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The perceptions of customers and grocery retail managers towards private label brands in the grocery retail sector within the eThekwini municipality

By

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ABSTRACT

The introduction of private label brands brought various opportunities and challenges for grocery retailers, however, over the years, these private label brands have often been greeted with mixed perceptions from customers; accompanied by certain skepticisms. This study aimed at identifying the current perceptions of customers and retail managers towards private label brands, with a specific focus on the eThekwini municipality. As a method of investigation, the convergent parallel mixed research methodology was employed, using both quantitative and qualitative research methods. Approximately 389 customers were systematically selected as a source of data. Meanwhile for the qualitative aspect, grocery retail managers were selected as a unit of analysis. SPSS version 25 was used to analyze quantitative data and content analysis for qualitative data. The findings suggest that customers are aware of private label brands and their existence in the South African grocery retail sector. They repeatedly purchase these brands though unable to trust them. Customers are still skeptical about the quality of private label brands when compared with manufacturer brands. The findings of this study suggest that South African grocery retailers need to pay attention to communicating with their customers regarding the private label brands that they offer. Also, they need to produce customer-centric private label products that will be better received and accepted by consumers.

Key words*: Private Label Brands, Manufacturer Brands, Perceptions, Grocery retailers.*

ETHICAL STATEMENT BY THE RESEARCHER

I, SBONELO GIFT NDLOVU, declare that the work presented in this research is based on my own work except where references have been made. The dissertation has not been submitted for any degree in any university. I declare that necessary authorization has been obtained to carry out the research.

April 2020

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Sbonelo. G. Ndlovu Date

DEDICATION

To my son, Kuhle Future Ndlovu.

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I would like to thank God who assures us in Isaiah 40:31 “But those who hope in the lord will renew their strength. They will soar on their wings like eagles; they will run and not grow weary; they will walk and not be faint”.

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Chapter 1

Introduction

1.1 Introduction

This chapter provides an introduction to this study. It presents the motivation and background for this research project, the research objectives and research questions, significance of the study, problem statement, research approach undertaken, the structure of dissertation and the definition of key terms for this study.

1.2 Motivation and Background

Private Label Brands (PLBs) are products that are manufactured by retailers under their own umbrella and sold to consumers by them. Private labels can also be defined as those products which may be made by a third-party manufacturer but sold under a retailer's brand name. Private label brands offer better margins, economies of scale and greater chances of profitability while being inferior in quality and cheaper alternative to manufacturer products (Chopra, Dasgupta & Gupta, 2016; De & Singh, 2017).

Private label brands are also referred to as store brands. They are products sold under a store's private label and can take after the store's chain name or a name specifically created by the retailer (PLMA, 2015). Both naming strategies are evident within the South African grocery retail market. These brands can also be called private label, private brands, house brands, own brands, own label or retailer brands (PLMA, 2015). For the purpose of this study, the researcher has consistently chosen to use Private label brands as the term of reference.

Private label brands is otherwise referred to as in-housed brands or store brands. The inception does not only represent an opportunity for big retailers to increase their retail market share in the grocery retail sector in South Africa, but also competes with other private label brands for a market share. Also, it competes with manufacturer brands in terms of price and quality, internationally (Chopra *et al*., 2016). On the other hand, in the South African context, this does not appear to be the case (Beneke, 2010; Global Nielsen

Report, 2018). Meanwhile, literature posits that there are differences between South African and international customers regarding customer purchase behaviour towards private label brands. Thus, this present study investigated the perceptions of customers and retail managers toward private label brands in the grocery retail sector in a South African context. This is to enable better understanding of customer behavior towards private label brands in South Africa.

Kazmi (2012) points out the importance of understanding customer perceptions. According to him, customer perceptions are key in actively influencing what customers buy and how constantly they buy a particular brand. Customers in developing countries are perceived to possess little knowledge regarding private label brands thus leaving private label brands prone to negative perceptions and skepticism (Lin, Dawson & Marshall, 2009; Beneke, 2010; Beneke & Carter, 2015). Therefore, for this study, various measures were used to investigate the perceptions of customers and grocery retail managers towards private label brands. The demographic characteristics included in the study were income, level of education, age and gender, and this was done in order to investigate if they have any relationship with the perception of customers towards private label brands. Demographic factors have always been able to disclose the reasons why customers buy a certain product (Solomon, 2011). The present study looks at the perceptions of customers towards private label brands, issues of branding, brand trust, brand awareness and brand loyalty. The researcher also investigated the support activities that grocery retailers' offer for their private label brands. Support activities including advertising and in-store promotions.

Internationally, the state of private label brands constitutes an average of 19% of total grocery retail market penetration rate (Planet retail, 2008), however recent studies indicate that market penetration rate of private label brands (PLBs) in developed European countries are as high as the following; United Kingdom (46%), Switzerland (45%), Germany (37%) and Spain at 33% (Europanel, 2009) as mentioned in (Cuneo, Benavante, Milberg & Fenech, 2015). It is noted that rapid growth in the market share of private label brands in developed European countries is the result of improving their quality and constantly innovating their private label brands (Nielsen Global Report, 2014).

Noticeably, the market penetration rate of private label brands in South Africa is estimated to be at 8% (Beneke, 2010). Meanwhile, South Africa is the highest in market penetration of private label brands in Southern Africa where the private label brand market is still developing when compared to the abovementioned developed markets (Nyengerai, Jaravaza, Mukucha, Chirimubwe & Manjoro, 2013). It is evident that in developed European countries private label brands are fast reaching a 50% split in market share with manufacturer products, this fact justifies the researcher's willingness to explore the perceptions of South African customers and grocery retail managers towards private label brands in the South African grocery retail sector (Beneke, 2010; Nielson Global Report, 2014; Cuneo *et al*., 2015). In summary, this investigation may give retailers and marketers an idea of the health of private label brands in South Africa and perhaps why the penetration rate is so low compared to European countries. With particular focus on the grocery retail sector within the eThekwini Municipality.

1.3 Problem statement

The findings of the works of previous researchers such as (Nielsen, 2014, 2018; Cuneo *et al*., 2019) show that the growth in the market share of private label brands in developed economies is higher compared to South Africa. Also, private label brands have a high market penetration rate and an increasing market share thereby challenging manufacturer brands in developed countries (Nielsen Global Report, 2014). In developed European nations such as the United Kingdom and Switzerland, Private label brands are fast approaching the 50% market share mark and are therefore challenging manufacturer brands (Beneke, 2010; Cuneo *et al*., 2015). In South Africa, which is a developing economy, the skepticism around private label brands still exist due to the perceptions of consumers that private label brands are of poor quality and are poorly packaged. Meanwhile, the market penetration rate of private label brands in South Africa is 8% (Beneke, 2010). This study seeks to understand South African customers' perceptions of private label brands with particular focus on the eThekwini Municipality.

Various studies such as (Nencyz-Thiel & Romaniuk, 2006; Deloitte, 2014; Rossi, Borges & Bakpayev, 2015) have been conducted on the perceptions of consumers towards private label brands. However, little empirical research has been conducted in studying the perceptions of consumers towards private label brands, more especially in the developing countries where private label brands over the years have been underdeveloped (Nielsen Global Report, 2014). Hence, Sethuraman & Gielens (2014) stressed that more research is required to study customer perceptions towards private label brands. Furthermore, Sarkar, Sharma & Kalro (2015) in their findings, insisted that more research on the customers' perceptions of private label brands is needed from the BRICS (Brazil, Russia, India, China & South Africa) economies. Hence, the reason for this study which explores the perceptions of customers and grocery retail managers toward private label brands in the grocery retail sector using eThekwini Municipality as the case study.

1.4 Aims and Objectives

1.4.1 Aims

The main aim for this study is to explore the perceptions of customers and retail managers toward private label brands in the grocery retail sector, with specific focus on the eThekwini Municipality.

1.4.2 Research objectives

The study is guided by the following research objectives:

- To determine customers' perceptions of private label brands in eThekwini Municipality.
- To determine the effect of demographic factors on the perceptions of private label brands in eThekwini Municipality.
- To determine the brand awareness, trust and loyalty towards private label brands in eThekwini Municipality.
- To determine the criteria customers use when comparing private label brands with manufacturer brands in eThekwini Municipality.
- To analyze the reasons for purchasing private label brands by customers in eThekwini Municipality.
- To analyze the support given to private label brands by grocery retailers in eThekwini Municipality.

1.4.3 Research Hypotheses

- *Ho:* There will be no significant differences between the demographic variables and the perceptions of private label brands amongst customers within the eThekwini municipality.
  Ha: There will be significant differences between the groups of some demographic variables and their perceptions towards private label brands in the eThekwini municipality.

- *Ho:* There will be no significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini municipality.
  Ha: There will be some significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini municipality.

1.4.4 Research Questions

- What are the customers' perceptions of private label brands in eThekwini Municipality?
- How do demographic factors affect customers' perceptions towards private label brands in eThekwini Municipality?
- Are customers' aware, do they trust and are they loyal to private label brands in eThekwini Municipality?
- What criteria do customers use when comparing private label brands with manufacturer brands in eThekwini Municipality?
- What are the reasons for customers' purchasing private label brands in eThekwini Municipality?
- What support activities do grocery retailers offer to private label brands in eThekwini Municipality?

1.5 Significance of the study

These objectives were formulated for grocery retailers to understand the perceptions of consumers surrounding their respective private label brands. The findings in achieving these objectives could be used by grocery retailers in understanding the underlying perceptions of customers regarding their products, in turn, affording grocery retailers an opportunity to produce private label brands that are customer-centric. This will allow grocery retailers to satisfy customers' needs by producing improved private label products that customers can relate to, considering that South African customers are still skeptical in terms of trusting and being loyal to private label brands. This study will further provide a basis for future research in private label brands, since Sarkar *et al*., (2015) assert that more research on customer perceptions toward private label brands is still required from emerging economies inclusive of South Africa.

1.6 Limitations of the study

The study was limited to the eThekwini Municipality, located in the Kwa-Zulu Natal province. Hence, the results for this study cannot be generalized towards the population at large because customer perceptions might differ from region to region. However, data was collected from different locations of the municipality thereby increasing the validity of the findings.

Secondly, the use of judgmental sampling approach in sampling grocery retail managers constituted a limitation for the study. This is because a non-probability sampling technique where the sample was not the representative of the entire sample of grocery retail managers within the eThekwini municipality was adopted. Therefore, the results cannot be generalized to the entire population.

1.7 Delimitations of the study

Simon & Goes (2013) ascertain that delimitations are boundaries that arise from the limitations and exclusions made in the scope of the study. The boundary limit was the eThekwini Municipality. The selected municipality is made up of various regions (North, South, West and Central) with a large number of shopping malls. The researcher narrowed down the data collection, by selecting and targeting specific shopping malls per region.

1.8 Research methodology

Authors suggest that there is little knowledge regarding private label brands in South Africa (Beneke, 2010). This sentiment resulted in this study adopting a convergent parallel mixed research approach. Using both quantitative and qualitative research methods in the process of sampling, collecting, analyzing and reporting data obtained from customers and retail managers. Quantitative data was obtained from customers using structured self-administered questionnaires and qualitative data was obtained from retail managers using face-to-face interviews.

Customers were systematically sampled from outside stand-alone grocery retailers around the four regions of the eThekwini Municipality where every third customer leaving a grocery retailer was approached. Customers from the ages of 18-60 were approached and asked a qualifying question whether they know what private label brands are in order to participate in this study. This was done in order to investigate the perceptions of customers toward private label brands in the South African context.

Face-to-face interviews were conducted in order to gain more knowledge from grocery retailers on whether they understood the existing customer perceptions of private label brands in the grocery retail sector. The face-to-face interviews enabled the researcher to acquire in-depth information from retail managers regarding customers' perceptions towards private label brands. The interviews allowed the researcher to clarify questions that were unclear to retail managers. It also enabled the researcher to identify nonverbal responses from the retail managers (Sekaran & Bougie, 2013:124; Ang, 2014:148). The interviews were recorded and diarized making it easier to prepare and organize the grocery retail managers' responses before analysis.

Findings for this study allowed the researcher to understand customers' perceptions surrounding private label brands, the awareness of grocery retailers regarding customers' perceptions toward their private label brands and grocery retail strategies toward improving perceptions around their private label brands. These findings were analyzed separately, combined and compared against existing literature.

1.9 Data analysis

Sequel to the data collection, the researcher employed data analysis techniques that enabled the researcher to achieve the set objectives for the study. The following techniques and procedures were followed. The quantitative data obtained from customers through employing structured self-administered questionnaires was analyzed using SPSS version 25 statistical package. SPSS enables researchers to code and assign code numbers to the variables of the questionnaire (Sekaran & Bougie, 2013:276). Descriptive data was presented using pie charts, bar graphs and tables. Descriptive statistics were used to interpret results, this included mean, median and standard deviations. Inferential statistics were also used, including Analysis of Variance (ANOVA) and the Spearman rank correlation tests among different variables. This was done in order to infer conclusions that cannot be drawn using descriptive statistics. The content analysis was used to analyze the interviews of retail managers. Themes were used in order to converge information that was commonly obtained from the grocery retail managers.

1.10 Ethical considerations

The researcher ensured the carrying out of this research was ethical by taking the following steps. An ethical clearance certificate was issued by the University of Zululand, permitting the researcher to carry out the study. The researcher then obtained permission from grocery retailers in order to interact and contact their customers and grocery retail managers in order to collect data. The researcher communicated what was expected of them for the study, in the process, the researcher ensured that the customers and retail managers' confidentiality and right to privacy were among the issues not to be violated by the researcher. Most importantly, the researcher avoided false misrepresentation and alteration of the data from both customers and retail managers. The researcher ensured that participation by customers and retail managers was strictly voluntarily, should they wish not to take partake or withdraw their participation in the process, they were free to do so. In the process of the study the researcher assured both customers and retail managers that their information and responses were confidential, thus, be treated with anonymity and the results used for the sole purpose of this study.

1.11 Structure of the Thesis

Chapter one - Introduction. This chapter briefly introduces the topic for this study, problem statement, aims and objectives for the study and laying foundation for the chapters that follow.

Chapter two - Literature Review. In this chapter, the researcher reviews relevant literature surrounding the perceptions of private label brands, demographic factors, branding issues such as brands trust, awareness and brand loyalty and finally looking at the support activities offered to private label brands by grocery retailers.

Chapter three - Research Methodology. This chapter contains the research methodology employed to proffer solution to the problem of this study. It presented the sampling techniques, data collections instruments, data analysis techniques, amongst others.

Chapter 4 - Data collection and Analysis. This chapter contains analysis of the findings of the data collected from customers and retail managers.

Chapter 5 - Discussions, Conclusions and Recommendations. The results of data obtained are discussed in this chapter. The researcher concludes the findings and recommends on the strategies that grocery retailers can use towards managing and improving their private label brands in order to meet the standards of their customers.

1.12 Definition of Terms

Private label brands

Private label brands are defined by scholars as brands or products that are wholly owned by grocery retailers and they are otherwise called store brands (Connor & Peterson, 1992). The particular grocery retailer which owns the private label brand in the process produce markets and controls its private label brands according to their desired specifications and then sold under the grocery retailers name or a specified name given for the private label brands products (Beneke *et al*., 2012; PLMA, 2015). In this study they are often referred as alternates of manufacturer brands.

Manufacturer brands

Manufacturer brands are defined as brands that are owned by manufacturers, unlike private label brands which are owned by the grocery retailers. These brands are deemed to be highly innovative in terms of their products, successfully setting them apart from private label brands. Over the years, manufacturer brands have always been ahead of private label brands in terms of research and innovation of their brands (Chimhundu, Hamlin & McNeill, 2010). Manufacturer brands have always been able to differentiate themselves from PLBs, in the process dominating the market shares over private label brands. In this study manufacturer brands is used to represent national brands.

Branding

"Branding is a marketing practice in which a company creates a name, symbol or design that is easily identifiable as belonging to the company. This helps to identify a product and distinguish it from other products and services" (Smithson, 2015, p.1). It also allows customers to easily identify and experience business products or services (Branding Journal, 2015). Branding also encompasses various aspects, including brand awareness, brand trust and brand loyalty. Moreover, branding and all its aspects are uncovered in respect to private label brands. Hence, branding in this study is covered in aspect of brand awareness, brand trust and brand loyalty.

1.13 Summary

This chapter briefly outlined a brief motivation and background for this study. The aims, objectives, research questions and significance of the study were highlighted. The chapter also briefly presented the research methodologies used in order to solve the research problem, the data collection tools, and data analysis approaches adopted in order to answer the identified research questions, the ethical considerations guiding the study, definition of terms and the structure of the dissertation. The next chapter, presents the literature review for this study.

Chapter 2

Literature Review

2.1 Introduction

The previous chapter introduced and motivated for this study. Private label brands have since evolved from being economical “me too” products of manufacturer brands to actively competing with manufacturer brands in various product categories (Nenycz-Thiel & Romaniuk, 2011, p. 93). In addition, this has led to it being differentiated in terms of their packaging, branding, price, distribution and level of advertising (Choi & Coughlan 2006; Nenycz-Thiel & Romaniuk, 2011). As a result, private label brands have been improving over the years. Choi & Coughlan (2006) state that private label brands accounted for 20% of supermarket sales in 1999 (Choi & Coughlan, 2006; Garretson, Fisher & Burton 2002).

According to Wyma (2010), private label brands have enjoyed success in most European markets, exceeding that of US markets. However, over the years, PLBs have also developed in the US. For instance, PLMA (2008) as cited by Ngobo (2011) who stated that for every five items sold in the US, one of the items is a private label item. This assertion is supported by PLMA (2009) in the words of Diallo (2012) who opine that consumers actively look forward to purchasing more of private label brands than previously, therefore, highlighting the development and growth of Private label brands over the years. Private Label Brands (PLB’s) is derived from the concept of branding theory which is essentially related to the theory of marketing which is explained below. This chapter proceeds to critically review literature on marketing, consumer behaviour, branding theories, the state of private label brands internationally and in South Africa, the demographic factors affecting PLBs, the existing perceptions about private label brands, purchase reasons for private label brands, influence of perceptions on the purchase of private label brands, positioning of private label brands and the support activities for private label brands, amongst other things.

2.2 Marketing defined

According to Cunningham (2018) marketing can be defined as a set of events and methods undertaken by organisations in order to craft and develop products or services that will be positively received and bring value to customers. Marketing is a process involving organisations in transferring product concepts to final products delivered to a consumer (Business Dictionary, 2020). Grocery retailers offering private label brands are no exceptions towards attracting and selling their private label products to customers. Marketing is considered as a phenomenon which allows organisations to expand their trade and differentiate themselves, however, they are expected to constantly communicate their products with customers (Kotler & Levy, 1969). Furthermore, marketing is a tool which requires organisations to understand customers' needs in a product and satisfy them (Cunningham, 2018). Thus, customer satisfaction is key in marketing (Lamb *et al*., 2015). Suffice to state that as understanding consumer behaviour and perceptions is crucial in ascertaining the needs of customers, so is marketing.

2.3 Understanding consumer behaviour and customer perceptions

Grocery retailers need to develop private label products which meet the needs and satisfy customers, understanding consumer behaviours of customers is important for grocery retailers (Cunningham, 2018). According to Lamb *et al.,* (2015), consumer behaviour results from the following factors;

- Individual factors

Individual factors include; perception, motivation, learning, values, beliefs and attitudes, personality and lifestyle of customers.

- Social factors

The social factors that influence consumer behaviour include; culture, reference groups and social class.

- The purchase situations

Several purchase situations include consumer behaviour such as purchase reason, purchasing time and physical surroundings. The above factors and purchase situations have a role in customers' decision making process, whether or not to buy a product.

Since customer perception is one of the elements that influences consumer behaviour, it is important for grocery retailers to create private label brands that satisfy customers' needs, thereby creating positive perceptions amongst customers towards private label brands (Cunningham, 2018). Customers develop their own unique perceptions towards private label brands in terms of how they comprehend and interpret them (Venter & Jansen Van Rensburg, 2014). Another key aspect of the theory of marketing is the marketing mix.

2.4 Marketing mix

The marketing mix cannot be isolated when discussing marketing. The marketing mix comprises the four marketing decisions that grocery retailers undergo before launching their private label brands (Singh, 2012). Singh (2012) further provides that the marketing mix has a vital role in influencing the purchasing decisions for a firm's product. The following are the features of the marketing mix; price, promotion, place and product.

- Price- The value that a customer exchange when purchasing products or rendering a service. It is vital for grocery retailers to consider all the expenses carried while producing the product, when pricing their private label products (Singh, 2015; Cunningham, 2018).
- Promotion- A key component of the marketing mix. The process involves promotional activities such as sales promotion, advertising, exhibitions and public relations (Singh, 2015, Cunningham, 2018). They further opine that the aforementioned promotional activities are essential towards promoting and educating customers about private label products.
- Place- This includes issues of distribution, inventory, logistics and facilities for grocery retailers to store their private label brands (Singh, 2015). All these four variables are important towards satisfying, retaining customers to ensure their loyalty towards private label brands.
- Product- Can be outlined as a tangible offering presented to customers (Singh, 2015; Cunningham, 2018). Furthermore, a product can be anything, both favourable and unfavourable that a buyer accepts in exchange for cash (Lamb et al., 2015). Related to the product aspect of marketing discussed above is the crucial theory of branding and the derivative of PLB's.

2.5 Branding

2.5.1 Definition of Branding

According to Lamb *et al*., (2015), for any organisation to equally succeed, customers must be able to separate its brand products from other competing brand products. This can be achieved through branding. Moreover, before understanding branding, a brand needs to be derived. A brand refers to terms, symbols, name or distinct designs that differentiates an organisation's product from other competing products (Lamb *et al*., 2015). In addition, brands over the years no longer comprise only tangible things, but embrace intangible things such as trust, loyalty, friendship and belonging for customers (Lamb *et al*., 2015). Consequently, this ensures customers' positive perceptions through their experience with the brand.

Low & Fullerton (1996) as cited by Roper & Parker (2006) highlight the brief history and revolution of branding from the early stages of the industrial revolution. During the industrial revolution, manufacturers started ensuring that customers had quality products, reliable distribution and improved packaging of the products in order to allow customers and potential customers to easily recognise, recall and repeatedly purchase their brands (Roper & Parker, 2006). Hence, branding is essential for grocery retailers that offer private label brands as it improves and retains product memory within the minds of customers (Cunningham, 2018). Consequently, this benefits both grocery retailers and customers, since branding has a significant information role for customers (Vaidyanathan & Aggarwal, 2000).

2.6 Theorising Branding

Branding has thus evolved over the years as it has moved from solely being about product to include connecting emotionally with customers consuming that particular brand (Venter & Jansen Van Rensburg, 2014). Branding is accompanied by four elements. These are known as: branding as Identification, branding as differentiation, branding as personification and branding as asset.

- Brand as identification

This provides for the association between private label brands and their grocery retailers (Roper & Parker, 2006; Ngobo, 2011). As branding allows customers in identifying grocery retailers product offerings. Eventually affording grocery retailers with an opportunity for customers to have positive perceptions of specific grocery retailers private label products.

- Brand as differentiation

Venter & Jansen Van Rensburg (2014) posit that brand as differentiation acts as a point of reference that plays a role in customers purchasing decisions. In the midst of intensifying competition amongst brands, grocery retailers must differentiate themselves from competitors, in the process successfully positioning their private label brands (Roper & Parker, 2006; Cunningham, 2018).

- Branding as personification

Aaker (1997) as cited by Roper & Parker (2006) personified brands. He considers a brand as a living thing. Aaker (1997) opines that if a brand is personified and treated as such, customers will identify and treat it as important.

- Brand as an asset

Organisation are urged to invest in brand assets that create brand equity. These assets include; brand awareness, brand trust, brand loyalty, brand associations and perceived quality (Aaker, 1991 as cited by Roper & Parker, 2006). These assets are envisaged to create value for both customers and the grocery retailers (Aaker, 1996). For this study, the researcher closely focused on brand awareness, brand, trust and brand loyalty which are elaborated below.

- Brand awareness

Aaker (1996) in the words of Chi, Ye & Yang (2009) understood that brand awareness is the capability of a customer to identify and remember a specific brand or product. For customers to purchase private label brands; they need to be aware of private label brands (Barreda, Bilgihan, Nusair & Okumus, 2015). Therefore, when making purchasing decisions, the customer can be able to identify and recall private label brands and their related products (Chi *et al*., 2009). Where 1) brand recognition of private label bands – refers to the capability of customers to recognize a private label brand from manufacturer brands (Aaker, 2000). 2) Brand recall – A situation where customers easily recall a brand without being aided (Aaker, 2000). Hence, Kaiser (2017) reminds grocery retailers that private label brands in current states can no longer be alternates of manufacturer brands. In support, Rubio *et al*., (2014) stressed the significance of grocery retailers in investing towards communicating to customers about their private label brands. Rubio *et al*., (2014) commend grocery retailers who communicate their private label brands as their private label brands have taken off (Rubio *et al*., 2014). Thus, those that have minimally invested in brand awareness activities; their private label brands have somehow struggled to take off (Rubio *et al*., 2014).

Private label brands should seek maximum identification amongst customers and potential customers (Rubio *et al*., 2014), since customers sometimes purchase brands that they can identify with (Foroudi, 2019). Sometimes customers do not purchase brands that they have full knowledge of; therefore, brand awareness can help stimulate purchase decision amongst customers towards them favouring the purchase of private label brands. This creates a positive perceived value and quality of private label brands amongst customers (Rubio *et al*., 2014).They further opine that customers in many instances allow brand awareness to be their identifier of the quality and the perception of risk associated with using private label brands over manufacturer brands.

The conclusions of Barreda *et al*., (2015) affirm that brand awareness is essential for the realisation of other brand elements. Therefore, brand awareness lays an important foundation for brand trust and brand loyalty (Chi *et al*., 2009; Rubio *et al*., 2014). This is because customers will positively identify and be familiarised to private label brands. The findings of Chi *et al*., (2009) confirm the findings of Aaker & Keller (1990) that brand awareness leads to other brand elements; affirming the positive relatedness with brand loyalty. Agreeing with previous research, Mathews *et al*., (2014) in the words of Han, Nguyen & Lee (2015) further affirm that the positive reputation created via brand awareness constitutes brand loyalty amongst customers. Hence, retailers are expected to strive to create positive communication for their brands.

Han *et al*., (2015) in their findings suggest retailers employ investments in familiarising their brands to customers via advertising. Consistent towards grocery retailers advertising to strengthening brand awareness for their private label brands, Kaiser (2017) suggests that grocery retailers need to employ social media platforms in creating brand awareness for their private label brands. Furthermore, online social networks have proven to be worthwhile in creating brand awareness. Barreda *et al*., (2015) in their study conclusion provide assurance that various brands have employed the marketing strategy of creating brand awareness on social media and succeeded. Customers can thus interact, learn and familiarise with private label brands; therefore, enhancing brand awareness (Barreda *et al*., 2015). Examples of online social media platforms that can be employed are Facebook, Instagram, Twitter, and other relevant social networks (Kaiser, 2017; Barreda *et al*., 2015).

Additionally, there is need for customers to know the private label brands on offer. Hence, brand awareness provides an important role in educating customers about private label brands and in turn increasing the purchase intention for private label brands (Kaiser, 2017; Rubio, Oubina & Villasenor, 2014; Chi *et al*., 2009).

- Brand Trust

Brand trust for this present study can best be defined as: the amount of confidence that customers have on private label brands towards their satisfaction, according to private label brands functionality (Chinomona, 2016). Song, Wang & Han (2019) allude that brand trust entails customers having a positive emotional attachment to a brand, in this regard private label brands. Roberts (2004) in the words of Song *et al*., (2019) affirms that brand trust amongst customers is party to positive awareness about the private label brand. In support, it is argued that grocery retailers actively expose their private label brands towards customers. In this case, such exposure leads to increased brand awareness of private label brands amongst customers; in turn customers repeatedly purchase private label brands to a point that they trust their provision to satisfy their needs (Su & Rao, 2010; Saarkjarvi & Samiee, 2011, in Chinomona, 2016).

Matzler, Grabner-Krauter & Bidmon (2008) in their study suggested that retailers build strategies that result to customers being personally attached and commit to the use of private label brands. Consistent to Matzler *et al*., (2008) findings, Chinomona (2016) specifically urges South African brands to build strategies that enhance brand trust among consumers of their brands with a goal to affect brand loyalty from the consumers of their brands (Chinomona, 2016). Grocery retailers can thus pay attention to the recommendations of Chinomona (2016) in order to enhance brand trust towards positively enhancing the perceptions of customers toward private label brands.

1) Chinomona (2016) offers that South African brands can build brand trust through extensive brand communication with their customers to a point where customers perceive private label brands to be trustworthy. Therefore, customers grow confidence and trust in the brand meeting their needs (Erkmen & Hancer, 2019). 2) The practical implications of Han *et al*., (2015) offer that managers of retailers ensure that measures are in place to ensure that private label brands deliver their quality promise to customers. In this regard, it increases customers trust towards a brand (private label brands). 3) Doney & Cannon (1997) in Kabadayi & Alan (2012) postulate that achieving brand trust can be viewed as the process where firms ensure customers of the following: safety, honesty and reliability in the brands they consume, thus, brand trust will be automatically created. The conclusions and recommendations of Kabadayi & Alan (2012) importantly posit that retailers understand that brand trust is affected by the customers experience with private label brands.

- Brand loyalty

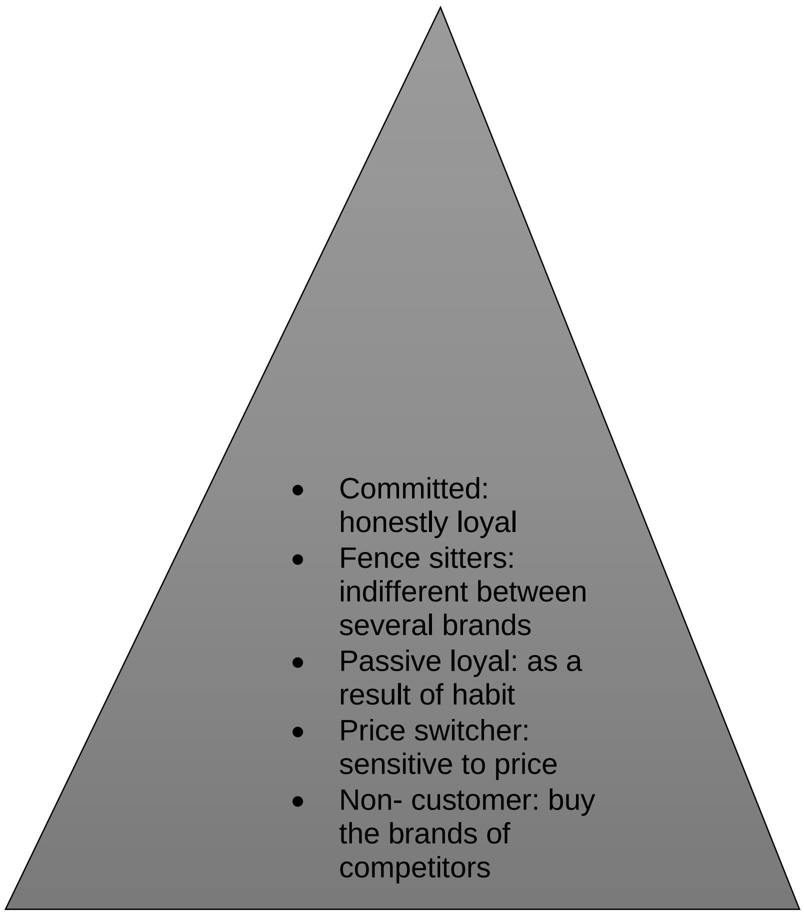
Brand loyalty according to Oliver (1999) in Pappu & Quester (2016) can be seen as the behaviour by a customer to actively purchase and re-purchase a brand continuously, in the process advocating for its value (Mao, 2010). Also, brand loyalty is viewed as the process where customers repeatedly spend money on a specific brand continuously (Mao, 2010). However, brand loyalty is also distinguished by scholars. Behavioural brand loyalty in the brand is the process of actively frequenting its purchase (Odin, Odin &

Vallete-Florence 2001), this loyalty can be measured through apparent behaviours. Whereas, attitudinal brand loyalty comprises the customers intended intention to be loyal to that brand reasoning from the advantages associated with the brand (Dekimpe *et al*., 1997). Brand loyalty allows the customers to be consistent in the purchase of the specific brand, no matter the change in situations; they are loyal to the brand (Palazon & Delgado, 2009, in Song *et al*., 2019). Meanwhile, to reach the process of brand loyalty, the customer places utmost trust to the brand and its offering in this case private label brands (Moorman *et al*., 1992) in (Song *et al*., 2019). However, the managerial implications of Han *et al*., (2015) suggest that the basic foundation of brand loyalty is customer satisfaction.

To create brand loyalty for private label brands, grocery retailers can partake in the following; 1) grocery managers need to ensure satisfaction of customers with private label brands (Han *et al*., 2015; Han *et al*., 2018). 2) Understanding the needs of customers and meeting their expectations (Coelho, Rita & Santos, 2018). 3) Managers should strive to establish emotional connections between customers and their private label brands; thus, leading to customers being attached with the brand (Song *et al*., 2019; Han *et al*., 2018). This eventually leads to brand loyalty. 5) Fournier (1994); (1998); Ching & Chang (2006) in Zehir, Sahin & Kitapci *et al.,* (2011) maintained that firms need to create and maintain consumer-brand relationships, since it helps facilitates for brand loyalty. Such actions can thus help grocery retailers to retain and lure new customers to purchase their private label brands, hoping that they will positively perceive PLBs, and in the process be loyal towards them. Aaker (1991) as cited by Ishak & Ghani (2013) presumes that when customers are closely associated to a brand, they are more likely to be loyal to it. Hence, Aaker (1991) in Ishak & Ghani (2013) classified loyalty in the following ascending stages:

- Non- customer: buy the brands of competitors.
- Price switcher: sensitive to price.
- Passive loyal: as a result of habit.
- Fence sitters: indifferent between several brands.
- Committed: honestly loyal

Figure 2.1: Aaker Loyalty ladder



Source (Aaker, 1991) as cited by Ishak & Ghani (2013: 189).

2.7 Definition and background of private label brands

Shopify (2019), describe private label brands to be products manufactured by a supplier appointed by a retail chain. The retail chain is expected to specify the names of the products to be manufactured, the packaging as well as the label. While, De & Singh (2017) maintained that private label brands are products that can either be produced by the retail chain itself or it can delegate a supplier to manufacture their products. The introduction for such brands was done by retailers for various strategic reasons (Juhl, Esbjerg, Grunert, Larse & Brunso, 2006). The strategic reasons and benefits for producing private label brands include controlling of production, the control of branding and profitability by the retailer (Shopify, 2019).

Hudson (2018) ascertains that some retail chains strategically introduced private label brands to reduce competition and build their own brands that enhance loyalty amongst their customers. Amidst reasons for retailers introducing these private label brands, they were regarded as low-cost alternates, having poorer quality and carrying an untrusted image than manufacturer brands (De & Singh, 2017). This provides reasons for their popularity in harsh economic conditions (National Retail Federation, 2018). However, store brands have gained attractiveness over the years (Cuneo, Milberg, Benavante & Palicios-Fenech, 2015; National Retail Federation, 2018). Moreover, apart from grocery retailers introducing these brands to enhance store loyalty amongst customers, more importantly to they are to increase the market presence of private label brands in the grocery retail industry (Yuen, Au-Yuen & Lu, 2009). Private label brands are said to be now present in most product categories: groceries and perishables, baby care products, personal care products and confectionary products (Nielsen, 2014; PLMA, 2016; De & Singh, 2017; Nielsen, 2018; Hudson, 2018). Countries like the USA have gone as far as extending private label brands to Medical drugs (PLMA, 2016).

Private label brands being present in almost all product categories, are classified into three different types: Classic private label brands, Generic private label brands and premium private label brands. The classic private label brands are cheaper than manufacturer products and they are positioned with or below manufacturer products (Nenycz-Thiel & Romaniuk, 2011 in Sarkar, 2016). Secondly, generic private label brands are the more “me too”, undifferentiated with manufacturer brands (Shetty & Manoharan, 2018). They are the cheapest and rank lower in the private label brands segment (Sarkar, 2016). Lastly, premium private label brands are considered along the prominent national brands (Sarkar, 2016). Also, their quality level is comparable with manufacturer brands (Sarka, 2016; Shetty & Manoharan, 2018). Meanwhile, private label brands have not found it easier to expand and successfully penetrate markets across the globe. This is evident in the 2014 Nielsen Global Report findings which underpins the state and penetration of private label brands in different regions across the globe. In some countries of the world such as Switzerland, Spain and United Kingdom, private label brands have been greatly performing whilst in others like China, Russia and Brazil they have been underperforming (Nielsen, 2014).

2.8 Empirical Literature

This section underlines the empirical studies previously conducted around the perceptions of customers toward private label brands. This section proves to be vital as it allows the researcher to combine various empirical work previously conducted in order to draw reference on the previous findings, methods and area of the studies and their relation to this study, in order to adopt a relevant research method. The researcher reviewed past and present empirical studies.

An empirical study of De Wulf, Odekerken-Schroder, Goedertier & Van Ossel (2005) who studied consumer perceptions of store brands versus national brands, a Belgian study focusing on three perspectives. The perspectives are; using taste in order to find out how store brands are perceived in terms of brand equity in comparison to manufacturer brands, understanding whether brand equity of the two brands is determined by current brand loyalty towards either of the brands and lastly, whether store support has any influence towards brand equity of store brands. The study was conducted using a repeated measure design known as blind and non-blind test measures. The findings of their study confirmed that consumers have the perception that both private label and manufacturer brands are of the same quality. The authors further recommended that grocery retailers should focus more of their efforts in heavy marketing activities and more effort should be put towards branding activities for their private label brands in order to match manufacturer brands in future.

A Taiwan study of Cheng, Chen, Lin & Wang (2007), who like other studies such as (Beneke, 2010; Beneke *et al*., 2015; Fibri & Frost, 2019) undertook mall intercept studies. The study investigated the Taiwanese customer perceptions towards national brands, international private label brands and local private label brands. The study considered the following aspects: product quality, price, brand leadership and brand personality for the three types of brands. The study applied a quantitative research approach, where a systematic sampling approach was used to sample customers from shopping mall entrances where data was obtained from 254 customers, using a questionnaire. The data was analysed using the SPSS and ANOVA statistical packages. The study revealed that national brands are deemed superior than international private label brands and international private label brands are more superior to local private label brands in terms of all the perceptions that were investigated in this study except price. The authors recommended that managers needed to increase budgets of R&D for product designs and heavy brand promotions in order to increase brand awareness amongst customers for their private label brands to thrive.

A Spanish study of Martinez & Montaner in 2008 which was aimed at understanding the socio-demographic profiles of Spanish customers focused on the characterisation of private label brands customers in the Spanish market. The study was conducted using a quantitative research approach, with specific focus on sampling women since it is verified in Spain that grocery activities are mostly carried out by women. A self-administered questionnaire was employed as a data collection instrument from customers who purchase packed food and cleaning products. The study found that Spanish customers are largely price sensitive with little concern for quality of private label brands and as a result socio-demographic factors proved to have no identification to store brands purchase.

A Slovak study of Valaskova, Kliestikova & Krizanova (2018) who focused on consumer perceptions of private label brands was reviewed. The main purpose of the study was to analyse the factors and variables that shaped consumer perception of private label brands. A quantitative survey design was followed for this study. The study found that consumer perceptions are shaped by various factors; type of product purchased, reason for the purchase and demographic determinants.

The work of Hosseini, Jayashree & Malarvizhi (2014) is another study that explored consumer perceptions. However, it focused on how store image influences consumer perceptions towards private label brands. The study was conducted in Malaysia. A mall intercept study that employed the use of a survey.. The findings revealed that customers analyse together their experiences and messages they receive in their shopping experience in a retailer together with existing perceptions of the store offering those private label brands.

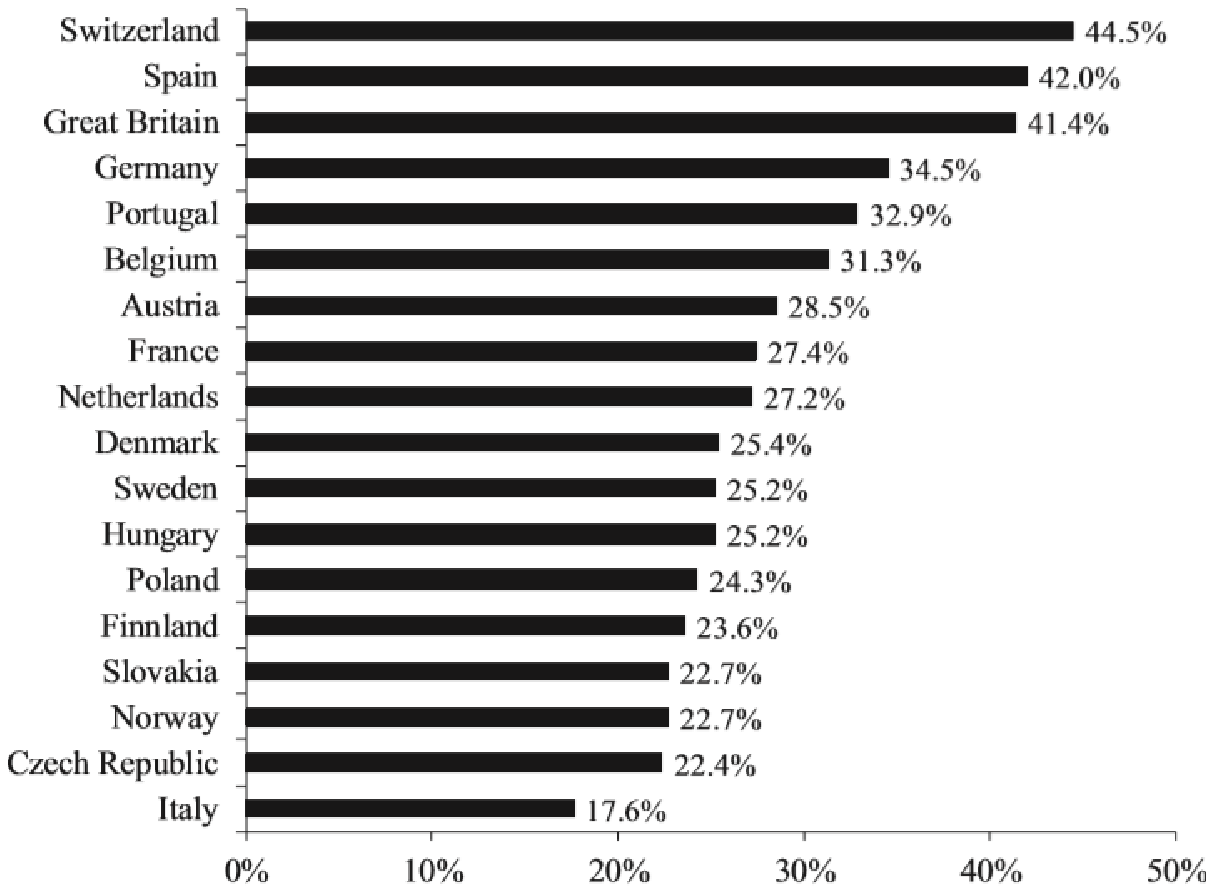
South African exploratory study of Beneke (2010), who studied the perceptions customers of customers towards private label brands in the South African grocery retail sector. The aim of the study was to investigate perceptions in the fast-moving private label products. The study like most studies was a mall intercept. Making use of mixed method research approach where the qualitative design informed the quantitative research design. The study found that consumers are still skeptical of private label brands. It was further found that consumers have perceptions that the quality of private label products is questionable and their packaging is rather unattractive and associated with low quality levels of these brands.

2.9 International status of private label brands

Studying the factors and role played by the changes in customer perceptions towards the growth of private label brands in established economies, a distinction on how the perceptions of customers towards private label brands have evolved over the years, in the rest of the world is needed. In advanced countries, it is found that private label brands have experienced a deep revolution. From being perceived as low-priced and low-quality alternates to manufacturer products, to being quality product that offers consumers value for their purchase (Cuneo *et al*., 2015). In congruence, Nencyz-Thiel & Romaniuk (2006) had earlier stated that traditionally, perceptions and attitudes of customers toward private label brands was that they are of low quality and economical substitutes of manufacturer brands. Hence, it is understood that such brought scepticism about private label brands across countries. To avoid scepticism of private label brands, developed economies precisely European countries such as U.K, Switzerland, Germany and Spain, and the U.S.A started transforming their private label product as well as offering customers with quality premium private label brands (Wang, Boys & Hooker, 2019). This continued until customers gradually began to rely and trust private label brands the same way they trust the quality of manufacturer brands (Wang *et al*., 2019).

Various studies have been conducted on the perceptions of consumers toward private label brands, however little empirical research has been conducted on the perceptions of customers toward private label brands, especially in the developing countries where private label brands over the years have been underdeveloped. This is visible in South Africa where the market penetration rate was 18% compared to Switzerland where the market penetration rate was at 45% between 2013-2014 (Nielsen, 2014; Nyengerai *et al*., 2013; Cuneo *et al*., 2014). Little or no investigation has been conducted to assess the slow market penetration rates of private label brands in developing economies. Moreover, the growth of private label brands all over the world has justified doing research on this area.

Figure 2.2: The state of the market penetration of private label brands across the world



Source: Olbrich, Hansen & Hundt (2017:296).

Figure 2.2 above, indicates the state of private label brands throughout the globe (Olbrich, Hansen & Hundt, 2017). Thus, representing the growing state of Private label brands, however the BRICS countries are not represented in figure 2.2. Hence, the state of private label brands in South Africa shall be revisited and discussed.

2.10 The status of private label brands in South Africa

Batra & Sinha (2000) acknowledged the rise in the usage of private label brands. Nielsen (2018) predicted that the current growth and development of private label brands is destined for a major shake-up of the grocery retail industry. Hence, the 2018 Nielsen report gives a proper guidance of the state of private label brands across the globe. The Nielsen global report covers information from across 60 plus countries (Nielsen, 2018). Despite the positive outlook being outlined by the Nielsen report, the unequal market shares in the growth of private label brands across different countries in different parts of the world is visible. Evidently, European and Americas grocery retailers have embraced certain strategies to ensure the acceleration of the growth of private label brands (Nielsen, 2018).

Skoda (2018) states that the reason for the rapid growth of private label brands in Europe and in America is a constant drive by retailers to innovate their private label brands offerings. Beneke & Zimmerman (2014) in juxtaposing the state of private label brands in South Africa with the rest of the world, finds that there is a lack in research and development in private label brands. According to Euro Monitor International (2010) in Nyengerai *et al*., (2013) posit that the private label brands market is at infancy and least developed in South Africa. Contrastingly, the Nielsen (2018) report reveals that grocery retailers in South Africa have taken serious steps in innovating their products and offering value for their money. This is supported by the growth of private label brands in the market share from 20% in 2017 to 21.1% in 2018 (Nielsen, 2018). The study of Skoda (2018) Followed the paths of grocery retailers in developed European countries and America who have developed refined and innovative private label products (Skoda, 2018). Who over the years have transformed the perceptions of customers in turn realising growth of PLBs market shares. Such study, however did not take into consideration how the perceptions of customers toward private label brands might have any role in the growth of private label brands. This motivates for the researcher to study the perceptions of South African grocery retail customers. Such is supported by Batra & Sinha (2002) who stressed on the little consumer level research on private label brands. Hence, the reason why Batra & Sinha (2002) in their limitations and future research insist that future research should be carried out on the perceptions of customers about private label brands amongst other customer-variables.

This study plays a role in helping to increase research output about private label brands in the South African grocery retail space. More importantly, the perceptions of customers supported by retail managers' views. This present study understands that Nielsen (2018) global report in their findings found perceptions of customers in South Africa are now getting favourable (Nielsen, 2018). The study findings revealed that 79% of the people surveyed perceive that the quality of private label brands has improved (Nielsen, 2018), 61% believe that private label brands are alternatives to manufacturer brands (Nielsen, 2018). 66% of the people indicated that they consume private label brands to save money and 63% perceive that their purchase of private label brands offers them value for their purchase (Nielsen, 2018). Contrary to the findings of Nielsen (2018), Food Stuff South Africa (2016) believe that less than 71% of people are of the perception that private label brand are worthy substitutes of manufactured brands, 63% vouch for the quality of private label products to be of good standard and 60% are discontent with the packaging choices of South African private label brands (Food Stuff South Africa, 2016). Such findings by the Nielsen global report (2018) contrast the report of Food Stuff South Africa (2016) which raised questions for the researcher. These findings are said to represent the perceptions of both consumers in Africa and Middle East. Such generalisation cannot be fully representing the perceptions and the state of private label brands in South Africa. The effect of demographic factors on the perceptions and purchase decision for private label brands are as further discussed below.

2.11 The demographic characteristics of private label brands

The demographic factors are said to have a role in the purchase, use and perceptions about brands (Pratap, 2019). He further states that they reveal certain customer behaviours. These perceptions can be traced to various demographic factors (Pratap, 2019). The commonly studied demographic factors that can play a part in the perceptions of customers and retail managers towards private label brands are: Age, Gender, level of income and Education. Understanding these demographical factors among customers who purchase private label brands is essential (Kakkos *et al*., 2015). Baltas & Argouslidis (2007) studied the socio-demographic factors, shopping behaviour and ratings of quality, price, packaging, image and advertising of store brands. The findings of their study show that demographic factors have a significant role in determining customers' perceptions towards private label brands (Baltas & Argouslidis, 2007).

2.11.1 Age

The demographic factor of age is found to have various effects on customers' decision about brands (Pratap, 2019). This can be linked to the perceptions' customers may build for specific private label brands. In congruence, In & Ahmad (2018) stated that young individuals are less likely to be complex when making a brand choice, comparing to older people who are said to be more difficult when making a brand choice and purchase decision (In & Ahmad, 2018; Pratap, 2018). However, young people still look for alternatives in their brand decisions (Stojanovic, Sadic & Becic, 2018). More especially young people below the ages of 25 years (Stojanovic *et al*., 2018). Younger customers are said to be more eager in trying out new brand products (Mehra, 2016). Supporting the revelation above, the perceptions of customers can vary from different stages of a customer's age group. Hence, it is argued that older customers take various factors into considerations. They look at factors such as their level of income at such specific time (Patrap, 2018).

2.11.2 Gender

It is maintained that both males and females are indifferent in the aspect of choosing and perceiving different brands (Patrap, 2018; In & Ahmad, 2018). Meanwhile, both male and females have different taste. Therefore, it is noted that in most households, females have the utmost power in choosing products and brands to purchase (Patrap, 2018). The conclusions of Stojanovic *et al*., (2018) confirmed that females are more responsible for purchase decisions at home than males. Females spend hefty time in looking and perceiving different brands before making a purchase (Stojanovic *et al*., 2018). The study shows that these perceptions regarding the demographic factors are prevalent in the Slovakian and Pakistani respectively. Therefore, this present study examines gender as a demographic factor which influence customers' perceptions toward private label brands in the grocery retail sector, using a South African perspective.

2.11.3 Level of income

The level of income is said to be relatively important when customers take grocery decisions (Patrap, 2018). Without income, customers will not be able to purchase any product, including private label brands. Hence, income levels are likely to affect the perceptions of customers toward private label bands (Berges-Sennou, Hassan, Monier-Dilhan & Raynal, 2007). These perceptions are said to be likely from the medium income classes (Cole & Sethuraman, 1999 in Berges-Sennou *et al*., 2007). Therefore, middle class to low income earners are prospective consumers to purchase private label brands for convenience compared to high income earners who actively purchase manufacturer brands due to their high quality product ranges and they have the desired income to afford the high prices (Dimitrieska, Koneska, Kozareva & Teofilovska, 2017).

The level of income in a way can breed customers' perceptions towards private label brands. In support, the hypothesis of Glynn & Chen (2009) assumed that customers do not consider to make a purchase of private label brands when they have higher levels of income. Therefore, this being noticed with the level of income and the effects brought for the perceptions towards private label brands. Grocery retailers can shift focus on improving their quality levels for their private label brands (Glynn & Chen, 2009). Since customers have a sceptical perceptual risk of trying new brands; specifically brands they are unsure about in terms of their quality levels (Nielsen, 2018). In the process grocery retailers should strategically position themselves in locations where there is a majority mix of low household incomes (Glynn & Chen, 2009). These customers tend to be price sensitive; having more likeliness to look for private label branded products in the process (Baltas & Argouslidis, 2007 in Mehra, 2016).

Table 2.1: The income brackets of different classes in South Africa

Annual income	Monthly income	Classification
R0 – R19,000	**R0 – R1,583**	**Lowest**
R19,001 – R86,000	R1,584 – R7,167	Second lowest
R86,001 – R197,000	R7,168 – R16,417	Low emerging middle
R197,001 – R400,000	R16,418 – R33,333	Emerging middle
R400,001 – R688,000	**R33,334 – R57,333**	**Lower middle**
R688,001 – R1,481,000	R57,334 – R123,417	Upper middle
R1,481,001 -R2,360,000	R123,418 – R196,667	Upper income/Emerging affluent
R2,360,001+	**R196,668+**	**Affluent**

Source: Business Tech

2.11.4 Level of education

Previous studies argue that individuals who are formally educated are more knowledgeable about products and various brands (Koshy, 2008; In & Ahmad, 2018). Hence, they consider a lot of brand information, benefits and risks associated with the use of that products (Glynn & Chen, 2009; In & Ahmad, 2018). Customers weigh their brand options on the information at hand (Patrap, 2018). Therefore, the conclusions of Koshy (2008) as cited by Mehran (2016) suggested that retailers provide additional informative reminders about their private label brands.

Stojanovic *et al*., (2018) revealed that private label brands are prominent amongst the middle-aged women (40 years) with secondary education. This finding is generalizable to Norway or maybe in European countries. Hence, the reason for this present study which investigates the subject matter considering the South African perspective, with focus on the eThekwini Municipality, in Kwazulu-Natal province.

2.12 The existing perceptions of customers about private label brands

Perception according to Babin & Harris (2009; 41) in Wyma (2010) is defined as how people tend to perceive things and putting the interpretations into reality. Hence, customers perceive private label brands differently from manufacturer bands (DelVecchio, 2001).

2.12.1 Perceptions of grocery retailers offering private label brands

Juhl *et al*., (2006) in their findings and discussion for the study of “the fight between store brands and national brands- what’s the score”, revealed that customers’ perceptions about private label brands comes second. Customers first interpret the store image of the grocery retailer offering the private label products before making a purchase decision. In Support, Vahie & Paswan (2006) opine that before customers consider private label brands, they consider the retailer offering the PLBs. The image of the grocery retail store provide either a positive or negative perception from customers (Beneke, Brito & Garvey, 2015). According to recent research, customers view grocery retailers in the following aspects: price image, the manner in which grocery retailers are branded and communicated to customers or potential customers, grocery retail store formats and price expectation for that particular grocery retailer (Beneke *et al*, 2015; Koschmann & Isaac, 2018).

Research on grocery store formats, reveals positive relationships between store format and price image (Koschmann & Isaac, 2018). This is reflected in the discussion of the findings of Beneke *et al*., (2015). However, the study is limited as it specifically focused on a relatively emerging market of private label brands. Also, the findings emanated from customers were from one grocery retail store. Hence, the findings cannot be generalized all-inclusive of the South African grocery retail market. Meanwhile, other previous studies acknowledge that for grocery retailers to strive and improve perceptions of customers, focus on mental association is vital. Mental associations play a positive role in shaping a favourable perception about a grocery retailer in a customer’s mind (Maggioni, 2016). Understandably, grocery retailers are responsible for creating positive perceptions about their grocery retails as substantiated in the findings of Ipek, Askin & Ilter (2016). Hence, Grocery retailers are offered to advance product quality and improve the performance of private label brands, in order to change the prevailing perceptions surrounding private label brands (Ipek *et al*., 2016). In the process, grocery retailers need to continuously increase their private label brands product offerings (Ipek *et al*., 2016).

2.12.2 The effects of store image and store loyalty on perceptions

The link between store image and store loyalty is explored in this present study. Whereby, store loyalty result in a customer being loyal to a specific retailer (Maggioni, 2016). In support of this, the findings of Bhat & Singh (2017) reveal that, store image has a direct impact on store loyalty among customers. Arguably, Maggioni (2016) postulates the importance of grocery retailers in developing clear and positive communication with their customers. Arguably, the above studies (Maggioni, 2016; Bhat & Singh, 2017) studied customer loyalty and store loyalty relatively. The studies were undertaken in Australia and India respectively. However, a South African study (Mathaba, Dhurup & Mpinganjira, 2017) on store image finds that customers perception regarding a store, lies in customers being satisfied with the product offerings (Mathaba *et al*., 2017). However, this study focused on sportswear shops. Customers gradually when projecting an image about a store and building a perception, they look for the following attributes: prices, products, quality, store attributes and service (Mathaba *et al*., 2017).

The recommendations of Burlison & Oe (2018) suggest for store image to be studied together with customer perceptions, more specifically, in recent globalised environment with diverse societies (Burlison & Oe, 2018).In their limitations for their study, Burlison & Oe (2018) assert that customers can use their store images to build perceptions surrounding the store and the products offerings being offered by grocery retailers. In addition, there has been confirmation in existence of relationship between store images forming perceptions among customers (Wu, Ye & Hsiao, 2011; Erdil, 2015). These perceptions are not only formed by positive recalls, partly by negative recalls of the store image and private label brands offering from that particular grocery retail store (Erdil, 2015). Arguably, these studies were conducted in European countries where private label brands have been dominant over the years, compared to emerging markets especially in African markets, South African Market to be precise. Thus, it is vital to understand the historic customers' perceptions around private label brands.

2.12.3 Historic perceptions surrounding private label brands

South Africa is a country with various cultures, different backgrounds and lifestyles. According to Fibri & Frost (2019), not all products appeal the same way amongst customers and potential customers. Consequently, it is vital to understand the underlying perceptions of South African customers toward private label brands. Historically, private label brands have come with certain critiqued perceptions. Traditionally, perceptions and beliefs develop over time, thus, the long existing manufacturer products; consumers have developed historic perceptions around them (McNeill & Wyeth, 2011). These developed historic perceptions may either be positive or negative. Hence when brands are newcomers; customers develop skeptical perceptions around it (McNeill & Wyeth, 2011). These perceptions include lower prices and lower quality products (Rossi *et al*, 2015).Furthermore, Rossi *et al*., (2015) in their result found that customers consider a lot of aspects when perceiving private label brands. Customers came to these perceptions in benchmarking private label brands against manufacturer brands (Rossi *et al*, 2015).

Studies such as (Deloitte, 2015; PLMA, 2014 & Euromonitor International, 2014) reveal that perceptions of customers surrounding private label brands have changed. Over the years, private label brands are said to have been developed and emerged to be strong competitors of manufacturer brands (Beneke, Greene, lok & Mallet, 2012).

In understanding the historic perceptions of these brands, it is essential to understand it from the market penetration point. Optimistically, the penetration rates of private label brands have been spiralling and continuing to do so in many countries. However, in some countries, the level of penetration has been far behind (Milberg *et al.,* 2019). According to Milberg *et al*., (2019), the insurgence of private label brands in market shares in recent years has posed a challenge to manufacturer brands. Milberg *et al.,* (2019) further reveal that private label brands are now they are available in more than 90% of consumer-packaged goods categories (Euromonitor, 2010; terBraak, Deleersnyder, *et al*., 2013 in Milberg *et al*., 2019). Moreover, market shares in the United States and across Europe have reached over 16.7% on average (Nielsen, 2018) and 17.1%, (IRI, 2016), respectively. Meanwhile, countries such as Spain (52%), Switzerland (50%), UK (46%), Germany (45%) and France (32%) have been dominant in realising high market shares (PLMA, 2017).

Furthermore, the market penetration in other markets is very low, especially in the emerging markets. For instance, in Latin America: Argentina (5.1%), Brazil (0.9%), Chile (6.3%), Mexico (2.4%), in Eastern Europe: Russia (4.7%), Serbia (5.1%), Ukraine (1.3%) and, in Asia Pacific: China (0.2%), Malaysia (2.0%), Vietnam (0.6%), Taiwan (2.1) (Europanel, 2016). This may be explained by country-level factors in these markets that create barriers to the growth of PLB (Cuneo *et al*., 2015 in Milberg *et al.,* 2019). For example, in most markets, there is generally a shortage of suppliers to produce the required PLBs (Deloitte, 2015).

Deloitte (2015) in a study focused on the American and United Kingdom consumers of private label brands. However, these study focused on the American and European customers' perceptions. Hence this present study can expand those views to the South African context. In congruence, Lin, Marshall & Dawson (2009) had earlier attributed the success of PLBs in Europe to the study of the perceptual factors of consumers about private label brands. Hence, there is a need to further elaborate customers underlying perceptions surrounding pricing and qualities of private label brands.

2.12.4 The perceptions towards the pricing and quality of private label brands.

De & Singh (2017) opine that store brands were introduced to be alternatives of manufactured brands. They were characterised as low-priced products accompanied with low quality levels (De & Singh, 2017). However, in their findings, De & Singh (2017) found that the perceptions of customers on the quality and the pricing of private label brands have somehow changed from the previous perceptions. Supporting these claims, Chopra & Dasgupta (2017) concluded that customers in recent times feel that private label brands are offering products associated with high quality, in turn motivating their purchase (Chopra & Dasgupta, 2017; Calvo-Porral & Levy-Mangin, 2016).

Boyle & Lathrop (2013) in their conclusions reported that customers usually used price as a perceptual indicator for quality. Sequel to their findings, they opine that customers disregard price as an indicator for quality (Boyle & Lathrop, 2013). Hence, this present study represents the importance for South African grocery retailers to constantly research customer perceptions toward their private label brands. Moreover, majority of the previous studies were centred on the American and European customer perceptions (Diallo & Seck, 2018).

The findings of Chopra & Dasgupta (2017) reveal that Consumers' perspectives and retailers' considerations toward purchase of private label brands encourage retailers to consider offering private label brands that constitute high quality. This concurs with the work of Olbrich & Jansen (2014) who in their discussion determine the importance for grocery retailers to have high quality private label branded products. This is because they assist in increasing grocery retailers' market shares.

Grocery retailers should engage in the process of offering private label brands that are low in priced though of high quality (Olbrich & Jansen, 2014) as supported by the findings of (Beneke, Brito & Garvey, 2014).The findings of Chopra & Dasgupta (2017) endorse for grocery retailers to engage in such practice when looking to increase the market penetration of private label brands, despite the existing perceptions that private label brands come with low quality products. However, it is not entirely the case in all ranges of private label brands (Nielsen, 2018). For instance, some premium private label brands customers perceive them on par with manufacturer brands in terms of quality (Nielsen, 2018). Desai (2009) opines that pricing and quality is also important in attracting and retaining customers. Grocery retailers can thus pay attention in both aspects. Such study promotes for the investigation of the perceptions of customers regarding private label brands in the grocery retail sector in South Africa. Since the studies (Chopra & Dasgupta, 2017; De & Singh, 2017) were conducted in India, the perceptions are of Indian customers and may not represent those in the South African context. Moreover, both studies focused on the Clothing, Grocery and mostly Apparel industries (Chopra & Dasgupta, 2017; De & Singh, 2017). Critiquing Chopra & Dasgupta (2017), their study only used practitioners, whilst the present study uses both customers and retail managers. Such studies are proven to be successful in obtaining data especially since it is within a mall setting, where the researcher uses systematic sampling to identify individual shopping customers within grocery retailers (Beneke, Brito & Garvey, 2014).

2.13 The existing perceptions on purchase reasons for private label brands

According to Lin, Marshall & Dawson (2009) customers consider certain factors before making a decision to purchase private label brands. These factors are; price, risk and quality of the products (Lin *et al*., 2009). Diallo & Seck (2018) are of the view that before customers make a purchase of private label products, they make certain comparison with other brands- generally manufacturer brands. The comparison in most cases would be the price and quality of private label brands vis-a-vis manufacturer brands (Diallo & Seck, 2018).

One purchase reason for private label brands by customers mainly is the cheap price that it presents for customers (Kumar & Steenkamp, 2007 in Calvo-Porral & Levy-Mangin, 2016). According to Kakkos, Trivellas & Sdrolias (2014) when testing their hypotheses concede that customers are more likely to buy private label brands if they are aware of certain factors; Brand awareness, perceived value, perceived quality, perceived benefits (money, benefits and social value) (Kakkos *et al*., 2014). However, Lin *et al*., (2009) argue that customers are likely to purchase private label brands for the following reasons: perceived quality, price awareness, perceived risk and familiarity with the private label branded products (Lin *et al*., 2009). This study used consumers with private label brands shopping experience while adopting a data collection instrument of an online survey. By implication, participants could falsely participate without having a shopping experience of private label brands. Hence, this present study allows the researcher to access and collect data on sight from customers of private label brands in grocery retail chains around shopping malls in eThekwini Municipality.

Zielke & Dobbelstein (2007) in their findings concluded that customers would buy private label brands that have the lowest social risk. “Social risks are a possible loss of image or prestige resulting from the purchase or use of certain products. These risks mainly exist with products that are consumed in public or offered to guests” (Zielke & Dobbelstein, 2007; pp 113). Taking to account the above discussion, it is significant to note that the purchase reasons of consumers and success of private label brands (penetration or increase in the market share) is determined by socio-economic and cultural factors (Sebri & Zaccour, 2017). Hence, one of the major reasons why the market shares of private label brands differ across product categories, across regions and countries (Sebri & Zaccour, 2017). According to Sebri & Zaccour (2017), retailers should strive to provide private label products that offer reason for customers to purchase. This study explores customers and their perceptions toward private label brands in the South African context. It investigates their existing perceptions about private label brands, since majority of the studies have been based on the European and American point of view then generalised to the global world.

2.14 The influence of perceptions on the purchase decision for private label brands

Kotler *et al*., (1998) in Liligeto, Singh & Naz (2014) believe that customer perception is how customers see and react to things, in this regard private label brands in the grocery retail sector within the eThekwini Municipality. Moreover, historically, prevailing customers' perceptions about private label brands result from various factors.

Hoffman, Muller, Schutte, Calitz & Crafford (2005) in their study of "consumers' expectations and perception of South African game meat" point out that perceptions of customers result from t: Emotions, experience, demographic profiles, eating patterns and eating habits (Hoffman *et al*., 2005). In support of this, North & Kotze (2004) had earlier acknowledged that in this age customers consider a lot of aspects when making purchase decisions. Naturally, a customer makes a purchase decision on either a private label brand or manufacturer brand based on: past behaviour, demographic variable, socio-economic factors and personality traits (Baltas, 1997 in Beneke, 2010). By extension, North & Kotze (2004) depict that demographics, lifestyle and culture have an effect on customers purchase decision. However, such may not be applicable to grocery retail customers who have a range of products for customers to select from rather than game meat.

Boyle & Lathrop (2013) in their study of "the value of private label brands to U.S consumers: an objective and subjective assessment", found that customers make decision to buy private label brand over national brand, usually where private label brand costs less than a manufacturer brand (Boyle & Lathrop, 2013). On the contrary, Sarkar *et al*., (2015) in their study observed that in developing economies, store image has a vital role in the purchase decision of a private label brand. However, in the U.S, customers consider prices when making a purchase of a private label brand (Lupton, Rawlinson & Braunstein, 2010). Nonetheless, such studies may not be prevalent in the South African grocery retail sector. Since the focus was on the U.S market (Boyle & Lathrop, 2013), Sarka *et al*., (2015) focusing on the Indian Market and Lupton *et al*., (2010) focusing on the perception of both Chinese and U.S market. Also, the studies used combined secondary data and scanner data. In contrast, this present study uses primary data gathered from customers and retail managers from grocery retail stores. Thus, providing reliable results accompanying strong managerial implications for South African grocery retailers. Moreover, Sethuraman & Gielens (2014) opine that future research is needed in studying customers' perceptions on private label brands offering. In consistency with the above submission, the discussion and findings of Sarka *et al*., (2015) stresses that more research is needed from the emerging BRICS (Brazil, Russia, India, China and South Africa) economies, since there are common issues pertaining to private label brands. Therefore, Sarka *et al*., (2015) were cautious that their results cannot be generalized to other BRICS or emerging economies. This accounts for one of the reasons for this study, from a South African perspective. According to Sethuraman & Gielens (2014), replicating such a study in emerging economies inclusive of South Africa will enable grocery retailers to increase their market shares of private label brands in such societies

2.15 The factors that influence customer perceptions

There are many factors that affect customers' perception for private label brands. Therefore, vital for grocery retailers to recognize these factors that shape customer perceptions regarding brands, specifically private label brands. Desai (2009) opines that there are internal and external factors that influence customers' perceptions. The factors include customers' lifestyle, personality, attitude, knowledge and affordability (Desai, 2009).

Mourali (2005) in Desai (2009) avers that it is not only internal or personal factors that shape a customer's perception, external factors also. The external factors include: economic, demographic, technological changes, political landscapes and globalisation (Desai, 2009). It is for such that grocery retailers in South Africa should collect enough information about the perceptions of customers toward their private label brands. On the contrary, Desai (2009) also studies the link between the concepts of CRM (Customer Relationship Management) and customer perceptions, with emphasis on how to attract and retain customers by effectively understanding their perceptions. Contrary, this study explores the perceptions of customers towards private label brands by paying attention and emphasis on customer perceptions as well as exploring retail managers' views on the perceptions towards private label brands in South Africa. The result of this study is expected to have meaningful managerial implications for South African grocery retailers. The implication is envisaged to indicate the perceptions that South African customers and grocery retail managers have toward PLBs.

Mercer (2017) states that the factors influencing customers perceptions toward brands are: Price, quality, service quality, packaging and branding and reputation. Consistent with the listed factors, however, UK Essay (2018) adds promotion as another factor that influence customer perception. The pricing of private label brands or any product often builds certain perceptions about the particular product offered. Less-expensive products are often thought or perceived to be less worthy (Mercer, 2017). Suffice to state that quality is considered to breed influence for perceptions surrounding private label brands.

The quality of a private label determines whether customers will be satisfied or disappointed with the product, therefore product quality is vital in the purchase decision of a customer (UK Essays, 2018; Mercer, 2017). Mercer (2017) further states that the factor of packaging and branding in building up perceptions amongst customers is essential. It is argued that packaging and branding have a positive influence on influencing perceptions amongst customers and purchase intention (Mercer, 2017). Packaging and branding private label brands prove to be essential, more especially since South African customers are still skeptical around private label brands (Beneke, 2010; Global Nielsen Report, 2014). Reputation together with promotions is deemed vital also. Customers like associating themselves with stores or retailers with good reputation (Mercer, 2017). They discard shopping for products from less reputable retailers. Therefore, grocery retailers must divulge promotional activities in order to build a reputable brand that customers will perceive positively (UK Essays, 2018). However, these factors alone are not responsible for bringing about perceptions but positioning of private label brands against manufacturer brands which has some roles.

2.16 The positioning of private label brands against manufacturer brands

Private label brands continue to make strides in the grocery retail sector. Geyskens, Keller, Dekimpe & De jong (2018) in their study point out that private label brands have been on an upward rise over the recent years. Emphasis is needed on how private label brands are positioned against manufacturer brands. Omar (1994) opines that historically between PLBs and manufacturer brands, PLBs have always been positioned below manufacturer brands (Omar, 1994). Hence, the contributions of this study will enable the researcher to answer the set-out research questions and objectives for this study.

Geyskens *et al*., (2018) states that grocery retailers should seriously take into consideration the branding of their private label brands. Wentz & Suchards (1993) in Rooney (1995) highlight the importance of brands and branding for organisations to be successful. Consistent with this argument, Keller & Lehmann (2006) in their conclusions take note of the importance of branding and managing brands. In support, Keller & Lehmann (2006) acknowledge that branding has endorse itself as an important asset in organisations since this provides room for perceptions of private label brands against manufacturer brands amongst customers. This increases the perceived worth of private label brands (The Economist, 1988) as cited by Rooney (1995). In the findings of Beneke (2010), the efforts of South African retailers in successfully positioning their private label brands, mention the significance of how branding private label brands might deduce certain perceptions. The conclusions of Beneke (2010) proposed that South African grocery retailers can position their private label brands in either of two approaches: Premium, marginally below the prices of leading manufacturer brands or alternatively by positioning them as value for money products (Beneke, 2010).

Feetham (2011) questions the rapid prominence of private label brands whether the existence has challenged the positioning amongst private label brands and national brands. Feetham (2011) concluded that private label brands have not succeeded in positively positioning themselves along national brands. However, the study was in the context of New Zealand. Findings further reveal that to achieve such positioning, grocery retailers have to consider the perceived quality factors of customers regarding private label brands (Feetham, 2011). This is because customers are still unconvinced over the value of private label brands (Beneke, 2010). Feetham (2011) represents those perceptions of New Zealand customers. They may not be general to that of South African customers. Caution is essential in generalizing the findings towards a South African perspective. Hence, this present study offers for the perceptions of South African customers with retail managers offering opinions on how they position private label brands to manufacturer brands. Thus, answering some of the research questions for this study.

Image 2.1: SPAR and SaveMore brands

Source: www.tradeintelligence.co.za

Image 2.2: Pick n Pay private label brands

Source: www.tradeintelligence.co.za

Image 2.3: Shoprite's RiteBrand

Source: www.tradeintelligence.co.za

Image 2.1 a visual representation of Spar (A South African grocery retailer) private brands (Spar and SaveMor). Spar positions their private label brands next top manufacturer brands (Trade intelligence, 2017).

Image 2.2 represents Pick n Pay private label brand offerings (P n P and No Name brands). According to Trade intelligence (2017), Pick n Pay has premium products catering for customers in higher LSM groups that being P n P private label products as well as the No name brand which offers value for money (Trade intelligence, 2017).

Image 2.3 a visual representation of Shoprite RiteBrand private label brand which positions itself as a low-priced alternative similar to other South African private label brands. RiteBrand position next to leading manufacturer brands (Trade intelligence, 2017). The strategic positioning practise by grocery retailers imitate manufacturer brands (Morton & Zettelmeyer, 2004). Such drives private label brands to be closest substitutes for manufacturer brands due to the power of retailer control for brand positioning (Morton

& Zettelmeyer, 2004). However, on the contrary, Feetham (2011) finds that, in order for private label brands to successfully position themselves against leading national brands is dependent on the quality offered by private label brands, relative to the quality offered by manufacturer brands (Feetham, 2011).

These grocery retailers have specific private label brands positioned for various ends of the consumer market. Hence, such strategies by grocery retailers build certain perceptions amongst customers toward private label brands contrasting them with manufacturer brands. The contributions of this study set to uncover those perceptions and answer the set objectives for this research. Branding is vital in bringing about perceptions amongst customers.

2.17 Support activities for private label brands

Omar (1994) in their conclusions had predicted for a positive growth of private label brands. This presented grocery retailers with an opportunity to differentiate their products, grow profits and their retail market shares (Omar, 1994). However, Omar (1994) concluded that for retailers to be successful with their private label brands, effective managing of their brands and packaging should be important (Omar, 1994). Hence, this present study offers the contribution on the importance of support activities after private label brands have been branded and packaged.

Support activities employed by grocery retailers' play a role in shaping positive perceptions from customers. However, skeptical perceptions surrounding private label brands still exists in developing nations inclusive of South Africa (PRNewswire, 2014). Thus, branding, packaging and positioning, advertising and promoting is essential for the development of private label brands.

Abe (1995) opines that manufacturer brands certainly gain advantage from having a positive reputation amongst customers than private label brands which have suffered from negative perceptions. Abe (1995) in Beneke (2010) raised an argument that private label brands should realise a need to venture their efforts towards advertising. This is essential to support their already disadvantaged perceived products especially with regards to their quality levels (Beneke, 2010).

Grocery retailers are historically aware of the upper hand manufacturer brands have over private label brands in terms of advertising power. In congruence, the findings of Abril & Rodriguez-Canovas (2016) show that generally, grocery retailers advertise less than leading manufacturer brands thereby, differentiating their products immensely (Beneke, 2010). Meanwhile, grocery retailers have a challenge to build and maintain their private label brands (Sethuraman, Nadzir & Gunalan, 2001 in Abril & Rodriguez-Canovas, 2016). Additionally, Abril & Rodriguez-Canovas (2016) focused on various support activities that retailers offering private label brands can adopt. These include: in-store campaigns, in-store communication, advertising, monetary promotions, price and distribution activity (Abril & Rodriguez-Canovas, 2016). However, the study of Abril & Rodriguez-Canovas (2016) is limited as the sample of their respondents only included consumers who were only familiar with the focal private label brand products being studied. Contrary, this present study does not focus on certain private label products, it focuses holistically on the perceptions of customers towards private brands. Additionally, ensuring reliability of this study, the researcher sampled both customers and retail managers of grocery retail stores. Support activities for private label brands are broader than advertising alone, other various support activities are also required.

2.17.1 In-store promotions as a support activity

Dick *et al.,* (1996) in Au-Yeung & Lu (2009) allude on the importance of private label brands for grocery retailers. Ascertaining on the importance of retailers besides generating more profits and better margins. Private label brands also advance retailers store image and loyalty among consumers (Au-Yeung & Lu, 2009). Grocery retailers can gain such through customers' continuous visits to their retail stores. This can be possible since manufacturer brands can be accessed from any grocery retail stores, while a retailer's private label can only be purchased from that particular retailer (Au-Yeung & Lu, 2009). Retailers constantly offering private label brands with enough support activities might create a positive effect on the store image and loyalty. In support of this, Au-Yeung & Lu (2009) tested that "private label brands create store visits and loyalty by customers". However, this failed as a result that customers were not well educated about private label brands (Au-Yeung & Lu, 2009). Sequel to this, the researcher acknowledges the importance of grocery retailers to adopt enough support activities to familiarise customers with their private label brands: in-store promotions being one of the resorted support activities.

2.17.1.2 Breakdown of in-store support activities

Support activities such as in-store promotions facilitate for store loyalty amongst customers (Ailiwadi, Neslin & Gedenk, 2011). Such support activity familiarises customers with a grocery retailer's private label brands. In-store promotions include presentation of a product in-store, end-of-aisle display and coupons (Phillips *et al*., 2015).

Presentation of private label branded products inside grocery retail stores entails promoting via demonstrating the product within the store or offering free trial of the products. Such promotions enable the grocery retailers to gain attention of shoppers within their outlets (Phillips *et al*., 2015) while in the process creating positive perceptual thoughts about private label brands. Also, the end-of-aisle display includes a fixed in-store promotion. End-of-aisle needs grocery retailers to promote products at the end of shelf spaces where it is visible for customers, in the process calling customers to purchase the products (Phillips, 2015; MBA Skool, 2011). This is expected to help increase sales volumes of products; hence grocery retailers can understand the underlying customer perception around private label brands and try adopting such in-store promotional activity (MBA Skool, 2011). Lastly, coupons are also in-store promotional activity. They consist of redeemable vouchers on specific products which enables a customer to receive reduction in price (Phillips *et al.,* 2015). This promotional activity depends on the grocery retailer on how they plan to execute it. Similarly, retailers either offer reduction in prices or a value deal (Phillips *et al,* 2015). Cautiously, Phillips *et al.,* (2015) notes that in-store promotional activity is ideal for sale generation. However, they represent a perfect source for encouragement of customers to change from manufacturer brands to private label brands (Phillips *et al.,* 2015).

In their finding, Ailiwadi *et al.,* (2011) found that in-store promotions by grocery retailers can create an instant purchase decision and choice of a private label by customers or plan for a next grocery purchase (Ailiwadi *et al*., 2011). Thus, in-store promotions as a support activity should be considered as a strategic importance by South African grocery retailers in order to familiarise customers to retailer's private label brands. In support of in-store promotion, retail managers need to keep customers abreast of their private label brands (Schultz & Block, 2011). The findings of Schultz & block (2011) in their study on “the views of customers towards in-store promotions” found that the future benefit of effective in-store promotion is improved market returns (Schultz & Block, 2011). Moreover, familiarising customers with their private label products is crucial (Au-Yeung & Lu, 2009; Ailiwadi *et al*., 2011; Schultz & Block, 2011).

Gauri, Ratchard, Pancras & Talukdar (2017) opine that grocery retailers adopt promotions in order to improve store level performance. However, in their conclusions and findings, they argued that promotional support activities are more effective on branded manufacturer brands than private label brands (Gauri *et al*., 2017). They further state that understanding the perceptions of customers provides grocery retailers with sound knowledge going forward when creating effective in-store promotions for their private label brands. Additionally, in-store promotions that appeal to customers is expedient. This will enable customers to consider private label brands.

Support activities are broader than just in-store promotions. Grocery retailers should also look towards advertising and its power as a support activity to attract, retain and teach customers about their private label brands. Moreover, enhancing the generation of favourable perceptions from customers.

2.17.2 Advertising as a support activity

It is argued that advertising has a positive outlook on both grocery retailers and customers (Pnevmatikos, Vardar & Zaccour, 2018). They further state that it enables a grocery retailer to realise profits while customers realise consciousness about their store brands. However, Pnevmatikos *et al*., (2018) focused solely on manufacturer brands advertised by a grocery retailer. Hence, this present study attempts to understand the prevailing perceptions of customers and grocery retail managers regarding private label brands and the level of support activities offered by grocery retailers.

IRI (2016) in Massara *et al.,* (2018) explained that as opposed to the past, grocery retailers now engage in promotional activities as a support activity for PLBs. On the contrary, present research stressed that grocery retailers have been using advertising to enhance their store image (Massara *et al*., 2018). In support of this present study, effective support activities cannot enhance only the store brand image (Massara *et a*l., 2018). It also enhances customer perceptions of store brands (Massara *et al*., 2018).

Existing literature of Cuneo *et al*., (2015) and Nielsen (2018) acknowledges that prevalence of private label brands is not the same across nations. For instance, in the UK store brands have more popularity than the USA and the rest of the world (Massara *et al*., 2018). They further suggest that grocery retailers can introduce support activities for their private label brands, making them visible amongst customers. In this case advertising. This is proven in Colombia where private label brands arose by 125% quicker than manufacturer brands (Massara *et al*., 2018). In support, Nielsen (2009) acknowledged the insurgence of private label brands in Latin America and credits it to active promotions, active advertising support and better brand management activities (Nielsen, 2009).

Walmart in the USA, in order to revive and boost support for its private label brands opted to use marketing support activities (Nielsen, 2009). In Asia, powerful grocery retailers and supermarkets are also thriving with their private label brands by investing in active promotional and advertising marketing activities (Nielsen, 2009). Further endorsing advertising as a support activity, Nielsen (2009) stressed its need and importance for grocery retailers towards reaching customers in various platforms. In support, this will ensure that awareness and perceptions of consumers about PLBs is raised. This can be adapted to South Africa where consumers are found to still be skeptical about private label brands (Nielsen, 2014). Contrary, in the grocery retail sector in the UK and USA, some product categories are dominated by private label brands over manufacturer brands (Steenkamp & Dakimpe, 1997; Baltas, 1997 in Semeijn, Van Riel & Ambrosini, 2004). Hence this research responds to the identified gaps of customer perceptions towards private label brands by also studying the support activities given to private label brands by South African grocery retailers.

According to Yoo *et al*., (2000) in Buil, Chernatony & Martinez, (2013), there is a positive connection between high spending on advertising activities and positive perceptions regarding a brand or a retail store. Buil *et al*., (2013) opine that large investments on advertising as a support activity leads customers to recognise and recall a grocery retailer’s private label brands. In support, the conclusions by Pnevmatikos *et al*., (2018) opine that advertising has a profitable role for both grocery retailers offering PLBs and customers. Thus, the reason for this study which envisages that such support activity will have a positive effect on the perceived quality of private label brands in South Africa.

Buil *et al*., (2013) accepts Keller’s (2007) argument that investment on advertising should be creative and strategic for customers to be reached, along the process attracting and winning their attention (Buil *et al*., 2013). This enables conveyance of the needed message about the grocery retailers private label brands to customers. By studying the perceptions of customers toward private label brands; grocery retailers are envisaged to devise creative advertising strategies and campaigns to inform and capture the attention of customers towards private label brands. To achieve such, grocery retailers must ensure that relevant information is available on all advertising platforms (Nielsen, 2009). These platforms include Mobile, TV and Internet platforms (Nielsen, 2009). Meanwhile, further investigation on the support activities utilised for private label brands is necessary, since retailers according to Abril & Rodriguez-Canovas (2016) invest less on advertising, despite its strategic importance and benefits (Buil *et al*., 2013; Nielsen, 2009). Moreover, focus and energies cannot only be shifted to advertising efforts for private label brands. Hence, the need for grocery retailers to explore other support activities for their private label brands.

2.17.3 Other support activities

Besides in-store promotions and advertising, other support activities and strategies exist. For grocery retailers to adopt in order to support and promote their private label brands. Hence it is essential for grocery retailers to undertake support activities for their PLBs (Morimura & Sakagawa, 2018).According to Morimura & Sakagawa (2018), the adoption of support and promotional activities enable the differentiation of a grocery retailer’s brands from other grocery retailers. In congruence, Buil *et al.,* (2013) had earlier alluded that investing on support activities can lead to positive brand awareness and positive perceptions about the grocery retailer’s brands.

Consumer price promotions is another means of a support activity strategy grocery retailers adopt. It includes point of sale discounts, trade promotions, bulk buys, coupons, amongst others (Kokemuller, 2018). Price promotion is a support activity that grocery retailers endorse in 1) Growing short-term sales; 2) Building relationships; 3) Maintaining competitiveness; 4) Obtaining new customers; 5) Maintaining loyalty among existing customers (Bogomolova, Szabo & Kennedy, 2017). However, price promotions have had negative long-term effects, as they seem to be unprofitable (Bogomolova *et al*., 2017). Moreover, it has failed in the lucrative private label brands markets of UK and USA (Nielsen, 2015 in Bogomolova *et al*., 2017). Thus, grocery retailers need to understand the short-term and long-term use and gains of their chosen support activities employed for their chosen consumer price promotions (Ailawadi *et al*., 2009; Bogomolova, 2017).

The usefulness of promoting a manufacturer brand and a private label brand differs. Ailawadi *et al*., (2009) posit that it is not ideal to effectively promote private label brands. In contrast, Ailawadi *et a*l., (2006) in Ailawadi *et al*., (2009) had earlier shown that retailers do engage in price promotions for their private label brands. Amidst critiques, empirical findings of Ailawadi *et al*., (2006) in Ailawadi *et al*., (2009) acknowledge the utmost purpose for grocery retailers towards adopting consumer price promotion. Moreover, “Even though the unit sales impact of promotion is smaller for private labels than for national brands, the profit impact may be higher for private labels due to the higher retail margins on private labels” (Ailawadi *et al*., 2009: pp 49). Hence, South African retailers need to understand the required support activities in order to attract customers and change their existing perceptions regarding private label brands. Moreover, actively promoting and constantly keeping customers aware about PLBs can avoid customers rejecting private labels (Nenycz-Thiel & Romaniuk, 2011). However, adopting a strategy of consumer price promotion can be costly for a private label brand. Since customers tend to perceive that low prices are linked to low quality (Nenycz-Thiel & Romaniuk, 2011; Bogomolova *et al*., 2017). In contrast, Kremer & Viot (2012) opine that this is deemed less important in situations where customers are price sensitive and require private label brands that offer value for their money .

The practical implications of the study of Kremer & Viot (2012) endorsed that grocery retailers should take a focus direction towards promoting their Private label brands (Kremer & Viot, 2012). Hence, this study offers retailers with insight towards supporting activities that profitably promote their private label brands, thereby attracting the attention of customers and positively impacting on their perceptions. However, Kremer & Viot (2012) limited their study by specifically identifying and focusing only on three retailers. Thus, this present study focuses on shopping malls that consist of various grocery retailers visited by various types of customers. The above discussion depicts a rather inconsistency in the previous studies that have looked into price promotions as a support activity to be adopted by retailers. Particularly those of DelVecchio (2006) and Yoon (2010) as mentioned by Huang, Chang, Yeh & Liao (2014).

2.18 Summary

Previous research depicts the development and growth of private label brands, more especially in developed economies of Europe and America. The reviewed literatures reveal the underlying perception that previously surrounded private label brands have been since improved in advanced economies. However, in emerging economies such as BRICS nations, especially South Africa continues to struggle to improve the previous skeptical perceptions surrounding the risk, price and quality of private label brands. This chapter touched on marketing, branding, state of private label brands, historic perceptions of private label brands, brand awareness, brand trust and brand loyalty as well as the support activities for private label brands.

Evidently, when comparing private label brands to manufacturer brands, the market share varies across countries. Reviewed literatures underline the investment of grocery retailers in developing private label brands to challenge manufacturer brands for their market share. Reviewed literatures show that grocery retailers are successfully challenging manufacturer brands for their market shares in Europe contrasting the case in developing nations, South Africa to be precise. Such highlights the need for the investment in research and development by South African grocery retail sector towards developing their private label. The next chapter outlines the research methodology used to answer the research questions for this study.

Chapter 3

Research Methodology

3.1 Introduction

The previous chapter reviewed relevant literature of private label brands. This chapter discusses the research approach for this study. This study used a mixed method research design in order to investigate the perceptions of customers and retail managers toward private label brands in the grocery retail sector within the eThekwini Municipality. The chapter explains the research design employed, the research population, the sample size selected, the data collection instruments, pilot testing, the data collection procedures, data analysis and interpretation procedures used, validity and reliability of the instruments and the ethical consideration put in place.

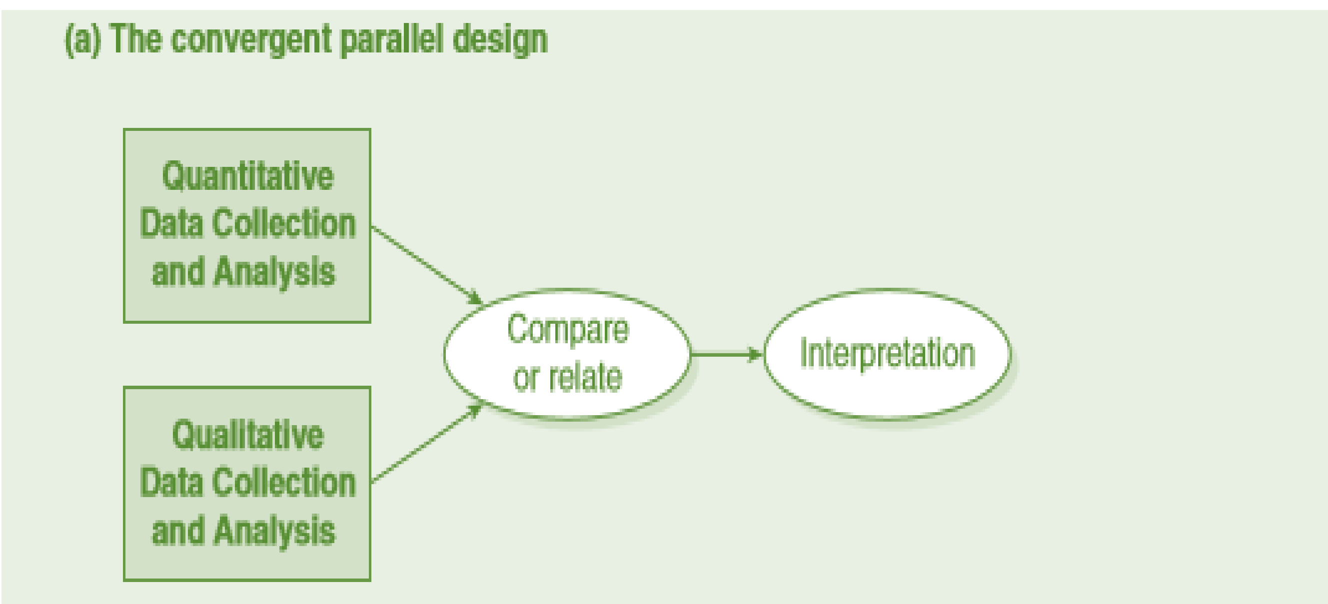
3.2 Research paradigm, approach and design.

Schwandt (2001) in the words of Chilisa & Kawulich (2012) insist that a research paradigm is defined as the world view on one's beliefs and values, which shapes how problems are solved. For this study, the pragmatism research paradigm was adopted. Creswell (2014:79) proposed that when using a convergent mixed method approach, the pragmatism paradigm is well suited when working with the mixed method. Generally, this paradigm is widely used in mixed method research as it disrupts the divisions of subjectivity and objectivity linked with the mixed research approach (Shannon-Baker, 2015). As a result, pragmatism allowed the researcher to address the connection between the existing literature and data for this study (Shannon-Baker, 2015).

A mixed method research approach was adopted in this study. Bryman & Bell (2011:62) define a mixed method research as a blend of qualitative and quantitative research methods. This is sometimes done with the aim of triangulating both methods. Creswell (2014:217) adds that a mixed method uses both qualitative and quantitative research methods in sampling, collecting, analyzing and reporting data. The mixed method approach employed for this study is the convergent parallel mixed method approach. This method allowed the researcher to collect and analyze quantitative data from customers and qualitative data from retail managers separately. The employment of this study design lies in the researcher's attempt to study the perceptions of both customers and retail managers towards private label brands r from different aspects. This allowed the researcher to collect data from both customers and retail managers (Sekaran and Bougie, 2013:104).

The researcher first collected and analyzed quantitative data from customers, followed by collecting and analyzing qualitative data from retail managers. After collecting data separately from both customers and retail managers, the researcher then proceeded to analyze the data obtained separately. Due to customers and retail managers possessing different sources of data, the results might not be the same, therefore, the discussions entailed the researcher corroborating the results obtained from the two methods (Creswell, 2014). This enabled the researcher to identify the key areas and differences emanating from the results obtained from the quantitative data collected from customers and from the qualitative data obtained from the retail managers. Similarly, a previous study by Beneke (2010) also employed a mixed research method design. In this study, the researcher employed a different research design where data was collected and analyzed separately according to their respective research approach techniques.

Figure 3.1: Diagram approach of the convergent parallel design used in this study



Source: Creswell (2014: 270).

Figure 3.1. Clearly defines the stages taken by the researcher: Firstly, collecting and analyzing quantitative data obtained from customers, followed by the collection and analysis of qualitative data from retail managers. Secondly, comparing and relating the results from both data collection methods. Lastly, interpreting the results and answering the set-out research objectives for the study. The use of both research methods provided the researcher with detailed and broad data. Consequently, the employment of the convergent parallel design provided the researcher with the following strengths (Sekaran & Bougie, 2013).

1. The researcher was confident in the results by employing the use of two research methods.
2. The convergent parallel design allowed the researcher to address t prevailing perceptions surrounding private label brands in the grocery retail sector within the eThekwini Municipality from different perspectives: the customers and grocery retail managers.

The use of the mixed method approach allowed the researcher the opportunity to interpret, cross validate and substantiate the findings of the perceptions of customers and retail managers toward private label brands, therefore, answering the set research questions for this study.

3.3 Research Objectives

- To determine customers' perceptions of private label brands in eThekwini Municipality.
- To determine the effect of demographic factors on the perceptions of private label brands in eThekwini Municipality.
- To determine the brand awareness, brand trust and brand loyalty for private label brands in eThekwini Municipality.
- To determine the criteria customers use when comparing private label brands with manufacturer brands in eThekwini Municipality.

- To analyse the reasons for purchasing private label brands by customers in eThekwini Municipality.
- To analyse the support given to private label brands by grocery retailers in eThekwini Municipality.

3.4 Research Questions

- What are the customers' perceptions of private label brands in eThekwini Municipality?
- Are customers' aware, do they trust and are they loyal to private label brands in eThekwini Municipality?
- How do demographic factors affect customers' perceptions towards private label brands in eThekwini Municipality?
- What criteria do customers use when comparing private label brands with manufacturer brands in eThekwini Municipality?
- What are the reasons for customers purchasing of private label brands in eThekwini Municipality?
- What support activities do grocery retailers offer to private label brands in eThekwini Municipality?

3.5 The study population.

To be able to fully generalize the results that emanated from this study, the researcher had to sample from the total population of the eThekwini municipality. A study population, is defined by Sekaran & Bougie (2013:240) as a full group of people the researcher wishes to make conclusions on. The eThekwini population comprises approximately 3.5 Million inhabitants (StatsSA, 2011). Considering that it is nearly impossible for the researcher to collect data from all these residents, the researcher had to draw a sample from the population. The eThekwini municipality is distributed into Northern, Southern, Western and Central areas.

3.6 Sampling.

Selecting a representative of the eThekwini Municipality population enabled the results to be generalizable to the entire population of the eThekwini Municipality. Kumar (2014:229) defines sampling as the method of choosing fewer members from a bigger populace, otherwise impossible to collect data from all its members. In the process, the researcher selected a few members from the eThekwini Municipality's population (Sekaran & Bougie, 2013:241). The aim was to obtain information that proffered answers to the set of research objectives for this study targeted at finding out the perceptions of customers and retail managers toward private label brands in the grocery retail sector within the eThekwini Municipality. In this study, the researcher employed sampling techniques that belonged to both qualitative and quantitative research approaches; probability and non-probability sampling techniques when the researcher sampled both customers and retail managers respectively. They are further elaborated below.

3.6.1 Sampling of customers

The first part of the sampling process entailed in the researcher sampling individual customers who performed shopping at grocery retailers. The researcher sampled 100 in each of the four regions within the eThekwini municipality (North, West, South, and Central). A probability sampling technique was used to sample customers'. This technique allowed customers shopping around the identified regions to have a known probability of being chosen to take part in the study by being the *n*th person selected coming out of the grocery retail store (Ang, 2014:129).

Under the probability sampling technique, the researcher decided to employ systematic sampling method. Bryman & Bell (2011:173) clearly defined systematic sampling as a variation of simple random sampling. In this regard, the researcher randomly selects from 1 to *n* customer (Sekaran & Bougie, 2013:248). For this study the researcher systematically selected every 3rd customer leaving a grocery retail store in all the identified regions. The process was maintained throughout the identified grocery retailers from the specified regions for this study. Customers who met the following sampling criteria were identified by the researcher and approached throughout the premises of grocery retailers that gave the researcher permission to interact with their customers:

1. Individual customers performing grocery shopping.
2. Customers from the ages 18-60.
3. Customers who are both employed, self-employed, partly-employed and unemployed.

4. Customers who were residing within the eThekwini Municipality.

Customers were approached in the identified shopping malls around the eThekwini regions (North, West, South and Central). Those customers who met the criteria and who were willing to participate were issued a structured self-administered questionnaire by the researcher, more importantly, in determining the 400 sample size, the researcher employed the use of Krejcir & Morgan (1970) sampling table as cited in (Sekaran & Bougie, 2013:268). The table clearly underlines that for every population above 1 million, the acceptable sample size is 384 and above. Abiding to the acceptable size, the researcher targeted a sample of 400 customers. However, the researcher was able to collect data from 389 respondents. This is in line with the acceptable sample size proposed by Krejcir & Morgan (1970), when related to the population of eThekwini Municipality.

Table 3.1: The sampling table of customers per regions.

Regions	**Northern Region**	**Southern Region**	**Western Region**	**Durban Central**
Target Customers	100	100	100	100
Actual customers	100	100	100	89
Total	**389**			

Table 3.1 above underlines the target number of customers initially sampled for this study in each region within the eThekwini municipality. Moreover, in the end, the researcher ended up collecting and analyzing data from 389 customers (see table 3.1), over the acceptable sample size for a population of 1 million which stands at 384 according to Sekaran & Bougie (2013:268).

3.6.2 Sampling of retail managers.

Following the sampling of customers where the researcher obtained quantitative data, In order to obtain qualitative data, the researcher sampled retail managers from the grocery retail stores. The researcher employed a non-probability sampling technique. This sampling design does not follow any probability theory; therefore, it was useful since the researcher had an unknown number of retail managers around the eThekwini Municipality regions (Kumar, 2014:242).

The researcher made use of the judgment sampling which is described as a judgement by the research as to who can possibly provide the necessary information to realize objectives of this study (Kumar, 2014:244). The researcher used this sampling technique because Judgement sampling allowed the researcher to access the knowledge and information which is only possessed by various retail managers from different grocery retail stores in order to accomplish the set objectives (Kumar, 2014:244). The researcher sampled 10 retail managers who were conveniently available to partake in this study. This was because the retail managers offered the researcher with the sought-after information. The researcher used structured face-to-face interviews in obtaining their views on the perceptions towards private label brands in the grocery retail sector within eThekwini Municipality. Additionally, anonymity of grocery retail managers and their grocery retail stores was maintained. This was to protect the identities of the individuals and the store.

3.7 Data collection.

3.7.1 Data collection instruments.

The researcher used questionnaires in collect data from customers and interviews to collect data from grocery retail managers. Below is the description of the data collection instruments used.

The first part of the data collection process entailed in the researcher collecting quantitative data from the sampled customers around the identified shopping malls. The researcher opted for the use of a structured self-administered questionnaire. Questionnaires are similar to interviews, however, they were less time consuming, therefore generating large amounts of quantitative data from customers shopping at the identified shopping malls (Sekaran & Bougie, 2013:147; Bryman & Bell, 2011:192).

The researcher selected the structured self-administered questionnaire for the following reasons:

1. To ensure the anonymity of customers.
2. To enable the researcher to obtain a 100% response rate from the customers who took part in this study.
3. It is cheaper to administer questionnaires.
4. It was a convenient instrument for collecting data from customers.

The questionnaire was translated into both English and isiZulu for those who could not read or write either of the language. The questionnaire included mostly closed questions and a few open-ended questions. Closed questions allowed the researcher to set alternatives for customers to choose and respond, in the process making it simpler to code and analyze the responses (Sekaran & Bougie, 2013:150). Lastly, open-ended questions allowed for customers to share their own opinions regarding their perceptions toward private label brands (Bryman & Bell, 2011:199).

The second data collection instrument employed by the researcher was structured face-to-face interviews, aided by an interview schedule. This instrument was used by the researcher to obtain qualitative data from retail managers from the grocery retail stores. Face-to-face interviews allowed the researcher to ask the retail managers from the dispersed regions of the eThekwini Municipality (North, South, West and Central regions) predetermined questions from the interview schedule (Ang, 2014:147). The face-to-face interviews enabled the grocery retail managers to freely express their views on the asked questions, providing the researcher with the advantage of easily reaching the retail managers in a short space of time. Moreover, Face-to-face interviews allowed the researcher to use the interview schedule when interviewing the retail managers. The choice for employing face-to-face interviews was based upon the following (Sekaran & Bougie, 2013:124, Ang, 2014:148):

1. It enabled the researcher to have control of the context of the interview.
2. The researcher was afforded with a chance to capture the feelings witnessed from retail managers while carrying out the interviews.

3. This technique allowed the researcher to pick up nonverbal prompts from the retail managers on sight.

In the interview process, the retail managers were comfortable in being asked and answering in English, therefore, easily enabling the the researcher to conduct the interviews, diarize and code the responses. However, besides the advantages of this instrument, it also has limitations, one of which includes struggling to keep the retail managers for too long due to their busy schedules in the grocery retail environment.

3.8 Data collection process.

During the research process, the researcher first collected quantitative data from the customers. The researcher made use of a structured self-administered questionnaire. The researcher made way to the shopping malls around the eThekwini Municipality regions. The researcher firstly made contact with the mega malls within the eThekwini municipality (Pavilion, Gateway, Musgrave Centre and City view) where the researcher struggled to obtain permission to interact with their customers: inside or outside the shopping malls. Failure to obtain such permission resulted in the researcher now targeting stand-alone grocery retailers at shopping centres around the regions sampled. Fortuitously, permission was granted to the researcher by the grocery retail managers. The researcher made way and interacted with customers and collected the quantitative data. The researcher used the structured self-administered questionnaire to customers that was to be completed in English. However, in extreme cases, the researcher had to hand out an IsiZulu translated questionnaire for those customers who could not read nor write in English. The researcher saw it necessary to translate the questionnaire in both English and IsiZulu, since StatsSA (2011) posited that majority of languages used in the eThekwini region is English and IsiZulu. Hence, in cases where the customer did not fully understand the questions, the researcher was available to clarify for the customers.

The researcher administered the questionnaires in the following regions of the eThekwini Municipality, starting in the Northern region (100), Southern region (100), West of Durban (100), and Durban Central (89). Self-Administering 389 questionnaires in total.

During the collection of the quantitative data collection process, the researcher first showed and gave to the participant the consent form, explained the context of the research and the ethical concerns guiding it. The questionnaire was only administered when the customer agreed to participate in the study. Furthermore, the customer were treated with respect; in the process not discriminating any customer in terms of their race, age, gender, education or sexual orientation. In helping to explain some questions in the questionnaire, the researcher made sure that he did not impose his view that was capable of influencing the response of the customer.

The second stage of the data collection procedure was for the researcher to collect qualitative data from retail managers. The researcher contacted various grocery retail managers face-to-face in store premises. The retail managers contacted were from the grocery retailers that allowed the researcher to interact with and collect data from their customers. The first contact with retail managers was explaining to the grocery retail managers about the context of this study, the importance of their contributions, the implications the study on their business, the ethical issues surrounding the study and the publications of results. This was followed by asking the retail managers to be part of this study. The researcher then scheduled for a face-to-face interview with each retail manager. The researcher allowed for each retail manager to suggest a suitable time for them to be interviewed considering their busy schedule.

After the interview schedule times were finalized, the researcher started the face-to-face interviews with the retail managers. The researcher interviewed 10 retail managers in no specific region or order. During these interviews, the researcher asked grocery retail managers according to the prepared interview schedule questions. Moreover, the interview schedule allowed the researcher to further include emerging questions that arose during the face-to-face interviews with the retail managers, since the researcher was the one conducting the interviews (Bryman & Bell, 2011:225). This process allowed the retail managers to clearly express their perspectives on the perceptions toward private label brands and the support activities given to private label brands by their grocery retailers. This aided the researcher to uncover more than the researcher had asked. The researcher transcribed and diarized the responses of the retail managers. In addition, during the interviews with the grocery retail managers, the researcher assured the grocery retail managers of their anonymity as well as that of their grocery retailers. This process was maintained throughout the interviews with grocery retail mangers.

3.9 Description of Data collection instruments.

3.9.1 Questionnaire.

The questionnaire comprised five sections. Each of the sections and their scope are covered below:

Section A

This section covered the biographical information of customers such as age group, gender, level of monthly salary scale, level of education and household size of customers.

Section B

This section covered customers' perceptions of private label brands. They were measured on a Likert scale from 1-5; where 1 represents strongly disagree, 2: disagree, 3- agree nor disagree, 4: agree and 5: strongly agree.

Section C

This section comprised brand awareness, brand trust and brand loyalty of customers towards private label brands. They were also measured on a Likert scale from 1-5; where 1 represents strongly disagree, 2: disagree, 3: agree nor disagree, 4: agree and 5: strongly agree.

Section D

This particular section looked at the criteria customers use to compare private label brands against manufacturer brands. Issues such as pricing, family influence, packaging, innovation and other factors that customers use when comparing PLBs to manufacturer brands were reflected. They were also measured on a Likert scale from 1-5; where 1: strongly disagree, 2: disagree, 3: agree nor disagree, 4: agree and 5: strongly agree.

Section E

This section covered the customers' reason for their purchase of private label brands. The measured reasons were advertising, value, price and accessibility in stores. These were weighted according to a Likert scale where 1: strongly disagree, 2: disagree, 3: agree nor disagree, 4: agree and 5: strongly agree.

At the end of each sections on the Likert scale, the questionnaire had an open-ended question for customers to further elaborate by stating their opinion on each section.

3.9.2 Interview Schedule.

The interview schedule that was used to collect data from grocery retail managers comprised two sections.

Section A

This section was the cover page of the interview schedule which consisted of the brief description of the study, time required for the interview, the risk associated with participation for the retail managers, the benefits that may accrue for the retail managers, confidentiality of retail managers. The details of the researcher were also included should the retail managers have queries regarding the study.

Section B

This section comprised the questions that were asked retail managers. The section was sub-divided according to the research questions for the study. Research question 1 (Customers perceptions toward private label brands), research question 2 (How demographic factors affect the perceptions of customers towards private label brands), research question 3 (Are customers aware, trusting and loyal to private label brands), research question 4 (What criteria do customers use when comparing private label brand against manufacturer brands), research question 5 (What are the reasons for the purchase of private label brands) and research question 6 (What support activities do grocery retailers offer to private label brands). In total, this section had 20 questions that were asked to grocery retail managers.

3.10 Data analysis.

After data was collected, the researcher organized both the data, thereafter analyzed them. Firstly, the researcher organized and analyzed the quantitative data obtained from the customers. For this process, the researcher used Statistical Package for Social Sciences (SPSS) version 25. The researcher entered and coded the responses from the questionnaire by assigning numbers to customers' responses enabling the researcher to enter them into SPSS variable view (Sekaran & Bougie, 2013:276). The researcher first coded the demographic data of customers, followed by coding and assigning numbers to every questionnaire enabling the researcher to enter and edit the data with ease. The SPSS was used to analyze all the close-ended questions in the questionnaire. This was done using descriptive statistics with the aid of pie charts, bar graphs and percentages.

Inferential statistics were also used. In this study, one-way ANOVA and the Spearman's rank correlation were used in order to determine the significant correlations and the significant differences between variables of this study. Scores were calculated for Likert scale questions like customer perceptions, brand awareness, brand trust and brand loyalty and they were grouped accordingly: low, neutral or high. Lastly, the open-ended questions from the questionnaire were analyzed using the quantitative content analysis.

The second part in the data analysis entailed in the researcher putting together the qualitative data obtained from the retail managers. In this process, the researcher made use of the content analysis to organize, prepare and analyze the qualitative data (Elo & Kyngas, 2008). The researcher broke down this analysis process into three stages; stage 1 contained preparing the data, stage 2 contained organizing the data and stage 3 was the analysis and interpretation of the findings on the perception of retail managers from the grocery retail sector within the eThekwini Municipality.

Stage 1 (Preparing the data)

The researcher received and dealt with large amount of textual data recorded and diarized from and during the face-to-face interviews with the grocery retail managers to avoid losing critical information. In this process, it was crucial for the researcher to carefully prepare the data gathered from all interviews before analysis. This was to ensure that the researcher in the end analyzed the data accordingly to achieve the set objectives of this study.

Stage 2 (Organizing data)

After the researcher had prepared the data, the researcher then made sense of it before organizing the data. The researcher grouped the large content into smaller categories (Elo & Kyngas, 2008). From large textual data to being broken down into themes that ensured the researcher meet the set objectives for this study. Those smaller categories were themes that emerged from the face-to-face interviews with the retail managers and in the analysis process. Immediately after each interview with a retail manager, analysis was done by the researcher. This was to ensure that critical information was not lost, more importantly, to create themes that emerged as the face-to-face interviews proceeded. This process was maintained to ensure consistency and trustworthiness of the results.

Stage 3 (Analysis and Interpretation)

Lastly, the researcher interpreted the findings attained from the analysis of the qualitative data obtained from retail managers. The content obtained from the organized data is then analyzed according to themes that conveyed common information provided by retail managers. During the analysis, the researcher repeatedly reviewed the questions asked against the responses offered by the retail managers. This was to ensure that the set objectives for this study were achieved.

3.11 Reliability.

Reliability is a measure across various items in the instruments to ensure consistency and stability within the selected instruments (Kumar, 2014:215; Sekaran & Bougie, 2013:228). Thus, helping to assess the goodness of the research instruments that were employed by the researcher for the study. It helps to assess whether the instrument measured the perceptions of customers and retail managers towards private label brands in the grocery retail sector within the eThekwini municipality. The researcher tested the reliability of both instruments employed for this study, the self-administered questionnaire and the interview schedule.

3.11.1 Reliability of the self- administered questionnaire.

To test if all items on the questionnaire (Appendix B) were reliable, internal reliability was used. The Cronbach's alpha coefficient was employed in testing the reliability of items on the questionnaire (Cronbach, 1946 in Sekaran & Bougie, 2013:229).

The SPSS version 25 statistical package was used when testing and calculating the Cronbach alpha coefficient, where an alpha of 0.798 was attained, which was in between the alpha of 0.5 – 1, considered to be an acceptable level of internal consistency and showing higher reliability of an instrument. Hence, for this study an alpha of 0.798 was attained indicating that the instrument was dependable.

3.11.2 Reliability of the interview schedule.

Testing the reliability of the interview schedule for retail managers, the researcher was aware that reliability is largely related to issues in quantitative research (Bryman & Bell, 2011:24). However, it is essential that it is addressed in all studies (Simon, 2011). To address the reliability of the interview schedule, the researcher enabled the inclusion of the research questions in the structured interview schedule, therefore, enabling consistency in the responses of retail managers. The researcher allowed all interviews to be conducted at convenient times for the grocery retail managers, enabling them enough time and comfort to understand the questions asked during the interviews.

When the face-to-face interviews were carried out, data saturation point was reached: a point where the researcher was not obtaining any new but redundant information from the grocery retail managers (Faulkner & Trotter, 2017). The common themes and redundancy signals guaranteed the researcher that further interviews will produce similar information.

3.12 Validity.

Validity is considered to be an important phenomenon in research. Validity simply deals with the truthfulness of the conclusions of a research (Bryman & Bell, 2011:25). In a nutshell, Sekaran & Bougie (2013:225) ascertain that validity exists to examine how well the research instrument seeks to measure the concepts being studied. As a result, the researcher employed two research instruments for this research. Fraenkel & Wallen (2003) and Zohrabi (2013) stressed that for the quality of the research instrument employed by the researcher to be ensured, validity is needed. For this study internal validity was used. Thus, with internal validity, the researcher ought to observe and measure if the findings of the research measures the concepts that were set to be measured. By either employing triangulation, Long-term observations, member checks, peer examination, collaborative modes and research bias (Zohrabi, 2013)

For this study, the researcher in order to validate the research instruments that were employed: self-administered questionnaires and interview schedules, internal validity method of triangulation was used. The researcher ensured validity by collecting data from various sources, since collecting data through one instrument can expose the researcher to weakness and biasness of findings (Zohrabi, 2013). Data from customers and grocery retail managers' respectively. A self-administered questionnaire and an interview schedule were employed in collecting data from customers and grocery retail managers, respectively. Meanwhile, to ensure validity of the findings, triangulation helped the researcher in strengthening the collected data and findings. From this, the validity was ensured

3.13 Ethical considerations.

Before the researcher went out to the shopping malls for data collection. An ethical clearance certificate to begin the research was sought from the University of Zululand. Prior to obtaining the ethical clearance certificate from the institution, the researcher contacted the Centre management of the sampled shopping malls and asked for permission to collect data from grocery retailers' premises. Permission was granted to the researcher by the retail managers of the identified grocery retailers in each region before the researcher interacted with customers. The researcher approached the retail managers and requested for their permissions to be interviewed at convenient times. Both customers and retail managers were assured that their responses were kept private, as they were only used for the sole purpose of this study. This assured them their right to privacy and confidentiality was not to be violated (Sekaran & Bougie, 2013:44). Customers and retail managers who refused to be part of the study were respected to be disregarded in the process. Furthermore, for ethical issues, anonymity was maintained for participating customers, grocery retail managers and grocery retailers' names.

3.14 Pilot study.

Before the researcher began with data collection, the two data collection instruments were piloted. Kumar (2014:191) ascertains that pretesting data collection instruments is essential before going out to collect data. The researcher pre-tested the questionnaire with 20 customers, from various grocery retailers; Shoprite, Spar and Checkers in order to identify whether there were problems with the self-administered questionnaire. The interview schedule was tested with 5 people. Some questions seemed ambiguous, hence, the researcher examined and addressed the wordings carefully in order for customers and retail managers to understand each question properly. Lastly, the pilot study allowed the researcher to carefully assess the ordering of questions in both instruments: self-administered questionnaire for customers and the interview schedule for retail managers. The researcher further coded and analyzed the pilot study using SPSS and tested the obtained findings.

3.17 Summary

This chapter emphasized the research approach used for this study, in the process clarifying the strength and weaknesses of using the convergent mixed research approach. The population and sample chosen for this study was further elaborated. This chapter also explained the data collection procedures used. The following chapter details analysis of the findings obtained from customers and grocery retail managers using different data analysis tools.

Chapter 4
Analysis and Interpretation of results

4.1 Introduction

The previous chapter underlined the research methodology used to collect data for this study. This chapter presents the research findings that were obtained from customers and grocery retail managers that were sampled for this study, the perceptions of customers and retail managers toward private label brands in the grocery retail sector within the eThekwini municipality.

The findings were analysed using the Statistical Package for the Social Sciences (SPSS) version 25 for the quantitative data and content analysis for the qualitative data. The researcher employed descriptive and inferential statistics such as one-way ANOVA in order to assess the difference between the measured items on the scale. In order to measure the degree of association between variables, the researcher employed the Spearman rank correlation, in the process measuring the direction and association of the relationship between variables for this study.

Section A is a quantitative data analysis and interpretation while Section B comprises qualitative data analysis.

4.2 Section A: Quantitative data analysis and interpretation

4.2.1 Demographic Data of customers

This section focuses on the distribution of demographic data of customers which were generated from Section A of the research instrument.

Table 4.1 Demographic characteristics of respondents

Variables	Categories	Frequency	Percentage	Sample size
Gender				N=389
	Male	192	49.4	
	Female	197	50.6	
Education level				N=389
	Primary education	2	0.5	
	Secondary education	170	43.6	
	Tertiary education	217	55.8	
Household Size				N=389
	less than 6 members	140	35.0	
	6 to 10 members	161	41.4	
	More than 10 members	88	22.5	
Employment status				N=389
	Unemployed	124	31.8	
	Partially employed	69	17.1	
	Employed	104	26.7	
	Other	92	23.7	
Salary scale				N=389
	R0 to R1,583	125	32.1	
	R1,584 to R7,168	137	35.2	
	R7,1689 to R16,417	103	26.5	
	R16,418 to R33,333	20	5.1	
	R33,334 to R57,333	4	1.0	
Age				N= 389
	18 – 23	113	29.0	
	23 -29	128	32.9	
	30 – 34	80	20.5	
	35 – 39	38	9.7	
	40 – 44	21	5.3	
	45 – 49	8	2.0	
	50 – 65	1	0.26	

Table 4.1 shows the distribution of the sample (n=389). The gender distribution for the study reveals that females were 197 (51%) and males were 192 (49%) from the total of 389 participants, as illustrated in table 4.1. The results suggest that most respondents who participated in the study were females, however by a small margin which indicates

more or less of an even split. Furthermore, majority 217 (55%) of the participants had tertiary education, 170 (43.6%) of the participants had secondary education, while 2 participants (0.5%) had primary education. These findings suggest that customers who participated in the study mostly had tertiary education, followed by secondary and lastly primary education. This was due to the fact that, any post-matric qualification was considered to be tertiary education, therefore, this explains the high number of customers having tertiary education.

As illustrated in table 4.1, the findings from this study further indicated that majority of participants reported to be from household sizes with 6-10 members 161 (41%), while, 140 participants (35%) reported to be from a household size of less than 6 members and 88 participants (22.5%) were from a household size with more than 10 members. In terms of the employment status of participants, majority 124 (31.8%) of the participants were unemployed, 106 (26.7%) were employed while 92 (23.7%) had other means of employment or generating income. Therefore, the findings underlined the unemployment problem currently faced in South Africa, more especially amongst the youth, where the unemployment rate between the youth aged 15 – 34 years is at 64,4% (StatsSA, 2019).

Table 4.1 above, further depicts the monthly salary scales of customers who participated in this study. 125 (32.1%) earned between R0 to R1, 583, Majority 137 (35.2%) of the participants earned between the salary scales of R1, 584 to R7, 167, while 103 (26.5%) earned between R7, 1689 to R16, 417. Additionally, 20 (5.1%) participants earned between the monthly salary scales of R16, 418 to R33, 333 and 4 participants (1.0%) earned between the monthly salary scales of R33, 334 to R57, 333. These findings suggest that majority of participants for this study, earned between the second lowest income classifications of R1, 584 to R7, 167 (see table 2.1) and very few participants from this study earn between the middle income classification of R33, 334 to R57, 333 (see table 2.1). From the total of 389 participants, 128 (32.9%) were from the age group of 23 – 29, whereas, 113 participants (29%) were from the age group of 18 – 23, 80 participants (20.5%) were from the age group of 30 – 33, while, 38 participants (9.7%) were from the age group of 34 – 39, 21 participants (5.3%) were from the age group of 40 – 44.Furthermore, 8 participants (2.0%) belonged to the age group of 45 – 49 and 1 participant (0.26%) was from the age group of 50 - 65. These findings suggest that majority of the participants who took part in this study were between the ages of 23 – 29 (32.9%). This findings indicate that younger customers frequently visit malls and shopping centres, as they are said to be eager in trying out new brand products, this coincides with the work of Mehra (2016).

Demographic data is further presented below with the usage of pie charts and interpretation.

Figure 4.1 Gender of customers

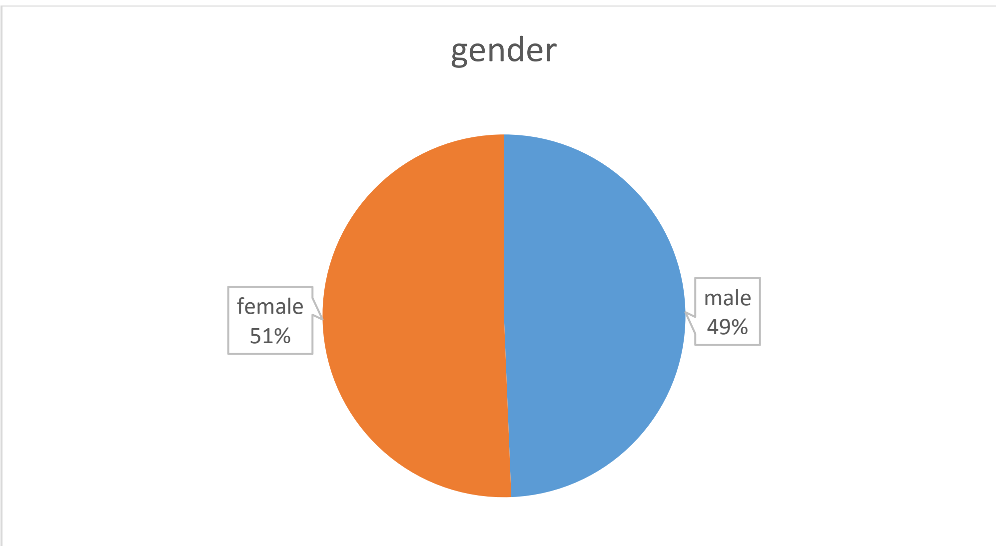


Figure 4.1 above represents the gender of the participants. The pie chart shows that 49% (192) were males and 51% (197) of the participants were females, indicating that majority of respondents who participated in the study were females. This suggests that females are largely responsible for groceries and visit grocery retailers more than males.

Figure 4.2 Description of educational levels

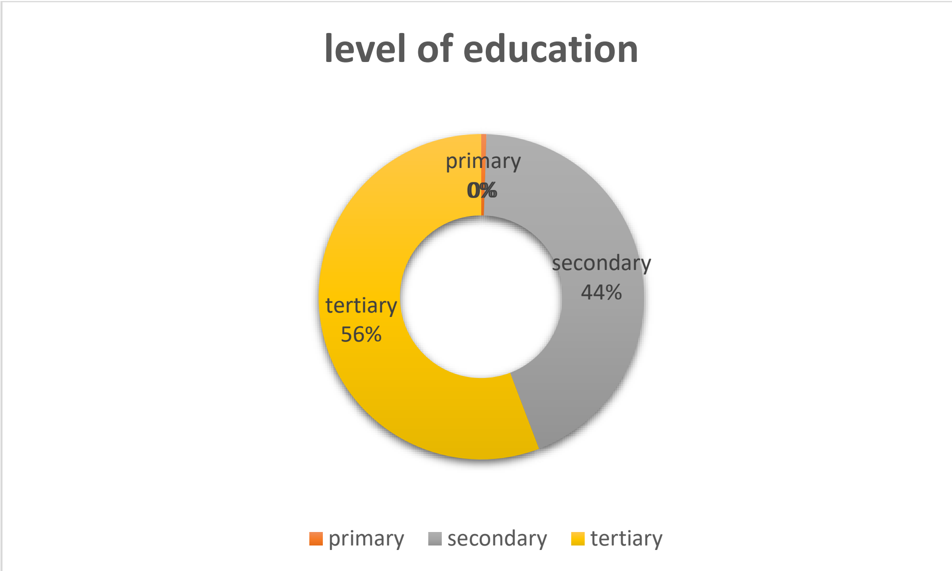


Figure 4.2 above illustrates the level of education of the customers who participated in this study. As illustrated earlier in the chapter, it can be observed that majority of the participants had tertiary education 56% (217), while 44% (170) had secondary education and 0.05% (2) had primary education, see table 4.1.

Figure 4.3 Description of Household Size

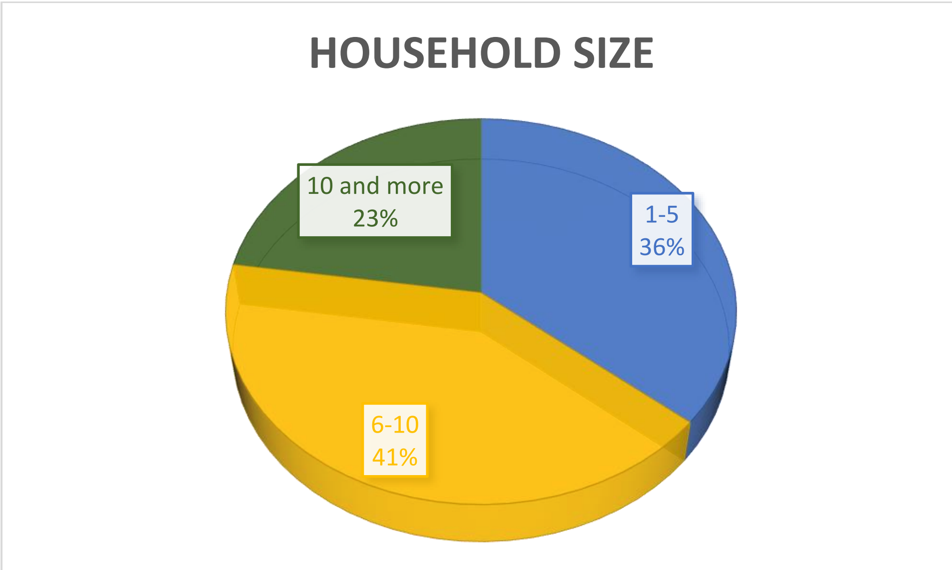


Figure 4.3 illustrates the participants' household sizes. Majority 41% (61) of the participants came from household sizes with 6-10 family members, 36% (140) were from household sizes of 1-5 family members and a few participants 23% (88) were from household sizes with 10 and more family members

Figure 4.4 Customers employment status

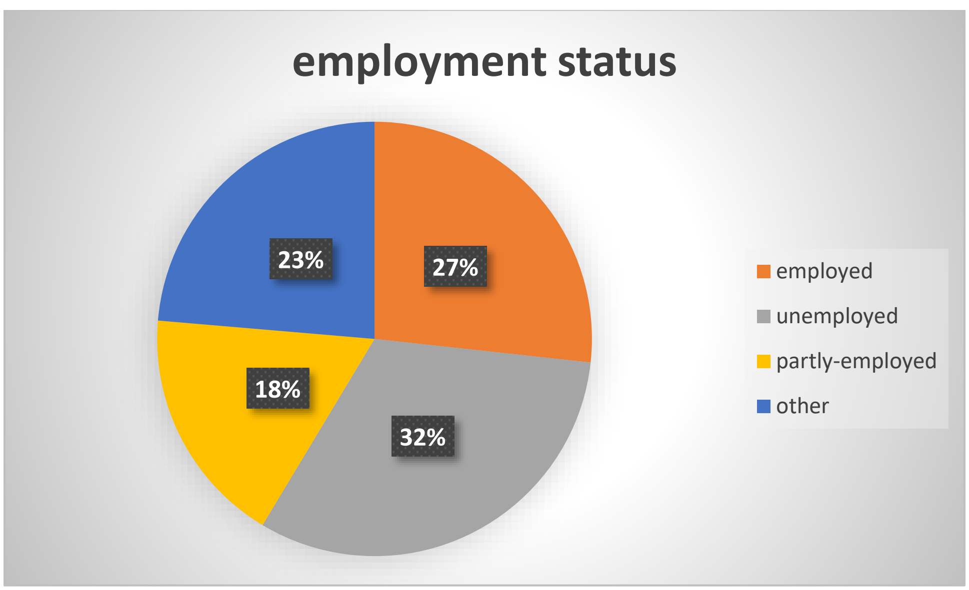


Figure 4.4 illustrates the employment status of customers in this study. 32% (124) of the participants were unemployed, while 27% (104) were employed and 23% (92) were neither unemployed nor employed.

Figure 4.5 Monthly salary scale of customers

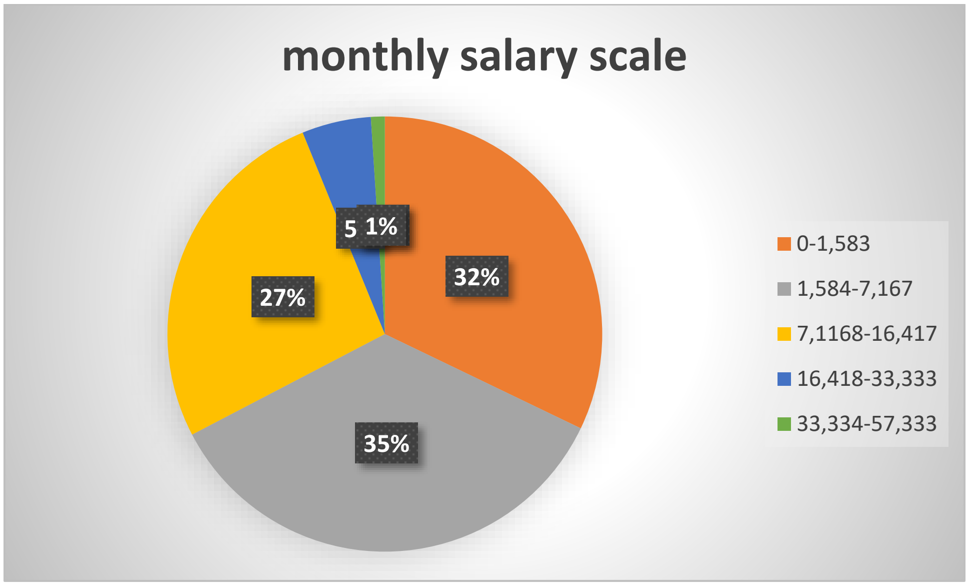


Figure 4.5 represents the monthly salary scales of participants in this study. Majority 167 (36%) of the participants earned between R1, 584 – R7, while other participants earned between R0 – R1, 583 (32%), R7, 1168 – R16, 417 (27%) and fewer participants in this study earned between R33, 334 – R57, 333 (1%). see table 4.1. Indicating that majority of participants mostly earned between low and low income classification (see table 2.1).

Figure 4.6 Age groups of customers

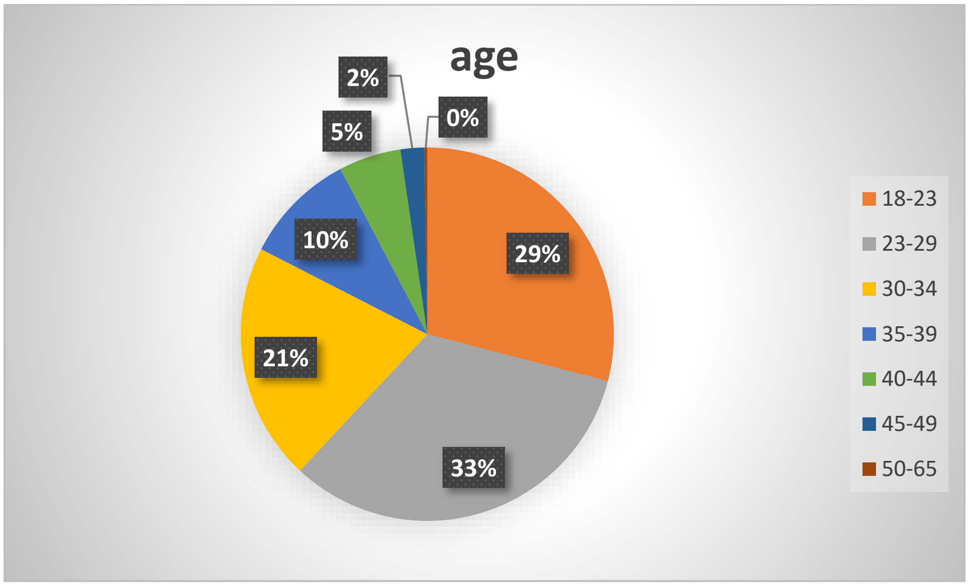


Figure 4.6 is an illustration of the age groups for customers who participated in this study. A greater proportion of participants were from the age group of 23 – 29 (33%). Meanwhile, few participants in this study were from the age group of 50 – 65 (0.3%). See table 4.1 above.

After the demography of participants were analysed, their responses to the items of the questionnaire were also analysed. Below in 4.2.2 are the three incidental questions asked to participants; how often they purchase private label brands (see figure 4.7), the product categories of private label brands they normally purchase (see figure 4.8) and how often they purchase private label brands from the listed grocery retailers (see figure 4.9).

4.2.2 Purchasing information regarding the sample and private label brands

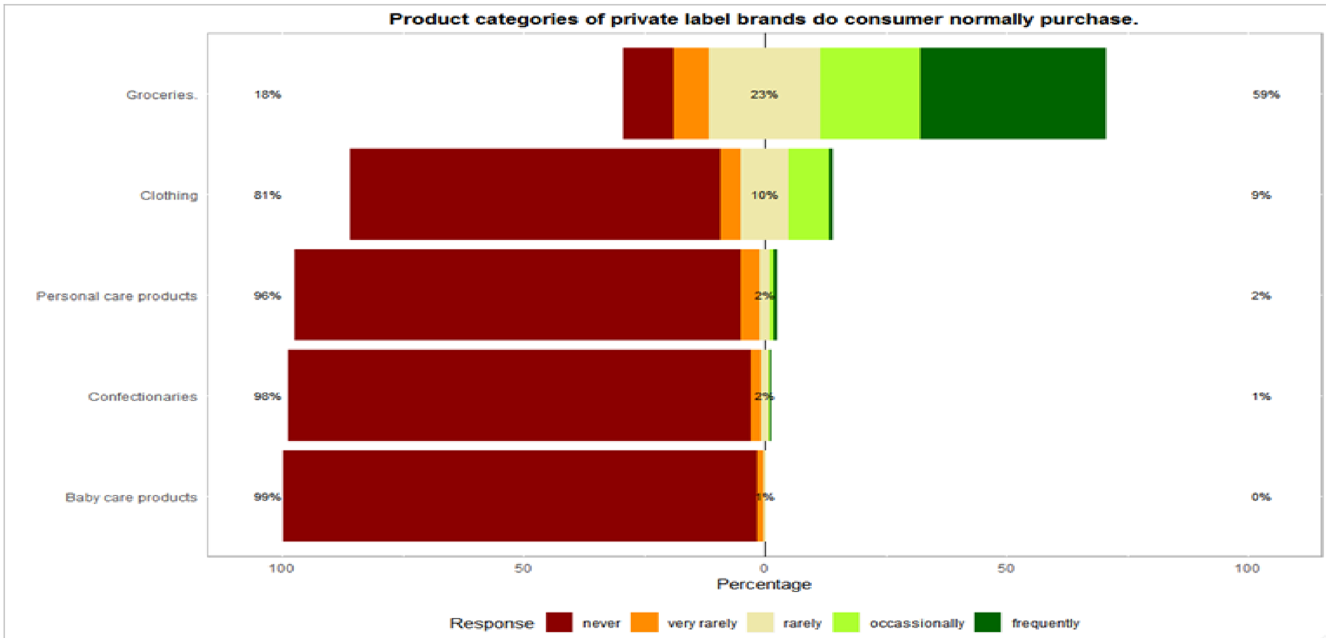
- The rate of private label brands purchase.

Figure 4.7 How often do customers purchase private label brands?

The researcher wanted to discover how often customers purchase private label brands when they visit grocery retailers for grocery purchases. Figure 4.7 above summarises the results as to how often customers purchase private label brands. A greater proportion of 150 (38%) participants revealed to frequently purchasing private label brands when purchasing groceries, while 8% (30) participants were of the view that they never purchase private label brands when purchasing groceries. This finding suggests that majority of customers within the eThekwini Municipality frequently purchase private label brands.

- Product categories customers normally purchase

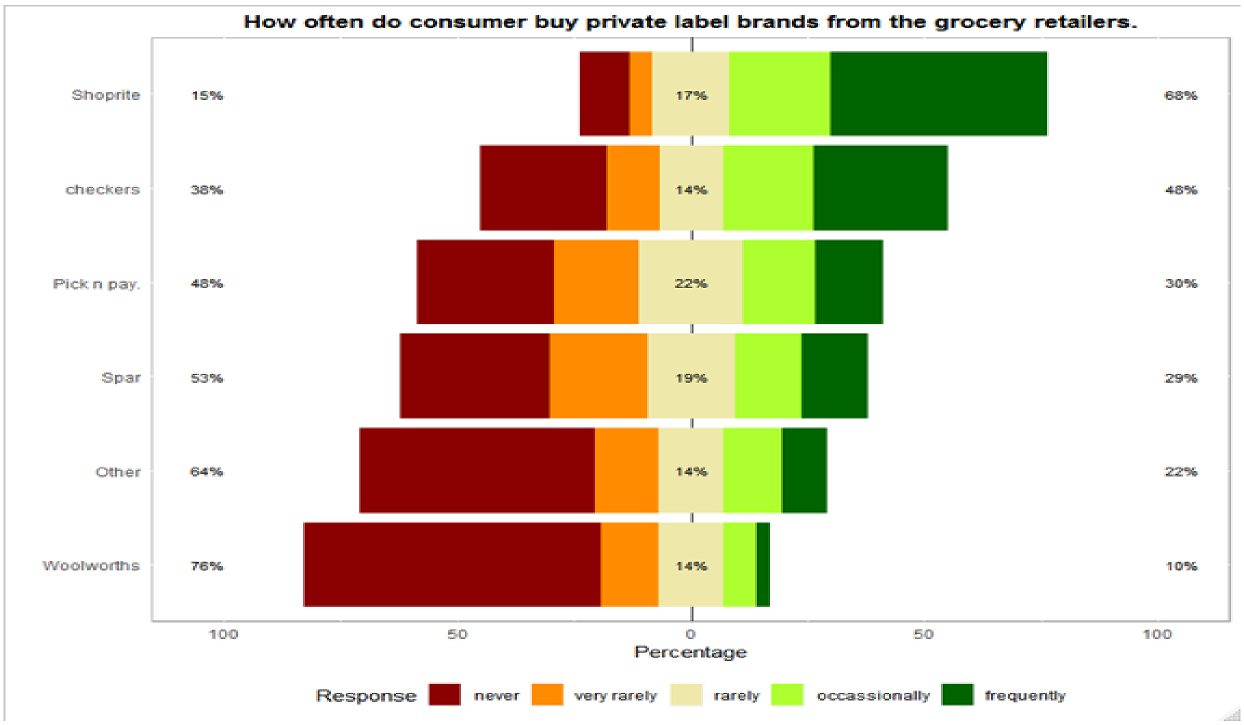
Figure 4.8 Product categories of private label brands customers normally purchase



Participants were further asked on the product categories of private label brands that they normally purchase when purchasing groceries. Figure 4.8 above, shows the findings from participants on the product categories of private label brands that they normally purchase. The responses ranged on a scale from 1 (*never*) to 5 (*frequently*). A greater proportion of participants (59%) indicated that they frequently purchase grocery products that were private label brands. Furthermore, 99% of participants responded to never buying private label brands of baby care products. While, 10% of participants rarely buy private label branded clothing, 98% of participants concluded that they do not purchase confectionary products. This suggests that customers frequently purchase grocery products, more than other product category of private label brands.

- The rate of customers purchases of private label brands from different grocery retailers

Figure 4.9 How often do customers buy private label brands from the following grocery retailers?



Participants were further asked how often they purchase private label brands from Shoprite, SPAR, Checkers, Pick n Pay, Woolworths and other grocery retailers. Their responses were on a scale of 1 (*never*) to 5 (*frequently*). The findings are depicted in Figure 4.9 above. A greater proportion of 68% participants frequently shop for private label brands from Shoprite. Meanwhile, 14% of participants further revealed that they rarely buy private label brands from other grocery retailers, besides the ones listed in Figure 4.9. Furthermore, 76% of participants indicated that they never shop for Woolworth's private label brands, 48% of participants never shop for private label brands from pick n pay and 48% frequently shop for checkers private label brands. The above results indicate that customers frequently purchase private label brands from Shoprite (RiteBrand) than other grocery retailers. This could be because majority of customers in this study largely earn low incomes (see table 4.1 and figure 4.5), therefore, with their income cannot shop for private label brands from Woolworths and other grocery retailers.

Data representation as per research objectives

Table 4.2 Grading table

Grading	Mean	Median
Positive	3.6and above	4 and 5
Neutral	2.6 to 3.5	3
Negative	2.5 and less	1 and 2

Table 4.2 above represents the grading table where individual items on the questionnaire were scored from the following Likert scales (Customer perceptions of private label brands, brand awareness, brand trust and brand loyalty) were then graded according to their means. After the single items were scored, the mean scores were computed, if customers obtained a mean score of 2.5 and less, that indicated they had a negative perception, 2.6 to 3.5 indicated that they were neutral and 3.6 or more meant customers had a positive perception towards private label brands. This also applies to brand awareness, brand trust and brand loyalty.

4.2.3 Research objective 1: To determine customers' perceptions of private label brands in eThekwini Municipality

Table 4.3 Customers perceptions of private label brands

Item	Statement	Low (%)	Neutral (%)	High (%)	Mean (M)	Standard deviation (SD)
Q19	The quality of private label brands is low	31	18	51	3.45	1.559
Q20	Manufacturer brands are more superior in taste than private label brands	21	14	65	3.84	1.463
Q21	I only purchase private label brands in tough economic conditions	36	8	56	3.41	1.757
Q22	manufacturer brands are better than private label brands	20	9	71	4.02	1.441
Q23	I feel that grocery retailers have improved their private label brands	37	24	39	2.98	1.523

n= 389

The researcher sought to find out the perceptions of customers toward private label brands in eThekwini Municipality. Five items were used in the Likert scale (Q19-Q23) in order to obtain the perceptions of customers toward private label brands, therefore, the researcher made use of the grading table (see table 4.2) in order to grade customers' perceptions of private label brands. Statements with a mean score of 3.6 and above had positive perceptions regarding private label brands, whereas, a mean score of 2.6 – 3.5 meant customers were neutral while 2.5 and below indicated that customers had negative perceptions of private label brands.

Table 4.3, above illustrates the findings from participants whether the positions of their responses were Low, Neutral or High in terms of their perceptions toward private label brands. Responses were summed to give the mean scores and standard deviations of each response. The statement **"The quality of private label brands is low"** obtained a mean score of 3.45, suggesting that participants were neutral towards the quality of private label brands. This indicates that they are indifferent in terms of their perceptions of the quality of private label brands, The statement **“Manufacturer brands are more superior in taste than private label brands”** had a mean score of 3.85, indicating that participants were positive to the statement, advocating for the superiority of manufacturer brands in terms of their taste. Furthermore, the statement **“I only purchase private label brands in tough economic conditions”** had a mean score of 3.41, indicating that participants were neutral in terms of the more difficult economic periods of purchasing private label brands. This means that economic conditions do not have much of an impact on whether consumers purchase private label brands, which could be a sign of brand loyalty.

The statement **“manufacturer brands are better than private label brands”** had a mean score of 4.02, suggesting that a greater proportion of participants felt manufacturer brands are superior than private label brands. Lastly, the statement **“I feel that grocery retailers have improved their private label brands over the years”** had a mean score of 2.98, indicating that they were negative in their perceptions, a shared feeling among participants that grocery retailers have not improved their private label brands. These findings suggest that customers still have perceptions that manufacturer brands are better than private label brands in aspects such as taste, quality and innovation, as customers feel that grocery retailers have yet to improve their store brands over the years.

Open-ended question: Do you have any other existing perception about private label brands”?

The majority responded that the option of private label brands provides them with a range of choices when purchasing their groceries for their respective homes. Most participants pointed out that ***“private label brands are cheaper alternatives, they enable me to save when I’m shopping for groceries”***. Participants went on to add that private label brands are of an acceptable standard and have not encountered any possible negative effects from their consumption.

Other findings, showed that some participants claimed to have no existing perceptions about private label brands. However, some supported the notion that though they do not have existing perceptions of private label brands, they felt that private label brands from other grocery retailers are more superior in quality compared to other grocery retailers.

One customer reported saying: ***"I feel that private label brands of Shoprite particularly RiteBrand have the lowest quality, while the No Name brand of Pick n Pay is high in quality and matches that of manufacturer brands"***. Meanwhile, other participants feel that other private label brands from Spar (SaveMor) and Checkers (House brand) are somewhat ***"Ok"***. Suffice to state that customers had mixed perception of private label brands.

4.2.4 Research objective 2: To determine the effect of demographic factors on the perceptions of private label brands in eThekwini Municipality

Table 4.4 The effect of demographic factors on the perceptions of customers towards private label brands

						(F)	Correlation	
Demographics	**Categories**	**Mean**	**Median**	**Mode**	**S.D**	**Sig.**	**Rho**	**Sig.**
Family size	1 - 5 members	2.40	3.00	3.00	0.747	0.598	-0.023	0.655
	6 - 9 members	2.45	3.00	3.00	0.741			
	10 and above	2.33	3.00	3.00	0.769			
Age group	18 – 23	2.47	3.00	3.00	0.757	$\mathbf{0.001}^{***}$	0.052	$\mathbf{0.005}^{***}$
	24 – 29	2.49	3.00	3.00	0.699			
	30 – 34	2.41	3.00	3.00	0.706			
	35 – 39	2.24	2.00	3.00	0.786			
	40 – 44	2.19	2.00	1.00	0.873			
	45 – 49	1.5	1.00	1.00	0.756			
	50 – 65	2.00	2.00	2.00	0.001			
Level of education	Primary	3.00	3.00	3.00	0.001	0.657	-0.012	0.813
	Secondary	2.41	3.00	3.00	0.735			
	Tertiary	2.40	3.00	3.00	0.764			
Employment status	Employed	2.35	2.00	3.00	0.721	0.236	-0.038	0.453
	Unemployed	2.53	3.00	3.00	0.737			
	Partly employed	2.51	3.00	3.00	0.678			
	Other	2.23	2.00	3.00	0.813			
Salary scale	R0 - R 1583	2.53	3.00	3.00	0.747	$\mathbf{0.001}^{***}$	-0.143	$\mathbf{0.005}^{***}$
	R1584 - R7167	2.39	3.00	3.00	0.710			
	R7168 - R16417	2.44	3.00	3.00	0.709			

	R1418 - R33333	1.85	2.00	1.00	0.875			
	R33334 - R57333	1.25	1.00	1.00	0.500			
Gender	Male	2.38	3.00	3.00	0.728	0.500	0.052	0.302
	Female	2.43	3.00	3.00	0.770			

n=389

Table 4.4 above illustrates the effect of demographic factors towards customers' perceptions of private label brands in eThekwini Municipality, using One-way Anova and the Spearman correlation test. One-way ANOVA was used in order to assess the difference between the demographics of participants with regards to their perceptions toward private label brands. The ANOVA P-values were extracted and are represented as (F) in table 4.4, above. The researcher also measured the strength and degree of association between variables, using the Spearman rank correlation test. The researcher further tested the degree of association between the demographic variables and customer perceptions towards private label brands. This was done through constructing two hypotheses, the null (H_0) and alternative (H_a) hypotheses. Furthermore, the rejection and acceptance of the null hypotheses will depend on the P-value compared to the level of significance. Where, we accept the null (H_0) if the P-value is larger than the level of significance.

Table 4.4 was assigned the level of significance of $\alpha \leq 0.05$. The findings depicted that there was a positive (rho=0.052) and a significant difference (0.001) between customer perceptions of private label brands and age groups. Additionally, there was a significant correlation (0.005) between customer perceptions of private label brands and the age groups of customers. These findings suggest that the more customers' age, they are more likely to have positive perceptions about private label brands. Furthermore, a negative (rho= -0.143) and a significant difference (0.001) was also found between customer perceptions of private label brands and monthly salary scales of customers. A significant correlation (0.005) was found between the monthly salary scales of customers against their perceptions of private label brands, depicting that as the salary scales of customers increase, their perceptions around private label brands become more negative. This suggests that the higher people earn, the more likely they are to perceive private label brands in a negative light. This could be because wealthier customers prefer manufacturer brands, and are loyal to them.

Hypotheses for demographic variables against customer perceptions
Where:

H_o: There will be no significant differences between the demographic variables and the perceptions of private label brands amongst customers within the eThekwini Municipality.

H_a: There will be significant differences between the groups of some demographic variables and their perceptions towards private label brands in the eThekwini Municipality.

In testing the hypotheses between family size and customer perceptions towards private label brands, the P-values were found to be more than the level of significance ($\alpha \leq 0.05$), the null hypotheses is accepted and the alternative is rejected. Thus indicating, that customers perceptions towards private label brands is not determined by their family size.

The hypotheses between age groups and customers perceptions towards private label brands, the P-values were found to be less than the level of significance. Therefore, rejecting the null and accepting the alternative hypotheses. Thus indicating that there is a significant difference between the age groups of customers and their perceptions towards private label brands in the eThekwini Municipality.

The observed P-values for the level of education against the effect on customer perception towards private label brands, were found to be more than the level of significance. Therefore, accepting the null (H_0) and rejecting the alternative (H_a) hypotheses. Thus indicating that there was no significant difference in the level of education and the perceptions of private label brands amongst customers in the eThekwini Municipality.

In observing the P-values for the employment status against customer perception of private label brands within the eThekwini Municipality, the observed P-values were larger than the assigned level of significance. The null hypotheses was then accepted and rejecting the alternative. Suggesting that there was no significance between the employment status of customers and their perceptions towards private label brands.

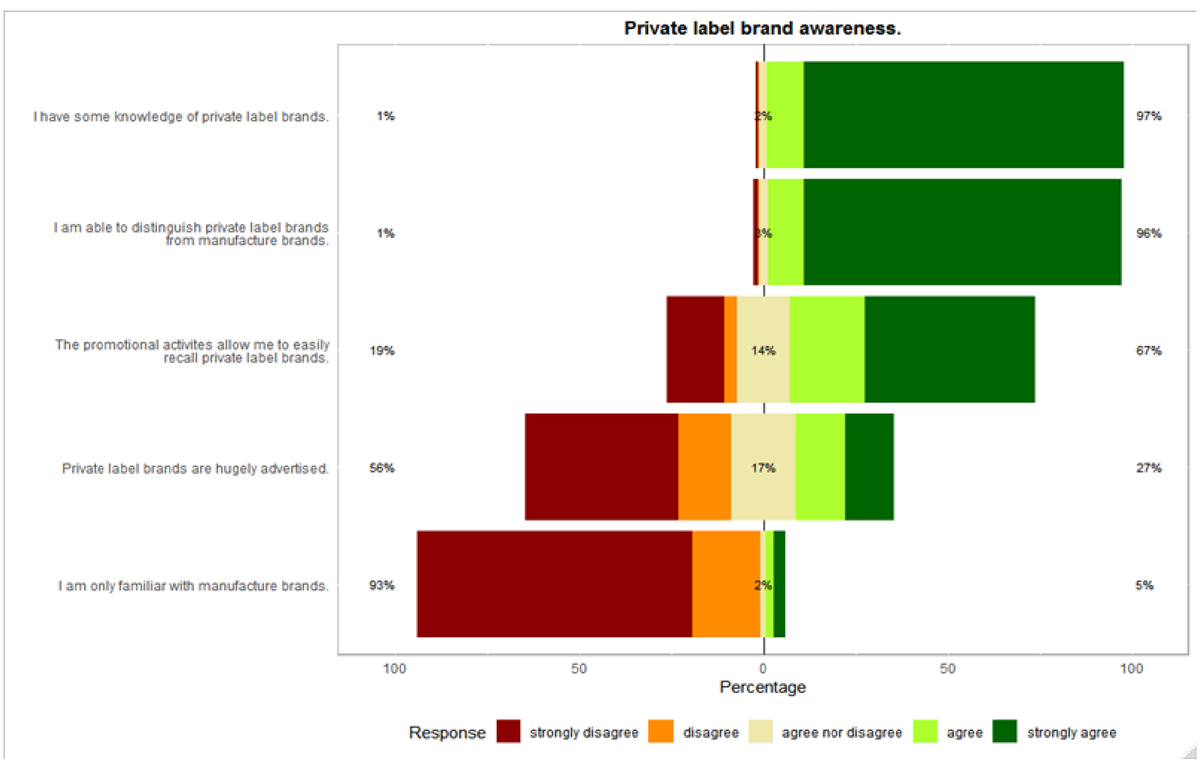
The observed P-values for the salary scales of customers indicated they were less than the level of significance. Therefore, the null hypotheses is rejected in favour of the alternative. Suggesting that the salary scales of customers has an effect on their perceptions towards private label brands within the eThekwini Municipality.

The P-values of the demographic variable of gender were observed to be larger than the assigned level of significance. Therefore, the null hypotheses was accepted, confirming that there was no significant difference between the gender of customers of and their perceptions towards private label brands in the eThekwini Municipality.

4.2.5 Research objective 3: To determine the brand awareness, brand trust and brand loyalty for private label brands in eThekwini Municipality.

4.2.5.1 Brand awareness

Figure 4.10 Brand awareness for private label brands



Participants were asked if they were aware of private label brands. They were asked statements from a Likert scale, on a scale from 1 (*Strongly disagree*) to 5 (*Strongly agree*) from Section B of the questionnaire from (Q24-Q28) (See Appendix). Figure 4.10 above, illustrates brand awareness of customers towards private label brands in eThekwini Municipality, a greater proportion of 97% participants strongly agreed that they have knowledge of private label brands. Meanwhile, 93% strongly disagreed that they are only familiar with manufacturer brands, indicating that majority of participants were familiar with private label brands. Therefore, these results suggest that customers from the eThekwini Municipality are alert about the existence of private label brands.

Table 4.5 below, further illustrates the level of participants agreement with the items on brand awareness on a scale from 1 (*Strongly disagree*) to 5 (*Strongly agree*). The results are listed in a descending order according to their means (M), for the ease of interpretation.

Table 4.5 Descriptive statistics of private label brand awareness

Private label brand awareness						
Item	**Label**	**Low (%)**	**Neutral (%)**	**High (%)**	**Mean (M)**	**Standard deviation (SD)**
Q24	I have some knowledge of private label brands	1	2	97	4.83	0.516
Q25	I am able to distinguish private label brands from manufacturer brands.	1	3	96	4.8	0.592
Q27	The promotional activities allow me to easily recall private label brands.	19	14	67	3.78	1.452
Q26	Private label brands are hugely advertised.	56	18	27	2.42	1.463
Q28	I am only familiar with manufacturer brands.	93	2	5	1.41	0.879

n= 389

In finding out the brand awareness of customers towards private label brands, the researcher in this regard made use of the grading table (see table 4.2). In order to grade customers brand awareness for private label brands, grading statement Q24-Q28, statements with a mean score of 3.6 and above had high awareness of private label brands, whereas, 2.6 – 3.5 and 2.5 and below meant customers were neutrally aware and had little awareness of private label brands respectively.

Participants' response towards the statement **"I have some knowledge of private label brands"** had a mean score of 4.83. This reflected that most participants are knowledgeable about the existence of private label brands. The statement **"I am able to distinguish private label brands from manufacturer brands"** had a mean score of 4.8, depicting that participants know the dissimilarity of private label and manufacturer brands. Furthermore, the statement **"The promotional activities allow me to easily recall private label brands"** obtained a mean score of 3.78, signifying that promotional activities are helpful to customers in identifying private label brands. The statement **"Private label brands are hugely advertised"** had a mean score of 2.42, suggesting that participants are of the view that private label brands are not well promoted. Lastly, the statement **"I am only familiar with manufacturer brands"** had a mean score of 1.41, indicating that participants are not only aware of manufacturer brands, but they are also aware with private label brands. The above findings indicate that customers are aware of private label brands, but they feel that private label brands are not hugely advertised.

Open- ended question: What are other factors that made you to be aware of private label brands?

The participants were further asked an open-ended question regarding other factors that make them aware of private label brands. participants largely provided that they became aware of private label brands from their grocery shopping experience, by seeing them on store shelves, ***"I got to be aware of private label brands when I was doing my groceries as they are mostly placed next to manufacturer brands on store shelves and their reasonable pricing".*** The positioning and pricing of private label brands next to leading manufacturer brands enable customers to become familiar with private label brands.

Noticeably, a participant offered that ***"I previously did not know about private label brands up until I saw them being bought and used at home, and then I got to be aware of them"***. In addition, it was observed that customers mostly got to be aware of private label brands in desperate times, such as budget constraints and in times of bad economic periods.

4.2.5.2 Brand trust

Figure 4.11 Brand trust for private label brands

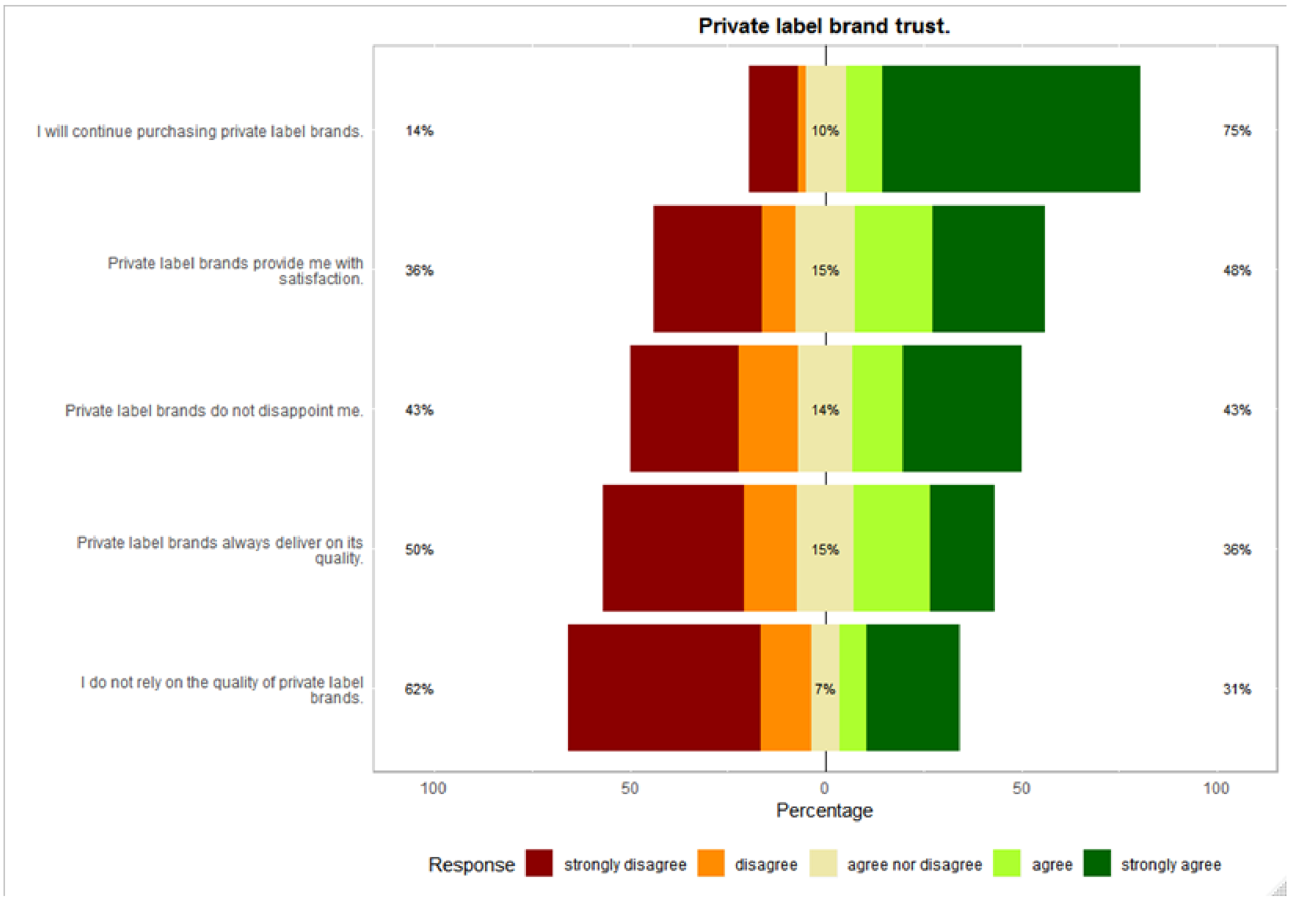


Figure 4.11 above indicates the responses of participants when asked about their trust for private label brands. The statements on the questionnaire were set on a Likert scale from 1 (*Strongly disagree*) to 5 (*Strongly agree*). These statements were found from (Q29-Q33) on the questionnaire (see appendix B). Majority (75%) of the participants strongly agreed that they will continue purchasing private label brands, while a greater proportion of 62%, strongly disagreed when asked if they do not rely on the quality of private label

brands, indicating the importance of quality when considering private label brands. Furthermore, 50% of participants strongly disagreed that private label brands always deliver on their quality. The last items strongly indicated that participants do not entirely trust private label brands, more especially with regards to their quality, however, they will continue purchasing private label brands. This could be the result that majority of the participants for this study were mostly unemployed or were earning low incomes, therefore, will continue buying private label products because of their reasonable pricing.

Further analysis of customers' brand trust for private label brands is presented in table 4.6 below.

Table 4.6 Descriptive statistics of customers' brand trust for private label brands

Brand Trust for Private Label brands						
Item	**Label**	**Low (%)**	**Neutral (%)**	**High (%)**	**Mean (M)**	**Standard deviation (SD)**
Q33	I will continue purchasing private label brands.	14	10	75	4.14	1.398
Q30	Private label brands provide me with satisfaction.	36	15	48	3.13	1.589
Q32	Private label brands do not disappoint me.	43	14	43	3.04	1.616
Q29	Private label brands always deliver on its quality.	50	15	36	2.66	1.525
Q31	I do not rely on the quality of private label brands.	62	8	31	2.43	1.674

n= 389

The researcher further intended to find out the brand trust for private label brands amongst customers in eThekwini Municipality. Items Q29-Q33 (see table 4.6) from the questionnaire measured brand trust of customers towards private label brands. For the researcher to determine whether participants had high, neutral or low brand trust for private label brands, a grading table was used (see table 4.2). Where, a mean of 3.6 and above, indicates high brand trust, a mean of 2.6 to 3.5 indicates participants were neutral and 2.5 and less indicates low trust for private label brands.

Participants' responses to the statements (Item Q29-Q33), **"Private label brands always deliver on their quality"** had a mean score of 2.66, suggesting that participants were neutral to this statement as they were unsure about the quality of private label brands. The statement **"Private label brands provides me with satisfaction"** had a mean score of 3.13, which indicates that participants were satisfied with their purchase and consuming of private label brands (see figure 4.11). The statement **"I do not rely on the quality of private label brands"** had a mean score of 2.43, suggesting that participants do consider the quality of private label brands as an important factor. The statement **"Private label brands do not disappoint me"** had a mean score of 3.04, indicating that participants were neutral on this statement. Lastly, the statement **"I will continue purchasing private label brands"** had a mean score of 4.14, suggesting that participants were very sure that they will continue using private label brands. The above results suggest that though customers actively purchase private label brands, they remain unsure about their quality.

Open-ended question: Do you have any other reasons that make you trust private label brands?

An open-ended question was asked to participants, whether they had any reason to trust private label brands. Participants pointed out that they do not have any existing reason to trust private label brands, because their quality offering is doubtful. They further went on to mention that the cheap pricing when compared to manufacturer brands raises skepticism towards their level of quality and reliability***. "I do not trust private label brands because their quality and pricing makes me doubt them, though I still buy them"***. They also made a submission that they really do not trust the Rite Brand private label brand from Shoprite, casting doubt over their quality***. "I do not trust the Shoprite private label brands; they are very poor in quality amongst other things"***.

Fewer segments of participants revealed that they do have some trust for private label brands. In trusting them, was a result of trusting the store image providing that particular private label brand and participants made a reference that they largely trust private label products from Pick n Pay and Checkers as they have reputable image and are trustworthy in terms of their quality. ***"I trust the No name brands of Pick n Pay and Checkers because they are trustworthy from usage experience",*** Furthermore, participants tend to trust private label brands because they feel that it is easier to approach the grocery retailers offering them should they encounter problems with the private label products.

4.2.5.3 Brand loyalty

Figure 4.12 Brand loyalty for private label brands

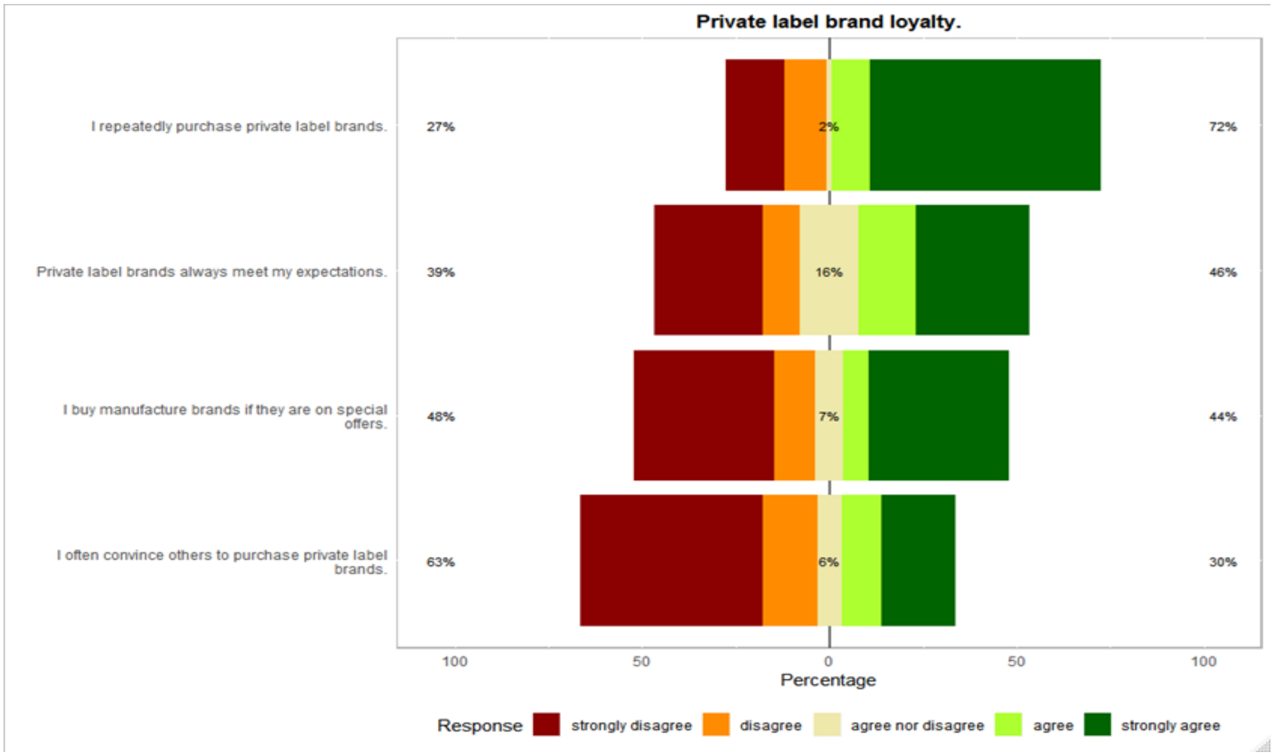


Figure 4.12 above is a representation of participants' responses when asked about their brand loyalty for private label brands. The statements (Q34-Q37) on brand loyalty were on section B of the questionnaire (see appendix B). They were on a Likert scale from 1 (*Strongly disagree*) to 5 (*Strongly agree*). The findings indicated that a greater proportion of participants (72%) strongly agreed to repeatedly purchase private label brands, whereas 46% participants strongly disagreed that they buy manufacturer brands if they are on special offers. Furthermore, 63% of participants strongly disagreed with the statement that they often convinced others towards buying private label brands. The findings from Figure 4.12 above, indicate that customers repeatedly purchase private

label brands. An indication that customers are brand loyal but they are not at the stage of brand advocacy and will not go out to recruit other customers to purchase private label brands.

Further analysis of customers' brand loyalty for private label brands is observed in table 4.7 below.

Table 4.7 Descriptive statistics of customer's brand loyalty for private label brands

Brand Loyalty for Private Label Brands						
Item	**Label**	**Low (%)**	**Neutral (%)**	**High (%)**	**Mean (M)**	**Standard deviation (S.D)**
Q34	I repeatedly purchase private label brands.	27	2	72	3.91	1.572
Q36	Private label brands always meet my expectations.	39	16	46	3.07	1.615
Q37	I buy manufacture brands if they are on special offers.	48	8	44	2.96	1.784
Q35	I often convince others to purchase private label brands.	63	6	30	2.38	1.613

n= 389

Participants' responses to statements in table 4.7 above: **"I repeatedly purchase private label brands"** had a mean score of 3.91, indicating that participants frequently buy private label brands. The statement **"I often convince others to purchase private label brands**" had a mean score of 2.38, indicating that participants do purchase private label brands, however they do not go an extra mile towards convincing other customers to buy private label brands. The statement **"Private label brands always meet my expectations"** had a mean score of 3.07, suggesting that participants were satisfied but not surprised with the delivered private label brand products. Lastly, the statement **"I buy manufacturer brands if they are on special offers"** had a mean score of 2.98, indicating that participants were neutral on this statement, stipulating that customers either buy manufacturer products when on specials or when they are at normal price, indicating that customers do not wait for specials in order to purchase manufacturer brands. In other words, they freely buy them whenever they are shopping for groceries.

The above results indicate that customers constantly buy private label brands, in the process they get satisfied with such purchases when their expectations are met.

Open-ended question: Which other factors keep you loyal to private label brands?

Participants were asked an open-ended question on other factors that kept them loyal toward private label brands. Participants provided that they are not loyal to private label brands, but choose them since they are a cheaper option. For instance, one customer stated that ***"I am not loyal to private label brands, I buy them because they are cheaper and they enable me to save money"***. This majority is further of the opinion that if they were financially stable, they would not consider private label brands but manufacturer brands.

The finding of the study shows that some customers advocate for their loyalty towards private label brands as grocery retailers continue to try and improve the quality standard of their private label brands and satisfy consumers' consumption needs. For instance, one of the participants reported that ***"grocery retailers keep on improving the quality standard of these brands and they satisfy my consumption needs".*** Meanwhile, some other participants persist that if grocery retailers keep the prices of private label brands reasonable, they will continue being loyal to them.

4.2.5.4 Correlations of brand awareness, brand trust and brand loyalty against demographic factors

The tables below presents the correlation of brand awareness, brand trust and brand loyalty against demographic factors (gender, age, employment status, monthly salary scale, level of education and household size).

- Correlation of brand awareness, brand trust and brand loyalty against gender

Table 4.8 Correlation of brand awareness, brand trust and brand loyalty against gender

Categories	Summary	Awareness	Trust	Loyalty
Male	Mean	2.45	2.10	2.06
	Median	2.00	2.00	2.00
	Mode	2.00	3.00	2.00
	Standard deviation	0.539	0.799	0.803
Female	Mean	2.37	2.10	2.04
	Median	2.00	2.00	2.00
	Mode	2.00	3.00	3.00
	Standard deviation	0.553	0.863	0.847
(F)	P-value	0.163	0.975	0.747
Correlation	Rho	-0.069	0.003	-0.015
	P-value	0.177	0.946	0.771
				n= 389

The one-way ANOVA (F) test found that there was no statistically significance difference between brand awareness, brand trust and brand loyalty against gender of participants, since all their P-values were (> 0.05). Furthermore, the Spearman rank correlation tests also found that there was no significant difference and significant correlation between brand awareness, brand trust and brand loyalty against the gender of participants, as all P-values were also > 0.05.

The researcher further tested the degree of association between brand awareness, brand trust and brand loyalty against gender. This was done through constructing two hypotheses, the null (H0) and alternative (Ha) hypotheses. Furthermore, the rejection and acceptance of the null hypotheses will depend on the P-value compared to the level of significance. Where, we accept the null (H0) if the P-value is larger than the level of significance.

Where:

H_o: There will be no significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

H_a: There will be some significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

Observing the P-values for brand awareness against gender of customers, the P-values were larger than the assigned level of significance ($\alpha \leq 0.05$). Therefore, the null (H_0) hypotheses is accepted and reject the alternative (H_a) hypotheses. Suggesting there is no significant difference between brand awareness and the gender of customers of the eThekwini Municipality.

Observing the P-values of brand trust against gender of customers, the P-values were also larger than the assigned level of significance. Therefore, the alternative hypotheses is rejected in favour of the null hypotheses. Indicating that the gender of customers within the eThekwini Municipality does not affect their brand trust for private label brands.

Observing the P-values of brand loyalty against gender of customers, the P-values were larger than the level of significance. Since the P-values are larger than the level of significance, the null hypotheses is accepted and the alternative is rejected. Suggesting that there is no significant difference between the gender of customers and brand loyalty. Furthermore, brand loyalty of customers towards private label brands In the eThekwini Municipality is not affected by their gender.

- Correlation of brand awareness, brand trust and brand loyalty against age group

Table 4.9 Correlation of brand awareness, brand trust and brand loyalty against the age group of customers

						(F)	Correlation	
Brand	**Age group**	**Mean**	**Median**	**Mode**	**Standard deviation**	**p-value**	**Rho**	**p-value**
Awareness	18 – 23	2.37	2.00	2.00	0.485	0.859	0.023	0.656
	24 – 29	2.46	2.00	2.00	0.531			
	30 – 34	2.41	2.00	3.00	0.610			
	35 – 39	2.37	2.00	2.00	0.541			
	40 -44	2.33	2.00	3.00	0.730			
	45 – 49	2.50	2.50	2.00	0.535			
	50 – 65	2.00	2.00	2.00	0.001			
Trust	18 – 23	1.97	2.00	1.00	0.839	**0.005*****	0.141	**0.005*****
	24 – 29	2.07	2.00	3.00	0.825			
	30 – 34	2.15	2.00	3.00	0.828			
	35 – 39	2.26	2.50	3.00	0.828			
	40 -44	2.38	3.00	3.00	0.740			
	45 – 49	2.63	3.00	3.00	0.744			
	50 – 65	1.00	1.00	1.00	0.001			
Loyalty	18 – 23	1.94	2.00	1.00	0.827	0.194	0.077	0.129
	24 – 29	2.09	2.00	3.00	0.818			
	30 – 34	2.04	2.00	2.00	0.787			
	35 – 39	2.29	3.00	3.00	0.867			
	40 -44	1.86	2.00	1.00	0.793			
	45 – 49	2.50	3.00	3.00	0.926			
	50 – 65	1.00	1.00	1.00	0.001			

N= 389

Table 4.9 is an indication of the correlation for brands awareness, brand trust and brand loyalty against the age groups of participants. One-way ANOVA was used in assessing the significant difference concerning participants brand awareness, brand trust and brand loyalty towards private label brands against their age groups and the Spearman rank Correlation was used in order to measure the strength and direction of the relationship between brand trust, brand awareness and brand loyalty and the age groups of participants. The ANOVA P-values were extracted and were presented as (F) in Table 4.9. Where the level of significance assigned was $\alpha = 0.05$, the findings disclose that there was a positive (rho= 0.141) and a significant difference (0.005) between brand trust and the age groups of participants. Also, a significant correlation (0.005) was attained between brand trust and the age groups of participants. The above findings suggest that as customers get older, they are probable to trust private label brands.

The researcher further tested the degree of association between brand awareness, brand trust and brand loyalty against age groups. This was done through constructing two hypotheses, the null (H0) and alternative (Ha) hypotheses. Furthermore, the rejection and acceptance of the null hypotheses will depend on the P-value compared to the level of significance. Where, we accept the null (H0) if the P-value is larger than the level of significance.

Where:

H_o: There will be no significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

H_a: There will be some significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

Observing the P-values of brand awareness against the age groups of customers, the P-values were larger than the assigned level of significance ($\alpha = 0.05$). Therefore, accepting the null hypotheses (H0) and rejecting the alternative (Ha). Indicating that there is no significance between the age groups of customers and brand awareness. Suggesting that brand awareness is not affected by the age groups of customers within the eThekwini Municipality.

Observing the P-values of brand trust against the age group customers. The P-values were found to be within the level of significance. Therefore, the null hypotheses was rejected in favour of the alternative hypotheses. Indicating that that there is somewhat significant difference between brand trust and age groups of customers. Suggesting that brand trust is affected by the age group of customers within the eThekwini Municipality.

Observing the P-values of brand loyalty against the age groups of customers. The P-values were observed to be larger than the level of significance. Henceforth, the null hypotheses is accepted and the alternative hypotheses is rejected. Suggesting that there is no significant difference between brand loyalty and the age groups of customers.

- Correlation of brand awareness, brand trust and brand loyalty against education level

Table 4.10 Correlation of brand awareness, brand trust and brand loyalty against the education level of customers

						(F)	Correlation	
Brand	**Categories**	**Mean**	**Median**	**Mode**	**Standard deviation**	**Sig.**	**Rho**	**Sig.**
Awareness	Primary	2.50	2.50	2.00	0.707	0.599	-0.020	0.700
	Secondary	2.42	2.00	2.00	0.530			
	Tertiary	2.40	2.00	2.00	0.561			
Trust	Primary	3.00	3.00	3.00	0.001	0.224	-0.056	0.269
	Secondary	2.14	2.00	3.00	0.824			
	Tertiary	2.06	2.00	3.00	0.836			
Loyalty	Primary	3.00	3.00	3.00	0.001	0.505	-0.027	0.601
	Secondary	2.06	2.00	2.00	0.805			
	Tertiary	2.03	2.00	3.00	0.841			

N= 389

Table 4.10 above, depicts the level of difference and correlation tests between brand awareness, brand trust and brand loyalty against the education level of participants; primary, secondary and tertiary. The ANOVA (F) test showed that there was no significance difference and significant correlation between brand awareness, brand trust and brand loyalty against education levels of participants.

The researcher further tested the degree of association between brand awareness, brand trust and brand loyalty against education level of customers. This was done through constructing two hypotheses, the null (H0) and alternative (Ha) hypotheses. Furthermore, the rejection and acceptance of the null hypotheses will depend on the P-value compared to the level of significance. Where, we accept the null (H0) if the P-value is larger than the level of significance.

Where:

H_o: There will be no significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

H_a: There will be some significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

Observing the P-values of brand awareness against the education level of customers, the P-values were larger than the assigned level of significance ($\alpha = 0.05$). Therefore, accepting the null (H0) and rejecting the alternative (Ha). Indicating that there is no significant difference between brand awareness and education level of customers. Furthermore, suggesting that brand awareness is not affected by the education level of customers within the eThekwini Municipality.

Observing the P-values of brand trust against the education level of customers, the P-values were larger than the level of significance. Henceforth, the null hypotheses was accepted and the alternative rejected. Indicating that there is no significant difference between brand trust and the education level of customers. Suggesting that customers brand trust towards private label brands is not affected by the education level of customers within the eThekwini Municipality.

Further observing the P-values of brand loyalty against the education level of customers, the P-values were found to be larger than the level of significance. Therefore, the null hypotheses is accepted and the alternative is rejected. Indicating that there is no significant difference between brand loyalty and the education level of customers. Furthermore, suggesting that brand loyalty is not affected by the education level of customers within the eThekwini Municipality.

- Correlation of brand awareness, brand trust and brand loyalty against monthly salary scales

Table 4.11 Correlation of brand awareness, brand trust and brand loyalty against monthly salary scale of customers

						(F)	Correlation	
Brand	**Categories**	**Mean**	**Median**	**Mode**	**Standard deviation**	**Sig.**	**Rho**	**Sig.**
Awareness	R0 -R1583	2.41	2.00	2.00	0.510	0.79	0.012	0.815
	R1584 - R7167	2.43	2.00	2.00	0.540			
	R7168 - R16417	2.34	2.00	2.00	0.587			
	R16418 - R33333	2.55	3.00	3.00	0.605			
	R33334 - R57333	2.75	3.00	3.00	0.500			
Trust	R0 -R1583	1.98	2.00	1.00	0.818	**0.01****	0.121	**0.017****
	R1584 - R7167	2.12	2.00	3.00	0.835			
	R7168 - R16417	2.16	2.00	3.00	0.826			
	R1418 - R33333	2.40	3.00	3.00	0.821			
	R33334 - R57333	2.50	3.00	3.00	1.000			
Loyalty	R0 -R1583	1.90	2.00	1.00	0.827	**0.04***	0.101	**0.047***
	R1584 - R7167	2.14	2.00	3.00	0.806			
	R7168 - R16417	2.05	2.00	3.00	0.833			
	R1418 - R33333	2.25	2.00	3.00	0.786			
	R33334 - R57333	2.50	3.00	3.00	1.000			

n=389

Table 4.11 is the representation of the level of differences and correlation tests for brand awareness, brand trust and brand loyalty against monthly salary scales of participants. The ANOVA P-values were extracted and were presented as (F) in Table 4.11. The results found a positive (rho= 0.121), in addition, a significant difference of (0.01) was found and a significant correlation of (0.017). Indicating the existence of a positive relationship between brand trust and monthly salary scales of participants. These results suggest that as monthly salary scales of customers' increase, so does their brand trust for private label brands.

The researcher, further found a positive (rho= 0.101) and a significant difference of (0.04) between brand loyalty and monthly salary scales of participants. Furthermore, a significant correlation of (0.047) was also found between brand loyalty and the monthly salary scales of participants, consequently, indicating that a positive relationship exists between the two variables. The above results suggest that as the salary of customers increase, likewise their brand loyalty towards private label brands.

The researcher further tested the degree of association between brand awareness, brand trust and brand loyalty against the monthly salary scales of customers. This was done through constructing two hypotheses, the null (H0) and alternative (Ha) hypotheses. Furthermore, the rejection and acceptance of the null hypotheses will depend on the P-value compared to the level of significance. Where, we accept the null (H0) if the P-value is larger than the level of significance.

Where:

H_o: There will be no significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

H_a: There will be some significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

Observing the P-values of brand awareness against the monthly salary scales of customers, the P-values were found to be larger than the level of significance ($\alpha = 0.05$). Therefore, the null (H0) hypotheses is accepted and the alternative (Ha) is rejected. Indicating that there is no significant difference between brand awareness and monthly salary scales of customers. Suggesting that customers brand awareness towards private label brands is not affected by their monthly salary scales in the eThekwini Municipality.

Further observing the P-values of brand trust against the monthly salary scales of customers, the P-values were less than the level of significance. Therefore, the null hypotheses is rejected in favour of the alternative hypotheses. Indicating that there is somewhat significant difference between brands trust and monthly salary scales of customers. Suggesting that customers brand trust towards private label brands is somehow affected by their monthly salary scales within the eThekwini Municipality.

Observing the P-values of brand loyalty against the monthly salary scales of customers, the P-values were found to be less than the level of significance. Therefore, the null hypotheses is rejected and the alternative is accepted. Thus indicating that there is somewhat a significant difference between customers brand loyalty towards PLBs and their monthly salary scales. Suggesting that customers brand loyalty in the eThekwini Municipality is affected by their monthly salary scales.

- Correlation of brand awareness, brand trust and brand loyalty against employment status

Table 4.12 Correlation of brand awareness, brand trust and brand loyalty against employment status of customers

						(F)	correlation	
Brand	**Categories**	**Mean**	**Median**	**Mode**	**Standard deviation**	**Sig.**	**rho**	**Sig.**
Awareness	Employed	2.34	2.00	2.00	0.585	0.276	0.056	0.273
	Unemployed	2.44	2.00	2.00	0.514			
	Partly – employed	2.45	2.00	2.00	0.530			
	Other	2.42	2.00	3.00	0.559			
Trust	Employed	2.17	2.00	3.00	0.841	0.927	0.001	0.997
	Unemployed	1.98	2.00	1.00	0.826			
	Partly – employed	2.19	2.00	3.00	0.791			
	Other	2.12	2.00	3.00	0.850			
Loyalty	Employed	2.05	2.00	3.00	0.829	0.302	0.050	0.321
	Unemployed	1.93	2.00	1.00	0.828			
	Partly – employed	2.22	2.00	3.00	0.783			
	Other	2.09	2.00	3.00	0.834			

n=389

Table 4.12 is the representation of the level of difference and correlation tests for brand awareness, brand trust and brand loyalty against the employment status of participants. One-way ANOVA (F) tests and Spearman correlations tests found no significant difference and significant correlation among brand awareness, brand trust and brand loyalty against employment status, as all P-values were > 0.05. This finding suggests that employment status of customers has no influence on their brand awareness, brand trust and brand loyalty for private label brands.

The researcher further tested the degree of association between brand awareness, brand trust and brand loyalty against the employment status of customers. This was done through constructing two hypotheses, the null (H0) and alternative (Ha) hypotheses. Furthermore, the rejection and acceptance of the null hypotheses will depend on the P-value compared to the level of significance. Where, we accept the null (H0) if the P-value is larger than the level of significance.

Where:

H_o: There will be no significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

H_a: There will be some significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

Observing the P-values of brand awareness against the employment status of customers, the P-values were found to be larger than the level of significance ($\alpha = 0.05$). Therefore, the null (H0) hypotheses is accepted and the alternative (Ha) is rejected. Indicating that there is no significant difference between brand awareness and the employment status of customers. Suggesting that customers brand awareness towards private label brands is not affected by their employment status in the eThekwini Municipality.

Further observing the P-values of brand trust against the employment status of customers, the P-values were found to be larger than the level of significance. Therefore, the null hypotheses is accepted and the alternative is rejected. Indicating that there is no significant difference between brand trust and the employment status of customers. Furthermore, suggesting that brand trust is not affected by the employment status of customers within the eThekwini Municipality.

Further observing the P-values of brand loyalty against the employment status of customers, the P-values were found to be larger than the level of significance. Therefore, the null hypotheses is accepted and the alternative is rejected. Indicating that there is no significant difference between brand loyalty and the employment status of customers. Furthermore, suggesting that brand loyalty is not affected by the employment status of customers within the eThekwini Municipality.

- Correlation of brand awareness, brand trust and brand loyalty against household sizes

Table 4.13 Correlation of brand awareness, brand trust and brand loyalty against the household sizes of customers

						(F)	Correlation	
Brand	**Categories**	**Mean**	**Median**	**Mode**	**Standard deviation**	**Sig.**	**Rho**	**Sig.**
Awareness	1 - 5 members	2.42	2.00	2.00	0.551	0.601	0.019	0.708
	6 - 9 members	2.36	2.00	2.00	0.554			
	10 and above	2.48	2.00	2.00	0.525			
Trust	1 - 5 members	2.05	2.00	2.00	0.780	0.186	0.071	0.164
	6 - 9 members	2.09	2.00	3.00	0.872			
	10 and above	2.20	2.00	3.00	0.833			
Loyalty	1 - 5 members	2.04	2.00	3.00	0.830	0.970	-0.001	0.988
	6 - 9 members	2.06	2.00	3.00	0.120			
	10 and above	2.03	2.00	3.00	0.850			

n=389

Table 4.13 is the representation of the level of difference and correlation tests between brand awareness, brand trust and brand loyalty for private label brands against the household sizes of participants. The ANOVA (F) and Spearman Correlation found no statistically significant difference and significant correlation between brand awareness, brand trust and brand loyalty against household sizes, as all P-values were > 0.05. The results suggest that participants brand awareness, brand trust and brand loyalty towards private label brands is not influenced by their household sizes.

The researcher further tested the degree of association between brand awareness, brand trust and brand loyalty against the household sizes of customers. This was done through constructing two hypotheses, the null (H0) and alternative (Ha) hypotheses. Furthermore, the rejection and acceptance of the null hypotheses will depend on the P-value compared to the level of significance. Where, we accept the null (H0) if the P-value is larger than the level of significance.

Where:

H_o: There will be no significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

H_a: There will be some significant differences between the brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality.

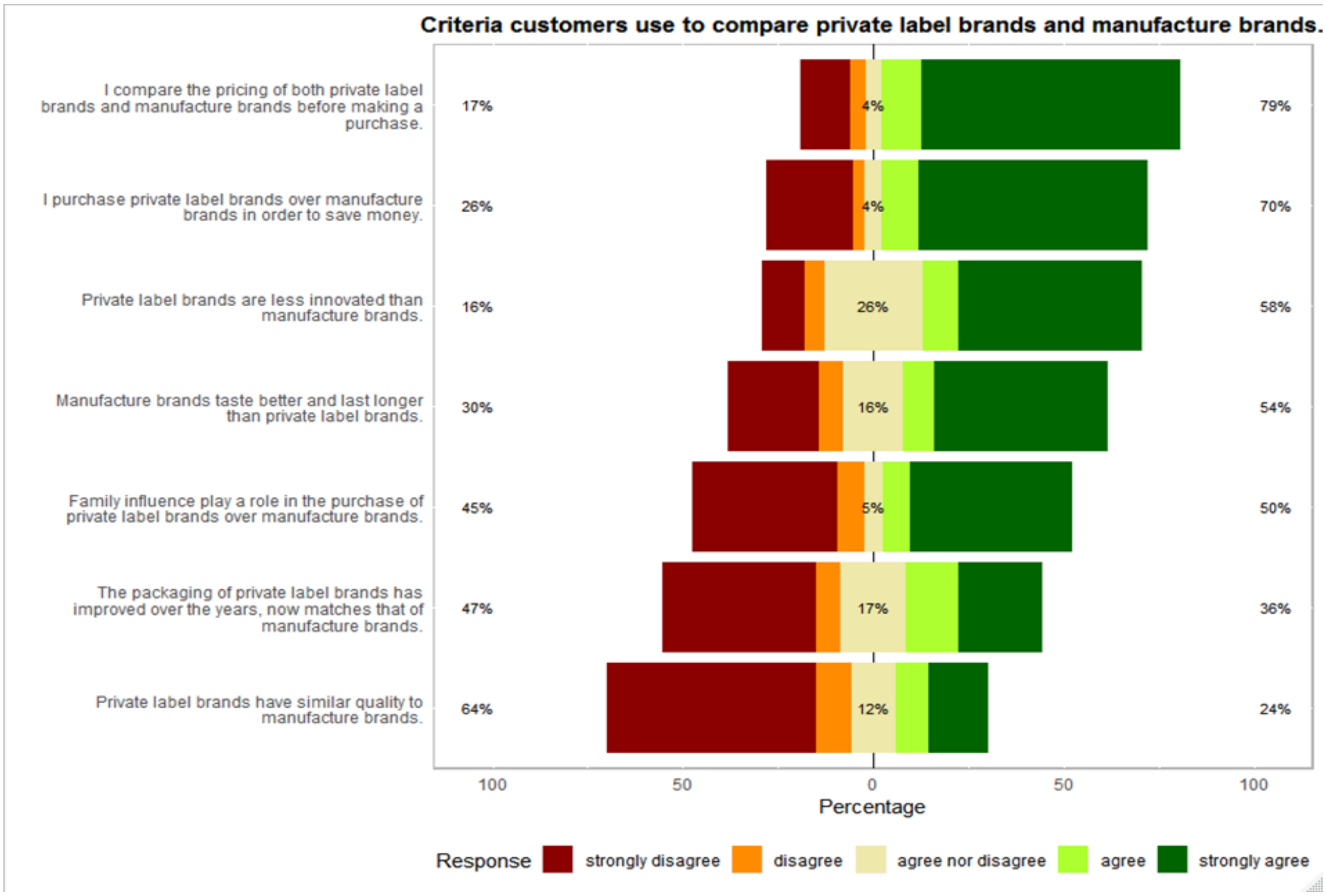
Observing the P-values of brand awareness against the household sizes of customers, the P-values were found to be larger than the level of significance ($\alpha = 0.05$). Therefore, the null (H0) hypotheses is accepted and the alternative (Ha) is rejected. Indicating that there is no significant difference between brand awareness and the household sizes of customers. Suggesting that customers brand awareness towards private label brands is not affected by their household sizes in the eThekwini Municipality.

Further observing the P-values of brand trust against the household sizes of customers, the P-values were found to be larger than the level of significance. Therefore, the null hypotheses is accepted and the alternative is rejected. Indicating that there is no significant difference between brand trust and the household sizes of customers. Furthermore, suggesting that brand trust is not affected by the household sizes of customers within the eThekwini Municipality.

Further observing the P-values of brand loyalty against the household sizes of customers, the P-values were found to be larger than the level of significance. Therefore, the null hypotheses is accepted and the alternative is rejected. Indicating that there is no significant difference between brand loyalty and the household sizes of customers. Furthermore, suggesting that brand loyalty was not affected by the household size of customers within the eThekwini Municipality

4.2.6 Research objective 4: To determine the criteria customers use when comparing private label brands with manufacturer brands in eThekwini Municipality

Figure 4.13 Criteria customers use when comparing private label brands against manufacturer brands



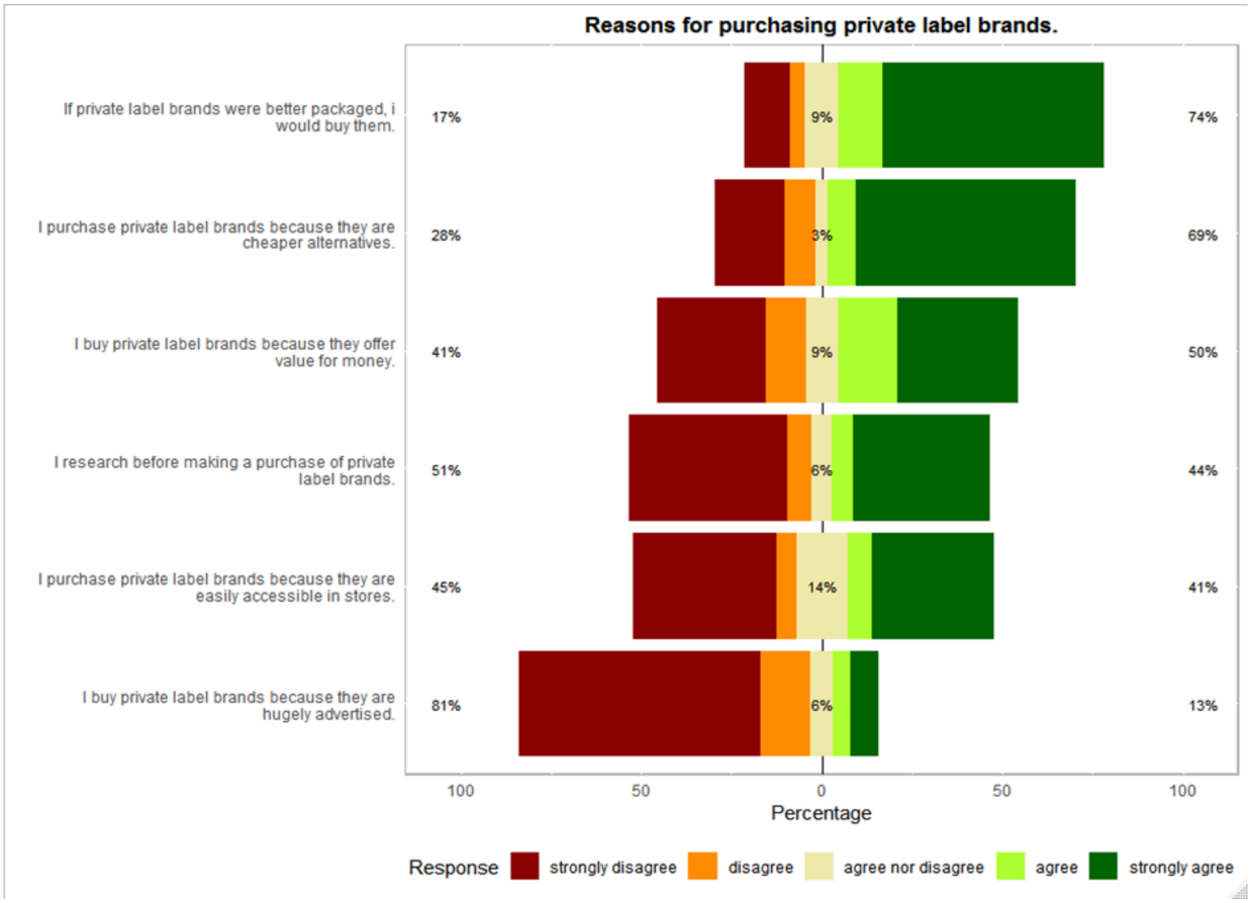
Participants were further asked statements on the criteria they use to compare private label brands against manufacturer brands from (Q38-44) on the questionnaire (see appendix B). These statements were asked on a Likert scale of 1-5, where 1 (*strongly disagree*) and 5 (*strongly agree*). Figure 4.13, above represents the percentage responses of participants. A greater proportion of 79% participants strongly agreed that they compare the pricing of both private label brands and manufacturer brands before making a purchase. Customers considered pricing of both brands as an important factor before making a purchase. The researcher, further found that 64% of participants strongly disagreed to private label brands having a comparable quality to manufacturer brands, therefore believing manufacturer brands to being superior in term of quality. Meanwhile, 54% of participants strongly agreed that manufacturer brands do taste well and last longer than private label brands thereby, vouching for manufacturer brands with regards to their taste and lasting longer. The above findings in figure 4.13 suggests that customers compare private label brands against manufacturer brands in terms of price, quality and packaging amongst other things. Furthermore, they believe that manufacturer brands taste better and usually last longer than private label brands. Suffice to state that customers base their comparison of both brands using the above criteria.

Open-ended question: Do you have any other reason for the usage of private label branded products?

When participants were asked the open-ended question, whether they had other reasons for their usage of private label brands. Their responses indicated that private label brands allowed them to purchase more groceries than they would have if they purchased manufacturer brands. Additionally, participants provided that having a large household size, private label brands enable them to shop for larger grocery quantities. For instances, one of the participants reported ***"I have a very large family, so these brands allow me to get large grocery quantities"***. Another common finding from participants regarding their reason for the usage of private label branded products, was due to their salary limitation and constrained grocery budget. For instance, the responses of the participants indicate that in order to purchase more groceries they purchase private label branded products.

4.2.7 Research objective 5: To analyze the reasons for purchasing of private label brands in eThekwini Municipality

Figure 4.14 Reasons customers purchase private label brands



When participants were further asked their reasons for purchasing private label brands. Participants answered statements from a Likert scale, on a scale from 1-5. Where, 1 (*strongly disagree*) and 5 (*strongly agree*). These statements ranged from Q45-Q50 on the questionnaire (see appendix B). Figure 4.14 represents the percentage responses of participants on the reasons for their purchase of private label brands. A greater proportion of 74% participants strongly agreed that if private label brands were better packaged, they can consider buying them, highlighting the importance for good packaging of these products. Meanwhile, 69% of participants pointed out that they shop for private label brands because they are low-priced alternatives when matched with the prices of manufacturer brands. Conversely, 51% of participants strongly disagreed that they research before making a purchase for private label brands. Thus, customers tend to buy private label brands according to their needs. Lastly, a majority (81%) of participants strongly disagreed that they purchase private label brands because they are hugely advertised, illustrating that participants in this study purchase private label brands not because of seeing them on advertisements but due to their awareness for private label brands. The results in figure 4.14 indicate that customers mostly purchase private label brands because they are low-priced than manufacturer brands, not because they are hugely advertised.

Open-ended question: which other factors contribute to your buying decision for private label brands?

Participants were further asked an open-ended question as to what other factors contributed to their buying decisions for private label brands. The popular responses that emerged were the consistency in reasonable pricing of private label brands, For instance, one of the participants highlighted that ***"Their reasonable pricing attracts my eye when I'm doing my groceries and I do not hesitate to buy them, and they also allow me to save"***.

Other interesting responses obtained from customers as a contributing factor towards their buying decision was based on the availability of manufacturer branded products stocks in grocery retail store shelves***.*** One of the respondents reported that ***"If certain manufacturer products are not on stock, I then consider purchasing private label products"***. This finding further suggests that customers consider private label brands only if manufacturer brands are not available.

4.3 Section B: Qualitative data analysis and interpretation

Sequel to the analysis and interpretation of the quantitative and qualitative data obtained from customers, the qualitative data obtained from grocery retail managers was also analyzed and interpreted. The result is as presented in the section below. In analyzing the qualitative data, the researcher did not use grocery retail managers' names, the grocery retail stores as well as their private label products. This is due to confidentiality reasons associated with the study.

4.3.1 Research objective 1: Customers' perceptions of private label brands in eThekwini Municipality

Themes: Customer perceptions of private label brands

1) Quality of private label products.
2) Private label brands are affordable.

When retail managers were asked about the perceptions of customers towards private label brands, most of the managers were of the view that customers positively perceive their private label brands. The themes that emerged from this research question are highlighted and explained below:

4.3.1.1 Theme 1: Quality of private label products

From the N=10 Grocery retail managers, n=3 (30%) pointed out that *"our private label products were perceived by customers as par with manufacturer brands"*. Grocery retail managers believed that they offer customers with quality private label branded products at an affordable price.

Similarly, n=2 (20%) of grocery retail managers somehow shared similar responses. The participants positively pointed out that customers are familiar with their private label brands. For instance, one grocery retail manager pointed out that *"customers prefer their store brands because customers want fresh and quality products which our grocery* *retailer provides for the customers"*. Furthermore, other grocery retail managers were also positive in their views that customers positively perceive their private label products. This grocery retail manager reported *"our products satisfy customers to an extent that they choose our store products over the top brands"*. The responses of grocery retail managers is indicative of their opinion that pricing and quality do not influence the perception's customers have over their private label brands because they trust their grocery retailer and its products.

4.3.1.2 Theme 2: Private label brands are affordable

According to n=5 (50%) grocery retail managers, price has a massive effect on the perceptions of customers towards private label brands. This grocery retail manager reported saying: *"customers continue to purchase our products, because they are affordable".* As grocery retailers try to influence their customer perceptions by actively promoting their products and having them always accessible on store shelves.

Meanwhile, n=2 (20%) grocery retail managers were of the view that customers are very welcoming of their private label brands because they perceive them to be cheaper than manufacturer brands. The grocery retail managers believe that pricing has an effective influence on customers' perceptions of their products because they are cheaper. The grocery retail manager reported saying: "*…because our products are cheaper in prices, customers will have mixed perceptions about cheaper products even though they are of good quality".* Some of the grocery retail managers were also optimistic in their views that customers positively perceive their private label products because they are reasonably affordable to purchase.

4.3.2 Research objective 2: Demographic effect on the perceptions of customers towards private label brands in eThekwini Municipality

Themes: Demographic effect on the perceptions of customers towards private label brands.

1) Gender.
2) Education level.
3) Level of Income.

The researcher investigated from the retail managers if they think demographic factors such as age, gender, level of education, household size and level of income might have any influence on the perceptions of customers towards private label brands. Below are the themes that emerged from the grocery retail managers from various grocery retail stores.

4.3.2.1 Theme 1: The effect of gender on the perceptions of customers toward private label brands.

From the N=10 grocery retail managers, n=7 (70%) said gender does have effect. This participant stated that: *"most buyers of our private label brands are mostly females than males"*. This indicates that males are skeptical of their private label brands. The grocery retail managers added that it is largely older women who trust and frequently purchase private label brands. Furthermore, this largely results from females being the ones who are mostly in charge of grocery purchases in many households, therefore, when male customers are buying groceries, they become skeptical and they opt for manufacturer brands which they trust over private label brands. Some grocery retail managers, added that elderly women are the frequent shoppers of private label products.

4.3.2.2 Theme 2: The effect of education Level on the perceptions of customers towards private label brands

From the N=10 grocery retail managers, notably, n=6 (60%) of the grocery retail managers noted that age does not have much of an effect but pointed out that the most educated individual customers are very informative and they question most things, hence, they sometimes shy away from their store brands in preference of manufacturer brands. This suggests that the more educated individual customers are, the more they tend to have low trust and negative perceptions towards private label brands. The retail manager further pointed out that the observations were made in the shopping patterns of their customers when doing groceries.

4.3.2.3 Theme 3: The effect of the level of income on the perceptions of customers towards private label brands

From the N=10 grocery retail managers, n=5 (50%) pointed out that the level of income might have an effect on customers' perceptions toward private label brands, because people with low income tend to save and purchase their private label brands. Meanwhile, high income earners tend to be skeptical of purchasing private label brands, preferring manufacturer brands. The participant pointed out saying *"customers who mostly shop for their private label brands are the low-income earners"*.

On the contrary, n=3 (30%) of the grocery retail managers were of the view that demographic factors have no influence on their customers purchase of their private label products. The grocery retail manager stated that *"Our brand and its products if positively perceived by everyone, regardless of their demographics*".

4.3.3 Research objective 3: Customers' brand awareness, brand trust and brand loyalty for private label brands in eThekwini Municipality

Themes: Brand awareness

1) Advertising.

When the grocery retail managers were asked if grocery retailers have introduced enough promotional activities in bringing awareness about their private label brands, the identified theme was generated and consequently explained.

4.3.3.1 Theme 1: Advertising

80% (n=8) of grocery retail managers cemented that they actively promote their private label brand products towards customers in a way that they bring awareness amongst customers. They do so by advertising their products in most traditional and electronic media channels in order to bring awareness amongst customers. For instance, one of the grocery retail managers responded saying: *"We have introduced adverts in order to attract and bring awareness amongst customers about our store branded products".* Furthermore, other grocery retail managers provided that they bring awareness about their private label branded products by actively advertising them on social media platforms. Meanwhile, one grocery retail manager responded saying: *"we promote our store brands by displaying them on shelve talks in our store departments".*

Theme: Brand trust

1) Frequent purchase.

When the grocery retail managers were asked if they think customer trust the provision of private label brands drawing comparison with manufacturer brands, they positively responded that customers trust their store brands. Below is the theme that emerged from participating grocery retail managers.

4.3.3.2 Theme 1: Frequent purchase

The grocery retail managers indicated that customers show trust in their store products brands because they are always in high stock turnover due to the high demand for their brands. n=6 (60%) of grocery retail managers in the process vouch that customers show trust in their grocery retailers private label products as they actively buy them on a regular basis. One grocery retail manager responded that *“customers trust their brands because their products are quality guaranteed and most importantly, if customers are not satisfied with a certain product they are free to call or return them to the store and get assistance immediately”.* Furthermore, other retail manager also shared the same opinion that their customers believe in their private label brands product lines due to a small volume of complaints from customers. Moreover, where they are unhappy or find their products faulty, they are encouraged to report the fault and grocery retailers gladly assist and improve on their products.

Themes: Brand loyalty

1) Advocacy.

When the retail managers were asked whether customers are loyal and actively advocate for their store private label brands. Below is the theme that emerged from the grocery retail managers’ responses.

4.3.3.3 Theme 1: Advocacy

The grocery retail managers of various retailers believed that customers are loyal to their private label brands, hence, n=9 (90%) of grocery retail managers provided that customers are fairly loyal to their products more especially because they are offered at an affordable price to customers. One grocery retail manager responded that *“our prices keep our customers loyal to our private label products and in the process they spread word of mouth about our products and their affordable prices”*. They further believe that customers advocate for their private label products to other people, thereby recruiting them to consume their private label brands. Furthermore, grocery retail managers also offered that customers warmly receive their House Brand private label product, as they frequently purchase them and advocate for their good quality.

Also, grocery retail managers further offered that customers usually try out their products and continue with their usage to an extent that they recommend their products to their friends and families. One grocery retail manager was of the view *that "…our loyal customers have over the years preferred our private label products over the top brands, because we offer what our target customers are looking for"*. Therefore, retail managers consider customers to show loyalty towards the above grocery retail stores private label brands.

4.3.4 Research objective 4: Criteria customers use when comparing private label brands with manufacturer brands in eThekwini Municipality

Themes: Criteria used when comparing private label and manufacturer brands.

1) Prices.

The retail managers were further asked questions on what criteria customers use when comparing private label brands against manufacturer brands when they are shopping. The researcher found the following theme that arose from the retail manages of various grocery retail stores.

4.3.4.1 Theme 1: Prices

From N=10 grocery retail managers, n=8 (80%) grocery retail managers reported saying *"due to the bad economy, customers use pricing as criteria to compare and make a choice between our brands and manufacturer brands".* The other grocery retail managers shared similar view that customers use prices in order to compare and make a choice between their grocery retail private label brands and manufacturer brands. Contrastingly, other grocery retail managers had other views. For instance, one retail manager pointed out that *"…at times customers look at which brands are in and out of stock between the two types of brands in the process choosing the ones in stock at that particular time. Therefore, we make sure our store products are always in stock at our retailers".*

Meanwhile, n=2 (20%) grocery retail managers were vocal on the issues of pricing and quality, but concluded that prices are more important for customers, when they compared their private label brands with manufacturer brands. This indicates that prices are an essential measure for customers when comparing both brands.

4.3.5 Research objective 5: Reasons for purchasing private label brands by customers in eThekwini Municipality

Themes: Reasons for customers to purchase private label brands.

1) Function.

2) Value.

When the researcher interviewed the retail managers on the reasons that might encourage customers towards considering private label brands over manufacturer brands. The grocery retail managers responded with various views. Below are the common themes that emerged from the retail managers.

4.3.5.1 Theme 1: Function

60% (n=6) grocery retail managers within their responses provided similar views regarding customers' reasons to purchase private label brands. Noticeably, it was based on its functions compared to manufacturer brands. Grocery retail managers were of the view that customers purchase their private label brands purely because they feel that private label brands perform the same utilities as manufacturer brands and they see value in their products. A grocery retail manager responded that *"customers buy our products because they are cheaper than other brands, but our products satisfy our customers as they last longer and don't expire early".* The retail managers further explained believing it is evident that customers enjoy using their private label brand lines by buying them even on normal economic basis, not only when the economy is under strain. One grocery retail manager further alluded saying *"our satisfied customers are not skeptical of our products,* *which helps us in advocating and ensuring the potential customers that our private label brands are consumable and are made of quality products".*

4.3.5.2 Theme 2: Value

From the N=10 Grocery retail managers, n=6 (60%) positively pointed out that private label products are custom made to fulfill the same needs for customers as manufacturer brands. This is because their products are tried and tested and meet quality standards in order to fulfil customers' consumption needs and provide value for their money. However, one grocery retail manager points out that income influences the purchase of private label brands "*customers who are likely to be high income earners often choose to buy the bigger brands (Manufacturer brands for this study) than our private label products and Low and middle-income earners regularly purchase our brands due to their income and affordability levels, but they see value in our products",* Furthermore, other grocery retail managers shared that their customers now notice the value of their brands unlike before when customers were skeptical of private label brands. The grocery retail managers furthered that customers are no longer skeptical of their products as they are now trusted by customers since they actively purchase them. In the process, customers see worth for their money, when buying private label brands over manufacturer brands.

4.3.6 Research objective 6: Support activities offered to private label brands in eThekwini Municipality

Themes: Support Activities offered to private label brands.

1) Promotional programs.
2) Promotional Channels.
3) Results of Support activities.

In order to promote products or brands, various support activities are needed. The retail managers were asked on the support activities that are offered to private label brands.

During the interviews with the grocery retail managers, certain themes were dominant within their responses, they are discussed further below.

4.3.6.1 Theme 1: Promotional programs

The grocery retail managers offered that their grocery retail stores offer private label brands support activities targeted at customers. n=10 (100%) agreed that they have promotional programs supporting their private label brands. One grocery retail manager stated that *“we actively support our products in order for customers to know about our products on offer”,* but they were not sure whether they can compete with manufacturer brands in most aspects. Where, grocery retail managers from other stores pointed out that they support their private label products by actively promoting them. In addition, grocery retail managers pointed out that they have been and are still offering support for their private label brands to a level where customers will be fully aware of their private label brand products, specifically the old and new private label product lines.

4.3.6.2 Theme 2: Promotional Channels

From the responses, grocery retail managers provided that they use various promotional channels. For instance, n=10 (100%) of the grocery retail managers pointed out that they use various channels to effectively support their private label brands. One grocery retail manager stated that *“we use in-store activations, posting the products and their promotions social media platforms, newspaper advertisements and on Radio adverts”.* One grocery retail manager further added that for their grocery retail stores, they have been using different support strategies in order to attain the attention of customers. Another stated saying: *“I’m sure you always witness our advertisements on T.V and on Radio, that is an initiative by our retail in order to familiarize customers with our products and it’s not only that because we also do in-store promotions for customers”.* Meanwhile, other grocery retail managers offered that they also make use of T.V and Radio advertisements for the promotions of their private label brands. Some grocery retailers go out on market days around their areas and promote their private label brands. Also, some grocery retailers are said to have talk shelves where they detail and promote their private label brands inside their retail stores, mentioned the manager. Similarly, some grocery retail manager also clearly pointed out that they use the similar support activities with the other grocery retailers. One retail manager pointed out saying "*our retail store actively invest in the promotional activities in order to map out our house brand to the public to an extent that they see them indifferent to the leading name brands in our store shelves".* They do so by being active on social media channels such as Facebook, Twitter and YouTube where they spread brand content for their private label brand products.

4.3.6.3 Theme 3: Results of support activities

The Grocery retail managers further commented on the effectiveness of these support activities and strategies employed by their grocery retailers. n=10 (100%) of the grocery retail managers were of the view that the implementations of their retail support activities have yielded positive outcomes as they have been effective. One grocery retail manager agreed stating *"Yes, our strategies and promotions seemed to be working and reaching our target audiences, our customers".* Furthermore, other grocery retail managers were also of the opinion that their support activities for private label brands have always been effective as customers are receptive of their store products. They further cited that customers always commend on their promotional activities and that their support activities are relevant to their customers. Additionally, one grocery retail manager added that their retailer has spent heavily on promotional activities targeted at customers and potential customers. One of the grocery retail manager stated *"Over the years our grocery store has been prioritizing investing in promotional activities and they have been effective as we see an increase in sales volumes of our private label products".* The grocery retail managers of these various stores showed confidence in the effectiveness of the support activities for their respective stores private label brands.

4.4 Summary

This chapter presented the results for this study obtained from customers and grocery retail managers from and around the eThekwini municipality. The data was analyzed according to the research objectives for this study. The results revealed that customers seemed to be uncertain about private label brands, although they repeatedly purchase PLBs. The grocery retail managers were positive about their grocery retail private label brands offering, insisting that customers welcome their private label brands.

The results also showed that customers have various criteria that they use in order to distinguish private label brands from manufacturer brands such as pricing, innovation, packaging and quality seemed very important for customers before making a purchase decision between the two brands. Lastly, customers purchase private label brands for various reasons; customers mostly purchase private label brands because they are low-priced substitutes of manufacturer products, not because they are hugely advertised. Meanwhile, grocery retail managers revealed that gender and income levels of customers do influence customers' perceptions of private label brands. Furthermore, grocery retail managers insisted that based on the provision of their support activities, customers become aware, trust and are loyal to private label brands. This is due to the fact that customers frequently purchase private label brands as they perform the same function as manufacturer brands. The following chapter presents the discussions of the above findings, conclusions, recommendations limitations and suggestion for future research.

Chapter 5

Discussions, conclusions, recommendations and future research

5.1 Introduction

The previous chapter presented the research findings and interpretations from customers and grocery retail managers. The customers were used to form the respondents for the quantitative part of the study, while grocery retail managers formed the qualitative part. This chapter discusses the findings obtained from both customers and grocery retail managers with the assistance of previous literature. The discussions comprised both the qualitative and the quantitative study. The qualitative and quantitative findings were later compared. Conclusion, recommendations and suggestion for future research are further presented.

5.2 Discussion of the demographic data

The findings for this present study revealed that most customers who took part were female participants (see table 4.1), Stojanovic (2018) affirms that females are more responsible for grocery purchase for their households. Majority of the participants had tertiary education and considered more brand information when making a purchase decision compared to others with lower education level. Most customers for this study were from the age group of 23-29. Although perceptions of customers vary from age to age, older customers are probable to consider private label brands positively compared to younger customers However, This finding is supported by Mehra (2016) who noted that younger customers are brand conscious but at the same time they are eager to try new products (Mehra, 2016). However, the participants were largely unemployed. Furthermore most participants earned within the salary scale of R1, 584 – R 7,168, thus confirming that customers who are more likely to purchase private label brands are low and middle income earners (see table 2.1). This confirms the findings of Dimitrieska *et al.*, (2017) who found that the middle to low-income earning people are likely to rely on private label brands as they might not afford prices of manufacturer brands.

5.3 Perceptions towards private label brands

The results obtained from the sample of customers on their perceptions towards private label brands indicated that customers recognize manufacturer brands to be better than private label brands in terms of quality (see table 4.3). The findings resonate with past literature, where customers had several perceptions towards private label brands, such perceptions arise from their comparison with manufacturer brands (Rossi *et al*., 2015). Further findings from this present study revealed that customers feel grocery retail stores have yet to improved their private label brands as they are still unsure about their quality (see table 4.3), therefore opposing Cuneo *et al*., (2015) and Wang *et al*., (2019) who concluded that the perceptions of customers have steadily improved over the years, to a point where customers have now trusted the provision of private label brands by grocery retailers. These perceptions highlight the transformation of private label brands across countries where customers have varying perceptions. Whereas, in some countries, private label brands have been performing well and underperforming in some others (Olbrich *et al*., 2017). The results in table 4.3 further discovered that customers believed private label brands have lower quality when compared to manufacturer brands. Moreover, the findings are consistent to that of De & Singh (2017) who confirmed that private label brands are allegedly associated with low quality when compared to manufacturer brands, signifying the quality shortcoming of private label products in comparison to manufacturer brands.

The qualitative results obtained from the grocery retail managers suggested that customers positively welcome their private label brands. Consequently, grocery retail managers from the various grocery retailers are of the view that customers are satisfied with their private label brands to an extent that they perceive them to be at par with manufacturer brands in terms of quality. This finding is consistent to that of Food Stuff South Africa (2016) who concluded that South African customers now vouch for the eminence of store brands. However, this contradicts the results obtained from customers, as they were neutral with the quality of private label products (see table 4.3).

In addition, other findings from customers suggested that their perception towards private label brand vary according to the grocery retailer offering that certain private label brand.

The sample felt that private label brands of Shoprite particularly RiteBrand have the lowest quality, while the No Name brands of Pick n Pay is high in quality and equals that of manufacturer brands.

Previous research posits that when customers are new to private label brands, they develop skeptical perceptions around them (Rossi *et al*., 2015). Reasons for these skeptical perceptions could be their introduction to customers as low priced and quality alternatives of manufacturer brands (De & Singh, 2017). Lastly, other scholars confirm that before customers formulate perceptions towards private label brands, they identify with the store image and then formulate perceptions in line with the image of the grocery retailer offering the private label (Juhl *et al*., 2006; Vahie & Paswan, 2006; Beneke *et al*, 2015; Koschmann & Isaac, 2018). In this present study, findings revealed the gap between the perceptions of customers and retail managers as the results contradict each other.

In summary, the first hypotheses (Ho) for this study postulate that there is no significant difference between demographic variable and the perceptions of customers towards private label brands was not upheld, whereas the alternative (Ha) holds that a significant association exist between some demographic variables and the perceptions of customers towards private label brands. The hypotheses revealed that customer perceptions towards private label brands is affected by some demographic variables, such as the age groups and monthly salary scales of customers. Whereas, the other demographic variables; such as gender, employment status, household size and education level of customers had no association with customers perceptions towards private label brands. Hence, we accept the alternative (Ha) that there is some significant difference between the groups of some demographics variables and customers' perceptions towards private label brands.

5.4 Brand awareness, brand trust and brand loyalty for private label brands

5.4.1 Brand awareness for private label brands

The results obtained for this study revealed that customers are aware of private label brands. As the promotional activities enabled customers to easily recall private label brands. The results in chapter 4 (see figure 4.10 and table 4.5) revealed that customers fully agree that they are aware of private label brands. This confirms the study of Barreda *et al*., (2015) who confirms that for customers to buy private label product, there is a need to be aware of private label brands. These results also corroborate the study of Cuneo *et al*., (2015) who state that over the years private label brands have since gained popularity among customers, affirming that customers are not only familiar with manufacturer brands, as confirmed by the results in table 4.5, from chapter 4. Moreover, some customers were unsure whether promotional activities allowed them to easily recall private label brands. The findings underline the continued investment by grocery retailers towards brand awareness activities in order to fully familiarize customers with private label brands. These results agree with the findings of Rubio *et al*., (2014) who stated that grocery retailers need for investment towards actions that will fully associate consumers with their private label brands.

Confirming the findings from customers, qualitative data from grocery retail managers revealed that grocery retailers are investing on activities that create awareness and familiarity of customers towards private label brands for their respective grocery retailers. In the process, the grocery retail managers insisted that they create their brand awareness through investing in advertisements that specifically promote their respective private label brands. This finding agrees with Han *et al*., (2015) who in their findings insisted that grocery retailers invest on advertising in order to bring awareness. For example, in this present study, one grocery retailer responded that specific adverts have been introduced for their private label products to attract and create awareness amongst customers. Other grocery retail managers reported that they use different media channels in order to create awareness amongst customers. This is done through the use of TV advertisements, radio and in-store promotions as a way to bring customers closer to their private label brands (see 4.3.3.1). Supporting retail managers views, customers provided the opinion that they become aware of private label brands through store visits when making their everyday groceries, as a result they start taking note of their shelve presence. Hence, both result from customers and retail managers confirm each other. Since grocery retailers invest in brand awareness activities and in turn customers provide that they are aware of private label products. These findings corroborate Pnevmatikos *et* *al*., (2018) who acknowledge that investment on advertising by grocery retailer, has positive results for both grocery retailers and customers. As customers gain more awareness of PLBs, in the long run grocery retailers have an opportunity to secure more customers for their brands.

The findings from the view of the study sample strongly corroborates with Rubio *et al*., (2014); Abril & Rodriguez-Canovas (2016) who highlight the importance for grocery retailers to invest in support activities to create awareness for their private label brands. Furthermore, Kaiser (2017) insisted that grocery retailers employ other strategies towards creating brand awareness, such as social media platforms. Meanwhile, Barreda *et al*., (2015) confirmed that brands who have employed social media strategies in creating awareness have succeeded.

In summary, the second hypotheses (Ho) for this study postulate that there is no significant difference between brand awareness, brand trust and brand loyalty, whereas, the alternative (Ha) postulate that there is some significant difference between brand awareness, brand trust and brand loyalty. The demographic variables had no significant difference with the brand awareness of customers for private label brands. For brand awareness, the hypotheses (Ho) is upheld that demographic variables do not affect customers brand awareness for private label brands.

5.4.2 Brand trust for private label brands

When customers were further asked statements on their trust for private label brands, the result obtained, interpreted and presented in the previous chapter (Figure 4.11 and table 4.6) confirm the findings of Chinomona (2016) who concluded that customers trust private label brands to a degree of fully agreeing and willing to continue to buying private label products as they are content with the provision of private label brands .These results are consistent with those from grocery retail managers, who provided a confident view that customers show trust towards their respective private label brands. The dominant submission from the grocery retail managers was that their stock levels of private label brands is always being replenished owing to customers trust for their products as they repeat their purchase for private label brands. In the literature, Chinomona (2016) finds that as customers tend to be aware of private label brands, they actively and repeatedly purchase private label brands in turn trusting the products to satisfy their consumption needs.

Other findings suggest that though customers are content with private label products and continue their purchase, the results suggest that customers do not depend on the quality of private label brands. This coincides with the work of Wang *et al*., (2019) who acknowledge the importance of customers having a positive emotional attachment to a brand and continue to purchase such. This concurs with Song *et al*., (2019) who ascertain that brands trust arrives from positive awareness with the brand. Therefore, this present study has found that grocery retailers believe they deliver quality private label brands to customers, in turn for their full trust. This finding corroborate the study implications of Han *et al*., (2015) who implores grocery retailers to provide customers with private label brands of good quality. Furthermore, there was a significant correlation and significant difference found between brand trust and age groups of customers (see table 4.9). These findings suggest that that as customers get older, they become probable to trust private label brands. Moreover, a significant correlation and significant difference was found between brand trust and monthly salary scale (see table 4.11). These results suggest that as monthly salary scales of customers increase, their brand trust for private label brands also increases. These findings are in accordance with the results of Erkmen & Hancer (2019) who ascertain that customers grow confidence and trust in a brand meeting their needs as they continue consuming private label brands.

The response of customers in an open-ended question had a contrasting view to that of grocery retail managers. Customers do not trust the provision of private label brands though they repeatedly purchase private label brands, pointing out to the cheaper prices as the reason for their repeated purchase. Customers' views confirm the literature of Calvo-Porral & Levy-Mangin (2016) who stated that the purchase reasons for private label brands amongst customers was largely to their cheaper prices. This upholds Boyle & Lathrop (2013) findings that customers opt for price to be an indicator for the trust and quality of private label brands, hence, low prices are deemed to be associated with poor quality and the opposite is true with high priced products.

Another common view from customers was the store image of the grocery retailers that offers private label brands. They were said to have a role for customers to trusting PLBs. Moreover, it is evident that some grocery retailers have a reputable and trustworthy store image than others. This corroborates the finding of the work of Vahie & Paswan (2006) who confirmed that customers firstly consider the image of the grocery retailer, before having any perception about the private label brands on offer. These views portray that grocery retail managers are less informed about the views of customers around their private label brands. Therefore, the continued purchase of private label brands by customers is an outcome of their cheaper pricing, not because they fully trust private label brands.

In summary, the second hypotheses for this study postulate that there is no significant difference between brand awareness, brand trust and brand loyalty, whereas, the alternative postulate that there is some significant difference between brand awareness, brand trust and brand loyalty. Significant difference between brand trust and some demographic variables groups (age groups and monthly salary scales of customers) was found. While, other demographic variable groups (gender, education level, household size and employment status) had no significant association with brand trust. Moreover, we accept the alternative that there is association between brand trust and some demographic variables.

5.4.3 Brand loyalty for private label brands

When the sample of customers were asked statements on their brand loyalty for private label brands, the findings indicated customers actively buy private label products, repeatedly (see figure 4.12). This finding resonates with the study of Mao (2010) who holds the view that brand loyalty results from customers repeated purchase and repurchase of a brand, therefore customers are somehow loyal to private label brands. However, customers in the process do not convince other customers to purchase private label brands though results reveal that they meet their expectations (see figure 4.12). Meanwhile, previous studies of Han *et al*., (2015) and Han *et al*., (2018) warned grocery retailers that in order to achieve brand loyalty amongst customers, they needed to satisfy customers with their private label products.

The qualitative results from grocery retail managers' sample absolutely believe that customers remain loyal to their private label brands. Admitting that customers repeated purchase of their private label products signals for customers' loyalty. This supports the above findings from customers that they repeatedly purchase private label brands. Hinting that customers somehow advocate to other customers, this confirms the managerial implications of Han *et al*., (2015) who understood that for customers to be loyal to a product, they have to be satisfied with the product offerings. However, this contradicts the results from customers who expressed that they do not convince others to purchase private label products.

In contrast to the findings from grocery retail managers, sampled customers were further asked an open-ended question, as to which are other factors that keep them loyal to private label brands. They responded that they are not loyal to private label brands, it is their affordability during tough economic situations that forces them to choose private label brands over manufacturer brands, suggesting that such customers are price switchers in the loyalty ladder. They only buy private label brands for their low prices, therefore they are not loyal to private label brands. Thus, confirming the works of Aaker (1991) and Ishak & Ghani (2013) who in the Aaker loyalty ladder (see Figure 2.1) opine that some consumers are not brand loyal, but they are price switchers. They stick to purchasing reasonably priced products. Literature of Diallo & Seck (2018), further cements that customers prefer manufacturer brands before considering private label brands. The findings from both results (quantitative and qualitative) confirm each other, as customers repeatedly purchase private label products. Furthermore, they are loyal due to their reasonable pricing than manufacturer brands. The results in this present study found a significance correlation and significant difference between brand loyalty and monthly salary scale of customers (see table 4.11), thus indicating that as the salary of customers' increase, so will their brand loyalty towards private label brands.

In summary, the second hypotheses (Ho) for this study postulate that there will be no significant difference between brand awareness, brand trust and brand loyalty amongst customers within the eThekwini Municipality was not upheld, whereas the alternative (Ha) holds that there will be some significant differences between brand awareness, brand trust and brand loyalty. Some association exist between some demographic variables and the brand loyalty towards private label brands. The hypotheses revealed that customers brand loyalty for private label brands is affected by the monthly salary scales of customers. Whereas, the other demographic variable groups; such as gender, age groups, employment status, household size and education level of customers had no association with customers brand loyalty towards private label brands. Hence, we accept the alternative (Ha) that there is some significant difference between brand loyalty and a demographic variable group of monthly salary scales.

5.5 Criteria customers use when comparing private label brands with manufacturer brands

The results indicated that customers use various methods of comparison concerning private label brands and manufacturer brands. In this present study, prices for both private and manufacturer brands were found to be very essential when customers compare both brands (see figure 4.13). These finding confirm the results of Rossi *et al*., (2015) who in their study hold the view that customers use pricing to compare store brands and manufacturer brands. The finding suggests that customers are price considerate when carrying out shopping or making a choice to purchase between a private label product and a manufacturer brand. These findings confirm those of grocery retail managers, who indicated that pricing was an important consideration for customers when comparing private between the brands. Insisting that price is an important benchmark for customers before making a purchase decision between private label brands and manufacturer brands (see 4.3.4.1).

The results also indicate that customer compare and consider the quality levels for both brands. These findings are in accord with historic first introduction of store brands which were introduced as low priced and low-quality alternates to manufacturer brands (De & Singh, 2017). Hence, customers in this current study revealed the known comparison criteria used by customers when comparing both brands. The results corroborate the work of Diallo & Seck (2018) who concluded that before customers make a purchase decision, they make various comparisons between private label and manufacturer brands, the apparent comparison is pricing and quality. Therefore, the current study confirm the conclusion.

Other results obtained from customers further revealed that customers compare the innovation between private label brands and manufacturer brands. The result revealed that customers in this present study felt that private label brands are of low innovation than manufacturer brands. This result contradicts the findings of Nielsen (2018) which offers that grocery retailers in South Africa have over the years taken serious steps towards innovating their private label products. Hence, presenting a task for South African grocery retailers in terms of innovating their store brands.

5.6 Reasons for purchasing private label brands by customers

The results from customers in this present study indicated that they purchase private label brands because they are low-priced substitutes of manufacturer brands. These results confirm the findings of Nielsen (2018) who concluded that South African customers purchase private label brands in order to save money, while gaining value for their purchase (see table 4.14). Furthermore, the purchase of private label brands is popular amongst customers during tougher economic conditions due to their cheapness when compared against manufacturer brands. These findings confirm those of grocery retail managers (see 4.3.5.2), who acknowledge that customers mainly would buy private label brands for their cheaper pricing when compared to manufacturer brands and in the process obtaining value for their purchase (Calvo-Porral & Levy-Mangin, 2016).

The qualitative results from grocery retail managers were of the view that customers use private label brands as a result of fulfilling similar needs equally with manufacturer brands. This suggests that customers feel indifferent between the two brands, therefore contradicting the findings from customers that they buy store brands because they are cheaper in price compared to manufacturer brands (see 4.3.5.1). Furthermore, the retail managers were of the view that customers buy their store brands because they are now less skeptical of its value as customers are satisfied with their private label products. Such findings from grocery retailers is consistent with literature which provides that the opinions surrounding the price and quality of store brands has somehow improved (De & Singh, 2017).Also, the grocery retail managers are of the view that the level of income determines the reason for the purchase reason for private label products. The sampled customers further confirmed the views of grocery retail managers, affirming the other reasons for purchasing private label brands was a result of their salary limitation. In support of these findings, literature underlines the perception that high income earners mostly rely in purchasing manufacturer brands, citing trust for their quality, while low and middle income earners rely on private label brands due to their income constraints (Dimitrieska *et al*., 2017). As a result, Glynn & Chen (2009) in their study conclude that as customers earn a high income, they shy away from the purchase of private label products.

Other than purchasing private label products due to salary limitation, the researcher, found that packaging is another reason hindering customers from buying private label products. The study finding discovered that if private label brands were better packaged, customers would have a reason to purchase them. This suggests customers' dissatisfaction with the packaging of private label brands by some South African grocery retailers. The result concurs with the findings of Food Stuff South Africa (2016) that customers in South Africa are dissatisfied with the packaging choices by grocery retailers for their private label brands. The finding also confirms the suggestion of Beneke (2010) that packaging, and branding is important, since it influences customers' perceptions towards private label brands, therefore, encouraging grocery retailers to invest on their packaging and branding of private label brands. Meanwhile, Omar (1994) emphasized the importance for grocery retailers to effectively manage the branding and packaging of private label brands for them to realize success with their private label brands. Failure to do so, more skepticism surrounding private label brands will further be fueled among customers.

5.7 The support activities for private label brands

The sample of grocery retail managers were of the view that for customers to be aware of private label brands, support activities were necessary. According to the grocery retail managers in this study, they support their private label brands by actively promoting them in order to reach customers. Furthermore, the grocery retail managers were confident of providing awareness amongst customers of their store brands through the various support activities undertaken. However, they were somehow skeptical of their investments on support activities for their private label brands when compared to spending by manufacturer on their support activities (see 4.3.6.1). This finding corroborates the work of Abril & Rodriguez-Canovas (2016) who opine that manufacturer brands have more power in terms of promotional power over private label brands.

5.7.1 Support activities employed by grocery retailers

The grocery retail managers in this study offered the common support activity tools and strategies used by their grocery retailers in order to familiarize customers with private label bands, shape and improve their perceptions concerning their store brands. They believe in the use of in-store promotions. In their view, in-store promotions assist grocery retailers to familiarize customers with their store brands, by displaying and presenting private label products at their retailers and create instant purchase decisions (see 4.3.6.2). This finding corroborates the findings of Ailiwadi *et al.,* (2011) and Phillips *et al*., (2015) who opine that in-store support activities help in familiarizing customers with a grocery retailers product, moreover, creating an opportunity for customers to give attention to grocery retailers products. Furthermore, it was found that grocery retailers made use of social media , radio, newspaper advertising as they were deemed essential by grocery retail managers towards attracting and winning customer attention towards their store brands. Thus confirming the work of Buil *et al*., (2013) who found investment in support activities creates sufficient brand awareness for store brands. The investment of grocery retailers on the support activities for their store brands, confirming the conclusion by Beneke (2010) who asserted that grocery retailers must support their private label brands to ensure that negative views which were previously held by customers are dispelled.

5.7.2 The effectiveness of the support activities for private label brands

The findings from grocery retail managers from this present study agrees with the work of Abril & Rodriguez-Canovas (2016) that they cannot match the support activities investment of manufacturer brands. This is because grocery retailers tend to invest less in support activities. However, in this study, grocery retail managers were confident that the support activities employed were effective and reach their targeted customers of private label brands. This is confirmed by customers in this present study, who maintain that they are aware of private label brands. This finding supports Rubio *et al*., (2014) who applauds grocery retailers who invest in communicating about their private label brands to customers. These retailers have achieved success in building these brands as opposed to those retailers who have given little support. This raises concerns for grocery retailers who under-invest in terms of their promotional activities.

In addition, grocery retail managers added that the employed support activities (radio advertisements, in-store promotions, social media promotions, newspaper advertisements, among others have been effective (see 4.3.6.2). This is because over time grocery retail managers have witnessed increase in sales volumes for their private label brands. This is their belief that the support activities have thus been relevant for the targeted customers of private label brands, in the process achieving an increase in sales (see 4.3.6.3).

5.8 Conclusions

This present study initially investigated the customers' and grocery retail managers' perceptions toward private label brands in the grocery retail sector within the eThekwini municipality. In order to determine both customers and grocery retail managers' perceptions, the researcher had to accomplish the following objectives:

- To determine customers perceptions of private label brands in eThekwini Municipality.
- To determine the effect of demographic factors on the perceptions of private label brands in eThekwini Municipality.
- To determine the brand awareness, brand trust and brand loyalty for private label brands in eThekwini Municipality.
- To determine the criteria customers, use when comparing private label brands against manufacturer brands in eThekwini Municipality.
- To analyse the reasons for purchasing private label brands by customers in eThekwini Municipality.
- To analyse the support given to private label brands by grocery retailers in eThekwini Municipality.

5.8.1 Objective 1: To determine customers' perceptions towards private label brands in eThekwini Municipality

This objective sought after understanding customers' perceptions toward private label brands. The major findings show that customers from the eThekwini Municipality do purchase private label brands, however, customers see private label brands as cheaper substitutes for manufacturer brands. Furthermore, the study found that customers are of the view that private label brands to be of poor quality, lack proper packaging and are not hugely advertised. However, perceptions surrounding private label brands are reported toward being improved over the years, thus, indicating the need for South African grocery retailers to invest in their store brands, to achieve favourable perceptions from customers. Findings from grocery retail managers put forward that store brands are positively perceived by customers. Grocery retail managers believe their respective grocery retail private labels are at par with manufacturer brands.

5.8.2 Objective 2: To determine the effect demographic factors on the customers' perceptions towards private label brands in eThekwini Municipality

The second objective sought after determining the effects of demographic factors on the customers' perceptions toward private label brands. From the results, it was apparent that gender, education level, level of income and age group influence customers' perceptions concerning private label brands. The study found females to have more favourable perceptions towards private label brands than males who are skeptical when it comes to private label brands. However, this may be a result that females are more responsible for grocery purchases within households.

Education level was also found to have an influence on the perceptions of customers toward private label brands, the results suggest that as customers get more educated, they are cautious about brands and brand information, hence they become skeptical of private label products. This effect is a result of change in education level. This is because as customers are formally educated, they are most likely to question various aspects from brands and consider branding and the branding information of brands.

The present study also found that the level of income has direct influence on customers' perceptions toward private label brands. Customers' who earn high income have a large disposable income, therefore, they purchase manufacturer brands over private label brands, while low and middle income earners resort to private label brands. In the process high income earners are skeptical of private label brands and their quality. Meanwhile, low and middle income earners due to their salary limitation opt for private label brands, though they are unsure of their quality. Correlation was also found between the age groups and customer perceptions towards private label brands. As customers age increases, it was found that they are more likely to have positive perceptions of private label brands.

5.8.3 Objective 3: To determine the brand awareness, brand trust and brand loyalty for private label brands in eThekwini Municipality

Following the third objective for this current study, the researcher wanted to determine whether customers were aware, trust and loyal to private label brands. The findings suggested that customers' were fully aware of private label brands. Moreover, it was further found that demographic variables had no association with customers brand awareness for PLBs. The findings from grocery retail managers advocated that customers are constantly alerted of their store brands through investments in brand awareness campaigns. The present study found that grocery retailers continually invest in different activities that create awareness among customers.

Evidently from the findings of this present study, customers repeatedly purchase private label brands. However, it was established that customers do purchase private label brands but for the sole reason of their cheaper prices when compared to manufacturer brands. The present study revealed that customers do not entirely trust private label brands. However, from the findings of this present study, brand trust has a correlation with age groups and monthly salaries of customers. Establishing that as customers' age and when their salary scale improves, they are probable to trust private label brands. Grocery retail managers in this study strongly believe that customers trust their private label products.

Further findings revealed that customers heavily rely on private label brands during tough economic conditions where private label brands are reasonably cheaper in price to purchase than manufacturer brands. Such customers are not loyal to private label brands. Previous studies confirm that customers in this present study are attitudinally loyal to private label brands, hence they frequently purchase PLBs due to a situation of being cheaper in price than manufacturer brands or being forced by tougher economic conditions. Henceforth, a correlation exists between brand loyalty and monthly salary scale of customers. Suggesting that customers are loyal to PLBs due to their monthly salary scale. Thus, grocery retail managers identify customers as being loyal towards their private label brands since results from the customers proved that customers repeatedly purchase private label products.

5.8.4 Objective 4: To determine the criteria customers use when comparing private label brands with manufacturer brands in eThekwini Municipality

The fourth objective was to determine the criteria customers use when comparing private label brands against manufacturer brands. From the results, customers mostly use pricing and quality as comparison criteria when comparing both private label brands against manufacturer brands. Therefore, South African grocery retailers can thus pay attention to the above criteria used by customers in order to compare private label brands with manufacturer brands. Other findings from the present study suggest that customers also compare the two brands in various ways; through packaging, innovation and durability (see figure 4.7).

5.8.5 Objective 5: To analyse the reasons customers purchase private label brands in eThekwini Municipality

This objective analysed the reasons customers purchase private label brands. It was found that customers within eThekwini Municipality's main motivation for the purchase of private label brands include affordability, as store l brands are likely to be cheaper in price than manufacturer brands, monthly salary limitations and increase in savings. Conversely, customers also had reasons for not buying private label products, in the process preferring manufacturer brands. They emphasised their disapproval in packaging of certain private label brands, offering that if they were better packaged, they probably would consider purchasing them. Hence, packaging choice can give customers a reason to purchase or not to purchase private label brands.

5.8.6 Objective 6: To analyse the support activities given to private label brands in eThekwini Municipality

This objective intended towards analysing support activities given by grocery retailers towards their respective private label brands. The findings from the grocery retail managers in this present study highlighted that grocery retailers do invest their time on support activities that help them lure customers to being aware, trusting and loyal towards their private label brands and in turn repeatedly purchase their products. The findings from the grocery retail managers suggested that they make use of in-store promotions, social media advertising, newspaper advertising, radio and television advertising as support activities their grocery retailers make use of when communicating their private label brands to customers.

The study further revealed that grocery retail managers' confidence toward the support activities employed by their respective grocery retailers. However, they stressed over their low budget investments in their support activities as manufacturer brands outweigh their investment on support activities for their products. This is because the grocery retail managers believe them to be influential in familiarizing customers with private label brands. The study found further found that grocery retail managers are confident of the support and promotional activities reaching and appealing to customers.

5.8 Recommendations

Sequel to the findings of this study, the following recommendations are made:

- South African grocery retailers should strive to develop their private label brands in order to enhance the perceptions of customers toward private label brands, as customers still perceive private label brands to be of poor quality when compared to the closest manufacturer brands.
- Grocery retailers should put more efforts toward the packaging choice of their store brands in order to attract customers into actively choosing store brands over manufacturer brands. Moreover, packaging gives a reason for customers to purchase or not purchase private label brands. Packaging, therefore interests or disinterests customers in buying or not buying private label brands.

- More investment should be put towards support activities. This is with regards to how manufacturer brands hugely invest on support activities for their products. This will address the issue of brand awareness, brand trust and brand loyalty among customers. Social media has been a success in familiarizing customers to different products, it can result in creating positive awareness that will lead to brand trust and further create brand loyalty from customers towards private label brands.
- Grocery retail stores should devise strategies to change the skeptical views of the more educated and high income earning customers about private label brands.
- Considering that customers mostly purchase private label brands due to their low incomes, low pricing and mostly to save, grocery retailers should keep their prices reasonable. Moreover, if grocery retailers excessively raise the pricing of PLBs customers might think otherwise and opt for manufacturer brands instead.

5.9 Future Research

Based on the observed research findings, conclusions and recommendations. The researcher proposes future research in the following areas:

- A study, exploring the composition of the private label brand industry in South Africa, its history, current state and future direction.
- An investigation on the marketing and support activities, their influences on the purchase of private label brands.
- A comparative study concerning private label and manufacturer brands marketing activities: using a quantitative approach.
- An in-depth analysis and research of branding elements; brand awareness, brand trust and brand loyalty for store brands.
- A comparative study, investigating the perceptions of customers towards private label brands across different regions in South Africa, in order to fully generalise customer perceptions toward private label brands in the South African grocery retail sector. This can be done using a qualitative research approach.

5.10 Summary

This chapter with the assistance of past and present literature, discussed the findings obtained from customers and grocery retail managers. Conclusions were then made according to set objectives for this present study, recommendations for grocery retailers and practitioners were provided after concluding on the findings from customers and grocery retail managers. Lastly, suggested future research areas to be considered were outlined.

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Appendix A: Ethical Clearance Certificate

Appendix B: Questionnaire for customers

UNIVERSITY OF ZULULAND
RESTRUCTURED FOR RELEVANCE

INFORMED CONSENT DECLARATION
(Participant)

Project Title: **The perceptions of customers and grocery retail managers towards private label brands in the grocery retail sector within eThekwini Municipality.**

Sbonelo Gift Ndlovu from the **Department of Business Management, University of Zululand** has requested my permission to participate in the above-mentioned research project.

The nature and the purpose of the research project, and of this informed consent declaration have been explained to me in a language that I understand.

I am aware that:

1. The purpose of the research project is to investigate the perceptions of customers and grocery retail managers towards private label brands in the grocery retail sector within eThekwini Municipality.

2. The University of Zululand has given ethical clearance to this research project and I have seen/ may request to see the clearance certificate.

3. By participating in this research project I will be contributing towards the knowledge about customers perceptions of private label brands for both customers and grocery retailers.

4. I will participate in the project by filling in a questionnaire and returning it back to the researcher.

5. My participation is entirely voluntary and should I at any stage wish to withdraw from participating further, I may do so without any negative consequence.

6. I will not be compensated for participating in the research.

7. There is no risk associated with my participation in the project.

8. The researcher intends publishing the research results in the form of dissertation. However, confidentiality and anonymity of records will be maintained and that my name and identity will not be revealed to anyone who has not been involved in the conduct of the research.

9. I will not receive feedback/will receive feedback in the form of information from the store management regarding the results obtained during the study.

10. Any further questions that I might have concerning the research or my participation will be answered by the researcher at sbonelogiftndlovu@yahoo.co.za or 0719508550. You can also contact the researcher's supervisor at the University of Zululand via Email HeeralalS@unizulu.ac.za.

11. By signing this informed consent declaration, I am not waiving any legal claims, rights or remedies.

12. A copy of this informed consent declaration will be given to me, and the original will be kept on record.

I, ...have read the above information /confirm that the above information has been explained to me in a language that I understand and I am aware of this document's contents. I have asked all questions that I wished to ask and these have been answered to my satisfaction. I fully understand what is expected of me during the research.

I have not been pressurised in any way and I voluntarily agree to participate in the above-mentioned project.

…………………………………..   ……………………..

Participant's signature   **Date**

RESEARCHER'S DECLARATION

I, Sbonelo Gift Ndlovu declare that:

• I explained the information in this document to

....

•Requested him/her to ask questions if anything was unclear and I have answered them as best I can
•I am satisfied that s/he sufficiently understands all aspects of the research so as to make an informed decision on whether or not to participate.
•The conversation took place in isiZulu / English
•I used/did not use an interpreter

.... ……………………………….
Researcher's signature **Date**

The perceptions of customers and grocery retail managers towards private label brands in the grocery retail sector within eThekwini Municipality.

This research project seeks to understand the underlying perceptions of customers and retail managers towards private label brand in the grocery retail sector within the eThekwini Municipality. The researcher wishes to gather the perceptions of customers towards private label brands. With your participation in this study, the researcher assures the customer that whatever information obtained by the researcher, it will be solely used for this study and there will be confidentiality and no disclosure of identity.

Should the customer wish for further queries into this study, the customer may contact the supervisor on the following e-mail address: heeralalS@unizulu.ac.za or by call on: 074 603 291.

Private label brands are often referred to as store brands. Store brands are products sold under a stores private label and can take after the stores chain name or a nFame specifically created by the retailer. South African examples of private label brands; Pick n Pay has No Name brands, Spar has SaveMore, Shoprite has RiteBrand private label branded products and Checkers has Checkers branded store brands.

Do you understand what private label brands are?

Yes	No

In answering section A the respondent can tick with an (×) next to the correct response.

SECTION A: BIOGRAPHICAL INFORMATION

1) **YOUR AGE**

18-23	23-29	30-34	35-39	40-44	45-49	50-65

2) **GENDER**

MALE	
FEMALE	

3) **EMPLOYMENT STATUS**

Employed	Unemployed	Partly employed	Other

4) **MONTHLY SALARY SCALE**

R0- R1,583	R1,584 – R7,167	R7,1168 - R 16,417	R16,418- R33,333	R33,334- R57,333	R58,000 and over

5) **LEVEL OF EDUCATION**

PRIMARY EDUCATION	SECONDARY EDUCATION	TETIARY EDUCATION

6) **HOUSEHOLD SIZE**

1-5	
6-10	
10 and more	

7) **How often do you purchase private label brands?**

Never	Very rarely	rarely	occasionally	frequently

Please kindly tick the product categories of private label brands that you normally purchase. You can tick more than one product category using the following Likert scale.

Category	Never 1	Very Rarely 2	Rarely 3	Occasionally 4	Frequently 5
Groceries					
Personal care products					
Baby care products					
Confectionaries					
Clothing					

How often do you buy your private label brands from the following grocery retailers? Using the following the Likert scale:

Grocery Retailers	Never	Very rarely	Rarely	Occasionally	Frequently
Pick n Pay					
Spar					
Shoprite					
Checkers					
Woolworths					
Other grocery retailers					

Research question 1:

- **What are the customers' perceptions of private label brands?**

SECTION B: CUSTOMERS PERCEPTIONS OF PRIVATE LABEL BRANDS

The following statements studies the prevailing perceptions of customers towards private label brands. Tick [x] that applies.

NO	STATEMENT	Strongly Disagree 1	Disagree 2	Agree nor Disagree 3	Agree 4	Strongly Agree 5
8)	The quality of private label brands is low.					
9)	Manufacturer brands are more superior in taste than private label brands					
10)	I only purchase private label brands in tough economic conditions.					

11)	Manufacturer brands are better than private label brands.					
12)	I feel that grocery retailers have improved their private label brands.					

Total Score

Do you have any other existing perceptions about private label brands? If yes, please state other perceptions. If no, please specify.

………
………

Research question 3:

- **Are customers' aware, trust and loyal to private label brands?**

Section B: Brand awareness, brand trust and brand loyalty

No	Statement	Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
13)	I have some knowledge of private label brands.					
14)	I am able to distinguish private label bands from manufacturer brands.					
15)	Private label brands are					

	hugely advertised.					
16)	The promotional activities allow me to easily recall private label brands.					
17)	I am only familiar with manufacturer brands.					

Total Score

What are other factors that made you to be aware of private label brands?

……
………

No	Statement	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
18)	Private label brands always deliver on its quality.					
19)	Provide label brands provide me with satisfaction					
20)	I do not rely on the quality of private					

	label brands.					
21)	Private label brands do not disappoint me.					
22)	I will continue purchasing private label brands.					

Total Score

Do you have any other reasons that make you trust private label brands?

………
……

No	**Statement**	**Strongly disagree**	**Disagree**	**Not sure**	**Agree**	**Strongly agree**
23)	I repeatedly purchase private label brands.					
24)	I often convince others to purchase private label brands.					
25)	I purchase private label brands during tough economic situations only.					
26)	Private label brands					

	always meet my expectations.					
27)	I buy manufacturer brands if they have special offers.					

Total Score

Which are other factors that keep you loyal to private label brands?

………
……

Research question 4:

- **What criteria do customers use when comparing private label brands with manufacturer brands**?

Section C: **Criteria customers use to compare private label brands with manufacturer brands.**

No	**Statement**	**Strongly Disagree**	**Disagree**	**Not Sure**	**Agree**	**Strongly Agree**
28)	I compare the pricing of both private label and manufacturer brands before making a purchase.					
29)	Family influence play a role in the purchase of private label brands					

	over manufacturer brands.					
30)	Manufacturer brands are worth the extra price					
31)	I purchase private label brands over manufacturer brands in order to save money.					
32)	Private label brands have similar quality to manufacturer brands.					
33)	Brand awareness increase my usage for manufacturer brands over private label brands.					
34)	The packaging of private label brands has improved over the years and now matches that of manufacturer brands.					
35)	Purchasing manufacturer brands offers more value					

	for their purchase over private label brands.					
36)	Private label brands are less innovated than manufacturer brands.					
37)	Manufacturer brands taste better and last longer than private label brands.					

Do you have any other reasons for your usage of private label branded products besides the ones above? If yes, please specify.

…………………………………………………………………………………………………
………………………………………………………………………………………

- **Research question 5:**
  What are the reasons for purchasing private label brands by customers?

SECTION F: REASON FOR PURCHASE OF PRIVATE LABEL BRANDS

No.	**Statement**	**Strongly Disagree 1**	**Disagree 2**	**Not Sure 3**	**Agree 4**	**Strongly Agree 5**
38)	I buy private label brands because they are hugely advertised**.**					
39)	I buy private label brands					

	because they offer value for money.					
40)	If private label brands were better packaged, I would buy them					
41)	I purchase private label brands because they are cheaper alternatives.					
42)	I am a smart shopper when I purchase private label brands.					
43)	I purchase private label brands because they are easily accessible in stores.					

What other factors can contribute to your buying decision for private labels brands?

………
………

THANK YOU FOR BEING PART OF THIS STUDY.

Appendix C: Interview schedule for grocery retail managers

GROCERY RETAIL MANAGERS INTERVIEW SHCEDULE.

SECTION A: RETAIL MANAGERS PARTICIPANT CONSENT FORM.

PURPOSE FOR THIS RESEARCH: To obtain the perceptions of customers and retail managers towards private label brands in the grocery retail sector with specific focus in the eThekwini Municipality. Obtaining customers and retail managers' view on their perceptions towards private label brands in South Africa.

Retail managers and experts participation in this research: Retail managers who will volunteer being part of this research, will be interviewed once using face-to-face interview. Where the interviewer will ask questions regarding the perceptions of customers towards private label brands in the grocery retail sector within the eThekwini municipality. The interviewer will ensure confidentiality and the anonymity of both grocery retail managers and their grocery retailer.

Time required for the interview: The interview will take up more than an hour.

Risks: The interviewer ensures the retail managers that there will be no risks involved during and after the interview.

Benefits: This study offers a chance to share your expert views and experience on private label brands in South Africa that will contribute in answering the problem identified in this project. In turn, assisting grocery retailers and future studies on private label brands in South Africa.

Confidentiality: The data gathered from your responses will be strictly kept confidential and only be used for completing this research for the study "The perceptions of customers and retail managers towards private label brands in the grocery retail sector within the eThekwini Municipality". Information gathered from the interviews will be kept out of reach from any third person and only the interviewer will have access to it for analysis and conclusion purposes. The interviewer assures the grocery retail managers that not by any chance the name or information provided by the expert will be used in any conference presentations and let alone publications of this study.

Participation and withdrawal from the interview: The retail manager may anytime withdraw from being part of this study, as the participation is voluntary. In a case where the expert wishes to pull out from the study He/She may inform the interviewer of the withdrawal. However, in a case where the retail manager wishes to withdraw because of uncomforting question during the interview process, the retail managers is free to skip those questions while continuing with the rest of the interview.

Contacting the Researcher: should the retail managers or grocery retails top management have any questions or uncertainties regarding this study, he/she is free to contact the researcher on the following Cell phone number: 071 950 8550 or alternatively on the following E-mail: sbonelogiftndlovu@yahoo.co.za.

For further contact the expert may contact the Researcher's supervisor from the University of Zululand, Mr S. Heeralal via E-mail: HeeralalS@unizulu.ac.za.

………………………………………. ……..……………………………

Participants Name Researcher's Name

……………………………………… ……………………………………..

Date Date

SECTION B: INTERVIEW QUESTIONS

Research Question 1:

- **What are the customers' perceptions of private label brands?**

THE PERCEPTIONS OF CUSTOMERS TOWARDS PRIVATE LABEL BRANDS

1. How do customers perceive private label brands compared to manufacturer brands?
2. Explain how you think price and quality influences the perception of customers towards private label brands?
3. What have grocery retailers done to influence the perception of customers towards private label brands?

Research Question 2:

• **How do demographic factors affect the perceptions of customers towards private label brand?**

4. Explain how you think these factors influence the purchase of private label brands?
   Age:

   Income:

   Education:

   Gender:

Research Question 3:

• **Are customers' aware, trust and loyal to private label brands?**

5. Has grocery retailers actively introduced enough promotional activities to bring awareness about their private label brands?
6. Do you think customers trust the provision of private label brands, drawing comparison with the provision of manufacture brands? (Yes) (N0)
7. If Yes, Why do customers trust private label brands ?

8. Do you think customers are loyal in actively repeating the purchase of private label brands?
9. In your view, do you see customers advocating to other people for your private label brands?

Research Question 4:

- **What criteria do customers use when comparing private label brands against manufacture brands?**

10. What do customers look for when making a choice between a private label and a manufacturer brand? What criteria do they use.

Research Question 5:

- **What are the reasons for customers purchasing private label brands?**

11. Do you think that private label brands fulfil the same needs for the customers as manufacture brands? Elaborate
12. Do you think that private label brands offer customers value for their purchase for them to continuously repurchase? Please explain.
13. Do you think that customers purchase private label brands because they are cheaper than manufacture brands? Explain
14. Have grocery retailers over the years improved the quality of private label brands, for customers to trust and purchase them? Explain
15. Do you think that customers actively purchase private label brands only in tough economic conditions? Explain
16. Do you think the income of customers determine their purchase for private label brands? Please explain.
17. Why do you think South African customers are still skeptical in terms of purchasing private label brands? Explain

Research Question 6:

- **What support activities do grocery retailers offer to private label brands?**

18. Do you think grocery retailers have given private label brands enough support activities for them to competitively compete with manufacture brands?
19. What are these support activities offered to private label brands?
20. Do you think that these support activities are effective?

THANK YOU FOR BEING PART OF THIS INTERVIEW!!!