

Consumer Preference Towards Private Label Brands with Reference to Retail Apparel in India

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Abstract

As majority of the present day consumers are considering brands as an important element in their choice of decision making while purchasing, it is pertinent that sellers should capitalize on the type of brands they are offering to consumers. Both private labels and global brands have their own advantages and disadvantages over each other mainly in terms of pricing and quality factors. However, the main motive the consumers are looking forward is to buy a product which would effectively satisfy their requirements. If they find a product which satisfies their needs effectively, they buy it irrespective of whether it is a private label or a global brand. Even the price of the product may not be a major factor in such a case. This study focused on the preference and intention among consumers towards buying of private label products, especially retail apparel products. This study examined the causal relationships between six antecedents of customer perceived preference identified in this study as fashion consciousness, attitude, store image, price, quality, and store loyalty with regard to the purchase intention of private label brand apparels. The model was evaluated using data collected from 292 customers from different malls in Bangalore in 2016 - 17. The findings revealed that customers' attitude played a significant role in their purchase behaviour towards private label brand apparels.

Keywords : private label brands, national brands, customer satisfaction, purchase intention

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Private label brands are the brands controlled and owned by wholesalers or retailers for a range of items under special distribution (Abhishek, 2011; Raja & Ali, 2014). Fitzell (1982) described that the private label brands were initially established 100 years ago in the products of coffee and tea. Later, some of the other products were introduced such as milk, bread, eggs, etc. and personal care products and these have achieved enormous growth all over the world. This increasing nature shows that the consumer buying preference of such products is also increasing. It was evidenced from the report of Private Label Marketing Association (PLMA) in 2000 (as cited in Chakraborty, 2013) that around 71% of the customers in United States desired to purchase private label brands, and it reflected that the brands have gained popularity among customers in the retail sector. Some of the available and well - known private label branded products are remedies like aspirin, packaged food products, toilet tissues, hygiene products, paper towels, etc. These products provide better external support for the growth of the economy (Nielsen, 2014). For example, from the global perspective, the private label branded products like fast moving consumer goods achieved 77% of sales value in 2012 ; likewise, the figure was 14% for hygiene and tissue products and 12% for packaged food (Euromonitor Research, 2014).

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Literature Review

Conventionally, private label products come in a white colored package with a black typeface, and can be generally found down the shelf (Kumar & Steenkamp, 2007a). Similar to branded goods, even retailers' products have come up with a good packaging and high quality to impress the customers. Therefore, facilitating the private label fix seems to be the right marketing strategy and customers can enjoy the benefits of buying quality products at low prices, which are standard (considerable pricing with quality products) to premium products (top quality to match the niche of other top brands). Moreover, retailers come up with new concepts that are valuable through source and supply chain efficacies to give lesser cost with good quality (Kumar & Steenkamp, 2007b). Consequently, this facilitated the retailers to attract customers and to sell their products to put off foreign exchange flight. The name of the brand adds value to its products and impresses the customers. Customers get a good image about the products of a particular brand based on the value of the brand name. Private label brands, otherwise referred to as store brands, have witnessed a good growth in the recent years. The expansion of private label brands is motivated by two factors : consumer awareness towards the brands and retailers' motivation for greater profit along with their capability to effectively manage these brands. The market share of the private label brands is increasing in the Indian market. Sales of the private label products in the Indian market have not been at the peak yet. The sales are still growing and are making the Indian market a compelling space to analyze, study, and predict the growth and success of the private label products. Previous research on private label products focused upon the characteristics of the consumers that affected the purchase intention towards a private brand, for example, demographic characteristics (Baltas, 1997; Richardson, 2000), price sensitivity (Garretson, Fisher, & Burton, 2002), and risk aversion (Ailawadi, 2001).

Private label products, otherwise referred to as store brands, are formed by retail owners for attracting customers to their showrooms (Singhi & Kawale, 2010). There is a growing demand for the private label products among customers today ; however, this needs a detailed analysis to comprehend the main aspects that act as a manipulating factor for customer behavior.

This review of literature has discussed multiple facets such as approach, buying behavior, five variables (fashion involvement, price consciousness, value consciousness, past experience, and perceived mass store image) based on customer perception.

Concepts and Definitions

(1) Private Brands : According to Baker (1990) and Sampson and Froehle (2006), the definition of a private brand is that it is a brand for which the copyright is owned only by its producer and not by the retailers, wholesalers, or other liaisons. An end user or a consumer might generally not be aware of the name of the manufacturer as the product will be named by its distributor or retailer's name. Private brands are generally referred to as store brands, private label products, distributor brands, retailer brands, liaison brands, own brands, and trader brands (Sampson & Froehle, 2006). The retail industry dominates the private label brands in terms of publicity, packaging, wholesale prices, and assets of stock (Chen, 2009). Private label products are cheaper than the branded ones, which is the main reason as to why consumers choose them (Walker, 2006), but those who are really brand specific will not opt for private label products because to them, quality matters more than the cost factor (Ailawadi, 2001; Richardson et al., 1996).

(2) Intention : Purchase intention is a planned behavior for a consumer who is interested in shopping a certain product (Ajzen, 1991). As customers get highly attracted to advertisements and brand promotions, manufacturers are ready to spend big amounts on promoting their products. According to Darian and Tucci (2011), the customers'

buying intention depends upon the private label products as the pricing is justifiable for the products they purchase. When a brand wins the loyalty and trust of customers, it is quite easy to make them stick to the brand, as people feel related to the brand and thereby increase the purchase levels (Jin & Suh, 2005).

(3) Apparel Retail Sector in India : The apparel retail sector consists of sale of all men's wear, women's wear, and kids wear, in which the men's wear sector sells men's active wear, casual dresses, accessories, formal dresses, and semi-formal dresses ; the women's wear market sells active wear, casual dresses, accessories, formal dresses, and semi-formal dresses ; while the kids' market sells baby clothing, casual dresses, accessories, formal dresses, and semi-formal dresses for both boys and girls and toddler clothing. Retail selling price (RSP) determines the market value, inclusive of taxes and charges.

(4) Recent Trends in Apparel Retailing in India : Extensive prevalence of Indian culture replicates even in our dressing nature, leading to a wide range of apparel collections. For women, the collections range extensively amidst the common saree to salwar kameez, while men's industry is equally vast with dhoti to lungi. The branded clothing industry is growing at a rapid pace depending on various trading factors such as end of Multi Fibre Arrangement and entry of overseas vendors and apparel manufacturing companies in India leading to the growth and development of the Indian apparel industry. The Indian retail clothing industry has gained enormous importance in the global market. This research aims to analyze the factors based on which the clothing retail and distribution sectors have been transformed in the recent years. The Indian textile and clothing sector proudly boasts of a high level of volume, spread, depth, and competitiveness, which can be competed only by China and not by any other country. Quotas exited at the end of 2004, and with the entry of foreign vendors and clothing manufacturers in the country, and with the growth and development of the Indian apparel sector across the globe, a scrupulous research analysis of the clothing industry is mandatory (Pradhan, 2007).

(5) Theoretical Views : This research requires a customized description of Fishbein and Ajzen's (1975) theory of reasoned action (TRA), and it helps to frame the hypothetical structure for evaluating the attitude and buying behavior of youngsters towards mass - designer line products. The approach and purpose model of customized TRA clearly narrates the buying behavior of customers in different spending modes (Jin & Suh, 2005). Analyzing the teenage customer behavior towards buying behavior and mass designer lines, an approach and purpose model abiding to the rules of the TRA covers five consumer-oriented factors, which are fashion involvement, price consciousness, value consciousness, past experience, and perceived mass store image. Though it is not yet sure whether these five factors strongly manipulate the mass - designer line buying behavior, however, if it does, we need to check if it manipulates directly or indirectly via mass-designer line intentions. Construct oriented debates, as discussed in the projected model and hypothetical support for the imagined association, are listed below.

(6) Previous Studies : The growing importance of the private label brands has influenced a number of research works in the recent years in India and all over the world. These research studies are related to private label brands, consumer investigation, as well as retailer and market factors for success. When broadly categorized, research studies are related to the inspecting motivations and benefits of the private label brands for retailers ; studies of the consumer segment ; studies of consumer perceptions, behavior, and attitudes ; retailer positioning of private label brands ; and the strategic responses of national brand manufacturers. Several different approaches have been made to explain consumer behavior concerning private labels. Most studies examined private label consumer behavior in association with demographic and socioeconomic characteristics. Customers' buying attitudes towards private label products are discussed here in detail with regard to demographic and socioeconomic characteristics and also habitual and behavioral characteristic perspectives (Baltas, 1997). Common factors such as brand exposure,

product pricing and packaging, quality difference, apparent risk, brand value for money, income, and family size are certain basic and essential influencing factors for the purchase of branded label products (Richardson et al., 1996).

(i) Consumer Preference and Intention to Purchase Private Branded Products in General : Consumers' preferences and intentions are responsible for their choices while shopping private label products (Chaniotakis, Lymperopoulos, & Soureli, 2010) which incorporate factors such as trust in private label products, brand exposure, and supposed financial ability. There are different researchers who have shared their different views of consumer preference and intention to purchase private label branded products.

Private label products are the most important category of product brands which have enjoyed an increased attention in recent years. The Private Label Manufacturers Association (PLMA) stated that the private label products include all the goods that are sold under a retailer's own brand. Private label products are often referred to as own brands, own labels, store brands, in-house brands, distributor brands, or retail brands (Sathya, 2013 ; Raja & Ali, 2014). Raju, Sethuraman, and Dhar (1995) and Sadasivan and Suresh (2011) stated that the private label products must clearly bear only the store's brand name or the name of any other party with whom the store has introduced its store brand program (Tarzijan, 2004).

Chaniotakis et al. (2010) stated that 'the way of thinking' influences consumers' purchase intention as well as perceived perception of their economic situation. Researchers have proven that depending on their current financial ability, customers choose to go for branded or private label products. Private label products can earn customer loyalty by giving sensible pricing offers to the customers so that they are encouraged to make their initial purchase and also simultaneously maintain quality so that customers consider the purchase of the product a considerable value for money they spend. There are various other researchers who have worked on this topic and their studies depicted that the quality of the products influenced the choice of brand for customers than their demographic, emotional, and shopping behavior (Szymanski & Busch, 1987). Both internal and external memory must be able to recollect the private label products when consumers go for shopping and this recollection of memory will happen only when they felt gratified during their previous purchase. Once a customer gets a bad experience with a private label product, the next time, invariably, the thought will pop up in his/her mind and the only way to overcome it is through the pricing factor. When the customers gather and analyze the relevant details, they gain a lot of information, and the choice of brands are evident (Schiffman & Kanuk, 2010). An item that has more customer interest gains more attention than the other items (Hornby, 2005). Perceived private label price and perceived store image, unlike perceived private label quality, positively affect the attitude of customers towards private label quality, and eventually, customer satisfaction (Bawa & Bathurutheen, 2016). Cognitive, affective, and behavioral factors of attitude influence each other strongly as well as the purchase intention of online private label brands (Pangriya & Kumar, 2018). Consumer preferences and intention are responsible for their choices in shopping for private label products (Chaniotakis et al., 2010), which incorporate factors such as trust in private label products, brand exposure, and supposed financial ability.

Private label products can be produced both by retailers and that section of manufacturers for retailers who intend to attain wealth in manufacturing and supply and making effective use of surplus facilities (Baltas, 1997). While conversely, retailers could initiate and expand private label products for gaining high consumer loyalty and productivity through the store's image. According to Narasimhan and Wilcox (1998), the main intention of private label products is to add value for the retailers' negotiating position in contrast with national retailers to increase their brand value in the market. Sales of private label products experienced very limited exposure in the last decade (Levy, Wietz, & Pandit, 2013) and are considered to be second - rate products and duplicate versions of the real national brand products (Vargas - Hernandez & Noruzi, 2011) which is mainly due to the low pricing factor. The competitors have created a strong mindset among the customers that if a product is sold at a low price, it simply

means low quality as well, while the real reason of low pricing is due to nullified branding and promotional cost of private label products. Many studies have been carried out to observe whether consumers prefer buying private label products (Shukla, Banerjee, & Adidam, 2013). Private label products contributed about 17% of retail sales with a growth of 5% annually in the global market (Chandra, 2014 ; Hiscock, 2012), which is an evidence that consumers are accepting private label products. Nowadays, retail outlets perform a quality control check for the private label products to ensure that they abide to the standard guidelines before the products reach the shelves.

Many studies have been conducted previously on the subject of impact of private label products based out of developed and developing countries. These studies focus on the buying behavior of the customers that determines the customers' motivation, perception, choice, and behavior on food products. Munusamy and Wong (2008) ; Bousouki, Zotos, and Masouti (2008) ; and Chaniotakis et al. (2010) analyzed the factors that determined the buying behavior and found that consumers' attitudes and extrinsic & intrinsic factors of the items determined the buying behaviour. Munusamy and Hoo (2008) observed a positive relationship between price and consumers' influence on buying private label products. Therefore, maximum people choose low cost items (Boutsouki et al., 2008). Packaging is a key factor as customers get attracted and impressed by the details given on the outer cover of the product (Ampuero & Vila, 2006). Even advertisements and other promotional activities influence the choice of customers. Several other studies have justified this point on private label product promotions.

Researchers have studied a huge number of vendor traits that manipulate the outlet image, such as variety and quality of products, services and brands, store outlook, behavior and service level of staff, price levels, and depth & frequency of advertisements (Ailawadi & Keller, 2004 ; Burt & Carralero - Encinas, 2000). When it comes to the choice of private label products, it is the extrinsic cues that influence the customers, which leads to more care of packaging of the products. Retailers can benefit from supply chain and selling high volumes. Salesmen face tough challenges in persuading the customers to purchase private label products in spite of the strong bond between the store and salesmen. Intrinsic cues such as quality, risk, and value of the product influence the physical traits, where risk may arise due to uncertainty. Intrinsic factors are related to physical product characteristics where it includes perceived quality, risk, and value. Risk is due to a mistake or uncertainty. Uncertainty happens due to the appearance of the products.

(ii) Price and Price Related Factors : Price is an important factor determining the purchase intention of private label products among consumers (Jayakrishnan, Rekha, & Chaudhri, 2016). Consumers usually prefer purchasing products of lower price, simple packaging, high quality, and even they don't prefer less well-known products that are especially risky because they are not sure about the quality of those products (Sudhir & Talukdar, 2004). That is the reason why consumers perceive private label products as high-risk products. Consumers usually maximize the utility of the products they purchase by avoiding mistakes. On this basis, manufacturer branded products, which are higher in prices are always perceived to be of high quality with lower risk ; hence, consumers consider price and brand to be a very important criteria while determining the quality of a product. There are extensive studies that considered pricing as an important factor among consumers for their purchase intention. These studies are discussed below.

Choi and Coughlan (2004) found that pricing of food product categories such as cookies and soups varied from the pricing of national brands and wholesaler brands because of their varying standards and variable costs. Therefore, retailers must have a separate category for private label products with low pricing as the target market for these items is different from those for branded products. This research did not consider price differential and category price. Méndez, Oubiña, and Rubio (2008) conducted a research in Spain, while Romanuik and Nenycz - Thiel (2013) also conducted their research in Australia and both concluded that private label products are different from other branded products such as Maria cookies, chocolate bars, jams, sliced bread, packet soups, sliced cheese, etc. based on pricing factors.

Jin, Chen, and Sam (2010) conducted a research on the buying behavior of breakfast cereals among customers based out of America from which the study found that people who fell under the lower income bracket were more concerned about the pricing factor and, therefore, chose private label products; whereas, the higher income shoppers comfortably chose the national brands.

Nielsen (2014) and McCaskill (2014) observed that three-quarters of global people accepted that the quality of private label brands has increased. The same survey highlighted that the majority of customers (66%) in the Asia - Pacific region bought private label branded products to save money and smart shopping (57%). This highlights that quality and price play a major role in purchase intention of customers towards private label brands. Shukla et al. (2013) carried out a research to focus on the reasonable manipulation of socio-demographic variables such as gender, age, education, income, and family size with related psychographic measures such as deal proneness, price-related deal proneness, end-of-aisle display proneness, impulsiveness, smart-shopper self-perceptions and brand loyalty, and customer's attitude towards private label brands.

In spite of the availability of exhaustive literature regarding private label brands, the preference and intention of customers to buy private label branded retail apparels is not clear in the Indian context. Hence, the present study attempts to fill this gap.

Methodology

(1) Statement of the Problem : In a phenomenal and competitive world, the consumers' preference towards buying of private label branded products is increasing globally, which is evidenced by more researchers (Bao, Bao, & Sheng, 2011; Chandon, Dillao, & Philippe, 2011; Nguyen & Gizaw, 2014). However, the preference and intention among consumers towards buying of such branded products is still questionable, especially in retail apparel products. Hence, it is of significance to identify the exact features that the consumers need towards such products. Past studies of consumer behaviour have focused on private label branded products. However, it is restricted in the retail apparel context (Bell, Bryman, & Harley, 2018; Chakraborty, 2013). Till date, scanty literature is available in the context of evaluating the factors which include perceived quality, perceived price, perceived risk, perceived value, and store image influence on the consumer intention and preference towards private label branded products of retail apparels in India. Hence, the purpose of this research is to examine the factors which impact the purchase intention and preference towards private label brands with respect to retail apparels in India.

(2) Research Aim and Objectives : The main aim of this research is to identify the factors which impact the purchase intention and preference towards private label brands with respect to retail apparels in India.

The secondary objectives are derived from primary objectives as stated above. The secondary objectives of this research are as follows :

- ↳ To study the consumer intention and preference in general towards private label brands with reference to retail apparels.
- ↳ To analyze the influence of socio - demographic parameters (age, gender, income, and other demographic factors) on the level of purchase intention and preference to buy private label branded retail apparels.
- ↳ To find out the perceived quality, perceived price, perceived risk, perceived value, and store image with consumer intention and preference towards private label branded retail apparels.
- ↳ To give recommendations to retailers of the Indian apparel industry to get deep insights of consumer's mind with regards to private label brand preference so that the findings would help to enhance the product development opportunities.

(3) Research Questions : Based on the research objectives, the following research questions are framed :

- (i) Which factors impact the purchase intention and preference of consumers towards private label brands of retail apparels ?
- (ii) How do consumers prefer and perceive in general towards private label branded retail apparels?
- (iii) What are all the socio-demographic parameters influencing the consumer's preference and purchase intention to buy private label branded retail apparels?
- (iv) How does perceived quality, perceived price, perceived risk, perceived value, and store image influence consumer intention and preference towards private label branded retail apparels?

Analysis and Results

Firstly, the values of composite reliability for SEM model depicted in Figure 1 indicate that the latent variables are in the range of 0.60 and 0.80 (see Table 1). Accordingly, fashion consciousness has a CR value of 0.773 ; price has CR value of 0.711 ; quality has CR value of 0.649 ; store image has CR value of 0.807 ; attitude has CR value of 0.687 ; store loyalty has CR value of 0.616 ; purchase intention has CR value of 0.829 ; and PLB preference has CR value of 0.888. The findings reveal that most of the constructs are very close to the required reliability except for quality and store loyalty.

In continuation, the rule of thumb - average variance extracted (AVE) values should be greater than the corresponding squared inter - construct correlation estimates (SIC) in the model. The Table 2 summarizes accepted and model values obtained for different scenarios. It can be observed from the Table 2 that most major goodness of fit and other indices are within the acceptable range except a few parameters.

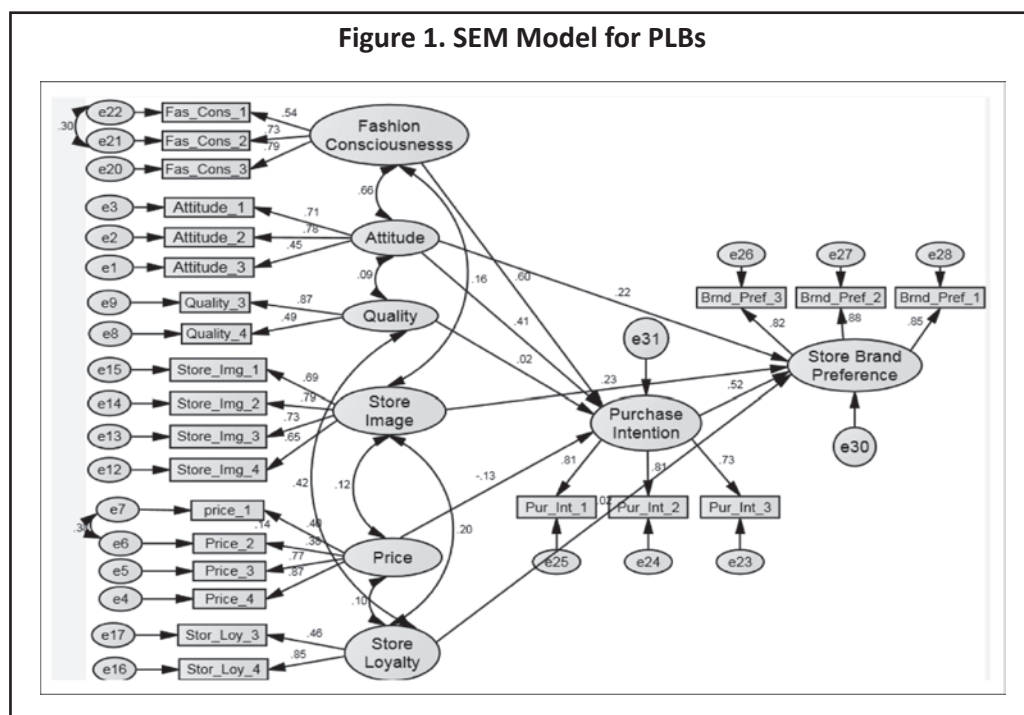


Table 1. Reliability and Item Loading Constructs of the SEM for PLBs

Latent Variable	Items**	Standardized Loadings	Composite Reliability*	Cronbach's Alpha	Average Variance Extracted (AVE)
Fashion Consciousness	Fas_Cons_1	0.543	0.733	0.781	0.408
	Fas_Cons_2	0.732			
	Fas_Cons_3	0.787			
Price	Price_1	0.400	0.711	0.730	0.301
	Price_2	0.375			
	Price_3	0.768			
	Price_4	0.867			
Quality	Quality_3	0.870	0.649	0.599	0.501
	Quality_4	0.491			
Store Image	Store_Img_1	0.694	0.807	0.804	0.513
	Store_Img_2	0.786			
	Store_Img_3	0.726			
	Store_Img_4	0.650			
Attitude	Attitude_1	0.713	0.693	0.678	0.435
	Attitude_2	0.783			
	Attitude_3	0.448			
Store Loyalty	Stor_Loy_3	0.458	0.616	0.565	0.470
	Stor_Loy_4	0.850			
Purchase Intention	Pur_int_1	0.812	0.829	0.825	0.612
	Pur_int_2	0.813			
	Pur_int_3	0.730			
PLB Preference	Brnd_pref_1	0.852	0.888	0.892	0.725
	Brnd_pref_2	0.883			
	Brnd_pref_3	0.818			

Note. **The abbreviations are explained in the Appendix.

Table 2 GOF and Incremental Indices of SEM structure for PLBs		
Fit Indices	Accepted Value	Model Value
Absolute Fit Measures		
χ^2 (Chi-square)		638.192
df (Degrees of Freedom)		235
Chi-square/df (χ^2/df)	< 3	2.716
GFI (Goodness of Fit Index)	> 0.9	0.851
RMSEA (Root Mean Square Error of Approximation)	< 0.10	0.077
Incremental Fit Measures		
AGFI (Adjusted Goodness of Fit Index)	> 0.80	0.809
NFI (Normed Fit Index)	> 0.90	0.804
CFI (Comparative Fit Index)	> 0.90	0.865
IFI (Incremental Fit Index)	> 0.90	0.867
RFI (Relative Fit Index)	> 0.90	0.770
Parsimony Fit Measures		
PCFI (Parsimony Comparative of Fit Index)	> 0.50	0.737
PNFI (Parsimony Normed Fit Index)	> 0.50	0.685

Table 3. Squared Inter - Construct Correlations (SIC) Between Constructs

	SIC								
	AVE	FC	Price	Quality	SI	Attitude	SL	PI	Preference
Fashion Consciousness	0.408	1.00							
Price	0.301	0.026	1.00						
Quality	0.501	0.017	0.033	1.00					
Store Image	0.513	0.075	0.015	0.030	1.00				
Attitude	0.435	0.194	0.060	0.033	0.146	1.00			
Store Loyalty	0.470	0.022	0.023	0.176	0.060	0.078	1.00		
Purchase Intention	0.612	0.702	0.001	0.018	0.167	0.663	0.014	1.00	
Preference	0.725	0.044	0.044	0.028	0.218	0.453	0.031	0.591	1.00

The Table 3 shows the AVE estimates and corresponding SIC values, which is supportive evidence for discriminant validity. For example, AVE estimate for quality is 0.501 and corresponding SIC value between fashion consciousness and quality is 0.017, and also, SIC between price and quality is 0.033. Thus, AVE is greater than SIC. Similarly, in case of store loyalty, AVE is 0.435 and the corresponding SIC between fashion consciousness and store loyalty is 0.022 and SIC between price and store loyalty is 0.023. This is an indication of discriminant validity.

Regression Results

The regression results are provided in the Table 4. Accordingly, it is observed that among the eight exogenous variables, fashion consciousness has a significant influence (with positive sign) on purchase intention ($\beta = 0.603$; $CR = 6.541$, $p < 0.01$). Thus, H_3 is asserted. Similarly, price has a significant influence (with negative sign) on purchase intention ($\beta = -0.130$; $CR = -2.832$, $p < 0.05$), which is valid according to the theory. Thus, H_6 is asserted. Likewise, attitude has a significant influence (with positive sign) on purchase intention ($\beta = 0.412$; $CR = 4.243$; $p < 0.05$) and brand preference ($\beta = 0.222$; $CR = 1.818$; $p < 0.10$). Thus, H_1 and H_2 are asserted.

Furthermore, purchase intention is found to be a significant determinant of private label brand preference ($\beta = 0.516$; $CR = 4.341$; $p < 0.01$). Thus, H_8 is asserted. Finally, store image is found to be directly influencing the purchase behaviour of customers towards private label brands apparels ($\beta = 0.231$; $CR = 4.056$; $p < 0.01$). Thus, H_5

Table 4. Direct Effect of Research Model : Standardized Regression Weights for PLBs of Apparels

Relationships Between Exogenous and Endogenous			Estimate	S.E.	C.R.	p-Value
Purchase_Intention	<---	Quality	0.024	0.066	0.520	0.603
Purchase_Intention	<---	Fashion cons	0.603	0.079	6.541	0.000***
Purchase_Intention	<---	Price	-0.130	0.030	-2.832	0.005**
Purchase_Intention	<---	Attitude	0.412	0.152	4.243	0.000***
Brand_Preference	<---	Attitude	0.222	0.202	1.818	0.069*
Brand_Preference	<---	Purchase_Intention	0.516	0.125	4.341	0.000***
Brand_Preference	<---	Store_image	0.231	0.067	4.056	0.000***
Brand_Preference	<---	Store_Loyalty	0.020	0.045	0.361	0.715

Note. ***, *, ** significant at 1 %, 5 %, and 10 % levels.

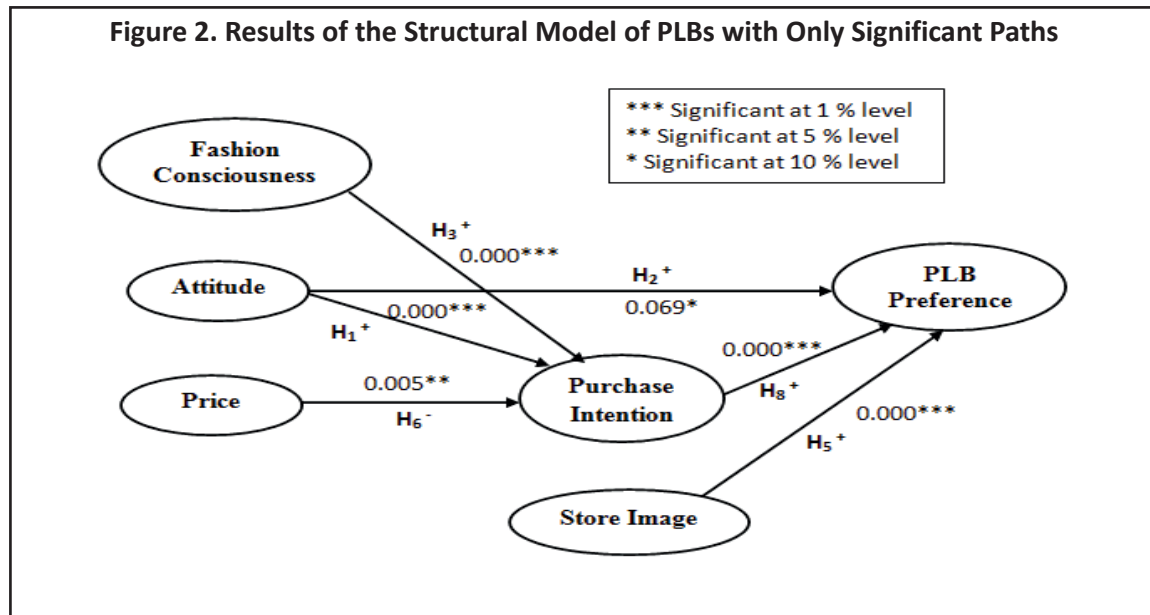


Table 5. Summary of Test Results of the Study Hypotheses

H#	Study Hypotheses	Result
H ₁	Perceived attitude has a positive significant influence on purchase intention to buy PLBs.	Supported
H ₂	Perceived attitude has a positive significant influence on purchase preference to buy PLBs.	Supported
H ₃	Fashion consciousness has a positive significant influence on purchase intention to buy PLBs.	Supported
H ₄	Quality has a positive significant influence on the purchase intention to buy PLBs.	Not Supported
H ₅	Store image has a positive significant influence on purchase preference of PLBs.	Supported
H ₆	Price has a significant and negative influence on purchase intention to buy PLBs.	Supported
H ₇	Store loyalty has a positive significant influence on purchase preference towards PLBs.	Not Supported
H ₈	Purchase intention of buying has a positive influence on purchase preference towards PLBs.	Supported

is asserted. For better understanding, the results of significantly (statistically) related variables (both endogenous and exogenous) is provided in the Figure 2 for PLBs. Similarly, Table 5 provides the summary.

Understanding the Determinants of Overall Purchase Preference of Private Label Brands in the Future - A Comprehensive Analysis

To understand the influence of various other features (socio-demographic and purchase attitudes) of PLBs on overall intention to buy more PLBs as compared to national brands, I have used an “ordered logistic regression” model with the dependent variable as the intention to buy more PLBs as compared to national brands captured through the structured questionnaire.

The logistic model for several predictor variables is as follows :

$$Pr(Y=1/X_1 = X_1, \dots, X_p = x_p) = \frac{e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_p X_p}}{1 + e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_p X_p}}$$

The dependent variable is 1 ($Y = 1$), which means the probability of the overall intention to purchase. Since logit coefficients are in log-odd units, they cannot be read as regular OLS coefficients. Hence, the interpretations are based on the odds ratio. As per standard definition, the odds ratio (OR) represents the odds of $Y = 1$ when X increases by one unit. These are the $\exp(\text{logit coefficient})$. If the $OR > 1$, then the odds that $Y = 1$ increases. If the $OR < 1$, then the odds that $Y = 1$ decreases. The sign of the logit coefficient corroborates that. A negative sign of the coefficient implies an odds ratio of less than 1 ; whereas, a positive sign implies an odds ratio of greater than 1 .

Variables Description

Dependent Variable : Overall intention to purchase more and more private brands in the future.

$$Y_i = \begin{cases} 0 = \text{No intention (rating scores 1 \& 2 combined).} \\ 1 = \text{Somewhat intend to buy (rating score of 3).} \\ 2 = \text{Have a greater intention to buy (rating scores 4 and 5 combined).} \end{cases}$$

Independent Variables

$$\text{Gender} = \begin{cases} 1 = \text{Male} \\ 2 = \text{Female} \end{cases}$$

$$\text{Age} = \begin{cases} 1 = \text{less than 25 years} \\ 2 = \text{25 to 35 years} \\ 3 = \text{35 to 45 years} \end{cases}$$

$$\text{Income} = \begin{cases} 1 = \text{Less than ₹ 5 lakhs} \\ 2 = \text{₹ 6 – ₹ 10 lakhs} \\ 3 = \text{₹ 11 – ₹ 20 Lakhs} \\ 4 = \text{> ₹ 20 lakhs} \end{cases}$$

$$\text{Profession} = \begin{cases} 1 = \text{Student} \\ 2 = \text{Education/Teaching} \\ 3 = \text{MNC} \\ 4 = \text{Business} \end{cases}$$

and fashion consciousness, attitude, store image, price, quality, and store loyalty.

As can be seen from the Table 6, among the socio-demographic variables, gender is a significant determinant of overall intention to buy private label brands. In terms of odds ratio, the estimated odds that a female customer *has somewhat intention to buy* and *has a greater intention to buy* combined will decrease by a factor of 0.288 with reference to a male customer. This estimated odd is against the customer having *no intention to buy PLBs* in the future.

Similarly, income is a significant determinant of overall intention to buy a private label brand. In terms of odds ratio, the estimated odds that a higher income customer's *somewhat intention to buy* and *have a greater intention to buy* combined will decrease by a factor of 0.653 with reference to the lesser income group. In other words, the odds

Table 6. Ordinal Logistic Regression Results – Understanding Overall Purchase Preference for Private Label Brands with Purchase Attitude Dimensions

Independent Variable	Coefficient (B)	Odds Ratio	Robust Std. Error	Z	p-value
Intercept					
Cut_1	9.646				
Cut_2	15.297				
Gender	-1.243	0.288	0.445	-2.79	0.005*
Age	0.418	1.519	0.247	1.69	0.091
Income	-0.425	0.653	0.204	-2.09	0.037*
Profession	0.440	1.553	0.156	2.81	0.005*
Fashion Consciousness	0.361	1.435	0.093	3.87	0.000*
Attitude	0.390	1.477	0.125	3.11	0.002*
Store Image	0.280	1.324	0.061	4.53	0.000*
Price	0.081	1.084	0.055	1.47	0.141
Quality	-0.122	0.884	0.115	-1.06	0.289
Store Loyalty	0.056	1.057	0.121	0.46	0.644

of higher income group customers' intention of buying a private label brand in the future decreases as against *no intention to buy* PLBs in the future.

Profession is a significant determinant of overall intention to buy private label brands. In terms of odds ratio, the estimated odds that MNC profession customers' *somewhat intention* and *have a greater intention to buy* combined will increase by a factor of 1.553 with reference to students and teachers.

Now, with regard to dimensions of determinants of preference for PLBs, fashion consciousness, attitude, and store image are found to be statistically significant. With one unit increase in the fashion consciousness dimension score, the estimated odds of customers' *somewhat intention* and *have a greater intention to buy* combined will increase by a factor of 1.453 as against *no intention to buy* PLBs in the future. Likewise, with one unit increase in the attitude dimension score, the estimated odds of customers' *somewhat intention to buy* and *have a greater intention to buy* combined will increase by a factor of 1.477 as against *no intention to buy* PLBs in the future. Finally, with one unit increase in store image dimension score, the estimated odds of customers' *somewhat intention* and *have a greater intention to buy* combined will increase by a factor of 1.324 as against *no intention to buy* PLBs in the future.

Conclusion

This study examines the causal relationships between six antecedents of customer perceived preference identified in this study as fashion consciousness, attitude, store image, price, quality, and store loyalty with regard to the purchase intention of private label brand apparels. The model is evaluated using data collected from 292 customers from different malls in Bangalore in 2016 - 17. A couple of inferences can be obtained from the findings. Firstly, it is evident that customers' attitude has a significant impact on purchase behavior towards private brand apparels. Hence, developing more designs would increase the customers' attitude positively in purchase of PLBs in the apparel sector. The same holds good even for store image, where the analysis shows statistical evidence that store image has an influence on purchase preference towards private brand apparels. Surprisingly, it emerges from SEM analysis that store loyalty does not influence (statistically) the customers in preferring private brand apparels. Thus, there is an element of caution for the managements that store loyalty is no longer the key

determinant in measuring the purchase behavior of customers. Finally, summarizing briefly, it has emerged that fashion consciousness would lead to purchase intention, which would, in-turn, influence the purchase preference towards private label brand apparels. Thus, there is a need for managements of PLBs to give more emphasis on apparels that are more fashion trendy for better purchase preference by customers.

The major finding of the study is that consumer attitude plays an important role in consumer purchase decision making, which is in line with the results of several older studies (Boutsouki et al., 2008 ; Chaniotakis et al., 2010 ; Munusamy & Hoo, 2008). It is the extrinsic cues, such as store image and fashion consciousness, that influence the customers, which leads to more care of packaging of the products (Ailawadi & Keller, 2004). However, with respect to the finding regarding price as a determining factor in purchase behaviour, the study reveals contrary results to several studies, where a positive relationship was found to be existing (Ailawadi & Keller, 2004 ; Jayakrishnan et al., 2016).

Managerial Implications

Several insights can be drawn out from this study that will be gainful for marketers or store managers to devise strategic plans as well as for academicians for further theoretical improvization. First and foremost, it is clear that customers' attitude plays an important role in the purchase decision making for private brand apparels. On these lines, marketers or store managers should increasingly design strategies that develop and enhance the positive image of their brands in the minds of their customers. The conventional ways of doing so are offering economic incentives such as special discounts, loyalty offers, etc. A creative way of enhancing the image of the brand in the customers' minds is making the customers feel involved with the brand. Co-creation is a newly emerged management initiative that brings different stakeholders together in order to jointly produce a mutually valued outcome. Stakeholders, especially the millennial generation, are drawn to brands that enable them to co-create personalized experiences in partnership with a brand so that they can make them their own.

The study also reveals that fashion consciousness leads to purchase intention which, in turn, influences the purchase preference towards private label brand apparels. In this context, there is need for managements of PLBs to give more emphasis on apparels that are more fashion trendy for better purchase preference of customers. Also, co-creation may be of help with regards to catering to the personalized requirements of fashion conscious consumers.

Limitations of the Study and Scope for Further Research

Future researchers should focus on retail apparels of other regions in India. Further, this study was restricted to convenience sampling, which is a non-probability sampling method. This method does not fortify that each unit will have an equal chance of being selected as probability sampling; hence, such samples are unsafe to chosen biases. Since time constraints are one of the study constraints, therefore, the study used the sample size of 292 respondents. A clearer view of purchase intention and preference towards private label brands would be more consistent if a larger sample size is taken into account as this would generate reduced risk of external validity.

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Appendix

Appendix Table 1A. Number of Variables Included in Each Category

ATTITUDE	
Attitude_1	I buy store private label apparels for gifting others, but for my personal use, I am prone to buy national brands.
Attitude_2	I tend to purchase store brands regularly, but for special occasions or special purposes, I use more of national brand apparels.
Attitude_3	When I buy apparels of store (private) brands, I feel that I am getting a good deal (value) as compared to national brands.
PRICE	
Price_1	Greater price discrimination will often result in going for store (private) brand apparels as compared to national brands.
Price_2	I am very concerned about low price, but I am equally concerned about product quality.
Price_3	When I go for apparel shopping, I compare the prices of different brands to be sure that I get the best value (price and quality) for money.
Price_4	Frequent price discounts of store (brand) apparels will result in choosing private brands over national brands.
QUALITY	
Quality_1	I feel that purchase of store (private) brand apparels is risky because their quality is questionable.
Quality_2	Private label products are as good as national brand apparels.
Quality_3	Sometimes, I try to compromise with quality by selecting inferior brands.
STORE IMAGE	
Store_img_1	I have an attractive shopping experience with this store.
Store_img_2	The store carries high quality merchandise.
Store_img_3	Most of the times, I intend to buy the store brand apparels because of the store image (in term of interiors, friendly salespeople, large variety).
Store_img_4	The products of this store are good value for money.
STORE LOYALTY	
Stor_Loy_1	My trusted loyalty to a particular store makes me buy apparels manufactured by store brand (for example Shoppers Stop, etc.).
Stor_Loy_2	My trusted loyalty towards private store brands will result in buying store brand apparels even if it they are priced higher than national brands.
Stor_Loy_3	In general, my purchases are highly dependent on price and quality rather than store or brand loyalty.
Stor_Loy_4	If my preferred store brand is not available in the store, I can easily choose another brand.
FASHION CONSCIOUSNESS	
Fas_Cons_1	It is important that my clothes be of the latest style, irrespective of brand (SB/National brand).
Fas_Cons_2	I often try new fashion ideas with store brand products.
Fas_Cons_3	I look for private brand apparel for design and variety.
Fas_Cons_4	I feel more of fashion innovativeness exists with private brands as compared to national brand apparels.
PURCHASE INTENTION	
Pur_int_1	Whenever I buy an apparel of a national brand, I feel that I will purchase the private brand next time.
Pur_int_2	The probability that I would consider buying private brands is high.
Pur_int_3	I have decided to buy private brands whenever possible from this store.
STORE BRAND PREFERENCE	
Brnd_pref_1	Private label brands are good brands compared to national brands.
Brnd_pref_2	I prefer private label brands to national brands.
Brnd_pref_3	I would buy the private brands as compared to national brands.

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