

**PURCHASE BEHAVIOUR FOR STORE BRANDS IN INDIA: A
STUDY OF PROCESSED AND PACKAGED FOOD
CATEGORY**

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Certificate

The thesis entitled “**Purchase Behavior for Store Brands in India: A Study of Processed and Packaged Food Category**” being submitted by Pankaj Priya to IIT Delhi for award of PhD. is record of bona-fide research work carried out by him.

He worked under our guidance and supervision and has fulfilled the requirements for the submission of this thesis, which has attained the standards for award of PhD degree of this institute.

The results presented here have not been submitted elsewhere for the award of any degree or diploma.

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(Pankaj Priya)

Abstract

Store brands have been the focal point of retailers across the globe. Modern retail though being at a nascent stage in India, is increasingly witnessing a sharp growth in the introduction of store brands by all retailers. Yet, the success rate of this exercise has not been equally impressive among all the retailers. This has encouraged the researcher to enquire and study this phenomenon in detail. Moreover, store brands have witnessed varying success across countries as well as categories. Therefore the boundary conditions for this study are defined by Indian retail scenario and processed and packaged food category. This study is first of its kind in India. Any study on store brands can be broadly divided into two parts, one dealing with supply chain issues and other dealing with customer purchase behavior. This study has focused only on the purchase behavior for store brands in India. Any study of purchase behavior should begin with an understanding of the target customers. Therefore this study can be broadly divided into two parts; the first deals with an understanding of the customers' profile(s) and the second deals with an understanding of purchase decision making process.

The thesis consists of eight chapters. The first chapter explains the background of this study, the store brand strategies followed by retailers abroad over the last more than two decades, the overall retail scenario in India with focus on organized retail and the issues being confronted by retailers regarding this new phenomenon in India. The second chapter gives a detailed account of the empirical findings and conclusions of various studies conducted till date. The range of literature considered for review include those from brand management, retailing, services, processed and packaged foods, consumer psychology apart from those on store brands per se. The third chapter identifies the various gaps in the existing literature which results in the

formulation of the rationale for this study. It further specifies the key objectives of this study and suggests various hypotheses based on literature review and a small experiential survey with few Indian retailers. Based on these hypotheses, a model for purchase behavior for store brands has been proposed. The rationale for defining the scope of the study, as mentioned above, is also elucidated. The fourth chapter delineates the methodology for carrying out this research. As mentioned earlier, since this is the first study being carried out in this domain in Indian context, it has been customized to seek credible and reliable information. The instrument used is a structured questionnaire which was filled up by the customers on the shop floor immediately after their shopping activity. Since, organized retail is more prevalent in metros and mini metros; this study has considered some of these cities across India to ensure better representation in the sample. Similarly, products containing local tastes and flavours in the category studied have been included in the questionnaire for better response from the respondents. The items for measuring all the constructs developed in this study have been identified from existing literature. Likert five point scales have been used to gauge the response of the respondents. The fifth chapter presents the findings of this study based on descriptive statistics and employment of various analytical tools like discriminant analysis, cluster analysis and structural equation modeling. The key findings of this study are the clear identification of the various customer segments in India who prefer store brands for different reasons and the complex interplay of various underlying constructs impacted by the individual customer's personality resulting purchase decision for store brands. These findings have been validated in the sixth chapter through two case studies based on two known retailers of India who have been running their store brand programmes for the last nearly five years. Insights regarding the impact of FDI in multi brand retail on their store brands programme have also been incorporated in these case studies. The seventh chapter is devoted to

conceptual interpretations and implications for the retailers. The last chapter concludes with contributions, limitations and scope for future studies.

This study will add to the extant literature as it has thrown up new insights regarding purchase for store brands. It will not only aid the Indian retailers in planning their strategy for store brands, but will also clarify the role of store brands across various categories and sub categories being offered by the retailers. Since store brands are fast emerging as a potent tool in the overall strategy of the retailers, these insights can help the retailers in positioning their store(s) across the country. As other emerging economies are facing similar retail scenario, this study would also be useful for retailers in those economies.

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