

How Well Do Socio Demographics Characteristics Explain the Consumers' Attitude towards Online Private Label Brands?

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ABSTRACT: *Online private label brands have shown anacute growth in the recent years. It is important to understand the consumers of online private label brands. Mostafa and Elseidi in there study, recommended, it would be helpful for future research to explore the impact of socio- demographics factors on the connection between attitude towards PLBs (Mostafa &Elseidi, 2018). Keeping this objective in mind, a 400 sample was collected by a questionnaire. Area sampling method was used for sampling. The finding revels that among all the demographic factors (Gender, age, education qualification, occupation), age plays an important role in attitude formation towards online private labels.*

1. Introduction

Private label brands are owned and controlled by the retailer or the wholesaler(Boon & Kurtz, 2009; Kumar & Steenkamp, 2007). These are the brands sold under a retailer's brand (PLMA, 2016). These brands are also termed as In-store brands or In-house brands (Kumar & Steenkamp, 2007). Private label brands have been classified into four classes, like Copycat, Generic, Value and Premium (Kumar & Steenkamp, 2007).

According to a report by Mudra Institute of Communications, 2014 the private label market in India is 13 billion, which is about 7 % of the modern retail in India. A report of Robobank published in 2013, estimated that by 2030 the private label share in India and China will be closer to 25 % to 30 %. The most important benefit private label brands are giving to the manufacturers is 25 to 30 % higher margin potential in comparison to the national brands. This is one reason due to which, retailers of both the online and offline are bullish towards private label brands.

Online retailing sites like Flipkart, Myntra, Big Basket, Fab Furnish, Amazon, Dog Spot, Snap deal etc. are offering a wide range of products like Apparels, Accessories and Footwear, Bags & Purses, Sunglasses, Jewellery, Watches, Beauty Products, etc. under various private label brands.A new generation of fashion conscious and price conscious consumers are created by sites like DoneByNone, Koovs, Shopnineteen and StyleTag etc., which are selling private label brands online.

From the available literature on demographic factors and its relation with private label brands indicated that there are so many contradictions between various studies. An interesting and important aspect reflected by the review of literature is that the number of research papers in the area of private labels is very limited in the Indian context. A maximum number of researches were focused on offline market. Hence, there is a tremendous scope for further studies for online private label brands.

As proposed by Mostafa and Elseidi in there study, it would be helpful for future research to explore the impact of socio- demographics (for example age, income, education, and so forth) factors on the connection between attitude towards PLBs (Mostafa &Elseidi, 2018). The objective of this paper is to study the various demographic factors and there influence on consumers' attitude towards online private label brands.

2. Literature Review

Demographic variables that have been most frequently studied by researchers in the past decade can be summarized as income (Batra, & Sinha, 2000), education(Ailawadi, Neslin, & Gedenk, 2001), age (Kara, Rojas-Méndez, J. I., O., & Harcar, 2009), and gender(Goldsmith, Flynn, Goldsmith, & Stacey, 2010).

First and foremost demographic variable is income of individuals. It is considered that families with a little spending plan would extend their income by obtaining private labels rather than national brands. Lower family income has customarily been related with a higher private label inclination because of controlled financial conditions (Glynn & Chen, 2009;Batra, &Sinha 2000). This assumption seems to hold true that during periods of economic recession when people's personal spending capacity is restricted, growth in PLB shares willgenerally develop especially (Lamey, Deleersnyder, Dekimpe, & Steenkamp, 2007; Kumar & Steenkamp, 2007), however this growth will be slow when the situation will improve (Lamey et al., 2007).

According to Coe, private label inclination has been observed to be higher among higher income groups though families on a lower pay will in general lean toward national brands (Coe, 1971). Frank and Boyd in their investigation found no correlation between income and private label preference (Frank and Boyd 1965).

Education level of consumers was discussed in various research papers. Literature suggests that highly educated consumers are quality conscious and they prefer national brands over private label brands (Ailawadi et al, 2001; Glynn & Chen, 2009). In contrast to these studies, Lybeck, Holmlund-Rytkönen and Säärksjärvi (2006) found that better educated consumers prefer private labels.

Gender is a very classic example of demographic factors with widely contradicting findings. A study has identified men to be more prone to buying private label brands than women (Frank, & Boyd, 1965). The inverse has been proposed by Kara et al., who recognized ladies to be almost certain than men to buy store brands (Kara et al., 2009). The results of (Glynn & Chen, 2009) proposed no relation between gender and private label buying.

The findings regarding age differ widely for different studies. Kakkos et al. in their study, found that age is the influencing factor in purchase decision of private label brands instead of income. This research suggests that younger consumers prefer private label brands more (Kakkos, Trivellas, & Sdrolias, 2015). Similar kind of results came from another research conducted by Lybeck et al. This research also supports the view that middle age consumers prefer private label brands (Lybeck et al., 2006) which is similar to the study of Burton et al. (1998). In contradiction (Glynn & Chen, 2009) found age has no effect on consumers' purchase decision towards private label brands. Richardson et al. (1996), contend that older individuals are likely to purchase private labels because of their accomplished utilization of the "right" criteria to evaluate products, while more young ones' Purchase choices depend for the most part on extraneous prompts. AC Nielsen in their report 2005 found in his study that there is no difference between age groups in terms of purchase for private label brands.

In the study of Cela and Cazacu (2016), they found that out of all soci-demographic factors, income level is the only one factor which was having significant difference with purchase intention (Cela and Cazacu, 2016). Larson (2016) found in his study that race, age, and impulse buying were not significant in purchaser decision of private label brands (Larson, 2016).

Based on the available literature following hypothesis has been framed for testing.

H1: There are no significant differences between gender groups on attitude towards online private label brands.

H2: There are no significant differences between age groups on attitude towards online private label brands.

H3: There are no significant differences between education groups on attitude towards online private label brands.

H4: There are no significant differences between occupation groups on attitude towards online private label brands.

3. Methodology

We first specify the four demographic variables viz. Gender, Age, Education and Occupation. At next level we found the scale for measuring private label attitude. The scale given by Burton et al. (1998), and Makanyeza (2014) was used for questionnaire. A total 17 items been identified under the variable attitude. The questions were modified according to the current study. The questionnaire had been developed consisting of 22 questions.

Table 1 Scales Used for Measuring Variable

	Sample item	Cronbach's alpha value	Source
Private label attitude	"Online private label brands provide value for money."	0.890	(Burton, et al. 1998)
	"Online private label brands are good in quality."	0.851	(Makanyeza, 2014)
	"Buying online private label brands makes me feel good."	0.890	(Burton, et al. 1998)
	"Online private label brands are preferred most."	0.780	(Makanyeza, 2014)

“I will definitely buy private label brands next time when I buy online.” 0.921 (Makanyeza, 2014)

Source. Secondary data

The data had been collected in Bangalore. Area sampling method has been used. Under area sampling method five zones of Bangalore city had been divided in to small sub-areas and further these sub areas were divided in to 145 regions based on the popularity, educational institutes, government offices, eateries, and shopping center and tech parks. East zone includes 23 sub-areas, west zone includes 10 sub-areas, north zone includes 29 sub-areas, south zone includes 53 sub-areas and the central zone includes 30 sub-areas. The next stage of sampling, two sub-areas from each five zones has been selected randomly by a lottery method. From each selected sub-area 40 (40 × 10 = 400) samples have been collected. For analysis of data, SPSS v22 was used. For H1 t-test, for H2, H3 and H4 one way ANOVA had been performed.

4. Data Analysis

An independent samples t-test was conducted to compare attitude towards online private label brands for male and female respondents. The results in table 2 and table 3 indicates that there is no significant difference in the scores for male (M = 3.761, SD = .606) and female respondents (M = 3.792, SD = .671); t (398) = .485, p = .628.

Table 2. Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Attitude towards Private Label Brands	Female	216	3.792	.671	.045
	Male	184	3.761	.606	.044

Source. Primary data

Table 3. Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower		Upper
Attitude towards Private Label Brands	Equal variances assumed	0.59	.443	.485	398	.628	.031	.064	-.095	.157
	Equal variances not assumed			.489	396.61	.625	.031	.063	-.094	.156

Source. Primary data

A one-way ANOVA was conducted to compare the effect of age group on attitude towards online private label brands for age < 20, 21-30, 31- 40 and > 40. Results of ANOVA in table 4 indicates that there was a significant effect of age group on attitude towards online private label brands at the p< .05 level for the four age groups (F (3, 396) = 3.45, p = .017).

Table 4. ANOVA : Respondents' age and attitude towards online private label brands

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.183	3	1.394	3.450	.017
Within Groups	160.009	396	.404		
Total	164.192	399			

Source. Primary data

Post hoc comparisons using the Tukey HSD test in table 5 indicated that the mean score for age group 31-40 (M =3.739, SD = .655) was significantly different than the age group >40 (M= 3.604, SD = .805). However, the age group < 20 (M = 3.693, SD = .603), 21-30 (M = 3.739, SD = .655) did not significantly differ from age group 31-40 and >40.

Table 5. *Multiple Comparisons*

Dependent Variable: Attitude towards Private Label Brands, Tukey HSD

		Mean Difference	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
<20	21-30	-.046	.122	.981	-.361	.268
	31-40	-.209	.124	.331	-.530	.110
	>40	.088	.145	.928	-.285	.463
21-30	<20	.046	.122	.981	-.268	.361
	31-40	-.163	.071	.103	-.347	.021
	>40	.135	.103	.558	-.131	.402
31-40	<20	.209	.124	.331	-.110	.530
	21-30	.163	.071	.103	-.021	.347
	>40	.298*	.105	.026	.025	.571
>40	<20	-.088	.145	.928	-.463	.285
	21-30	-.135	.103	.558	-.402	.131
	31-40	-.298*	.105	.026	-.571	-.025

* The mean difference is significant at the 0.05 level.

Source. Primary data

A one-way ANOVA was conducted to compare the effect of education level on attitude towards online private label brands. Results from table 6 of ANOVA indicates that there was no significant effect of education level on attitude towards online private label brands at the $p < .05$ level for the four age groups ($F(3, 396) 1.077, p = .359$).

Table 6. *ANOVA: Respondents' education level and attitude towards online private label brands*

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.329	3	.443	1.077	.359
Within Groups	162.863	396	.411		
Total	164.192	399			

Source. Primary data

A one-way ANOVA was conducted to compare the effect of occupation on attitude towards online private label brands. Results of ANOVA from table 7 indicates that there was no significant effect of occupation on attitude towards online private label brands at the $p < .05$ level for the four age groups ($F(4, 395) = .422, p = .793$).

Table 7. *ANOVA: Respondents' occupation and attitude towards online private label brands*

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.699	4	.175	.422	.793
Within Groups	163.493	395	.414		
Total	164.192	399			

Source. Primary data

5. Discussion

This study incorporated the demographic constructs and identified their impact on consumers' attitude towards private label brands. With regards to the demographic factor gender, this study reveals the gender of the customer doesn't make any effect on the purchase of online private label brands. This finding corroborated the argument suggested by Glynn and Chen (Glynn & Chen, 2009) about the gender and its effect on purchase of private label brands.

With regard to different age groups and their influence on attitude towards private label brands, findings suggest that age plays an important role in attitude formation towards online private labels. Online private

labels are popular among the age group 31-40. The similarity logic was presented by Kakkos et al, in their examination drove with Greek consumers; found that age is the variable which affects the purchase decision of private label brands. This investigation prescribes that younger consumers support private label brands more (Kakkos, Trivellas, and Sdrolias, 2015). Similar results came from another examination coordinated by Lybeck et al. This examination in like manner reinforces the view that Middle Age Consumers support Private Label Brands (Lybeck et al., 2006) which resembles the examination of Burton et al. (1998).

This study found there is no difference between education groups on attitude towards online private label brands. Consumers' educational qualification doesn't make any difference in the attitude formation towards online private label brands. With respect to the educational qualification the findings are closer to the findings of Cela and Cazacu (2016) in which they argue that there is no significant difference in education qualification and purchase intention.

Occupation was one another demographic variable in this study which was not discussed with attitude in the previous studies. We found that there is no significant difference in occupation and consumers in attitude formation.

6. Conclusion and Managerial implication

This study provides substantive theoretical contribution and managerial implication on online private label brands. This work makes a substantive contribution by identifying the key role played demographic variables on consumers' attitude towards online private label brands. This study gives important information to the online retailers about the important consumer demographics, which affect the consumers' attitude towards private labels offered by them.

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