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Consumer Perceptions on In-house Food Brands in Durban's Major Food Retailers

Maxwell Agabu Phiri[1] and Stewart Peter Kaupa

University of KwaZulu-Natal, School of Management, Pietermaritzburg, Private Bag X01, Scottsville 3209, South Africa.
[1]Telephone: +27 33-2605843, [1]Fax: +27 33-2606150, [1]E-mail: phirim@ukzn.ac.za

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ABSTRACT This study aimed at investigating consumers' perceptions of in-house food brands in Durban's Central Business District (CBD) in KwaZulu-Natal, South Africa. The research took a quantitative approach with data collected using a structured questionnaire. The study's key finding was that consumers are drawn to purchase in-house food brands because of their low pricing strategy. This study's findings may assist in the collection of marketing intelligence which could help retail management make informed decisions when planning, introducing, and managing in-house food brands and related products. Observations in this study may equip marketers with knowledge enabling them to better provide sufficient customer service through the understanding of consumer needs and challenges. As a result, marketers can appropriately adjust business strategies' product mix, which in the long-term may effectively influence consumers' purchasing behaviour.

INTRODUCTION

The American Marketing Association (2014), has defined a brand is as a name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors. Technically speaking, whenever a marketer creates a new name, logo or symbol for a new product, he/she has created a brand, something that has created a certain amount of awareness, reputation, and prominence within the marketplace (Keller 2008: 2).

The term in-house brands refers to products that are sold to retail outlets where the retailer' name appears on the packaging instead of the manufacturer's name or brand name (Brickman 1988). Also referred to as 'private labels', they are characterised as brands owned by and distributed retail stores (Nenycz-Thiel and Romaniuk 2014).

Hence retailer's branding is when a large distribution channel member, usually a retailer buys products from the manufacturer in bulk with the retailer's name already printed on the product by agreement. According to Brickman (1988), this strategy is only practical when the retailer handles very high levels of product volume. This trend has become a common feature amongst food retailers globally and in South Africa. Retailers such as Woolworths, Pick 'n Pay, Spar and others have all joined in the practice of introducing their own brands to compete with the well marketed and established manufacturer brands.

The introduction of in-house food brands has changed the balance of power in the food sector. A decade ago, large food brand manufacturers would dwarf their retail customers in size; however, this is no longer the case. Retailers have now seized the opportunity and the negotiating power that flow from it. The shift in the balance of power is not limited to food products only, since South Africa's largest retailers also sell significant volumes of non food items of in-house brands. Woolworths introduced their own branded goods. This range represents 9 percent of their product range boosting branded products such as Coca-Cola and Nescafe. This has helped Coca-Cola and Nescafe to move their market share from 5 percent to 9 percent in five years (www.woolworths.co.za), but little is known about how consumers perceive these products. Thus, questions may be asked as to what attracts consumers to such products. Could it be their relatively lower prices? Is the quality of such products better or is it because such brands are given a better shelf space in the shop?

In-house food branding has become an aspect of packaging and marketing goods in most retail outlets in South Africa and globally. This approach to marketing has changed the performance of major market players in food distribution and retailing.

Using both descriptive and inferential statistics, the authors of this paper analysed consumers' perceptions of in-house food brands in Durban's CBD. Different retailers and food distributors use different combinations of the marketing mix to present their in-house brands and products to consumers. The purpose of this paper is to review selected arguments presented by marketing scholars on in-house food brands marketing and discuss them in relation to the findings of the study.

Literature

Reasons for Retailers Introducing In-house Brands

The offering of in-house brands by retailers in the developing world has shown a sharp increase in developing nations such as South Africa, as retailers intensely compete for consumers' wallet spend with well known and established national brands (Nenycz-Thiel and Romaniuk 2014). As such, in-house food brands have enjoyed increased consumer attention in recent years and this has seen an increase in their occupancy of national market share. From a strategic point of view, three sets of players are affected by in-house food brands entry in the marketplace: the retailer, the manufacturer and the consumer(s). In-house food brands are the only brands that require the retailer to take full product responsibility from introduction, sourcing and warehousing, advertising and promotions (Dhar and Hoch 1997). In contrast to the shared risks and returns for national brands, the retailers play a critical role in the success of in-house brands.

The introduction of in-house food brands has changed the retailer–national brand manufacturer interaction from one of cooperation to one of competition for consumers' disposable income. Retailers introduce in-house food brands for various reasons, among them being:

(1) To Strengthen the Bargaining Position: In-house food brands enable retailers to strengthen their bargaining position vis-à-vis national brands manufacturers (Narasimam and Wilcox 1998). The introduction of in-house food brands increases the channel power of the retailer which in turn changes the nature of the retailer-manufacturer interaction (Hoch and Banerji 1993). This allows in-house food brands to negotiate lower wholesale prices on national brands (Mills 1995). This kind of marketing strategy has allowed in-house brand retailers to strategically position in-house brands in the product space that strengthens their bargaining position when negotiating supply terms with manufacturer of national brands (Scott-Morton and Zettelmeyer 2001).

(2) Category Expansion: Food retailers are motivated to introduce in-house brands because of the need to attain a category expansion. If the in-house brands are more attractive than the best incumbent brand for certain shoppers, then the in-house food brand introduction increases category value and thus expands category sales (Mason 1990). Competitive reactions of incumbent brands in this case would include price reductions and higher promotional activity, which in turn may stimulate primary demand for in-house brands.

(3) Profit Generation: Retailers introduce in-house brands because they want to generate profits. This is possible because of their high unit margins and potentially high volume. In-house brands typically carry higher retailer margins than national brands, even after accounting for direct product costs (Ailawadi and Harlam 2002).

A retailer may introduce in-house brands in order to exploit untapped segments or steal value conscious consumers away from the national brands (Connor and Peterson 1992).

(4) Increase Store Traffic and Store Revenue: The presence and availability of in-house brands makes shopping easier for consumers, which increases store image and store loyalty by improving store differentiation vis-à-vis other retailers (Hoch and Lodish 2003). Retailers may introduce in-house brands with the aim of attracting more shoppers and increasing store loyalty.

However, Walters and McKenzie (1988), argue that it is unlikely that the introduction of in-house brand in any one category would significantly increase store traffic, given at best, modest store switching effects reported in past literature on the subject. Walters and McKenzie (1988) therefore put forward that retailers should not expect the introduction of in-house brands in a single category to influence store performance.

Hence, it is in a retailer's interest not only to introduce in-house brands but also to help them achieve higher market share. A retailer can theoretically favour in-house brands against national brands because they have the power to get the marketing mix (price, shelf space, position and promotion) of not only the in-house brands, but also those of national brands.

The Evolution and Transformation of In-house Brands

Kumar (2007) argues that traditionally, the image that in-house brands evoked was of white packages with the words 'No-Name brand' and embossed black typeface on them, and often were found somewhere at the bottom of the shelves. Such in-house brands were cheap and mostly substitutes for the real thing, but times have changed the image of these in-house brands, as they have evolved and so has the market landscape. Kumar (2007) continues to argue that, while low quality in-house brands products still exist, there is no denying that in-house brands have made great strides in quality. Improvements in quality have in effect, attracted consumers from all economic groups to the shelves - and not contented with their success, in-house brand retailers keep on raising their quality aspirations in an effort to meet their customers' satisfaction. A very profound example in this regard would be Woolworths Foods – selling high quality and the most expensive food products under their in-house brand name; but how have the consumers reacted to this and how do they perceive such food brands?

One of the obvious challenges in managing in-house food brands is the many changes in the market environment in recent years. Undoubtedly, the market environment will continue to evolve and change, often in very significant ways. Shifts in consumer behaviour, competitive strategies, government regulations and other aspects of the marketing environment, can profoundly affect the fortunes of in-house food brands and the way consumers perceive them. Besides these external factors, the firm itself may engage in a variety of activities and changes in a strategic focus or direction that may necessitate minor or major adjustments in the way that its brands are being marketed. Effective in-house brand management thus requires proactive strategies designed to at least maintain, if not actually enhance the customer base with regard to in-house brand equity in the face of all these different forces.

Any marketing action a retailer takes can change consumer in-house brand awareness or brand image and even the consumers' overall perception and attitude towards that particular brand. These changes in consumer knowledge will have an indirect effect on the success of future marketing activities and will eventually determine whether a brand survives or not. Thus, from the perspective customer-based in-house brand equity, this study intends to establish how different variation of the marketing mix being employed by in-house food brands retailers such as Pick n Pay, Woolworths and Spar may help or hurt subsequent marketing decisions. For example, the frequent use of temporary price decreases as sales promotions may create or strengthen a discount association to the in-house brand with potentially adverse implications on customer loyalty and responses to future changes or non-price oriented marketing communications efforts. Unfortunately, marketers may have a particularly difficult time trying to anticipate future customer responses, if the new knowledge structures that will influence future consumer responses do not exist until the short term marketing actions actually occur. Therefore, how can retailers then realistically stimulate future consumer responses to permit accurate predictions?

METHODOLOGY

Research Method Chosen for this Study

The selection of a research approach influences the questions asked, the methods chosen to ask the questions, the statistical analysis used, the inferences made and the ultimate results of the research. The questions asked and the answers given will differ depending upon whether the research is quantitative or qualitative. The study used a quantitative research method because of the large size of the population involved. Using IBM SPSS Statistics software, the responses from the consumers was statistically analysed and summarized into tables and graphs. Taking into account all the mentioned, a quantitative research method was chosen as it best fits in dealing with high level of statistical significance. This approach allowed the researcher to provide the fundamental connection between empirical observation and the mathematical expression of the quantitative relationships.

Stratified Sampling

A stratified sample is a probability sample that is forced to be more representative of a simple random sampling of mutually exclusive and exhaustive subset (McDaniel and Roger 2005). Since the research was dealing with a large population size of food consumers within Durban's CBD, the research adopted a stratified sampling method as this gave more precise estimates since it was based on the idea of iterated expectations. The stratification was aimed at reducing the standard error by providing some control over variance and this enabled the research to achieve greater statistical significance.

The Population Size and Sample Size

A sample is a number of people objectives or events chosen from a larger 'population' on the basis of representing (being representative of) that population. This is an important facet of survey research (Lubbe and Klopper 2005). Data obtained from the three food retailers in Durban's CBD showed that an estimated of 500,000 consumers visited the food retailers in a one week period in which the questionnaire was administered and data collected. This formed the basis for the calculation of the sample size which was calculated using the sample size calculator (McDaniel and Roger 2005: 399). The sample size showed the following:-

$$n = \frac{N}{1 + N * e^2}$$

$$n = \frac{500000}{1 + (500000 * e^2)}$$

$$n = \frac{500000}{1 + (500000 * 0.0025^2)}$$

$n = 399.68 \approx 400$

Where; N = Population size

e = the precision rate ± 5% at confidence level 95% where e = 0.05 = 5%.

n = sample size

From the calculations shown above, 400 consumers would be a true sample size from the estimated population of 500,000 consumers who purchased their food products from the three food retailers during the seven day period that this research was conducted. However, taking into consideration the financial constraints of the researchers, a simple stratified sampling of 1 to 4, that is, taking one consumer out of every four consumers, was adopted. A total of one hundred and ten (110) consumers participated in this research. Although the sample was reduced to 110 consumers, the sample was representative as important dimensions of the population were represented in the sample in their true population proportions.

Sample Design

The Food Retailers Sample Size

Stratified sampling is really feasible only when the relevant information is available. In other words, when the data are available that allows the ready identification of members of the population in terms of stratifying criterion. Including all the major food retailers operating in Durban's CBD in this research would be uneconomical and would entail a great deal of work requiring a huge financial budget. This problem was solved by applying a stratification method. Firstly, all the food retailers were taken as a population size and then, only those food retailers that offer in-house food brands were selected. This population was further stratified by selecting only those food retailers which carry 10 percent or more in-house brands (their own brands) in their retail chain. Pick n Pay, Woolworths and Spar emerged as the leading food retailers offering more than 10 percent in-house food brands in their chains. A sample comprising of the three food retailers, Pick n Pay, Woolworths and Spar was chosen for the research.

Stratified sampling was appropriate in the selection of food retailers because it has the potential for greater statistical efficiency, as this produced a smaller sample error. A small stratified sample of three food retailers, to represent all the food retailers, contributed to a reduction of the sampling error to a certain target level. In this case a stratified sample was statistically more efficient because one source of variation was eliminated.

A research sample size of three food retailers exhibited a proportional representation of different food retails carrying in-house food brands where consumers purchase their in-house food brands and this feature allowed the reliability and validity of the research results. Three major food retailers namely; Spar, Pick n Pay and Woolworths which carry most of the in-house food brands, more than 10 percent, were viewed as relevant to a wide range of attitudinal features that are relevant to the study of consumer's perceptions of the in-house food brands. Generating a simple random stratified sample or a systematic sample of three retail food chains, yielded such a representation, where the proportion of retailers from the food sector was the same as that of the in-house food brand population.

RESULTS

Inferential Statistics

In order to answer the research questions in-depth, four hypotheses were formulated and inferential statistics conducted on them to test relationships between variables in the study.

The Pearson Chi-square test was used to test for possible significant differences/relationships between variables in order to accept or reject the hypotheses in this study.

This test calculated the probability that the data could occur by chance alone. A probability of 0.05 or less indicates statistical significant. Therefore a probability of 0.05 or smaller means there can be at least 95 percent certainty that the relationship between two variables could not have occurred by chance factors alone.

Hypothesis One

H_1: Availability of disposable income (Economic class) has a significant relationship to consumer loyalty of in-house brands of food related products.

H_0: Availability of disposable income (Economic class) has no significant relationship to consumer loyalty of in-house brands of food related products.

Relationship between Disposable Income and Loyalty to In-house Brands

According to Table 1, the Pearson Chi-square test =23.313. 16df. p.106 at 95 percent confidence interval shows that there is no significant relationship between disposable income of consumers and their loyalty to purchasing in-house brands of food related products. The p value of 0.106 is greater than 0.05.

Table 1: Chi-square tests

	Value	*df*	*Asymp. Sig.(2-sided)*
Pearson Chi-square	23.313(a)	16	.106
Likelihood Ratio	27.317	16	.038
N of Valid Cases	110		

When it comes to the consumption pattern and loyalty of consumers towards a particular product, availability of disposable income plays a major role. Hence respondents were asked to indicate whether their buying of in-house food brands is as a result of financial constraints on their budget or as a conviction of the good quality of the in-house food brands.

Relationship between Disposable Income and Purchasing Decisions

Results from respondents on this question reveal that a combined total of 42.8 percent (15.5% strongly disagree, 27.3% disagree), of consumers buy in-house food brands as a result of their convictions of the quality of such products and not due to financial constraints. 29.1 percent were neutral and a combined total of 28.2 percent (22.7% agreed, 5.5% strongly agree) agreed to the fact that they buy in-house food brands as a result of financial constraints. Therefore do not reject Ho and a conclusion is made that the amount of income at consumers' disposal has no bearing on consumers' loyalty to in-house food brands. Hence, it can be inferred that the upper economic class, middle as well as the lower class can purchase and consume in-house food brands. This study found that purchasing decision and loyalty to in-house food brands has nothing to do with the level of income of consumers.

Hypothesis Two

H_1: Good quality of in-house food brands is an important attribute that is preferred by consumers

H_0: Good quality of in-house food brands does not have any effect on consumer preferences of in-house brand' preferences.

The Pearson chi-square test 29.169, 16df, p=023 at 95 percent confidence level revealed that there is a significant relationship between good quality of in-house food brands and consumers' preference of in-house food brands. Since the p value of 0.023 is less than 0.05, H_0 is rejected and a conclusion is made that there is sufficient evidence to suggest that the two variables, namely, good product quality and purchasing decisions are related. From what these results as revealed in Table 2, it can therefore be concluded that consumers are attracted to purchasing in-house food brands because they trust the good quality of such products.

Table 2: Relationship between the quality of in-house-food brands and consumer preferences

	Value	*df*	*Asymp. Sig.(2-sided)*
Pearson Chi-Square	29.169(a)	16	.023
Likelihood Ratio	30.681	16	.015
N of Valid Cases	110		

Hypothesis Three

H_1: Favourable positioning of in-house brands of food related products impacts on the purchasing decision of consumers.

H_0: Favourable positioning of in-house brands of food related products has no impact on the purchasing decision of consumers.

The Pearson Chi-square test =32.225, 10df, p=000 at 95 percent confidence level, revealed that there is a significant relationship between product positioning and decision to purchase as shown in Table 3. Since the p value of 0.000 is less than 0.05, H_0 is rejected and a conclusion is made that there is sufficient evidence to suggest that the two variables, namely, product positioning and decision to purchase are related.

Table 3: Relationship between positioning of in-house brands and purchasing decisions

	Value	*df*	*Asymp. Sig.(2-sided)*
Pearson Chi-Square	32.225(a)	10	.000
Likelihood Ratio	14.577	10	.148
N of Valid Cases	110		

Hypothesis Four

H_1: Low prices of in-house brands of food related products are an important incentive to consumers' purchasing behaviour.

H_0: Low prices of in-house brands of food related products are not an important incentive to consumers' purchasing behaviour.

As indicated in Table 4 of the results, the Pearson Chi-square test c^2=51.625, 20df, p=000 at 95 percent confidence level, revealed that there is a significant relationship between low prices and consumers' behaviour towards in-house food brands. Since the p of 0.000 is less than 0.05, H_0 is rejected and a conclusion is made that there is sufficient evidence to suggest that the two variables, namely, low prices of in-house food brands and consumers' behaviour towards in-house food brands are related.

Table 4: Relationship between the low prices of in-house food brands and consumers' purchasing decision

	Value	*df*	*Asymp. Sig.(2-sided)*
Pearson Chi-Square	51.625(a)	20	.000
Likelihood Ratio	50.187	20	.000
N of Valid Cases	110		

Consumer Comparing Prices of In-house Brands with Those of Manufacturer Brands

Responses from this question reveal that the majority of respondents, with a combined total of 65.5 percent (45.5% agree and 20% strongly agree), compare the prices of different manufacturer brands with the prices of in-house brands before a final decision on whether to buy in-house brand or not is made. A combined total of 17.2 percent (4.5% strongly disagree and 12.7% disagree) of the respondents indicated that they do not compare the prices of manufacturer brands with those of in-house brands before purchasing their food products. A total of 17.3 percent of the respondent was neutral on this topic. Therefore it can be argued that the low prices of in-house food brands have an influence on the consumers' purchasing behaviour towards them. In-house food brand retailers should find ways and means of improving product qualities and at the same time keeping their prices at a very competitive level.

Summary from the Chi-Square

The results obtained from the tests led to the conclusion that the factors that play a role in influencing consumers' perceptions and behaviour towards in-house food brands are: good quality, favourable positioning and low prices. However, the results also revealed that there is no relationship between consumers' income levels and their loyalty toward purchasing in-house food brands.

The results of the descriptive and inferential statistics performed on the primary data served as the basis for answering the critical questions, which in turn addressed the research objectives and aims.

DISCUSSION

The data collected through the questionnaire which was administered to consumers was analysed using the SPSS software. The discussion of the analysis of the results was presented in a manner that answered the research questions and addressed the research objectives. The results yielded in the statistical analysis provided a basis for answering the study's critical questions and hypotheses testing.

Consumers Comparison of the Prices of In-house Brands of Food Related Products to those of Manufacturer Brand

From the literature review, there is strong affirmation from Kumar (2005) that while most premium in-house brands are still somewhat less expensive than leading manufacture brands, there are indeed some premium in-house brands now that are more expensive than manufacturers' brands. Rather than perceiving them as a poor cousin to manufacturer brands, many consumers especially those in the upper middle class will pay more for a better quality in-house brand than manufacturer brands. In addition, Kumar (2005) states that initially in-house brands were developed so as to cater for the poor, and as such, these products were of poor quality and low priced. Using this as the basis, the research instrument was designed to extract factors that support the low prices of in-house food brands and several questions relating to consumers' perceptions of prices of in-house brands were posed.

Consumers were asked to indicate whether they perceive the prices of in-house food brands to be lower than those of manufacturer brands. Results yielded showed that almost 49.1 percent of consumers believe that the prices of in-house food brands are lower than those of manufacturer brands. This was against a combined total of 18.2 percent of consumers who disagreed to the prices of in-house food brands being lower. This response translates into the purchasing behaviour of consumers being affected by the lower prices of in-house brands.

When consumers were asked to indicate the most appealing attribute of in-house food brands, the results showed that 52.7 percent of the consumers find the low prices of in-house food brands as the most attractive attribute for them to purchase in-house brands.

It was the objective of this study to test the hypothesis that low prices of in-house food brands are an important incentive to consumers' purchasing behaviour. The Pearson Chi-square test was conducted and concluded that the low prices of in-house food brands have a great influence on the consumers' purchasing behaviour towards in-house food brands.

From the findings presented above, the study concluded that the overall price levels of in-house food brands are lower than those of manufacturer brands. Although in some exceptional cases, there are in-house food brands that are commanding premium prices, and most of the consumers are attracted to purchase in-house food brands because the prices of such products are lower.

Shelf Space for In-house Brands and Purchasing Decision

Cobb and Hoyer (2000), state that despite all their efforts to pre-sell, marketers are increasingly recognizing that when it comes to in-house brands, many purchasers are strongly influenced by the store environment. This mirrors the findings of Nenycz-Thiel and Romaniuk (2014), where it was revealed that retail store consumers are driven by extrinsic attributes of the store when considering to shop for in-house brands. For most of the female purchasers, in-store displays are one of the major information sources they use to decide what brand of the product to buy. This influence is even stronger when shopping for food – it is estimated that about two out of three shoppers make their brand purchasing decision whilst inside the shop. Marketers are therefore scrambling to engineer purchasing environments in order to increase the likelihood of being in contact with consumers at the exact time they make a decision. This has been the main reason driving positioning product efforts amongst the in-house brand retailers.

From the data collected from consumers regarding the positioning of in-house food brands, it was revealed that 63.6 percent of the consumers make their decision to purchase in-house food brands inside the store. This study clearly revealed that shelf optimization is truly a unique opportunity for in-house brands food retailers to exploit ownership and control of the retail environment so as to orchestrate the ideal shopping experience of consumers and create an advantageous presentation of the in-house food brands to help generate awareness, trial and repeat purchase.

One of the objectives of this study was to evaluate the role of positioning of in-house food brands, whether it influences consumers to purchase in-house food brands.

The Pearson Chi-square test was conducted to check the relationship of these two variables: in-house brand positioning and purchasing, revealed that favourable positioning of in-house food brands has an influence on the consumers' in-house food brands purchasing behaviour.

Therefore, this paper can argue that favourable positioning of in-house food brands on the shelf has an influence on the consumers' decision to purchase. Visibility of in-house food brands on the shelf encourages consumers to purchase such products.

Factors that Influence Consumers' In-house Brands Purchasing Behaviour

According to Unnava and Burnkrant (1991), consumers cannot buy in-house brands unless they are aware of their presence. Brand awareness is a general communication tool for all promotion strategies. By creating in-house brand awareness, the retailer hopes that whenever the category need arises, the in- house brand will be activated from the memory for inclusion in the consideration set of choice alternatives for decision. Advertising probably has the greatest influence on in-house food brand awareness, although publicity, personal selling, in-store displays, flyers and sales promotion also can increase awareness.

Peter and Olson (2010), state that in store sales personnel can generate brand awareness by bringing certain in-house food brands to consumers' attention. Various sales promotion strategies such as colourful price discount signs, end-of aisle displays and a large stack of in-house brands packages at the end of the supermarket aisle draw consumers' attention to in-house brands. Also shelf position and in-house brand placement within the store can influence in-house brand awareness.

From the data collected from consumers regarding the marketing factors and practices which are influencing consumers' behaviour towards in-house food brands, it can be seen that a combined total of 31.8 percent of consumers' decisions to purchase in-house food brands have been influenced by the sales personnel. This is revealed by the data collected from the consumers when they were asked about the influence of information provided in flyers, in-store displays and newspapers on their decision to buy in-house food brands. From the data collected from the consumers, it was revealed that a combined total of 42.8 percent of consumers have been influenced by such information when deciding on whether to buy in-house food brands or not.

One of the objectives of this study was to determine the factors influencing consumers' behaviour in respect of in-house food brands. Therefore, the study concluded that marketing practices such as the interactions between sales personnel and consumers, everyday low prices, flyers at the shop entrance and in-store displays have an influence on the consumers' decision to purchase in-house food brands. Such market communication channels create in-house food brands awareness and encourage consumers to purchase. A higher level of brand awareness is necessary to influence in-house food brand choice.

Category of In-house Food Brands Purchased by Consumers

In this section, an investigation was carried out to explore which categories of in-house food brands are purchased by consumers often. From the literature, Peter and Olson (2010) state that, in order to stimulate a category need in-house brand retailers need to create beliefs about the positive consequences of buying and using the product category or form. When consumers in the target market already recognize a category need, then retailers can concentrate promotional strategies on other goals. From the data collected regarding the in-house food brand category which consumers prefer, it was revealed that a good number of consumers, almost 25.5 percent of them prefer to purchase meat and tinned foods. This was followed closely by a 22.7 percent who prefer tinned foods and frozen foods, followed by 12.7 percent of consumers who prefer juices and fruits.

The study therefore concluded that consumers prefer to buy meat, tinned foods and frozen foods from in-house food brands retailers. Increased interest in these food categories can be associated to the fact that meat and other tinned foods are very expensive in branded retail shops. However, establishing the extent of the price differences of in-house brands and manufacturer brands in meat and tinned foods was not within the scope of this study.

Availability of Disposable Income and Purchasing Decision Making Process of In-house Brands

Kumar (2007) affirms that in-house brands have been around for some time now yet, despite some significant exceptions, they were viewed as poor cousins to the manufacturer brands directed at the poor consumers with less income. Such products had a small share of the overall market that was considered unlikely to become significant. However, the market landscape has changed and in-house brands are no longer for the poor or products to be considered only during recession times.

Data collected from consumers about availability of disposable income and decision to purchase in-house food brands, revealed that a total of 54.6 percent of consumers would buy in-house food brands regardless of the amount of income at their disposal or the financial state that they are in.

This finding was supported by another total of 42.8 percent of consumers who indicated that their commitment to purchasing in-house food brands does not come about as a result of financial constraints but as a conviction of the good quality of such products.

As indicated earlier, it was the objective of this study to test the hypothesis whether the availability of disposable income of consumers had any significance to consumers' loyalty to in-house food brands. The Pearson Chi-square test conducted on the relationship of the two variables, disposable income and in-house food brands purchasing, concluded that the amount of income at consumers' disposal had no bearing on loyalty to in-house food brands.

The study therefore, concluded that consumers irrespective of their economic status are purchasing and consuming in-house food brands. The purchasing decision and loyalty to such products has nothing to do with the income levels of consumers. The rich consumers as well as poor consumers have all recognised the improvements in quality of in-house food brands. Consumers have become price conscious, hence making in-house food brands as their preferred choice when shopping for food.

CONCLUSION

Findings in this study reveal that in-house food brands have established themselves as clear competitors to manufacturer brands and have become an alternative purchase choice amongst consumers in most of the food categories. There is no doubt amongst consumers that quality improvement and lower prices will position in-house brands as a force to reckon with and pose a major threat to the market share of manufacturer brands in the food sector.

RECOMMENDATIONS

By creating in-house food brands that engage and delight consumers in a differentiated manner, in-house food brands retailers can do much more than drive sales. They can drive loyalty to their stores and the shopping experience they create. Driving this loyalty is particularly important in today's economy which features more limited consumer buying power and greater competition than ever before. In the South African food market, one notices that most of the top retailers carry roughly the same subset of manufacturer brands; so it is through the retailer's in-house brands that they can create added value and interest for their consumers. In light of this, the following recommendations are made to in-house food brand retailers:

Invest in Innovation: Research and Development

In-house food brands retailers should invest more in research and development and come up with more high quality products. This will assist in removing the traditional belief of consumers that in-house brands are cheap and nasty generic substitutes for the real thing rolled out by retailers during economic hard times and discarded once the economy picks up. This will enable in-house food brands to build retailer loyalty. However, for the retailers to achieve this they will require a significant investment in research and this research should include a much deeper understanding of consumers with regard to how they shop, how they consume the product and above all, how they perceive the in-house brands.

The challenge at present facing in-house food brands retailers is to build brands on a foundation of shopper insights and consumer understanding. This may be achieved by leveraging all the weapons and tools of manufacturer brands to create a meaningful and profitable relationship with consumers, which will last beyond economic down turn periods and continue to make an impact on them long after the economy rejuvenation.

Create Attractive Packaging

Packaging is the face of in-house food brands and the vehicle by which the brand becomes the consumers' brand. It tells the story behind the brand. Beyond the visual, in-house food brands packages should be created in such a way that it is easily remembered by consumers and found by shoppers. Attractive packages have the ability of creating a brand experience and forcing brand choice at the retailer level. Creation of attractive in-house brands packages will afford in-house food brands a rare opportunity to combine the market forces of both environment and package to connect, communicate and engage with shoppers.

Compete on Both Quality and Price

In order for in-house brand retailers of food related products to be successful on the market, they must develop high quality in-house brands products and compete with manufacturer brands on quality, not just low priced brands. Without a combination of low price and high quality, in-house food brands cannot be successful. Most of the consumers appreciate the everyday low price offers from in-house brand retailers, but low prices alone cannot guarantee the success of in-house food brands as a price cut from manufacturer brands in response to in-house brands, may be seen as a better option for the consumers.

Product Positioning and Placement

Place the in-house food brands next to leading manufacturer brands. Results from this study have shown that most of the consumers make their final purchasing decision whilst inside the shop. Hence, by placing in-house food brands products next to the manufacturer brands, retailers will afford the consumers a chance to compare the prices and make a smart choice. In-house brands retailers should position their products with respect to an attribute that their competitors' manufacturer brands have ignored. The price/quality attribute dimension in this case, will be the best option to utilise for positioning products as well as stores, since in many product categories, in-house brands offer more in terms of features and performance.

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