

Power of private label – example of a consumer sensory evaluation of food

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Abstract – The study tries to deepen the understanding of consumers' perception of private labelled food products in Slovenia. In core of the research was consumer sensory test of sour gherkins where we examined to which extent information on brand affect hedonic sensory judgement and whether there is a difference between the private label and producer label products. Results show that consumers in Slovenia perceive private labels as a low price alternative of comparable quality to producer brands. Disposable income and family size proved to have significant effect on propensity to buy private label food. Study confirms that the information about brand significantly affect consumer hedonic sensory judgement. We have observed the effect of assimilation also in the case of private label product, however impact differed among the retail chains. Consumers had therefore transposed a set of beliefs related to a retailer on sensory judgements of private label food. ¹

INTRODUCTION

A food product is defined as an aggregation of attributes at different levels (Grunert et al., 2000). However; consumer perception of a product is an interaction of a product characteristics and personal socio-demographic, economic, psychographic, behavioural and cognitive determinants. When consumers are making a purchasing decision they have to form quality expectations based on quality cues (Tuorila et al., 1998). The brand is a complex quality cue and an important factor in purchase decision making. Brand has also a potential to influence on the formulation of sensory evaluation (Deliza and MacFie, 1996).

Rather large research attention have been devoted to the effect of brand on overall liking and sensory evaluation of food, however, analyses focused on the effect of different types of brands are rare.

The main objective of the research is to examine to which extent an extrinsic factor (information on brand) affect hedonic sensory judgement and whether there is a difference in respect to the type of brand (private label vs. producer label).

Private labels are brands that have been created by (for) a retailer and retailer has a sole control over the brand strategy. Over the past two decades, these products have gained a larger and larger share of global grocery sales (Brown et al., 2003).

In Slovenia the food retailers have successfully acquired the strategy of private label introduction and the market share is increasing significantly.

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RESEARCH METHODOLOGY

First three focus groups were performed (total 24 participants) to discuss food purchasing behaviour with special attention to private labelled products. At the final stage of the focus groups we performed preliminary consumer sensory evaluation test.

Pickled gherkins were selected to serve as a research object since there is a rather limited possibility for product differentiation. Furthermore, pickled gherkins are widely used in Slovenia and they were among the first sold under the private label.

There were 155 consumers involved sensory evaluation test. First the participants were given the questionnaire which had four parts: general food purchasing and eating behaviour; brands; sour gherkins and socio-demography. Then they were asked to express their preference for five samples of pickled gherkins on a seven-point hedonic scale in two experimental conditions. In "blind tasting" they were not informed about the brand of pickled gherkins they are evaluating, whereas for the "informed tasting" they served themselves from the original packaging – they knew the brand. The two of the samples were private label sour gherkins.

Results from the consumer questionnaire were processed using general descriptive statistics methods. In order to evaluate the effect of the tasting conditions on the hedonic ratings of pickled gherkins the difference between informed and blind ratings was calculated (I-B). Paired *t*-test was used to evaluate the statistical significance of the rating difference. Furthermore the impact of various attitudinal and behavioural consumer attributes were assessed in affecting the rating difference.

RESULTS AND DISCUSSION

Results from the consumer questionnaire mainly confirmed the evident trend of increasing private label food market shares in Slovenia. As much as 45 % of the respondents classified into the "frequent buyer" of private label food. Results show that dairy products, salt and mineral water are product groups with the highest share of private label purchase, since around 20 % of respondents report, that they always select private labelled product. On the other hand, almost two thirds of the respondents claim no private label beer purchase.

The most obvious benefit to consumers afforded by private label is lower price. More than 90 % of the respondents believe that the private label products are cheaper. When they were asked to compare overall product quality under producer label and equivalent private label approximately 49 % stated

that the quality is the same, but 45 % believe the quality is lower. Therefore consumers perceive private label as a low-price alternative of comparable quality. We have also attempted to discover whether the propensity to buy private labels is associated with demographic or socio-economic characteristics of consumers. Self-reported household disposable income has shown statistically significant effect on private label purchase frequency ($p=0,01$), where respondents in lower income groups are more frequent buyers of private labelled products. Also the size of a household is found to be significantly related to private label product purchase frequency ($p=0,04$). The smallest and the largest households are very likely among the most frequent buyers of private label products. Education of the respondent, however, shows no significant effects a propensity to buy. Also other socio-economic and behavioural characteristics of the respondents were tested, however, the tendencies discovered are weak in most instances but in accordance with hypothesis. The results from the consumer evaluation are presented in the Table 1. The highest liking mean score in both experimental conditions has been given to the sample N2 which is the high quality product of the national market leader positioned in the gourmet segment. The liking score for this sample was significantly higher when the respondents knew the brand of the sample (informed tasting). In this case we can confirm an assimilation effect due to a positive image of the brand.

Table 1. Effects of brand information on the mean liking scores of sour gherkins

Sample	$B\bar{X}$	$I\bar{X}$	I-B	SD $I-B$	p-value
N1	4,56	5,08	0,52	1,885	0,001
N2	5,07	5,42	0,35	1,653	0,010
D	3,17	3,12	-0,05	1,776	0,753
M - PL	4,46	5,02	0,56	1,924	0,000
S - PL	4,08	3,80	-0,28	2,053	0,088

Notes: $B\bar{X}$ = Blind mean liking score; $I\bar{X}$ = Informed mean liking score; I-B = Informed minus blind liking score; PL = Private label product

The second ranked sample is N1 which is also sold under the private label as a sample M-PL. There is virtually no other difference between the products than the label design, which is also confirmed by the $B\bar{X}$ result. It is interesting, that in both cases consumers show positive assimilation with statistically significant difference in mean liking. Obviously here consumers are aware of no difference between the producer brand and the private labelled product version. Moreover, another possible assimilation determinant might be the fact that the owner of the private label M-PL is the leading retail chain in Slovenia with explicit ethnocentric positioning strategy. It is rather different for the retail chain which is marketing the product under the sample S-PL. Tasting under informed conditions gave lower average liking score, however, the difference is not significant. Information on the brand has no significant effect in the case of the D sample, however average liking score has been slightly lower. The quality of

this product was rather low, and the producer has lost the image of a reliable producer of processed vegetable.

CONCLUSIONS

Our study confirms that the information about brand can significantly affect hedonic sensory judgement of consumers. Sensory judgements of food and furthermore preference are therefore influenced by more than the taste of food itself. When comparing the impact of experimental condition with respect to the type of brand we observed the effect of assimilation also in the case of private label products. Therefore consumers have a set of expectation related to certain private label. Moreover, it is interesting that the information on brand in case of private labels samples yield different effect. In the case where the retailer which is marketing a private label has a reputation on offering high quality products the assimilation has been positive. In the case of an international retailer the assimilation has been negative, however not significant.

The findings have important implications for strategic brand management. Slovenian private label shoppers might be identified as a price-cautious but quality-sensitive consumers. This highlights the necessity of permanent low price for private label food and preventing differentiation from the producer brands in respect of perceived quality. On the other hand, the food enterprises marketing producer brands should strengthen the extrinsic cues of their products. Potentials for competitive advantage for producer brands therefore relies on superior quality and highly differentiated images via advertising, effective and continuous product innovation and creative design.

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