together. In-house brands are not only recognized in India but outside the country as well. But the reason for their good business in India is the consumers who are price oriented and later think over any other factors. Big retailers which we take in our study are Shopper Stop, Pantaloon, Westside, Lifestyle and Globus. As per table no. 4.2.1 Lifestyle is most preferable retailer followed with Shoppers Stop. And factors which favor more store brands is price than quality and design. Reason of switching to private label over manufacturer brands also shows that price is the main concern than they go to variety of designs and comparable quality like manufacturer brand. This is also favors that factor can be any but first choice of Indian youth is private labels as they find comfortable in each and every manner if compared it with manufacturer brand. Experience of using PLBs: A very well saying is that “More experience brings more positivity”. And when respondents asked of using PLBs, than they most of them favors of using more than 5 years’ experience which brings positive side towards PLBs and loyalty.

L. Satisfaction of PLBs over Manufacturer Brands

“Satisfaction is lies in the effort, not only in the attainment”. That means if satisfaction level is high which means there were efforts which made it. And this credit goes to the retailers efforts that made their labels more likeable. When it comes to check the satisfaction level than table no 4.9 proved that most of the consumers are satisfied and highly satisfied with the private labels. It shows that retailers meet the demand of the consumers, what they want in their product. As per satisfaction level PLBs over MBs. Most of the respondent who are satisfies with the private labels are in 65.5%.It shows that private label rules over manufacturer brand which proved the acceptance of private label with good percentage out of 400 respondents.

V. CONCLUSION

The results shows that youth prefer more private label brands than other manufacturer brands and it shows that loyalty towards these brands is increasing and people want more and private labels which satisfy and fulfill their needs in every manner related to their demographic and psychographic variables. This shows that overall satisfaction of private label over manufacturer brand.

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