A Study on Perception of Women Consumers towards Private Label Apparels: Both in online and offline stores in Vijayawada

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ABSTRACT

The Indian clothing industry is growing quickly, with an increasing chief place on PLB's. As per industry reports, highest sales is occupied by clothing industry at 40%-60%, for next 5 years followed by the food & beverage segment growing at compounded annual growth rate of 30%. The industry is trying to provide improved quality of products at low price & range between 10%-15%. In this research we study about the perception of consumers towards the private labelled apparel. To understand the sources of increasing private label apparels consumption and to know the preference of consumer in buying the private label apparels through offline and online stores. The data collection process was focused on women consumer between age group of 18-35 years with a structured and self-administered questionnaire and the study will be done in Vijayawada region with 50 respondents.

Keywords: Private Label brands; Apparel Industry; Consumer perception; online store; offline store.

I.   Introduction

Indian population is very young and enthusiastic. The largest contributor in retail industry is Indian apparels which holds 2nd largest place in the country. Changes in preferences from brand to non-brand and entry of all the International brands, the fast growing economy has made India a highly profitable market and increase in the retail consumers. In complete earth, India has all the existence of largest young people group, who are becoming conscious towards fashion owing to social media penetration and mass media penetration. Indian clothing industry is becoming eminent with 9.7% growth rate. India is facing over the competition of undergone growth markets of Japan, US, Europe which are looked as to come to grow at a rate of 2%-3% with level at a country to growth with 7% GDP.One Major way to market trademarks today, and specifically fashion trademarks, is through the brand store image, which refers to the way users become conscious of and value the items that they give can money for from special store keeper.

1.1   Types of Brand

The depiction of brand is given by AMA (American Marketing Association) is "a name, term, design, image or feature that identifies one seller's good or service as distinct from those of alternative sellers"-(2011). The legal term of brand name is trademark [22].

There are 3 kinds of Brands [5]:
1. Private label brand
2. National or Manufacturer brand
3. Generic Brand

The Internet has impacted and influenced the behaviour of the online shopping consumers in their life's in these recent years [9] .There are three kinds of consumers with relation to their completely different shopping habits and are classified as [10].
1)   Shoppers, who purchase regularly in online.
2)   Online Shoppers who are hard core who comprises of group of individuals and the resources of internet have not been used either for shopping purpose or for gathering the information [11].
3)   On-line browsers, who prefer online as information source always be partial to conduct the transactions in the traditional stores rather than in online.

1.2   In Indian economy, Textile plays a major role

In India, to Industrial production 14% of textile industry is contributed and GDP is around 4%. With over 45 million people, clothing merchandising is having huge selling points for creating and making huge employment generation in the country. In India total 15% of exports have been accounted [4]. The central government is also planning to release a new textile policy in India which aims to create 35 million jobs additionally. In India the worth of textile export has been expected to grow to US$ 300 billion by 2024-25 [4].In 2016 the Indian textile market size was US$ 137 billion, but it is expected to touch US$ 226 billion market by 2023, growing at a CAGR of 8.7 % between 2009-2023E. In the future days the textile market will grow rapidly [1].

1.3   Growth of Private Label brands in Indian Retail Industry

With the growing retail sector in our Indian economy, the store brands or private label are in a rising stage. The shoppers have been moving towards the private labels long before when the economic slow-down started. So, when the money and goods slowdown started, significantly increased the shift, affecting favourably the store brand sales of large group retailers like Aditya Birla group, Reliance Retail, Infiniti Retail, Trent, Hyper city, Pantaloons and Shoppers Stop [2]. The phenomenon of PLB is driving towards the global and Indian context. In Indian retail industry store brands are a win-win solution to consumers and retailers [19].

II.Review of Literature

Patel, V. & Barad, K. (2015) have explained that the retail market in our Indian economy is growing rapidly. India is occupying 5th place in terms of Economic value, and also provides a strong growth. In 2015 the estimation of retail sector in India is to be about 250 billion and by 2018 it is anticipated to reach to $950 billion [19].

Kaur, K. (2013) said that many shoppers at a fast footstep migrated towards the private label brands, but the price cannot be linked to this shopper's migration. The factors that are linked to the migration are retail experience, packaging, quality improvement in the product, presentation of offers [12]. According to Kwon et al. (2008) and Hoch (1996), most of the national manufactures are facing tough competition and they must take it very seriously [14, 15].

Cmar and Salmon (1987) identified some 5 factors that inhibit the penetration of the store brand [13]:

1)   Information technology
2)   Shifting the customer merchandise tastes.
3)   Implementations of strategies by retailers in private label are not up to the mark.
4)   Changing the habits of users in getting things at store pattern.
5)   Relationship between retailers and manufactures has to be changed.

Mittal, P. & Aggarwal, S. (2012) from this study we can understand the cornerstone of the success in marketing is due to consumer and their behaviour. It includes mental, emotional processes, behaviour of the consumer which is observable, physical during the purchase of goods [16].Verma, A.P and Tiwara, K covered all the potential customers from average to high potential where in Indian context, National and International brands have been targeted [17]. The segment value of the brands those who achieved the success in the Indian market has been measured.

T.Subha, R.Kirthika (2014) said that by keeping products very cheap the private-label will not work and the retailers should be very careful in maintaining the good quality and providing value-added products [21]. Selvaraj, U. (2015) defined the store brand as a merchandised brand, sold and owed by the retailers themselves, but it has been produced by other company. The PLB are also known as in-house brands or store brands [18].

Balakrishna Menon (2017) in the study deals with the PLA in Kochi. The study reveals that the purchase intention has a straight relation with consumer innovativeness. Price consciousness is also having a straight relation with purchase intention [6].

III.   Research Methodology

This study is to understand the consumer perception regarding private label apparels, differentiation of private label and branded apparels. Various variables which are apt to the study have been identified from the literature.

3.1 Sampling Design
The sample for the study is women consumers of age 18-35.

3.2 Sampling Technique
Researcher has used 'Nominal scale' as it is very useful in preliminary or exploratory work, and is sufficient to know the broad dimensions of a certain phenomenon.

3.3 Data Collection

3.3.1   **Primary Data:** The data is collected by distributing the questionnaire to all the respondents in Vijayawada region.

3.3.2   **Secondary Data:** The data is collected from various journal articles, websites, periodicals, reports, news papers.

IV.   Objectives of the Study

The main objectives of this study are:
- To know the women consumer perception in fashion apparels particularly towards private labelled brands.
- To know the women consumer perception towards buying private label apparel through online stores and offline stores.

- To compare the pre-purchase behaviour of women consumers with private label brands online buying verses offline buying in stores of Vijayawada.

V. Hypothesis

H1: No Shoppers having positive perception towards private labelled apparels.

H2: There is no significant difference between product quality, availability of trends and price discounts in online to offline purchases of private labelled apparels.

H3: Buyers prefer to buy private label apparels in offline stores of Vijayawada.

VI. Inferential Statistical Analysis

Hypotheses A: There is no significant difference between shoppers having positive perception towards price sensitivity, product quality, availability of trends and of private labelled apparels.

- Chi- square test between two variables they are awareness towards PLA and price sensitivity of PLA.

Table I: chi-square towards PLA & price sensitivity of PLA

	Value	Df	Asymp.Sig.(2-sided)
Pearson Chi-Square	31.431[a]	16	.012
Likelihood Ratio	34.736	16	.004
Linear-by-Linear Association	7.211	1	.007
N of Valid Cases	104		

a. 18 cells (72.0 %) have expected count less than 5. The minimum excepted count is 0.05

The significance value is less than 0.05 so alternative hypotheses are accepted i.e. there is effect of price sensitivity of PLA on awareness of PLA.
- Chi- square test between two variables they are awareness towards PLA and quality and durability of PLA.

Table II: chi-square towards PLA & Quality of PLA

	Value	df	Asymp.Sig. (2-sided)
Pearson Chi-Square	29.780[a]	16	.019
Likelihood Ratio	31.158	16	.013
Linear-by-Linear Association	5.440	1	.020
N of Valid Cases	104		

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is 0.02.

The significance value is less than 0.05 so alternative hypotheses are accepted i.e. there is effect of quality and awareness of PLA.

- Chi- square test between two variables they are awareness towards PLA and quality and availability of numerous designs and sizes.

Table III: chi-square towards PLA & Quality and availability of numerous designs and sizes

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.570[a]	16	.414
Likelihood Ratio	16.522	16	.417
Linear-by-Linear Association	1.819	1	.177
N of Valid Cases	104		

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is 0.04.

The significance value is less than 0.05 so alternative hypotheses are accepted i.e. there is no effect of availability of numerous designs and sizes in PLA on awareness of PLA.

•   Chi- square test between two variables they are awareness towards PLA and quality and self-image while wearing private label brand apparels.

Table IV: chi-square towards PLA & Quality and self-image

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.538[a]	16	.078
Likelihood Ratio	24.692	16	.075
Linear-by-Linear Association	3.409	1	.065
N of Valid Cases	104		

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is 0.07.

The significance value is more than 0.05 so null hypothesis is accepted i.e. there is no effect of self-image while wearing PLA on awareness of PLA.

Hypotheses B: There is no significant difference between product quality, availability of trends and price discounts in online to offline purchases of private labelled apparels.

•   Chi- square test between two variables they are buying preference of PLA in online and quality of private label apparel in online stores.

Table V: chi-square towards buying preference PLA in online & quality of private label apparels

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.552[a]	16	.078
Likelihood Ratio	25.757	16	.058
Linear-by-Linear Association	.388	1	.534
N of Valid Cases	104		

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is 0.19.

The significance value is more than 0.05 so null hypothesis is accepted i.e. there is no effect of quality of PLA & buying preference of PLA in online.

- Chi- square test between two variables they are buying preference of PAL in online and availability of new trends in online stores.

Table VI: chi-square towards PAL in online and availability of new trends

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.671[a]	16	.192
Likelihood Ratio	25.537	16	.061
Linear-by-Linear Association	.049	1	.824
N of Valid Cases	104		

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is 0.12.

The significance value is more than 0.05 so null hypothesis is accepted i.e. there is no effect of availability of new trends in online stores on buying preference of PLA in online.

- Chi- square test between two variables they are buying preference of PAL and PLA purchases during offers in online stores.

Table VII: chi-square towards PAL preferences and purchases in online.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	39.907[a]	16	.001
Likelihood Ratio	38.536	16	.001
Linear-by-Linear Association	4.941	1	.026
N of Valid Cases	104		

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is 0.12.

The significance value is more than 0.05 so null hypothesis is accepted i.e. there is no effect of PLA purchases during offers & buying preference of PLA in online stores.

Hypotheses C: Buyers prefer to buy private label apparels in offline stores of Vijayawada

- Chi- square test between two variables they are buyer preference between online and offline stores.

Table VIII: chi-square towards buyer preferences between online & offline stores

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.308[a]	16	.432
Likelihood Ratio	18.104	16	.318
Linear-by-Linear Association	.002	1	.965
N of Valid Cases	104		

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is 0.54.

The significance value is more than 0.05 so null hypothesis is accepted i.e. there is no buyer preferences between online & offline stores.

VII.   FINDINGS

•   Consumers are feeling that private label apparels are cheaper than branded apparels & price sensitive consumers prefer to purchase private label apparels as they are of low prices.

•   Consumers thinking that private label apparels are also having good quality and durability while using when compared with branded apparels and quality and durability is also an important element in purchasing apparels.

•   Consumers are interested to purchase private label apparels during offers in online store due to discounted rates, it may be planned or impulse buying.

•   33.7% people in survey are preferred to purchase apparel occasionally, 29.8% are when they needed and 26.9% are regular apparel purchasers and remaining 6.7% and 2.9% respondents purchase during discounts and rarely respectively.

•   The respondent's decision while purchasing clothes 35.6% are depending on self-decision, 32.7% are depending on parents suggestions, 18.3% depends on siblings/ cousins suggestions, and 13.5% are depending on friend's suggestions.

•   The respondents opinions towards expensiveness of private label is less when compared to branded clothes is 43.3% respondents strongly agreed that branded are expensive than private label, 27.9 respondents agreed, 17.3% neutrally responded, 6.7% respondents disagreed, 4.8% respondents strongly disagreed.

VIII.   CONCLUSION

In retail, private label brands play a significant role. Now-a-days private label brands are evoking. Consumers are willing to pay more money for quality products that meet their needs and wants. The women consumers are well known about private label apparels and there is a lot of awareness among them. In 2017 when the total apparel fell down to 2%, the private label apparels have grown to 6%. In women's life, clothing is important part and plays a significant role in building their female status and identity in the society and also helps them to strengthen their self-esteem and improve their confidence levels. Family, friends and fashion now-a-days resembles the brand they choose. They are having more interest to buy private label apparels because of their quality and durability at same time.

The apparels are of low prices with discounted price mainly from offline stores rather than online store. Most of the respondents are depending on their self-decision while purchasing the clothes, and the customers do prefer to buy the apparels occasionally than regular purchases. From this study, it is found that price, quality of the product, available of wide range of trends and durability of apparels are important factors which gives positive perception to customers and drive them to buy private label apparels. While in the long run, the private label depends on the retailer's ability to beat key challenges like offering chain practices, infrastructure quality, accelerating growth in new styles of apparels. These factors can be considered for the future growth of perception towards private label apparels and which in turn help the retailers to increase in the sales.

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