

ANALYSIS OF CONSUMERS' PERCEPTION AND ITS IMPACT ON PURCHASE INTENTION: A STUDY OF PRIVATE LABEL APPARELS IN KANCHIPURAM DISTRICT

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ABSTRACT

The paper aims to analyse the perception of consumers and its impact on purchase intention towards private label apparels in Kanchipuram District. Based on a sample of 150 consumers in Kanchipuram District, descriptive and inferential analysis are carried out. Correlation and Multiple Regression Analysis are used to test the hypotheses. The research reveals that Perceived Quality, Perceived Price, Store Image and Perceived Value have a significant impact on consumers' intention to purchase the private label apparels. The study suggests that Apparels manufacturers should give more attention on the quality and value of the apparels. They should build a strong brand and promote their brands through sales promotion, advertising, and other marketing activities. Consumers will assess the perceived quality of the apparels from their purchase experience. As a result, customer satisfaction and will increase and also purchase intention towards the apparels.

Keywords: Private Label, Perceived Quality, Perceived Price, Perceived Store Image, Perceived Value, Purchase Intention.

INTRODUCTION

Indian retail is changing radically and many companies are joining the retail landscape. In present modern retailing in India, most of the organized retail stores have private label branded products on their shelves along with the reputed and established national brands. The increase in market share of private label brands has been attributed to growth of organized retail. The store brands, also known as private labels, are changing the future of modern trade outlets in India. Apparel is one of the basic necessities of human civilization along with food, water and shelter. It reflects people's lifestyles and shows their social and economic status. The share of apparel in India's retail market is 8%, corresponding to a value of USD 40 billion. In addition to fashion apparel, the growing demand for fashion accessories makes the Indian fashion market both interesting and lucrative. Consumers play an important role in contributing towards the success and long term survival of any organizations by purchasing products and/or services from the organization. Consumers prefer to buy private label products mainly due to their low price and prefer to buy products from large chain of retailers which also offer a wide variety of private label products with better quality. Consumers in India prefer private labels over national brands due to

availability and price benefits in the product category. There is a substantial growth in the private labels as retailers are concerned about their store and day by day curiosity among consumers is increasing which is leading to private label brands in categories like apparel, accessories etc. The present study analyses the perception of consumers and its impact on purchase intention towards private label apparels in Kanchipuram district.

APPAREL INDUSTRY PROFILE

Growth of organized retail chain in India has also led to growth of private label brands in India. The domestic textile and apparel industry in India is estimated to reach US\$ 141 billion by 2021 from US\$ 67 billion in 2014. Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing. Readymade garments remain the largest contributor to total textile and apparel exports from India. In the financial year 2015, the segment had a share of 40 per cent of all textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31 per cent and 16 per cent, respectively. The Indian fashion retail market has witnessed several fascinating changes and challenges in recent years, which are indicators of the country's evolving fashion retail market. The challenges associated with these changes need to be addressed in the most efficient and prudent manner in order to harness the concomitant benefits.

According to 'India Private Labels Apparels & Accessories Market Forecast & Opportunities, 2017', the apparel & accessories segment is further expected to grow. The consumers have accepted private labels well in the apparel & accessories market as they increase the number of options to choose from. The introduction of private label products in the apparel segment has increased the customer base for organized retailing by attracting people afraid of the high price tags of the branded products. The apparels & accessories market in private label is dominated by women wear as women have been observed to be less brand-conscious and more experimental. Retailers are increasing their focus on the kids wear segment as well. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period. (www.ibef.org.)

STATEMENT OF RESEARCH PROBLEM

The total concept and idea of shopping has undergone an attention drawing change in terms of format and consumer buying behaviour, accompanying in a revolution in shopping in India. The Indian fashion consumer has been traditionally heterogeneous as a result of income disparities, the influence of ethnic clothing, regional preferences, etc. But in recent times, heterogeneity in taste, choice, and preferences has increased substantially even within consumers in the same region and same ethnic group, belonging to the same income level and age range. The demographic dividend of India is tilted in favor of the consuming age group. In contrast to the increasingly aged populations in the West, Japan, and even China, India is expected to become the world's youngest emerging economy by 2020, with around 64% of its population in the working age group. This young consuming class has new aspirations and is more open to experimenting with

fashion brands and modern designs. In addition to such a favorable age group, the Indian fashion retail market is expected to deal with a heterogeneous consumer group.

One of the most critical factors determining the success of fashion retailers in India is the ability to gauge trends in consumer perception and purchase intention. The Indian fashion consumer is undergoing an evolution and is rapidly adapting to international fashion statements. Increasing disposable incomes, exposure to international events and fashion icons, and rising confidence levels are driving the changes in the consumer purchase behavior. Retailers use private label brands to compete with the national brands by providing quality of products at competitive price. Analyzing the customer perception towards private label brands of apparels is an essential part of a retailer's marketing strategy formulation process.

Research on private label brands has been of substantial interest to the marketing managers and academics. The growth of private label brands in India presents an interesting opportunity for the retail managers to understand the motivations behind choice of private labels. There is a direct and positive relationship between consumer perception and purchase intention. The well perceived quality, price, Store Image and value lead to positive purchase intention. All in all, it can be said that a favourable consumers' perception leads to increase in loyalty, positive purchase intention and also decrease switching behavior. This study is an attempt to assess the impact of consumers' perception on purchase intention of private label apparels in Kanchipuram district.

OBJECTIVES OF THE STUDY

The Objectives refer to the questions to be answered through the study. They indicate what researcher trying to get from the study. The objectives of this study is to analyse the perception on private label apparels and its impact on purchase intention of consumers towards private label apparels in Kanchipuram district.

THEORETICAL CONCEPTS

PRIVATE LABEL BRAND

Private Label Brand refers to the brands that are specifically owned by the retailer from which they are sold. These brand products may be manufactured by the retailer or by third parties. These brands can also be called "Store brands" or "In-house brands" or "Own Brands" or "Retailer Brands". For example, Spencer's packaged food (like Bread, dhal, rice etc.).

CONSUMER PERCEPTION

The term "Perception" refers to the ability of giving meaning to whatever is sensed by our sense organs. It is the process through which an individual interprets ones' sensory impressions to give meaning to them. Consumer Perception refers to the process by which a customer selects, organizes, and interprets information/stimuli inputs to create a meaningful picture of the brand or the product. **It refers to how customers view a certain product based on their own conclusions.** These conclusions are derived from a number of factors, such as quality, price, packaging, value and overall experience.

PURCHASE INTENTION

The willingness of a customer to buy a certain product or a certain service is known as purchase intention. It means a consumer prefers to buy a product or service because he/she finds

that he/she needs a particular product or service, or even attitude towards a product and perception of product. In other words, purchase intention means consumer will buy a product once again after she or he evaluates a product and finds out that the product worth buying. While consumers select one particular product, the final decision on accepting a product to buy or rejecting it depends on consumers' intention.

RELATIONSHIP BETWEEN CONSUMER PERCEPTION AND PURCHASE INTENTION

Many empirical evidences indicated that brand equity can affect purchase intention in various contexts. Many empirical evidences indicated that consumer perception can influence purchase intention in various contexts. In literature review Ghosh (1990) stated that purchasing intention is an effective tool use in predicting purchasing process. Once the consumers decide to buy the product in certain store, they will be driven by their intention. However, Zeithaml (1988) and Grewal et al (1998) state that price perception, quality perception and value perception had an influence on purchasing intention. A store brand is a part of the retailer's strategy. It is believed that consumers' perception regarding store brands are very subjective. Hence, perception is very important in determining purchase intention. Price, perceived quality, Store brand image and perceived value for the money are among the most important predictors of Private Label products' purchase intentions (Jin & Suh, 2005; Richardson, Jain & Dick, 1996).

SCOPE OF THE STUDY

Scope of study is a general outline of what the study will cover. The focal point of the study is to analyze the consumers' perception on quality, price, store image and value and their impact on purchase intention of consumers towards private label apparels in Kanchipuram district. The analysis, findings, suggestions and conclusion of the present study conducted by the researcher will be of immense use for the Private Label Apparel Manufacturers and Private Label Brand Managers in India as well as other parts of the world and this study is also more useful for future researcher with similar studies in this nature. This study is limited to the perception of consumers buying private label apparels in Kanchipuram district. The scope of study is confined within Kanchipuram district. This study is conducted to suggest some measures to improve the present marketing environment of private label branded apparels for the purpose of increasing the customer satisfaction and loyalty and improving the purchase intention of consumers towards the private label apparels in Kanchipuram district.

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the problem. The methodology followed for conducting the study includes the specification of research design, sample design, questionnaire design, data collection and statistical tools used for analyzing the collected data.

TABLE 1
Research Methodology

Research type	Descriptive and Exploratory Research
Research Approach	Qualitative and Quantitative Approach
Population (Universe) & Sampling Unit	Consumers of Private Label Apparels in Kanchipuram District
Sample size	150 Consumers
Sampling Area	Kanchipuram District
Sampling Method	Probability sampling – Random sampling
Research Method	Survey
Data type	Primary (Majority of the data) and Secondary Data
Sources of Primary Data	Questionnaire, Personal Interview and Observation techniques
Sources of Secondary Data	Newspapers, Journals, Magazines, Reports, books, research articles, internet, etc.
Research instrument	Structured Questionnaire
Period of data collection	July 2015 to October 2015
Software used for analysis	SPSS (Version 20)

DATA ANALYSIS AND DISCUSSION

The data, after collection, has to be processed and analyzed in accordance with the outline laid down for the purpose at the time of developing the research plan. Analysis has been done through various statistical tools to understand the outcomes with reference to the objectives and hypothesis. In order to analyze and give the proper interpretation of data various statistical tools (descriptive as well as inferential) are used.

1. DEMOGRAPHIC PROFILE

TABLE 2

Demographic Profile

(Sample Size = 150)

VARIABLES	OPTIONS	FREQUENCIES	(%)
Gender	Male	86	57.00
	Female	64	43.00
Age	18 – 30 Years	Open ended Question (Scale Variable)	54.00
	31 - 50 Years		32.00
	51 - 80 Years		14.00
Qualification	School Level	46	31.00
	Diploma	20	13.00
	UG / PG	60	40.00
	Professional	24	16.00
Occupation	Salaried Job	70	47.00
	Business / Self-employed	32	21.00
	Professional	20	13.00
	Student/Home Maker	28	19.00
Marital Status	Married	82	55.00
	Unmarried	68	45.00
Years of Purchase of Private Label Apparels	1 – 3 Years	52	35.00
	4 – 6 Years	65	43.00
	Above 6 Years	33	22.00

Source: Primary Data

INTERPRETATION

From the above table, it is inferred that Male respondents (86, 57%) are more than female respondents (64, 43%). In terms of Age of the respondents, majority of them belongs to the age group of 18 – 30 Years (54%). 44% (46+20 = 66) of them having school education and diplomas followed by UG/PG with 40% (60). In terms of Occupation, 47% (70) of the respondents are salaried people followed by Businessman with 21% (32). Majority of the respondents are married (82, 55%). With respect to the Years of purchase of private label branded apparels, 35% of them buying between 1 – 3 years, 43% of them buying 4 – 6 years and 22% of them purchasing above 6 years.

CORRELATION ANALYSIS

H₀: There is no significant relationship between the Consumers' Perception and Purchase intention towards Private Label Apparels.

A Pearson product-moment correlation was run to determine the relationship between the Consumers' Perception and Purchase intention towards Private Label Apparels.

**TABLE 3
CONSUMERS' PERCEPTION- PURCHASE INTENTION**

VARIABLES		'r' VALUE	P - VALUE	RELATIONSHI P	REMARKS	
					SIGNIFICANT	RESULT
Perceived Quality - Purchase Intention	50	0.624**	0.001	Positive	Significant	REJECTED
Perceived Price- Purchase Intention	50	0.420**	0.001	Positive	Significant	REJECTED
Perceived Store Image - Purchase Intention	50	0.736**	0.001	Positive	Significant	REJECTED
Perceived Value- Purchase Intention	50	0.319**	0.001	Positive	Significant	REJECTED

****.** Correlation is significant at the 0.01 level (2-tailed).

INTERPRETATION

As the P value is lesser than Sig. Value (0.01) in all the above cases, the Null Hypotheses are rejected. There are high positive correlations between the Consumers' Perception and Purchase Intention towards Private Label Apparels. Out of four variables, the impact of Perceived Store Image ($r = 0.736$) and Perceived Quality ($r = 0.624$) towards Purchase Intention of Private Label Apparels are more than other variables. It is inferred that the consumers' perception have strong influence on Purchase Intention towards Private Label Apparels. **Hence, there is a significant relationship between the Consumers' Perception and Purchase Intention towards Private Label Apparels.**

MULTIPLE REGRESSION

Regression is the determination of statistical relationship between two or more variables. In simple regression two variables are used. Multiple regression analysis examines the strength of the linear relationship between a set of independent variables and a single dependent variable (measured at the interval/ratio level). Multiple Regression was conducted to determine the best linear combination of perceived Quality, Perceived Price, Perceived Store Image and Perceived Value for predicting **Purchase Intention of Private Label Apparels.**

TABLE 4
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	793	.578		1.372	.170
Perceived Quality	.137	.014	.456	14.427	.000
Perceived Price	.344	.024	.236	9.959	.000
Perceived Store Image	.186	.006	.505	15.264	.000
Perceived Value	.044	.013	.080	3.471	.001

a. Dependent Variable: PURCHASE INTENTION

Preliminary analyses were conducted to ensure no violation of the assumptions of normality, linearity, multi-collinearity and homoscedasticity. The Means, Standard Deviations, and inter-correlations can be found. This combination of all four variables significantly predicts the dependent variable i.e., **Purchase Intention**, $F(3, 695) = 489.690$, $p = .000$ which is lesser than **.001 (Sig. Value 2-tailed)** and **Adjusted R Square = 0.737**.

Out of four independent variables, **Perceived Store Image (0.505)** and **Perceived Quality (0.456)** are the strongest influencing factors which predicting dependent variable. The beta weights suggest that **the Perceived Store Image** only contribute most (0.505 or 51%) to predict **Purchase Intention**. From the unstandardized coefficient, it is found that the one unit increase in the **Perceived Store Image** would increase the Purchase Intention by 0.186 units. Perceived Quality (0.456 or 46%) is the second most influencing factor that predicting Purchase Intention.

LIMITATIONS OF THE STUDY

The sample will be confined to 150 consumers of Private Label Apparels. So this study cannot be regarded as “full -proof” one. This study is confined to the selected consumers bought private label apparels in Kanchipuram district only. Hence, the results of this study cannot be generalized to the other parts of the state as well as other parts of India. Therefore, for academics and researchers, further quantitative research is needed to identify the determinants of consumer perception using cross-district/state and cross-industry applications to predict purchase behavior in various contexts.

CONCLUSION

The major advantage of a private label to retailer of apparels is that is the factor of differentiation that a retailer can have with private labels. But in order to create such differentiation the retailer of apparels should be successful in positioning the private label against the national brand in such a way that a private label apparels should be considered as equal as or better than the national brand.

From the results, it is concluded that the perception of consumers towards private label apparels is above the average level. The impact of Consumers' Perception on Purchase Intention towards Private Label Apparels is also above the average level. Consumers' Perception on Quality, Price, Store Image and Value predicts Purchase Intention significantly. Out of four variables, Perceived Store Image and Perceived Quality are strongly influence the Purchase Intention of

Private Label Apparels. The empirical data and the statistical tests in this study support the existence of a direct causal relationship between the Consumers' Perception (on Quality, Price, Store Image and Value) and purchase intention.

Observing the trend in the growth of private labels apparels, the private labels are going to give tough competition to the national brand apparels if and only if the retailer commits to the quality of the private label and adds value to the apparels. The customers need to find a difference in buying a private label apparels than buying a national brand apparels. Instead if the retailer focuses on long term benefits and tries to attract not only by the price difference of the private label but also by the quality difference then the private label brand will definitely survive for long run against a well-established national brand.

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