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Certification of Authorship:

I hereby certify that I am the author of this entire document and that any assistance I have received in preparation for this Dissertation is completely acknowledged and disclosed in this document. I have cited all sources from which data was obtained, ideas or words that are copied directly or paraphrased are all referenced using Harvard Style Referencing System. Sources are properly credited according to accepted standards for professional publications. I declare this document was prepared by me for the purpose of partial fulfilment of the requirements for the M.Sc in Marketing Programme.

Signed:

Laura Hussey

Date

Sept' 2012

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Arís, go raibh míle maith agaibh !!

“An Investigation into the Impact of the Current Economic Recession on ‘Own-Brands’ in the Irish Grocery Retail Sector”

DEDICATION

To Mum and Dad

“My First Teachers”.

List of Abbreviations

AMA:	American Marketing Association
CSO:	Central Statistics Office
EU:	European Union
IBEC:	Irish Business and Employers Confederation
MD:	Marketing Director
M&S:	Marks and Spencer’s (Supermarket)
NCA:	National Consumer Agency
OB:	Own-Brand
PLMA:	Private Label Manufacturers Association
P&G:	Procter & Gamble
UK:	United Kingdom

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Abstract

The objective of this study is to investigate the impact of the current economic recession on own-brand ranges in the Irish grocery retail sector. With the recession continuing to effect individuals daily lifestyles across the globe, retailers can expect to see more consumers switching to own-branded products. Consumer’s weekly incomes have decreased and are continuing to do so. Consumer’s are now seeking ways to save money during the recession, not alone on price, but on quality of offering. Evidence suggests that today's own-brands are better than yesterdays packaged goods.

The study is entirely exploratory in nature. The research techniques employed is semi-structured in-depth interviews with Managers in Head Office of Musgrave’s and Tesco Ireland. Qualitative questionnaires were conducted both face-to-face and *via* the telephone with Store Managers from four credible Irish Retailers operating in Ireland, SuperValu, Dunnes Stores, Centra and Tesco (the method by which to conduct the questionnaires depended on Manager preference). In addition to the research five focus groups with consumers were constructed and a small scale in-store observation study was also conducted to gain further insights and perceptions for the research.

The research findings demonstrate that the recession has had a desirable impact on retailer own-brand sales. Findings indicate that own-brands have become the main priority for retailers now in these tougher economic times. From a consumer point of view the research findings illustrates that the recession has had a huge effect on consumer’s perceptions of and purchasing behaviours of own-brands.

This research concludes that own-brands are excellent for increasing market share, differentiating a retailers brand and winning back consumers. Therefore retailers need to constantly invest and nourish their own-brand ranges. Own-brands have become a major growing consumer acceptance. With many consumers struggling financially, the own-brand ranges have become to be an excellent way of providing consumers with cheaper alternative products, without compromising on quality.

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CHAPTER ONE. INTRODUCTION

1.1 Introduction

Branding is an essential aspect of marketing; it differentiates one company's products from another and establishes an identity for the product or service on offer. Brands are designed to connect and interact with consumers, in order to deliver a clear and concise message of what the brand offers to the consumer (de Chernatony & McDonald, 1998, p. 15). This study investigates the impact of the current economic downturn on own-brands in the grocery retail sector. The study was entirely exploratory in nature. Both consumers and Irish grocery retailers were probed to gain insights & perceptions in this area.

1.2 Objective of the Research

The research question being addressed in this study is:

'Has the current economic downturn had a positive or negative impact on retail own-branded products in the grocery sector from a retailer point of view and has the recession had an effect on consumer perceptions and purchasing behaviour?'

1.2.1 Research Objectives:

Objectives of this exploratory study were to:

- Identify the retailer perceptions of grocery retail own-brands and to gain insight into their performance pre-recession and post recession.
- Explore consumer perceptions of own-branded products pre-recession.
- Determine the importance of "quality" of own-brands in consumers purchase decisions.
- Evaluate the role of "price" on purchasing decisions.

- Examine in detail if the recession has had an effect on consumers purchasing behaviour today.

1.3 Justification for this Research

Brands are vital to companies. A large amount of time, effort and money is spent in order to build a strong brand image, and a strong consumer perception of the brand. The emergence of own-brand products into the market place has brought the benefits of a strong brand image into sharp focus. Retail outlets now have the ability to launch own-branded products which are built upon the stores own-brand image; as such these products require minimal investment into the brand, allowing the major differentiators to become price and quality. This may have resulted in the shopping habits of consumer's changing significantly over the past number of years, (Shopping Habits Report, 2009). Therefore, a consumer insight study of own-brands is critical to understanding their importance to the future of retail in Ireland and the impact they have if any on today's consumers.

Retailers must also reflect on the benefits and implications of own-brand products and their performance pre and post recession. These products often result in lower cash flow, an increased risk of losing customer allegiance and as such it is important to study both the positives and the negatives of the own-brand products to retailers. Another important feature of this research is the assessment into whether or not own-branded products have had the desired and anticipated impact on consumer behaviours.

Own-brands are a vital and growing aspect in the retail trade. It is astonishing that own-brands have not achieved much attention by researchers given their recent enormous growth in multi-tier own-brands in Irish Supermarkets. A research gap exists relating to the consumer perceptions of own-brands in Ireland and the impact of an economic downturn on own-brands in the grocery retail sector. It is important to note that there has been limited published research relating to this study. Based on this observation, the rationale for this study is to begin to close the research gap by

examining, exploring, evaluating, determining and identifying the retailer and consumer perceptions of grocery own-brands, the importance of product “quality” and the role of “price” on purchasing decisions and the impact of the recession on consumers purchasing behaviour today.

1.4 Scope of the Study

This study investigates the impact of the current economic downturn on own-branded products in the grocery retail sector. This study focused on the own-brands of four of the main Irish Supermarkets in the Republic of Ireland (SuperValu, Tesco, Dunnes Stores and Centra). This research was exploratory in nature and explored both consumer and Irish grocery retailer insights & perceptions.

1.5 Limitations to the Research

- Because of the allocated timeframe for this dissertation and budgetary constraints the researcher had to limit the research to the geographical location of the Mid-West and North-West region of Ireland. It would not have been possible to interview every Irish grocer, or identify the perceptions of every main household shopper in the whole of Ireland in such a short period of time.
- There was lack of support from Dunnes Stores Managers in head office in Dublin. The Marketing Manager did not wish to partake in student research, therefore this may have limited the scope of the research.
- Discounters like Lidl and Aldi were not included in this study as the researcher felt it was preeminent to highlight the success of the ‘Irish’ grocery retailer own-brands. If the researcher had additional time, the two German discounters would have been studied to ascertain if the recession has impacted their own-brand sales and to investigate if own-brands from Irish retailers effects the growth of discounter brands in a recession.

1.6 Overview of Research Methodology

The methodology employed for this study is completely exploratory research as this type of research is appropriate in topic areas where the developed data is limited, (Cooper & Emory, 1995) and the objective is to discover potential future research. Qualitative methods were preferred in this study due to their exploratory nature.

The target population for this research was Marketing Managers/Directors, Own-Brand Marketing Managers, Regional Store Managers and Local Store Managers in SuperValu, Dunnes Stores, Tesco and Centra stores in the North-West and Mid-West region of Ireland.

Semi-structured in-depth interviews were carried out with Managers in Head Office. Qualitative questionnaires were conducted both face-to-face and *via* the telephone with Store Managers (the method by which to conduct the questionnaires depended on Manager preference). In addition to the research five focus groups with consumers were constructed by the researcher so as to gain further consumer perceptions on grocery retail own-brands. A small scale in-store observation study was also conducted to explore consumers shopping behaviours.

A non-probability convenience sample was chosen to form part of the primary research. The data collected from the qualitative interviews were recorded and transcribed and the focus group interpretation/notes were recorded, collated and analysed and a common theme was formed and presented in detail. The small scale observation study took place in a local SuperValu, observations were accurately noted and also presented.

1.7 Review of Literature

An extensive literature review was undertaken to gain a comprehensive understanding of the impact the recession has had on grocery retail own-brands today and how own-brands performed prior the recession.

The literature was largely of an academic nature but also included relevant industry literature. Literature was sourced from key areas such as marketing, branding, retail, retail reports, conference minutes, branding reviews, distribution, management and newspaper articles. Sources in the literature review are from both Irish and European origin.

The conclusion of the literature was that some 80 percent of shoppers now buy own-brand products, compared to 89 percent of consumers who buy branded goods. Twenty per cent of those who buy branded products said they will buy fewer of them in the coming year (Checkout, 2012). The 2012 Sign of the Times study, issued by Behaviour and Attitudes in February 2012, has revealed that 56% of householders hope to save money on groceries in 2012, while 53 percent are now shopping for groceries in 'cheaper shops', such as SuperValu, Tesco or Discounters compared to 45 percent in 2009, (Checkout, 2012).

According to a Nielsen Report - a leading global provider of information and insights into what consumers watch and buy, states that 53 per cent of consumers have been buying more own-brands in the past year. When asked for the key reasons why, 68 percent cited lower prices, and 46 percent said that the quality was just as good as named brands; an indication of how consumer preferences are changing, and a far cry from the old yellow pack days, (Wynne-Jones, 2012).

1.8 The Retail Sector in Ireland

The origins of retailing are as old as trading itself, (Sullivan & Adcock, 2002, p. 3). Here is how it all began.

1.8.1 Evolution of the Retail Sector in Ireland

The grocery retail trade in the 19th century evolved from the limited selection of bulk and packaged foods sold in general stores, off pushcarts or horse-drawn carts as well as food stands in public markets, (Fitzell, 1998, p. 11). Brand identities began to appear from manufacturers as well as from retailers and wholesale grocers. Merchants were the first to use their own name as a label on clothing with own-brand labelling in dry goods and groceries following soon after. Own-brands were initially developed mostly by entrepreneurial retailers, individuals who exercised a pride of ownership in selling top-quality goods at a fair price, (Fitzell, 1998, p. 12).

The services sector is one of the largest contributors to employment growth in Ireland to date. The retail sector is the largest part of this service sector, accounting for 11 per cent of total employment in the economy (Forfás, 2001) and as such the retail sector plays a critical role in sustaining competitiveness. The Irish retail sector has over 20,000 food and non-food retail enterprises in Ireland with 240,000 employees, (IBEC, 2012).

Strong competition in the sector has kept prices low and contributed to Ireland's low inflation (Forfás, 2005). The retail sector also contributes to competitiveness by influencing Irish manufacturers and suppliers to increase productivity. Forfás (2001) data indicates that around 50 per cent of the output of Irish owned food and clothing firms is sold on the Irish market. Over the years, retailers have played a key role in providing a 'shop window' for Irish manufacturers and assisting them in launching new products and developing the scale and competitiveness required to compete on international markets.

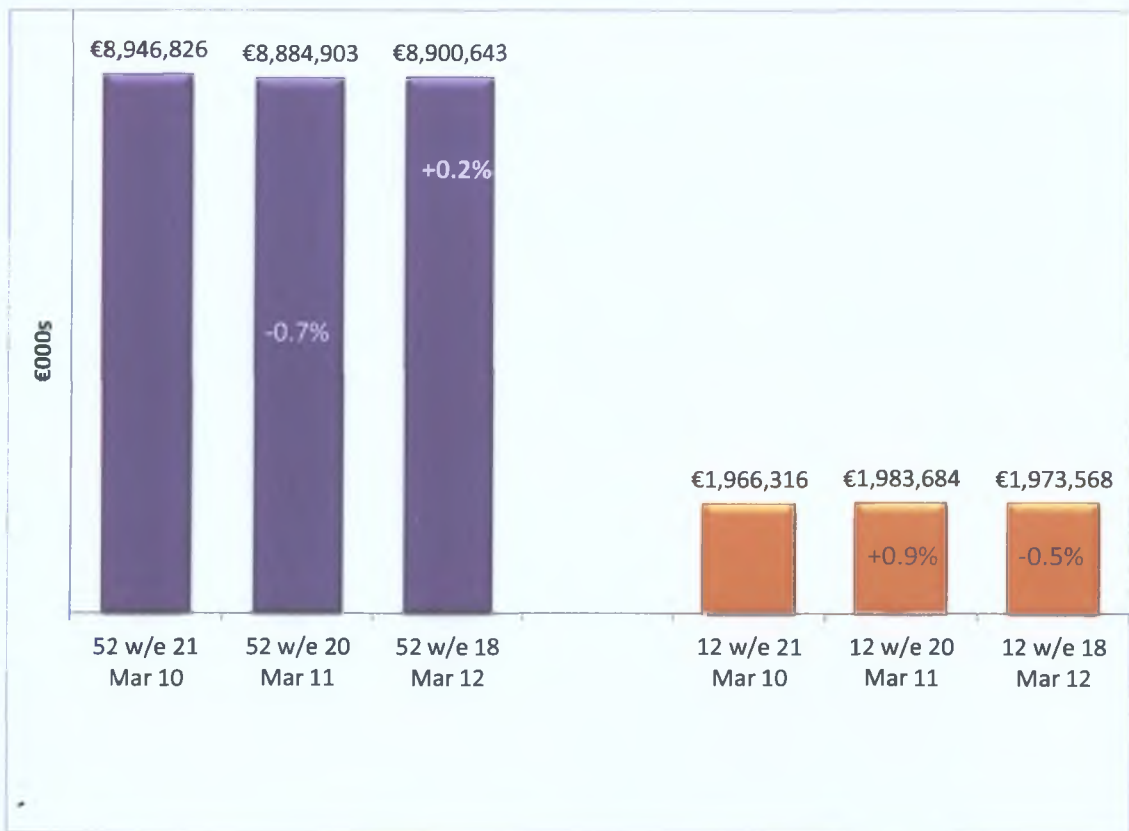
The grocery market in Ireland is comprised of three distinct types of retailers: (Gilbert, 2003).

1. The supermarket multiples - those retailers who operate large supermarket chains such as Tesco Ireland, Dunnes Stores, Musgrave/SuperValu/Centra.
2. The symbol groups - retailers who own their store but who trade under a group name such as Spar.

- The independent retailers - those who operate their own outlets independently.

The number of grocery stores in Ireland per 1,000 population is between 3-4 times that in the UK, France and Germany. However, the relatively smaller size of Ireland's retail sector is illustrated by the fact that Ireland's largest retailer is only ranked 97th in Europe by size of turnover. Ireland also has one of the highest food to non-food retail store ratios in Europe, with 36% of outlets in Ireland being food outlets, (Forfás, 2001; Forfás 2005).

Figure 1.8.2 Irish Grocery Market Growth



Source: Kantar Worldpanel, 2012.

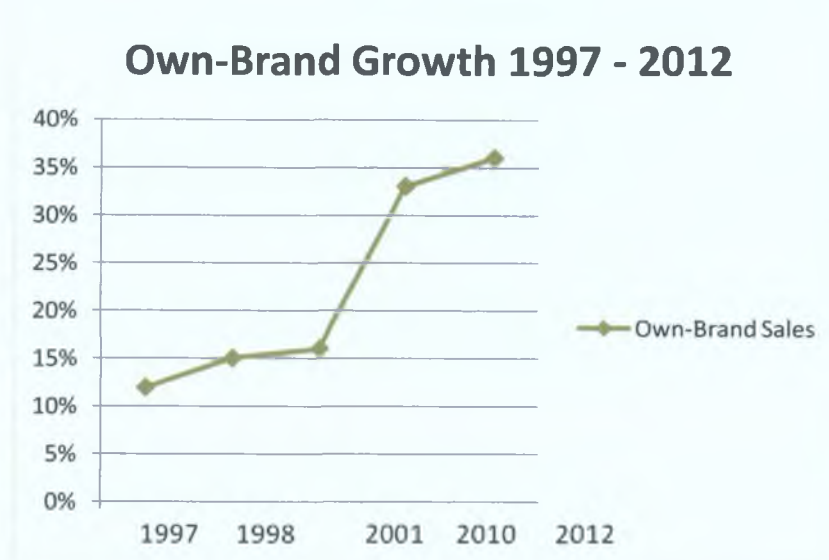
The Irish grocery market is in growth (over 52 weeks) by just +0.2%. Yet, (over 12 weeks) the grocery market is in decline of -0.5% in comparison to same period last year, (Kantar Worldpanel, 2012).

1.8.3 The Proliferation of Own-Brands

The proliferation of own-branded grocery products reflects a dynamic shift in the product mix offered by retailers today. Own-branded products provide consumers with a competitive alternative to national brands, (Dick, et al, 2007). Omar (1999) believes own-brands started to be widely noted around 1960s, especially in packaged grocery markets. It is also worth noting that there has been significant growth in the market share of quality own-branded products in the rest of Europe, as retailers seek out higher margins and more innovative and higher quality convenience products. It is also worth noting that there has been significant growth in the market share of quality own-branded products in the rest of Europe, as retailers seek out higher margins and more innovative and higher quality convenience products (Forfås, 2001). As grocery retailers have seized power around the globe, they've transformed own-brands from price purchases into powerful brands with their own cachet, (Kumar & Steenkamp 2007, p. 4).

Markets are dynamic, but many of the trends in retailing at the start of the twenty-first century are the result of an evolution that can be traced back over decades, (Sullivan & Adcock, 2002, p. 14). Today the revolution in the world of retailing is continuing and the pace of change is increasing for retailers, interacting as they do on a daily basis with consumers, (Cox & Brittain, 2004, p. 9).

Figure 1.8.4 Own-brand Growth in Ireland since 1997



1.9 List of Definitions

According to the American Marketing Association (AMA) & the Private Label Manufacturers Association (PALMA).

- **Recession:** A turning point in a business cycle characterised by dropping production and increasing unemployment.
- **Retail Sector:** Retail sector includes all the shops that sell goods to the ultimate customer, who buys them for personal and not business use. It encompasses all kinds of shops, from the small groceries shops to supermarket chains and large department stores. In addition to traditional bricks-and-mortar shops, the retail sector includes mail-order and online businesses.
- **Retailer:** A merchant middleman who is engaged primarily in selling to ultimate consumers. One retailer may operate a number of establishments.

- **Own-branded Products:** a brand name owned by the retailer or a wholesaler for a line or variety of items under exclusive or controlled distribution”, (ACNielsen, 2005, p10). Or according to PALMA, (2012), Own-brands are products that stores put their own names or brands on. They may be called private labels, house brands, own-brands or retailer brands, but they all have one thing in common – they are manufactured and brought to market in much the same way as the familiar national brands they sit next to on store shelves.
- **Multi-tier Store Brands:** (also referred to as sub-own-brands) A range of own-branded products that are high-quality and reasonably priced, there are premium own-branded products (slightly more expensive range, Finest and Supreme Ranges), regular own-brands (a little cheaper Value Ranges) and the basic own branded products (cheap, value for money products).

1.10 Overview of Research

This chapter is an introduction to the research.

Chapter 2 provides clarification and an exploration of the comprehensive review of the relevant academic literature on own-brands in the grocery retail sector. This chapter explains the concept of grocery retail own-brands and how they have come from been recognised as ‘category killers’ to consumers number one choice in the recession.

Chapter 3 outlines the research methodology. The chosen research method is presented and reasons for this choice are discussed. Mechanisms for generating the secondary and primary data are included. The data collection methods are reviewed, the sample population for the research is examined and the issues of validity and reliability are refer to.

Chapter 4 illustrates the primary research findings.

Chapter 5 discusses the general conclusions that were derived from the literature review and empirical research, recommendations for retailers and directions for further research are also presented.

1.11 Conclusion

This chapter is the introduction to the research; it explains what the research is about and what the researcher is aiming to investigate. The chapter clarifies the researcher's justification for the research; it reviews the evolution of the grocery retail trade and the proliferation of own-brands. This chapter also provides an overview of the subsequent chapter.

CHAPTER TWO. LITERATURE REVIEW

2.1 Introduction

This chapter provides clarification and an exploration of the comprehensive review of the relevant academic literature on own-brands in the grocery retail sector. This chapter explains the concept of grocery retail own-brands and how they have come from been recognised as ‘category killers’ to consumers number one choice in the recession. The literature examines and explores retailer reviews and perceptions of their grocery own-brands, highlights the importance of product quality for consumers and the role of price on consumers purchasing decisions in a recession.

2.2 Branding

Branding is an essential aspect of marketing as it differentiates one company’s products from another’s and establishes an identity for the product or service on offer. Brands are designed to connect and interact with consumers, in order to deliver a clear and concise message of what the brand offers to the consumer, (de Chernatony & McDonald, 1998, p. 15). With the growing realization that a brand is one of a firms most valuable intangible assets, branding has developed as a top management priority in the last decade. Given its highly competitive nature, branding can be especially important in the retailing industry to influence customer perceptions and drive store choice and loyalty, (Ailawadi & Keller, 2004).

What exactly are own-branded products? An own-branded product is defined as “a brand name owned by the retailer or a wholesaler for a line or variety of items under exclusive or controlled distribution”, (ACNielsen, 2005, p. 10). While the American Marketing Association states that a retail brand identifies the goods and services of a retailer and differentiates them from those of competitors. Perhaps the most complete definition of an own-branded product is that of the Private Label Manufacturers Association (PLMA) (2012) which states that:

“Own-brands are products that stores put their own names or brands on. They may be called private labels, house brands, own-brands or retailer brands, but they all have one thing in common – they are manufactured and brought to market in much the same way as the familiar national brands they sit next to on store shelves”,
(Available at:<<http://plma.com/showinfo/showinfo2011.html>>)

There is a high possibility that own-brand products are already in most consumers' homes; surveys consistently reveal that almost every shopper buys the products with some regularity, (Shopping Habits Report, 2009). There are many incentives for retailers to create own-brand programmes such as building store loyalty, increasing store traffic, enhancing negotiation strength toward manufacturers, etc. (Baltas & Argouslidis, 2007; Dick, et al, 2007).

For retailers, own-brands have become a reliable means to increase sales quickly at a relatively low cost. The proliferation of own-branded grocery products reflects a major shift in the product mix offered by retailers today. “Own-brands provide consumers with a competitive alternative to national brands”, (Dick, et al, 2007), offering lower prices owing to their lower manufacturing expenses, low-cost packaging, minimal advertising and lower overhead costs. According to the editor of Checkout magazine, Wynne-Jones (2012, p. 5) for brands, faced with rising own-brand penetration, continued consumer focus on price, and intense opposition from both new and established competitors, the message is often a simple one: “innovate or die”. Manufacturer brands have not disappeared, they’re here and will always be here, but they have already lost some significance, (Kumar & Steenkamp 2007, p128). Brand managers in this highly competitive sector must understand the need to maintain a constant innovation stream (Wynne-Jones, 2012, p. 5) or be out performed by the own-brands in the market. Only when manufacturer brands respond aggressively to the threat from own-brands, will manufacturer brands be able to recapture their luster, (Kumar & Steenkamp 2007, p. 128).

2.3 Own-Brands

Own-branded products have long been considered as an important aspect of the retail industry, both as a strategic tool for retailers and a unique source of competition for manufacturers, (Quelch & Harding, 1996). Own-brands experienced a phenomenal growth in various product categories during the past number of years (Baltas & Argouslidis, 2007, Cuneo, Lopez, & Yague, 2012). Today own-branded products are growing faster than manufacturer brands (Kumar & Steenkamp, 2007) and have undergone a profound transformation over time (Cuneo, Lopez, & Yague, 2012). Grewal & Levy (2009, p. 523) and Arce-Urriza & Cebollada (2012), 'saw increasing evidence of own-brands with similar quality levels coupled with up to 30% lower prices than those charged by national brands'. Many consumers are still willing to purchase private brand products (PLMA, 2009) but are delighted to have own-brand ranges available in grocery stores. Several factors drive consumer willingness to purchase own-branded products such as demographic factors (Baltas & Argouslidis, 2007), economic factors (Lamey et al., 2007) and psychographics (Garretson et al., 2002; Jin and Suh, 2005; Kara et al., 2009).

Historically, own-brands were sometimes referred to as 'Generics', 'Store Brands', 'House Brands' or 'Private Labels', with typical examples being generic grocery items simply labelled with the grocery retailer's branding. Over time, own-brands have become increasingly sophisticated (Oxera Report, 2010). For many shoppers, own-branded grocery products have come to represent better selection, value and savings (Shopping Habits Report, 2009) and have come to mean more than value to the consumer, (Méndez, et al, 2008). Omar (1999) believes own-brands started to be widely noted around 1960s, especially in packaged grocery markets. He proclaims that there was a lack of attention given to own-brand growth until 1970s when it was acknowledged that few product markets had escaped significant inroads from own-brands.

There are many types of grocery retailer branded products, ranging from basic lines, simply packaged and presented (e.g. SuperValu - Daily Basics range or Tesco's - Tesco Everyday Value range), to products that are presented as if they were national brands (e.g. SuperValu's - SuperValu Supreme range or Tesco's - Tesco Finest range), (Bhasin et al., 1995). In the 1980's as retail stores expanded, own-brands began to replace commodity generic brands, which were sold in basic packaging (Gilbert, 2003, p. 328). Gilbert (2003) reveals that this occurred at a time when there was limited differentiation in the market, several similar products, economic conditions that made consumers more price conscious, while at the same time own-brands were improved in relation to their quality and packaging to such an extent that they became brands in their own right.

What constitutes an own-brand is open to debate. One definition limits own-brands to products sold exclusively through the retailer's own outlets (Rousell & White, 1970:, Whelan & Davies, 2006). Nowadays own-brand products are available in just about every food and non food category. As grocery retailers have grabbed power around the globe, they've transformed own-brand labels from price purchases into powerful brands with their own cachet, (Kumar & Steenkamp, 2007, p. 4).

Own-brands have an important role within grocery retail business, not only contributing to build store loyalty, but as a way to really differentiate in today's highly competitive market. Own-brands are now seen as a source of competitive advantage in retail business, (Steenkamp & Dekimpe, 1997; Ailawadi & Keller, 2004). Laaksonen and Reynolds (1994) believe own-brands can be categorised into four generations, generic brands, own labels, own-brands and extended own-brands. This birth in different types of own-brands changed the aim of own-brands, focusing not only on increasing category margins, but on retaining an enhancing the number of customers and improving retail image to differentiate from the competition.

Own-brands were initially perceived by the consumer, as lower-quality/low-price products yet recently have become to be viewed as high-quality/value-for money retailer brands. According to Richardson (1999) own-brand market share is largely dependent on the degree to which retailers are successful in communicating a quality

rather than a low price image to the consumer. The price image of an own-brand is positively related to the retailer price image (Kremer & Viot, 2012). Once positioned on the basis of price or value for money, own-brands are now marketed by many retailers using a “quality” focus (Richardson, 1999).

According to McGoldrick (2002, p. 53) the overall objective of own-brands is to achieve competitive advantage. McGoldrick (2002, p. 185) also believes the potential advantages to the retailers can be classified as relating to: store image - own-brands have a positive impact on the retailer image (Kremer & Viot, 2012), customer loyalty, competitive edge-turnover, and higher profits-better margins. Gilbert (2003, p. 328) supports McGoldrick’s (2002, p. 186) point of view, stating that the commercialisation of own-brands may have certain advantages:

- ✓ *Own-brands could improve store loyalty.*
- ✓ *Own-brands can be used as a co-ordinated range or positioned to fill gaps left by the competition.*
- ✓ *Own-brands could lead to higher profits through increased sales and the ability to achieve high margins.*

Given the growth of multi-tier store brands in the grocery retail stores like Tesco and SuperValu, it is surprising that this area of research has not received much attention from marketing academics to date, (Palmeira & Thomas, 2011; Hyman et al., 2010). The literature consistently refers to the limited research in this area. The gap in investigation into parent brands (such as the ‘SuperValu’ brand) and own-brands (such as the ‘SuperValu Supreme’ Brand) in the retail sector clearly merits exploration. Because of the success of own-brands in several product categories over the past two decades, competition between national brands and own-brands attracted different research interests (Choi & Fredj, 2012). Research conducted by scholars have predominantly focused on the economic benefits of own-branded products and the growth of these own-brands in grocery stores – before the economic decline, (O’Callaghan & Wilcox, 2002 and Tulin et al, 2004).

The European Commission describes the recent growth of the retailing sector in Ireland and other European countries and the resulting competition between grocery retailers as “fierce”, (Oxera Report, 2010) and the growth of own-brands in the grocery sector has been labelled a consequence of consumer demand (PLMA, 2012). This is evident from the penetration and development of own-brands, in various retail product categories, (Chaniotakis, 2010).

2.4 Own-brands - Pre-Recession

In the 1990's own-brand products were seen as anathema to many consumer-goods manufacturers. They were viewed as “category killers”- cheap, me-too products that suck all the profits out of a market by making consumers more price-sensitive, (Dunne & Narasimhan, 1999) and they were also said to be a painfully visible symbol of retailers' growing control over the distribution chain, however, in recent times that manufacturers' view of own-brands has reversed.

The Twentieth Century was the century of manufacturer brands. Consumers moved from no-name products of inconsistent quality produced by local factories in the nineteenth century to branded products from global manufacturers led by large multinational companies like Coca Cola, Disney, Johnson & Johnson, Procter & Gamble (P&G) etc, (Kumar & Steenkamp 2007, p. 1). Kumar & Steenkamp (2007) explains that these manufacturer brands used emerging media to market their message effectively - firstly they utilised newspapers, billboards and radio and later used other media such as television and evidently, the Internet. The branded message from manufacturer brands to consumers was one of smart shopping - brands are trustworthy, delivering quality, consistency and innovation at a fair price. Own-branded products were not given the ability to expand and were seen as “poor cousins” to the manufacturer brands, (Kumar & Steenkamp 2007, p. 4).

The pace of own-brands accelerated during the 1999's, (Forfäs, 2001). Retail became and still is one of the major parts of the services sector and is an important wealth

generating sector in the Irish economy, (Forfás, 2001). With the growing retail sector, own-branded products became a rising phenomenon. The Irish grocery retailing market, one of the most competitive in the whole of Europe, has undergone a metamorphosis in recent years. The demise of many smaller convenient grocers, an increased concentration of multiples and the galvanization of the independent sector through symbol group participation has intensified competitive rivalry, (O'Callaghan & Wilcox, 2002).

Shoppers have been migrating toward own-brands long before the economic slowdown started. Retailers are also focusing on developing their own-brand labels as it allows them to cut costs on margins and reduce prices. Customers, too, are buying into the own-brands, (Ailawadi et al, 2001).

As per a recent survey by AC Nielsen, 63 per cent of consumers consider the quality of retailer brands as high as branded goods, (ACNielsen, 2005). Going forward, in order to co-exist, brand manufacturers and retailers will have to work together and not only attract consumers into the store but convert them into buyers by giving them a wide variety of options in terms of price and range. Innovation, promotion and competitive pricing are a few factors that national brands must adopt in order to compete with the own-brands now and in the future, (Ailawadi et al, 2001). Oxera Report, (2010), states that own-brands help to stimulate competition and innovation between retailers. Recent own-brand innovation has resulted in the introduction of several niche sub-brands, (eg. Tesco's sub-brands – Tesco, Tesco's Everyday Value, Tesco Organic & Tesco Finest range) allowing retailers to win customers by differentiating their offerings from their rivals.

In the 1990's consumers believed that own-brand buying was simply for recessionary times. Kumar & Steenkamp (2007, p. 13) observed that for a long time consumers regarded own-brands as a "cheap and nasty substitute for the real thing, rolled out by retailers during recessions and discarded once the economy picked up again". Studies suggest that shoppers' rejection of own-brands occurs mainly because they perceive an inferior quality of the associated products", (Manzur, et al, 2011). Simultaneously, value-conscious shoppers will be less prone toward routine behaviours such as brand

loyalty (Garretson et al, 2002). Previous research suggests that shoppers who focus on lower prices are less loyal to a specific brand (Blattberg and Neslin, 1990). In fact, recent evidence from Garretson et al, (2002) shows that value consciousness has a negative influence on brand loyalty.

Retailers, promoting their own-brands represents an opportunity to both enhance price competitiveness and deliver on the wider values of the retailer”, (The Grocer, 2009). In the 2000’s, retailers were more inclined to push sales of their own-brands as it offers them higher margins, enables them to differentiate themselves from other stores in the vicinity and gives them a chance to have more bargaining power and compete with the national brands rather than just being their customers, (Singhal, 2010). Investing in own-brands for retailers is becoming a trend. According to Chan Choi & Coughlan (2006) improvements in both packaging/features as well as quality have been partially responsible for own-brand sales growth today. Many own-brand retailers have purposely sought to minimize feature differentiation from national brands, by making their packaging, sizes, typeface, and labelling extremely similar to their respective target brands, (Chan Choi & Coughlan, 2006).

2.5 Own-brands – A Growing Consumer Acceptance

According to Fitzell (1998, p. 4) and Cox & Brittain (2004, p. 120) the acceptance of own-brand labels by both the trade and the consumers have grown due to a number of factors, such as;

- The upgrade in its packaging.
- The improvements in product quality.
- The expansion of licensing programmes for own-brand labels.
- The development of upscale or premium quality own-brands.
- The debut of innovative or unique products.
- The spread of own-brand product marketing/distribution activities worldwide.

All of these factors have helped the rise of own-brands in today's marketplace, (Fitzell, 1998, p. 4; Cox & Brittain 2004, p. 120).

The transformation of own-brands has not gone unnoticed by consumers. The improvements in quality, appearance and the price of own-brands have made own-brands an acceptable purchase alternative for large groups of consumers. Research shows two out of every three consumers around the world believe that "*supermarket own-brands are a good alternative to other brands*", (Kumar & Steenkamp 2007, p.11; Kantar Worldpanel, 2012). 70 per cent of consumers responsible for household shopping wish that own-brand products were available in as wide a selection as branded products, with 54 per cent saying that they plan to buy more own-branded products in the future.

Own-brands have become widely accepted. There is verification that the popularity of own-brands has grown simply because consumers now place a trust in the "improved" quality of these products (Richardson et al., 1994; Raju et al., 1995; Whelan & Davies, 2006). Consumers purchase is now driven by much more than simply a desire to economise on expenditures. Own-brands consumers are identified among all socioeconomic strata and in all product categories. They are seen as "thoughtful shoppers", who compare manufacturer brands versus retailer own-brands, these particular consumers are not easily influenced by advertising and take pride in their decision making abilities, (Kumar & Steenkamp 2007, p. 12).

Growing consumer acceptance of own-brands results in decreased loyalty to well-known manufacturer brands, (Kumar & Steenkamp 2007, p. 13). In Ireland, sales of own-brand grocery products have doubled since 2000 and are currently 26.9 per cent of the grocery market. Across the supermarket chains, research has shown that customers are opting for branded and standard own-brand products rather than premium own-brand lines, There is no doubt that customers are now saying no to the more expensive national/manufacturer brands, (Today's Grocery Magazine, 2009).

Cunningham *et al.* (1982) reports own-brands typically offer lower prices (15% - 40%) than national brands because they have lower advertising costs and exclusive distribution in the stores that belong to the brand owner. A global report on own-brand

trends by AC Nielsen (2005), shows similar price differences, own-brands have - on average (across 80 categories) - prices 31% lower than national brands, this is the one reason why consumers are choosing own-brands over national/manufacturer brands, (Today's Grocery Magazine, 2009).

There are more own-brand products on the market than ever before, (Quelch & Harding, 1996). Ten to fifteen years ago, Quelch & Harding believe there was a distinct gap in the level of quality between own-brand and brand-name products. Today that gap has narrowed; own-brand quality levels are much higher than ever before, and they are more consistent, especially in categories historically characterised by little product innovation. The distributors that contract for own-brand production have improved their procurement processes and are more careful about monitoring quality.

A Checkout report conducted in mid December 2011 and early January 2012, found that increasing numbers of consumers have 'come to expect' that they can get a discount on every purchase, while retailers are expected to 'make an effort' to demonstrate that they recognise difficult economic circumstances, (Checkout, 2012). The research reveals that 57 percent of consumers now think that own-brand products have improved in taste and quality, while 52 percent prefer them to well-known bigger brands in some cases. In addition, 82 percent of adults think own-brand products do provide value for money.

2.6 Own-Brand Performance since 2008 – the Global Recession

Times have changed and there is no longer a perception about own-brands equating to lower quality. Research shows that many affluent consumers do not necessarily dismiss own-brand products out of hand and in fact they appear to be keen users in certain categories. The increasing credibility of own-brand products which, crucially, often undercut brands on price is a warning for brands that are under increasing pressure from consumers who are becoming more open to the idea of buying own-

label groceries, (Rothery, 2012). Own-brands have enjoyed increased success in recent years, (Labeagaa et al, 2007), which may or may not be due to the economic downturn Ireland has suffered since 2008. The recession has had an effect on consumers purchasing behaviour. Recession-busting shoppers are turning more and more to own-branded products on the supermarket shelves in an effort to stretch their already squeezed budgets, new figures reveal, according to Black (2011).

From cities to suburbs, from the country to seashore, it has become an own-brands world. You see it in shopping trolleys and on the supermarket shelves. You read about it in blogs and can count it in market share growth, (PLMA, 2012). According to Kantar Worldpanel (2012) own-brands continue to be important as a method of reducing spend with a market share between 26.9% and 36%. The large penetration of own-branded products in grocery stores have been accelerated by a considerable increase of their availability across various categories and the expectation that recessionary trends often involve a shift toward consumers purchasing additional own-brands. Own-brands have both a direct impact and indirect impact on consumers, direct, through the price, range and quality of groceries, and an indirect impact, through any influence of own-brands on supplier and retailer innovation, (Méndez et al, 2008). The dynamics of the grocery supply chain in Ireland and the rest of Europe and what retailers offer their consumers are driven by consumer demand. According to research carried out by Chaniotakis et al (2010) own-brands do provide benefits to consumers, for example, by helping to deliver new products and value for money.

In addition to the direct benefits to consumers of own-brands, consumers of other brands may benefit indirectly where increased competition from own-brands forces branded alternatives to compete more vigorously in terms of higher quality, greater innovation and lower prices, (Oxera Report, 2010). Overall, the most important factors that impact consumers' behaviour for own-branded products, refer to the product specific perceived benefits, such as price and quality, the perceived economic situation, consumers' loyalty to manufacturer brands, consumers' trust in own-label products and consumers' personal characteristics, such as income, (Chaniotakis et al, 2010).

Most grocery retailers choose to offer a mix of own-brand and branded products. This is the model adopted by supermarkets such as Dunnes Stores, Tesco & SuperValu-Centra, (it should also be noted, German discounters Lidl and Aldi do not carry the same quantity of both own-branded and branded products as these Supermarkets – therefore making a clear comparison with these discounters and the chosen Irish stores would appear complex for this research). Research suggests that these choices by retailers are consistent with the evidence that own-brands are an important reason why consumers choose their supermarket (Martenson, 2007). In principle, the retailer might influence the sales of their own-branded products versus branded goods by its choices regarding allocation of shelf space and in-store promotions (Oxera Report, 2010). Own-brands do have higher unit market share than the top national brands in 77 out of 250 categories (Quelch & Harding, 1996). Retailers like own-brands because of their potential to increase store loyalty, chain profitability, control over shelf space, bargaining power over manufacturers, and so forth (Richardson, Jain & Dick, 1996).

Yet there are problems facing marketers of own-brands. Despite the lower prices, quality guarantees, and even the advertising of these products, consumers continue to favour premium brands to own-brand grocery items by a wide margin, (Richardson et al, 1994). Conversely, this margin has tightened, today the favour of branded goods have transformed, research shows that 80 per cent of consumers purchase own-brand products, compared to 89 per cent who purchase branded products, (Checkout, 2012). However, the fact is that the quality of some own-brands is even superior to that of high priced premium brands, (Méndez et al, 2008). Ailawadi et al (2001) declares that quality consciousness seems to discourage consumers from using own-brands, because such brands are perceived to be inferior in quality and it is suggested that price consciousness and financial constraints are related to consumer perception and choice.

The trend toward higher store concentration, the global recession, and changing consumer habits also influence the growth of own-brands, (Tülin et al, 2004). Own-brands can help grocery retailers to achieve better terms and lower input prices from both own-brand and branded suppliers. In the absence of own-brands, grocery

retailers would become distributors of products. Own-brands allow retailers to take advantage of their in-depth knowledge of their customer base and to design and market-test new products (Jones & Kim 2011).

According to Kumar and Steenkamp (2007) it has often been speculated that own-brand buying is something that occurs predominantly in recessions. Quelch (1996) states “Especially in times of recession – the own-brand market share commonly goes up when the economy is suffering and declines in stronger economic periods,” (Quelch & Harding, 1996). This view is similar to The Economist’s view, observing that own-brands were seen as a cheap and nasty substitute for the real thing that retailers invested in during recessionary times and were discarded with during periods of economic expansion. From this analysis Kumar and Steenkamp have noticed that part of the own-brand growth in a recession is permanent, caused by consumer learning. As consumers gain knowledge of the improved quality and price of own-brands in recessions, a considerable proportion of them remain loyal to them, even after the need to economise is over (Kumar and Steenkamp, 2007, p.13).

Research by Donnelly (2011) highlights that the latest consumer trend in a recession is to own-branded products. The role of price is a determining factor on consumers’ purchasing decisions. Hoch & Banerji (1993), belief is that consumers are more price conscious during a recession, as incomes fall, consumers switch to own-brands from national/manufacturer brands. Therefore more and more consumers are switching to own-branded labels especially when it comes to buying their staples in these more challenging recessionary times. Now in the fifth year of the economic downturn, Wynne-Jones (2012, p. 5) highlights Nielsen’s recent ShopperTrends survey which confirms that 63 per cent of consumers say they now buy only essential items, while 58 per cent actively look for products that are discounted. One third is actively switching to cheaper brands, while 37 per cent claim that, although they “don’t know the prices” of supermarket items, they do notice when prices change.

Since the recession, frugal tendencies amongst shoppers have increased, Tesco Ireland recently announced that 98 per cent of consumers now purchase at least one own-brand food item as part of the weekly shop. The most popular own-brand items purchased are milk, bread, sugar, butter and eggs. Own-brand household cleaning

products are also proving popular, accounting for 63 per cent of sales in the category while sales of own-brand makeup and baking products are now also in demand, accounting for 60 per cent and 30 per cent of sales in their respective categories. Kanter Research Agency indicates that own-brand value share of the Irish grocery market has grown from 16% in 2001 to 33.1% last year and is expected to grow further this year, (Black, 2011).

Research Agency Kanter estimated that the average Irish shopper spent approximately €1,827 on own-brand products in 2011, (Donnelly, 2011). Sales of own-brand products are estimated to be worth almost €3bn, according to Kanter and with many of the lines produced by well-known manufacturers selling under supermarket labels, (Black, 2011). Kanter also found that the amount of grocery retail own-brand products in Irish supermarkets increased by 27 per cent since 2008. Black, (2011) maintains that 'Yellow Packs' was once the generic term used to describe cheap products but retailer own-brands have doubled in popularity in the past decade and now enjoy a healthy one-third slice of the Irish grocery market.

Consumers' Association of Ireland spokesman Dermot Jewell said value for money was now "king" for hard-pressed shoppers, incomes are reduced and *"Shoppers are being careful in what they are buying and are trying to make their money stretch but they are looking for more than one or two own-brand items in their shopping baskets,"* (Black, 2011). In 2011, Tesco claimed that 98% of its customers buy at least one own-brand food item on a weekly basis. Marketing Director for Tesco Ireland, Mr Jacobs understands that consumers shopping habits have changed and they have become educated shoppers, he expressed, *"We've come a long way from yellow packs and Irish consumers are now very knowledgeable when it comes to own-brand products,"* following the launch of the group's 'Switch and Save' promotion of own-brand products. Tesco sold over €200m in Irish grocery products as part of its own-brand ranges in Ireland and the UK in 2011 (Black, 2011).

Consumers are now 'switching and saving' in every supermarket, as many do not have a choice but to save money. The Marketing Week's (2011), latest insight from an online consumer panel strongly reflects a trading down trend in supermarkets. More than one thousand panel members (half of the panel) said they had switched to

own-label branded goods in response to the question “*How has the recession changed your shopping habits*”? They also said they study prices more carefully because they are shopping on a tighter budget. Research carried out by Rabobank’s Food and Agri Research Division found that the share of own-brand products in the Irish market is expected to grow to 40% by 2015 — up from 33% in 2010 and just 16% in 2001. Cash strapped shoppers are increasingly turning to supermarket own-brand products as they are seen to represent good value (Kennedy, 2011).

Brands still play a major role in today's competitive environment and are key resources to sustaining a competitive advantage (Hall, 1992). National brand manufacturers are facing the immense competition from grocery retail own-brands. Industry reports verify that the market share of grocery own-brands is constantly rising around the world and is reaching considerable levels, (Manzur et al, 2011). According Wynne-Jones, (2012, p. 5) sales of own-brands are reaching levels which were never seen before in the Irish market.

Ireland traditionally has not had a high degree of own-brand label penetration in the grocery food sector compared to other countries as shown, which relates to 1998, Own-label Food Market Share – 1997, (AC Nielsen & Bord Bia, 1998; Forfás, 2001).

Figure 2.6: Degree of own-brand label penetration

Country	Volume (%)
UK	44.2
France	23.8
Germany	18.5
Belgium	40.7
Netherlands	27.4
Ireland	15.0

Source: International Private Label Retailing, AC Nielsen, 1998, Bord Bia for 1998, (Forfás, 2001).

(Ireland in 2012- up 11.9% since 1997 to 26.9%, (Wynne-Jones, 2012)).

Today, Nielsen's reports that 53 per cent of consumers have been buying more own-brands in the past year (Wynne-Jones, 2012). When asked for the key reasons why, 68 per cent cited lower prices, and 46 per cent said that the quality was just as good as named brands; an indication of how consumer preferences are changing, and a far cry from the old yellow pack days.

Fellow market analysts of AC Nielsen's, Kantar Worldpanel recently estimated that own-brands currently account for 26.9 per cent of the total ambient grocery market (taking in anything from chocolate bars to tinned tomatoes), up from 25.2 per cent for the same period last year and 23 per cent in 2010 (Wynne-Jones, 2012). When it comes to frozen goods, penetration is even higher, hitting 36 per cent this summer, compared to 33.2 per cent in 2011 and 32.2 per cent in 2010. And, the experts say, it's only scheduled to increase, as frozen foods are deemed healthy, notorious and inexpensive in a recession.

As previously stated some 80% of shoppers now buy own-brand products, compared to 89% of consumers who buy branded goods. Twenty per cent of those who buy branded products said they will buy fewer of them in the coming year, (Checkout, 2012). The 2012 Sign of the Times study, issued by Behaviour and Attitudes in February 2012, has revealed that 56% of householders hope to save money on groceries in 2012, while 53% are now shopping for groceries in 'cheaper shops', such as Tesco or Discounters compared to 45% in 2009 (Checkout, 2012).

Product quality is an important aspect for the majority of consumers purchase decisions. Switching to own-branded products will help consumers save money and still have quality products for all the family. As proved by Kantar Worldpanel (2012) own-brands continue to be important as a method of reducing spends and now has the highest share in two years of Irish grocery.

Figure 2.6.1: Sales increase of Own-Brands



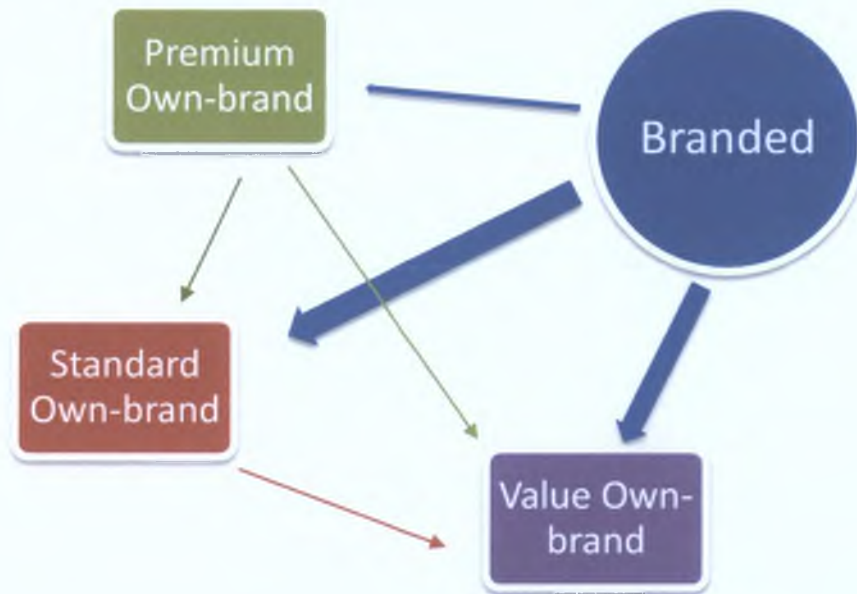
Source: Kantar Worldpanel, 2012.

Sales of own-brands have increased in these bleak economic times where consumers want and need to save money, they naturally look to own-brand ranges for alternative savings (Today's Grocery Magazine, 2009), the priorities of consumers have shifted radically since the first rumblings of recession in summer 2007. Its effect has forced consumers in a spin of bargain hunting and choosing own-brands and cheaper brands in general. Own-brands are already creeping up everyone's shopping list particularly for household, health and beauty and pet food. For many consumers stating that the quality and price of own-brand labels are preferable during hard times.

As SuperValu, Centra, Dunnes Stores and Tesco have three if not four ranges/tiers of their own-brand ranges, it is not just one that consumers shop for. Consumers purchase from different tiers in a bid to save money. Cheaper price tiers are seeing a

growth as shoppers trading down from brands and down the own-brand label tiers, Kantar Worldpanel (2012).

Figure 2.6.2 Own-brand label tiers



Consumers want choice. While one of the most important consumer market trends in developed countries is the increasing presence of own-brands, Irish manufacturers may look to increasing their presence in own-brand lines (Arce-Urriza & Cebollada, 2012) and should use the recession as an opportunity to expand into this area and give consumers what their looking for. Retailers should offer an own-brand that is a close substitute to the national brand, providing relatively homogeneous brands in the store, in order to guarantee a high level of demand, (Choi & Fredj, 2012). Sayman et al, (2002) also found, that closer positioning of a stores own-brand to the leading national brand is the optimal strategy to follow, if you want your consumers to choose your alternative own-brand.

Although the Irish market is continuing to innovate and invest in marketing spend, there is no doubt that the credit crunch combined with the rising cost of fuel, food and power has left many consumers keen to reduce their spend on usual brands, now benefiting own-brands and discount brands in today's retail market, (Today's Grocery

Magazine, 2009; Whelan & Davies, 2006). These factors may have resulted in the increase of own-brands in the last two years.

2.7 Own-brand Product Purchasers

Ailawadi & Keller (2004) consider an own-brand user to be price sensitive but not image sensitive. Frank and Boyd (1965) found some evidence that own-brand purchasers are better educated and have lower incomes than national/manufacturer brand buyers, (Richardson, Jain & Dick, 1996). Yet, according to Juhl et al, (2006) own-brand users are more profitable than consumers who do not purchase own-branded products. However, the most profitable customers are those who purchase a small quantity of own-branded products. In order to retain them, retailers must balance their national brand and store brand offerings, (Juhl et al, 2006).

Research from De Chernatony & McDonald's, (1998, p. 31) & Herstein & Tifferet, (2007) shows that own-brand consumers tend to be educated and middle aged; they have possibly large families and a low to average income. These consumers prefer purchasing own-brands in product categories that have low consumer involvement and with few distinguishable aspects. Low involvement will tend to attribute strong importance to price. However on the other hand, consumers who buy brands with high consumer involvement tend to attribute strong importance to brand aspects such as quality, packaging and advertising (Herstein & Tifferet, 2007).

Arce-Urriza & Cebollada (2012) found that the own-brand buyer can be distinguished from the national brand buyer on the basis of perceived quality of the respective brands, perceived risk associated with own-brand purchase, and familiarity with own-brands. The Private Label Manufacturers Association (PLMA) claims that own-brands are similar to national brands in terms of intrinsic quality; these results suggest that there is a large difference between consumers' perceptions and reality.

According to Whelan & Davies (2006) the traditional hypothesis in literature to date is that the consumer group that purchase own-branded products are different from the group of consumers that do not purchase them (and who perhaps prefer

national/manufacture brands) i.e. that there are separate segments of own-brand purchasers and national brand purchasers. While this perception has been criticised (Gordon, 1994) as placing consumers into rigid boxes, rather than recognising that the same individual may buy own-brands on one shopping occasion, but not on another, market research evidence suggests that only about half of all shoppers regularly buy own-brands, (Whelan & Davies, 2006).

Richardson et al, (1996) suggests that consumers who are familiar with own-brand products are inclined to view them as high quality, low risk products, producing good value for money. Consumers who lack experience with such brands are likely to view them with scepticism and consider them to be risky choices. Such perceptions may lead consumers to discount own-brand quality and lower perceived value for money. Lack of familiarity may also serve to increase reliance on extrinsic cues such as brand name, packaging, and price in quality assessment-areas in which retailers' brands suffer from deficiencies relative to their national brand counterparts. Richardson, Jain & Dick suggest (1996) customer's familiarity with retailers' own-brands could be increased through in store taste tests, blind comparisons with national brands, distribution of free samples, or issuing own-brand coupons to buyers of competing national brands at the checkout counter, many of these techniques are used throughout retailers in grocery stores today, i.e. SuperValu, Tesco, Dunnes Stores and Centra.

Own-brand consumers are considered "innovative", that is, they are intrepid consumers (Anvik & Ashton, 1979; Granzin, 1981; Herstein & Tifferet, 2007). This finding explains why own-brand consumers are willing to take a risk and purchase unrecognised and unknown brands. As Whelan & Davies (2006) state, retailers should consider providing customers with more information about their own-branded products. The more information a consumer has about a brand, the more informed they are and the more conscious the purchase decision they make as a result (Davies & Brito, 2003). Own-brand consumers seek information about own-branded products before purchasing them (Hawes & Kiser, 1980). This information may refer to the brand's price, special offers or even the package size. Information seeking reduces the uncertainty that arises in the purchase of own-brands. Retailers should consider using tools at their disposal, (Whelan & Davies, 2006), such as informative advertising like

SuperValu and Tesco's new own-brand campaigns, direct communication i.e. Centra and SuperValu's in-store taste testing, trial packs and free samples and Tesco and Dunnes Stores loyalty programmes.

2.8 Grocery Retailer Review on their Own-Brand Ranges

Own-brands are not just important for retailers. Consumers are relying on them to help them save money. "There's a level of pressure on households now that obviously finds its way through to grocery, as it should," explains Martin Kelleher, SuperValu MD, who adds that Musgrave's own research has shown that the typical household had about €60 less a month to spend on groceries following the last Budget. It may not sound like much, but the multiplier effect of higher fuel prices, taxes, levies and a range of other expenses all serve to depress spending on groceries, which, after rent or mortgages, are typically the next largest household bill (Checkout Magazine, 2012).

Industry sources have varied opinions on the level of own-brand sales, with many holding the view that Dunnes Stores, through its St. Bernard label is the leader in own-brand sales, followed closely by Tesco, (Forfás, 2001). SuperValu (which controls just under 20 percent of the Irish grocery market) and its competitors have all been involved in pretty ferocious advertising campaigns in their efforts to lure shoppers, (Checkout Magazine, 2012). But the National Consumer Agency (NCA), pointed out during the summer of 2011, that only tiny differences emerged between Ireland's major grocery retailers for a common basket of own-brand goods, and that 37 per cent of surveyed products had identical prices across Tesco, Dunnes, SuperValu, Centra and Superquinn. The NCA has insisted that grocery retailers are more concerned with price matching rather than price beating, especially in recessionary times. This is obvious now with SuperValu's current price match campaign with the German discounters Aldi and Lidl.

"What we've seen in the last year (2011) at SuperValu is about a 5% or 6% growth in sales of own-brand products. They're usually about 33% cheaper," explains Kelleher. Shoppers are working it out for themselves. He maintains that in taste tests SuperValu

has conducted over the past number of months on all its own-brand items have beating branded goods in 25% of cases, (Mulligan, 2011).

According to the Checkout Magazine (2012) in March 2012, SuperValu revealed ambitious plans for its own-brand range; their aim is to bring own-brand sales from €700 million today, to €1 billion by 2014. SuperValu invested €20 million on their own-brand range and launched their newer range of own-branded goods. They introduced 1.500 new product lines across the store network. Chris Martin, group CEO, Musgrave Group stated 'Our aim is to capitalise on this by offering products that are up to 20% cheaper than their equivalent'. SuperValu announced to Checkout that they are seeing a 10% year-on-year sales increase in its own-brand, with the launch marking the biggest in its history.

All products will continue to deliver on the quality and value you'd expect from SuperValu, yet the new range will be priced on average 33% less than the brand equivalent. By shopping across the SuperValu and/or Centra Range, and replacing their usual brand choice, with the own-brand equivalent, consumers can cut €45.26 off a shopping basket that would normally cost €110.35, according to Rothery, (2012). While there are signs that pressure on consumer budgets is slightly easing. "2012 looks set to see the majority of adults remaining watchful and discerning when shopping," said Chris Wisson, Senior Food Analyst at Mintel. "Research suggests that on balance, consumers expect to buy more standard and value own-brand foods while cutting back on brands". In an attempt to win back customers, Tesco also rolled out their new advertising campaign in April this year, to champion the improved quality of its recently launched 'Tesco Everyday Value' own-brand range - a new sub-brand for changing times (Marketing Week, 2012).

Own-brands symbolise choice (which is exactly what consumers are seeking), they also represent an opportunity to frequently purchase good quality food and non-food products with substantial savings compared to buying more expensive national brands, without relying on coupons and/or promotional pricing campaigns.

While years in recession are thankfully typically less numerous than years of growth, they have a disproportionate impact on consumers shopping behaviours, retail strategies, and brand shares. Retailers need more dynamic and sensitive targeting models than those typically used for longer-term positioning strategies (Hampson & McGoldrick, 2011). Own-branding strategies need to be established, as own-brands are now a vital and growing aspect in the grocery retail sector.

Previous recessions have shown a clear correlation between own-brand market share and the economy. In the past, own-brand sales spiked during a recession but quickly returned to normal levels at the first sign of an upturn. This time, however, own-brands are sticking (Berg & Queck, 2010) and this is only one of the reasons this research needs to be conducted.

But there are benefits for both the consumer and retailers alike. The global economic slump has accelerated the growth of own-brands, in addition to the underlying long-term shift in power from manufacturers to retailers (Hampson & McGoldrick, 2011). The general trend to discounting, focus on margins and cost control has prompted retailers to rationalise their ranges, freeing up room for even more own-brands to underpin their price aggressiveness. Higher margins at lower prices, as well as shopper loyalty are the key benefits of own-brands for retailers, (Berg & Queck, 2010).

On a global scale, it has now become remarkably obvious that retailer own-brands continue to grow and gain consumer acceptance. Shopper frugality and increased focus on prices have been playing into the hands of retailers to continuously extend their own-brand lines and, as a result, penetration in virtually all markets. Retailers must find new ways to improve their own-brand ranges as the retail environment and shoppers' needs continue to evolve. According to Planet Retail's 2010 conference, own-brands are "*the brands of the future*" (Berg & Queck, 2010).

2.9 Conclusion

This chapter outlined the concept of own-branding and what own-brands are. It established how own-brands have gained consumer acceptance over the years, who the own-brand purchasers are, how they have become consumer's number one choice in the recession and how they may be 'the brands of the future'.

The chapter expressed the fact that in this recession, consumers have become extremely educated when it comes to shopping for groceries and how to save money. This chapter confirmed that the majority of consumers are scrutinising prices more carefully as price plays an important role in consumers' purchasing decisions. Consumers are looking at the savings they can make - shopping on a tighter budget and as a result has come to recognise that the quality and price of own-branded products are preferable during hard times.

It was discovered that own-brands were perceived to be an inferior quality to national brands before the recession. However, after experimenting and the impact of the recession, approximately 63 per cent of consumers now consider the quality of retailer own-brands to be as high as branded goods if not better.

The literature examined and explored retailer's reviews and perceptions of their grocery own-brands and also revealed the advantages of own-brands for both consumers and retailers.

**CHAPTER THREE. RESEARCH
METHODOLOGY**



3.1 Aim

The aim of this chapter is to discuss in detail the methodology used to examine and explore this study of ‘the impact of a recession on grocery retail own-brands’ and why the method is most appropriate. The chapter outlines the significance and justification for the secondary and primary research chosen, discusses how data is collected, how the data is analysed and highlights the research limitations identified.

A significant research gap exists relating to the consumer perceptions of own-brands in Ireland and the impact of an economic downturn on own-brands in the grocery retail sector. As previously stated in Chapter 1 it is important to note that there has been limited published research relating to this study.

Based on this observation, the rationale for this study is to begin to close the research gap by exploration and identification of retailer and consumer perceptions of grocery own-brands, the importance of product “quality” and the role of “price” on purchasing decisions and the impact of the recession on consumers purchasing behaviour today.

3.2 Introduction to Research

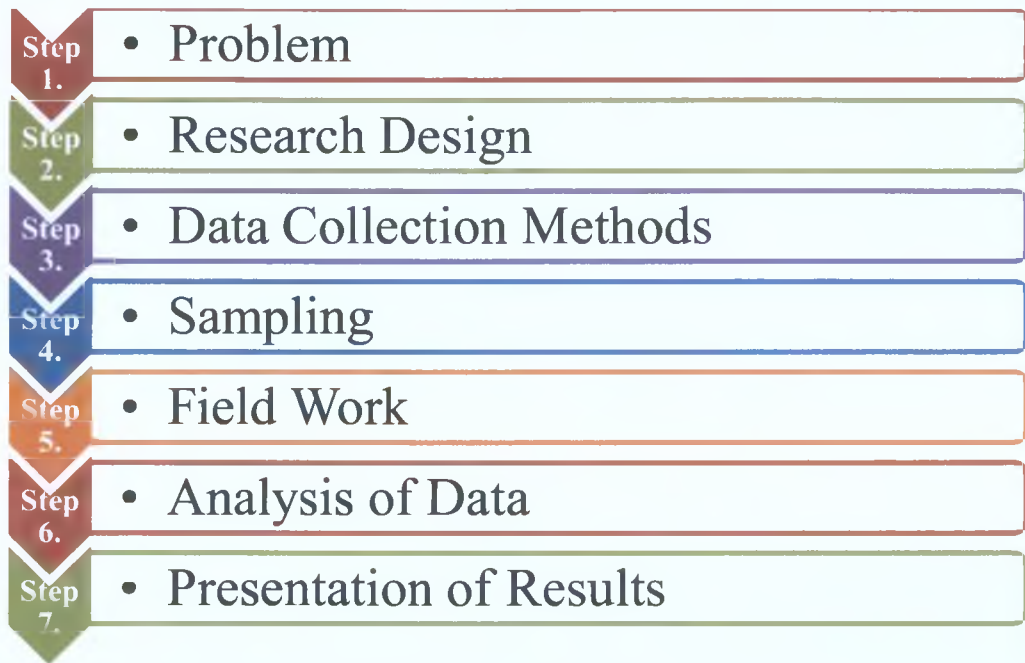
This study investigates the impact of the current economic recession on own-brands in the grocery retail sector. This study was exploratory in nature and explored both consumer and Irish grocery retailer insights & perceptions.

3.3 Research Process

For this study the ‘Seven Step Marketing Research Process’ outlined by Domegan and Fleming (2007) is applied (Figure 3.3). This research process provided structure and direction for executing the research. The marketing research process is a “*set of stages that detail a number or sequence of tasks a researcher undertakes to gather and report valid and reliable information to assist with decision-making*” (Domegan

& Fleming, 2007, p. 21). Saunders et al (2000, p. 85) state that ‘the research process is a multi-stage process that must be followed in order to undertake a complete research project’.

Figure 3.3 The Research Process



Domegan and Fleming’s (2007) Marketing Research Process, (Domegan & Fleming, 2007, p. 21).

3.4 Step 1. Problem Definition

Step one of the research process is problem definition. This stage involves the researcher identifying and selecting what information is required to undertake the study. This stage of the research highlights the main issues to be investigated. Domegan & Fleming (2007) purpose the main purpose of this problem definition stage is to enable the researcher to determine the rationale/justification behind the study.

3.4.1 Research Question and Objectives

This research was exploratory in nature as the researcher's objective was to look for patterns of attitudes, behaviours and perceptions of both consumers and managers in the grocery sector in Ireland. Exploratory studies are a valuable means of finding out 'what is happening, to seek new insights and perceptions, to ask questions and to assess phenomena in a new light' (Robson, 1993, p. 42). The research examined and explored the impact the recession has had on grocery retail own-brands, particularly in the North and Mid-West of Ireland. The researcher formulated the following research question which then leads to the identification of the research objectives.

3.4.2 Research Question

Has the current economic downturn had a positive or negative impact on retail own-branded products in the grocery sector from a retailer point of view and has the recession had an effect on consumer's perceptions and purchasing behaviour?

3.4.3 Research Objectives

The research objectives of this exploratory study were:

- To identify the retailer perceptions of grocery retail own-brands and to gain insight into their performance pre-recession and post recession.
- To explore consumer perceptions of own-branded products pre-recession.
- To determine the importance of "quality" of own-brands in consumers purchase decisions.
- To evaluate the role of "price" on purchasing decisions.
- To examine in detail if the recession has had an effect on consumers purchasing behaviour today.

3.5 Step 2. Research Design

Research design is the second step of the research process. The research design provides a framework which structures the strategy and assessments made to guide the study. Domegan & Fleming (2007, p. 24) refers to this stage as the ‘blueprint’ as it provides the researcher with a ‘plan of action’ (strategy) for the remaining steps of the research process.

For this exploratory research, the main aim is to investigate the impact of a recession on grocery retail own-brands in the North West and Mid-West of Ireland. The method chosen overall was a qualitative approach.

Figure 3.5.1 Research Design



3.5.1 Research Strategy

It is important that the research strategy chosen for this study allows the researcher to answer the research question and meet the identified objectives (Saunders et al, 2000, p. 92). The justification for the chosen research strategy is outlined and discussed during this stage of the process. According to Saunders et al (2000, p. 92) the researcher must have a clear distinction between strategy and tactics. The former is concerned with the overall approach you adopt, the latter is about the finer detail of data collection and analysis. Research strategies employed in this study involves the different data collection methods used like semi-structured interviews, focus groups, observation and questionnaires.

The methodology employed for this study is qualitative due to the exploratory nature of the research. This type of research is appropriate in topic areas where the developed data is limited, Cooper & Emory (1995) and the objective is to discover future research. For the purpose of this study, qualitative research was preferred over quantitative research as to solve the research question and meet the objectives. Ghosh & Chopra, (2003), define the two equally important methods of carrying out data, Qualitative data and Quantitative data,

- *Qualitative Data* – is the form of descriptive accounts of observation or data that is classified by type.
- *Quantitative Data* – is data that can be expressed numerically or classified by some numerical value.

Qualitative methods were chosen in this study due to their exploratory nature. Qualitative research was a more complicated process, unstructured, involved the use of audio material, this method was complex to analyse and appeared to be time consuming. However, this research provided the researcher with more realistic insights and perceptions. It was flexible and allowed the researcher to delve into the views of retailers and consumers and examine deeper insights on the subject matter, “the impact of a recession on grocery retail own-brands”.

When choosing the target population for this research, the top retailers in Ireland were analysed. These stores were selected because according “Today’s Grocery Magazine” (2012), Musgrave Retail Partners – are the top retailers, to date, in 2012, (SuperValu, Centra, Super Quinn, Mace & Daybreak) with a enormous combined turnover of €4,885,600,000, followed by Dunnes Stores with a considerably lower turnover of, €4,300,000 (yet are performing considerable well in the grocery sector) and Tesco Ireland’s turnover of €2,995,000,000.

SuperValu has recently invested a substantial €20 million on their new own-brand range, (SuperValu and Daily Basics) this has been the biggest product launch in retailer history in Ireland, (Today’s Grocery Magazine, 2012). Centra have over 700 own-branded products in their range (Centra, Good to Go & Simply Cook) and they say they are up to 33% cheaper than similar branded goods, (Musgrave Group, 2012).

Dunnes Stores like SuperValu, Centra and Tesco stock a large range of branded goods alongside their own range of branded goods (St. Bernard, Dunnes & Dunnes Stores Simply Better). Tesco also have their own branded line of products (Tesco Finest, Tesco, Tesco Everyday Value & Tesco Organic) as well as premium and regional produce. Tesco are renowned for their different Tesco branded range of goods on their shelves and has been increasing its own-brand products for years. They have their own value branded goods and their more superior range of Tesco Finest products.

3.5.2 Qualitative Research Methods

During the research method selection process, the researcher chose a number of methods and studied them in detail. The purpose of this process was to ascertain which method was most appropriate for this particular study. Case-study methods through semi-structured in-depth interviews with Managers in Head Office, survey methods through questionnaires with Store Managers and observational methods through consumer insight focus groups and in-store observation were the primary research methods used for this study.

3.6 Step 3. Data Collection

Data Collection is the third stage of the research process and refers to how the required information will be gathered (Domegan & Fleming, 2007, p. 77). This stage requires the researcher to choose the data collection instrument which best suits the research strategy and research design adapted. The data was gathered from two main sources which include secondary sources of information and primary sources of information.

The golden rule in market research according to Domegan and Fleming (2007, p. 80) is to exhaust all secondary sources of information available before attempting to conduct any primary research. Both primary and secondary data was conducted for this study to ensure the researcher was entirely able to answer the research question and meet the research objectives.

3.6.1 Secondary Data

Secondary data is “*data collected by another person for the reasons other than the problem in hand*” (Domegan & Fleming, 2007, p. 82). Domegan & Fleming (2007) state that the collection of secondary data is the first step of the data collection process. The main sources of secondary data utilised in this study were taken from published materials. An extensive review of the existing literature in the areas of own-branding in Ireland was carried out and revised for the duration of the study.

The internet was a key tool for gathering the secondary research needed for this study. The main sources of literature available to the researcher was from academic, credible journals – mostly retrieved from academic databases available on the Institute of Technology, Sligo website, academic books, reliable newspapers (The Economist, Irish Times) and marketing retail magazines (The Checkout Magazine, Planet Retail, The Consumer Magazine).

3.6.2 Primary Data

The primary data collection methods chosen for this study allowed the researcher to answer the research question and meet the research objectives. As previously stated semi-structured in-depth and questionnaires together with focus groups and a small scale observation study were chosen as a means to collect the research data and will later be discussed in more detail.

3.7 Step 4. Sampling

The fourth step of the research process is 'sampling'. Sampling is essential for market researchers since almost all market research is conducted using samples, (Birn, 2000, p. 43). Sampling refers to the techniques and procedures required to collect the data to answer the research question and meet the objectives. The sampling techniques available to the researcher are divided into two; these include probability and non-probability sampling. Saunders et al, (2000) explains the difference in techniques:

- *Probability Sampling: (or Representative Sampling) states that each case is known from the population and is more than likely equal for all cases.*
- *Non-Probability Sampling: (or Judgemental Sampling) means that each case in the population is not known and is equal in all cases.*

3.7.1 Defining the Population and Selecting a Sample Frame

The population was decisively chosen as those who would be able to offer some relevant perceptions for this study. The target for the interviews as stated previously, includes; one Marketing Manager/Director from Tesco Ireland, one Own-brand Marketing Manager from Musgrave's in Co Cork. Two Regional Store Managers, one from SuperValu-Centra and one from Tesco Ireland and five Local store Managers one from Super Valu Castlerea, Co. Roscommon, one from Tesco Carrick-on-Shannon, Co. Leitrim, one from Centra Co. Roscommon and two from Dunnes Stores stores in Co. Sligo and one in Co. Roscommon.

The target population for the focus groups were the main weekly household shoppers in the family.

3.7.2 Selecting the Overall Sample Method

Non-probability sampling method was chosen over a probability sampling for this study. Non-probability sampling is 'inherently subjective and not objective, as the samples are chosen consciously by the researcher' (Domegan & Fleming, 2007, p. 381). With over 400 Super Valu, Centra, Tesco and Dunnes Stores outlets in Ireland to interview each store manager and over 1,469,521 households in Ireland (CSO, 2012) to attend a focus group, it was impractical to collect data from the entire target population; therefore, non-probability convenience sampling was chosen to support the primary research.

3.7.3 Choosing a Sample Type

Convenience sampling was selected by the researcher as the researcher works within the retail sector in the Mid-West and North-West of Ireland and had access to the target population through contacts and due to time, cost and travel required to interview the retailers and consumers in the whole of Ireland, convenience sampling accommodated the geographic preference of the researcher for access purposes.

3.7.4 Determining the Sample size

The sample size was chosen by the researcher and the academic supervisor. The sample size was determined based on the research questions and geographic boundaries. The chosen population allowed the researcher to collect the data that was required to answer the research question and meet the research objectives.

3.8 Step 5. Fieldwork

This stage of the research process involved the researcher assessing who to interview and who not to interview and ensuring the selected number of interviews were achieved. After the interview type was determined, all questions were piloted, the researcher then contacted the interviewee *via* email and/or telephone and arranged an interview date, place and time (each interview lasted approximately 45 minutes to one hour). All interviewees received an email prior to the interview, the email explained to the Managers who the researcher was, the college attended by the researcher, the purpose of the research, the length of the interview and a list of the questions to be covered in the interview. The data was collected and recorded from each interview.

The focus group members were selected from the Mid-West and North-West of Ireland as this region was in close proximity to the researcher where accessible. On arrival the group members were also informed the reason for the focus group, the purpose of the research and who the researcher was. In total forty-eight participants attended the five focus groups, there was a combination of males and females – predominately females, there was a difference of income levels in each group and there was a mix of individuals from urban areas and a selection from rural areas of the region. The range of individual's gender, geographical location, social class and behaviours worked well in the groups discussions and gave the researcher different views and perceptions of own-brands. Gaining responses from both the interviews and the focus groups proved difficult but eventually the desired figure was achieved.

3.9 Step 6. Analysis of Data

After the collection of relevant data, the researcher then preceded to analyse the data. The data collected from the qualitative interviews were recorded and transcribed and the focus group interpretation/notes were collated and analysed and a common theme was formed. The results/comments from the in-store observation study were analysed and converted into readable, systematic notes.

3.10 Step 7. Presentation of Results

According to Domegan & Fleming (2007) presenting the data collected is the last stage of the process and is very significant in the research process. This stage involves the researcher typing up the analysis and findings that resulted from the data analysis stage of the research process. The results of the data are presented in detail in the next chapter, chapter 4, followed by the overall results and conclusions to the research in chapter 5.

3.11 Validity and Reliability

Validity and Reliability assisted the researcher in avoiding errors when conducting the research and ensured that the study is valid and reliable. Validity and Reliability should be considered throughout every research project as they have major impact on all the decisions made regarding the research carried out. Validity is defined by Bryman & Bell (2007, p. 165) as 'the issue of whether or not an indicator (or set of indicators) that is devised to gauge a concept, really measures that concept'. Reliability refers to consistency of results and measurements made in the research process (Domegan & Fleming, 2007). Reliability is concerned with 'the consistency, accuracy and predictability of the research findings' (Kinnear & Taylor 1996, p. 232). Participant error was hard to avoid as the researcher could not prevent a respondent from answering a question or from not participating in the interview or focus group.

3.12 Ethical Considerations

The researcher adhered to the Institute of Technology, Sligo and ESOMAR ethical codes and guidelines for this research.

- All interviewees and questionnaire respondents' are strictly anonymous.
- All candidates were entirely voluntary and were not misled in any way.

- The candidates had the option to refuse to answer or comment on particular questions, e.g. personal questions, throughout and could have refused to be interviewed or be involved in any questionnaires.
- The researcher respects all candidates' wishes and insures no harm will come upon them.
- Where recording equipment was utilised throughout this research, the researcher explained why they are recorded and if they wished not to be, other forms of gathering the data was used, e.g. Pen & Paper or Typing it up, all data will be deleted or destroyed after this research is conducted, if the candidate wishes.

3.13 Overview of the Research Design

Presented is an overview of the research design employed in this study.

3.14 Semi-Structured In-depth Interviews

Interviews are a social experience, depending on one person, the interviewer (the researcher), asking a series of questions off another person, this helps the interviewer build rapport with the managers interviewed which encourages trust and therefore lets the interviewee express deeper insights and perceptions.

Semi-Structured In-depth Interviews were chosen as the primary data collection method for this study as the researcher believed it best answered the research question and met the research objectives. Saunders et al, (2000, p. 265) explains the advantages and disadvantages of conducting face-to-face in-depth interviews.

Advantages of In-depth Interviews:

- Flexibility, interviews were occasionally adjusted for the interviewee.
- The researcher has control over the research environment, the interviewer had control over the conditions under which the questions were phrased and solicited.
- Control over time, date and place of the interview. The information had to be collected before the month of August, interviewing in the office of the managers was the ideal conditions for the interview for both parties.
- Easy administrated, the interviews did not require complex documents or long questionnaires.

Disadvantages of In-depth Interviews:

- Interviews were costly and more time consuming than other methods such as online surveys.
- Interviews can be inconvenient; both parties must be present at the time of the interview.

3.14.1 In-depth Interview Design

The in-depth interview technique uses extensive probing during the course of a personal interview to get the respondent to explore their perceptions on a topic, (Domegan & Fleming, 2007, p. 24). The interviews with Managers in Head Office were semi-structured thereby allowing the researcher to use the questions in the survey as a general framework on which to base additional questions requesting clarifications, explanations and more details into potentially appealing ideas.

3.14.2 Testing

To minimise researcher bias, the interview guidelines were piloted before conducting them by an Assistant Manager (not partaking in the study) in a local retail store. The purpose of this was to determine reliability and validity and provide the opportunity to

eliminate ambiguity that may exist in the questions. The pilot testing with the Assistant Manager did allow for a reduction in participant error as some changes had to be made to make the survey flow smoother and to make it easier to understand.

3.14.3 Sampling

The target population for this section of research included Marketing Managers/Directors and Own-Brand Marketing Managers in Ireland. This research was restricted to this group as these individuals knew how the own-brand sector performed before the recession and how it is performing now in an economic downturn.

3.14.4 Administration

Using a qualitative method of analysing data, the researcher interviewed two managers in the head offices of Musgrave's and Tesco, (Musgrave's Marketing and Own-brand Manager for Super Valu and Centra in Ballycurreen, Co. Cork and Tesco's Marketing Director in head office in Dun Laoghaire, Co Dublin). The head Marketing Manager of Dunnes Stores and one Regional Manager refused to partake in the interview, as it is their company policy not to get involved in student research, this may have affected the result of the overall study.

The interviews involved extensive probing throughout, so as to reveal more detailed information on the subject matter. The format for the interviews were semi-structured. The use of this format allowed for predetermined questions to be asked while also allowing for further probing on points and answers mentioned throughout the course of the interview, this allowed for the collection of more detailed information as required. The questions were open-ended as opposed to closed-ended, as open-ended questions are excellent for allowing for unexpected content to come up in the interview. Interview schedules are discussed below.

Table 3

Schedule of in-depth interviews with Managers in head office

Company	Interview Date	Length of the Interview
Super Valu & Centra - Marketing and Own-brand Manager	02/07/2012	1 hr 26 minutes
Tesco – Marketing Director	25/07/2012	1 hr 4 minutes

3.14.5 Analysis

The data collected from the qualitative interviews were recorded, transcribed and a common thread of information was formed, (own-brand product sales have increased at least 55% since 2008). This was achieved by comparing and contrasting information from the transcripts and searching for emergent theory. Not all interviews were taped as a number of interviewee’s preferred not to be recorded – privacy reasons.

3.15 Questionnaires with Regional and Store Managers

The majority of questionnaires were carried out in-store, face-to-face with the Managers. There was a number of interviewees who wanted to carry out the questionnaire, but due to time and travel constraints, they were conducted *via* the telephone. As travel and time costs grow it was a logical to carry out interviews by telephone. Telephone interviewing took place in the researcher’s home in the Mid-West of Ireland. Interviewing by telephone was convenient, quick and saved time and money for both the interviewee and the researcher. All Managers were e-mailed before the questionnaires were conducted to confirm the time and place of the interview. Here Saunders et al, (2000, p. 310) discusses the advantages and disadvantages of conducting questionnaires.

Advantages of Questionnaires:

- Quick access to information – speed of collecting data.
- Shorter interview time.
- Convenient for both parties.
- The responses are gathered in a standardised way - questionnaires are more objective.

Disadvantages of Questionnaires:

- Conducting the interview and recording the data was a difficult process.
- Difficult to develop the more complex questions in comparison to face-to-face interviewing.
- It was not entirely possible to build rapport like semi-structured interviewing.
- Less willing to provide time to talk – completed the questionnaire and did not offer further comments.
- The open-ended questions can generate large amounts of data which can take a long time to process and analyse.

3.15.1 Questionnaire Design

The questionnaire was designed to collect the relevant data needed to answer the investigative research question and meet the research objectives. The majority of questionnaires were delivered to the Managers, but there were those who wished to have the questionnaire conducted *via* the telephone – using the same questionnaire. The researcher insured the questionnaire was not biased and did not contain confusing grammar. The layout was clear and attractive and left scope for ‘any other comments’ that the interviewee may have had.

3.15.2 Testing

The questionnaires/guidelines were piloted before conducting them by a local Retail Assistant Manager so to reduce respondent error and to eliminate researcher bias. The questions in the questionnaires were also examined by a colleague of the researcher, also working in the Grocery Retail Sector in Ireland. Feedback was provided and a number of questions were taken out and/or reworded in the questionnaire.

According to Bryman & Bell, (2007), a poorly worded questionnaire is a primary reason for errors in research to occur. Bloom, Fisher and Orme (2009), identified that the quality of a questionnaire must satisfy 5 key criteria; purpose, directness, utility, reliability and validity.

For designing the questionnaires for the interviews direction from Crowther & Lancaster (2005, p. 153) were used.

- ✓ Be short, simple, avoiding jargon and to the point.
- ✓ Avoid ambiguous questions.
- ✓ Avoid leading questions.
- ✓ Have logical structure.

3.15.3 Sampling

The target population for the questionnaires were Regional Store Managers and Local Store Managers in Super Valu, Dunnes Stores, Tesco and Centra stores in the Mid-West and North-West of Ireland. This cohort of respondents did not wish to have a semi-structured interview for different reasons and preferred the option of been interviewed using a questionnaire format or *via* the telephone. This method of interviewing was suitable for both the interviewee and the researcher alike.

3.15.4 Administration

Seven of the interviews carried out were structured around the use of a questionnaire. The interviewees preferred this option as they found it to be more practical for their busy working schedules. An email with the interview guidelines/questions (see appendix A) was sent to the interviewee prior to the interview so that they could prepare adequately for the interview. The questionnaires and the telephone interviews were conducted from July to August and primarily took place before lunch times and only lasted a short period of time.

Table 3.1

Questionnaires with Regional and Store Managers

Company	Interview Date	Length of the Interview
Musgrave's Regional Manager	06/07/2012	Approx 1 hr
Super Valu Store Manager	29/06/2012	1 hr 10 minutes
Dunnes Stores Store Manager	21/07/2012	44 minutes

Table 3.2

Questionnaires with Managers *via* the Telephone

Company	Interview Date	Length of Call
Tesco's Regional Manager	30/07/2012	43 minutes
Dunnes Stores Local Store Manager	31/07/2012	16 minutes
Tesco's Store Manager	03/08/2012	30 minutes
Centra's Store Manager	09/08/2012	21 minutes

3.15.5 Analysis

Questionnaire analysis was conducted primarily from the transcription of the interviews, the interviews on the telephone were also analysed, yet difficult to record. For privacy reasons a number of the interviewees wished not to be recorded.

3.16 Focus Groups with Consumers

A focus group is a gathering together of a small group of people (eight to twelve people) for a set period of time, to discuss a series of topics under the leadership and direction of a moderator, (Birn, 2000, p. 299). According to Ghosh & Chopra (2003) a focus group is another useful and practical exploratory technique in research.

Focus groups are extremely beneficial as an information-gathering technique, they are relatively unstructured and fairly free-flowing, (Saunders et al, 2000, p. 268). Focus Groups can offer complexity and fascination (Birn, 2000, p. 297). Individuals can be very fascinating when they mix with others in small groups and can provide the researcher with real insight, understanding and perceptions about the subject matter. Birn (2000, p. 301) highlights the advantages and disadvantages of conducting and moderating focus groups.

Advantages of focus groups:

- Focus groups provide a deeper level of understanding about individual's behaviours and perceptions.
- Convenient way of gathering the views, perceptions and insights of more than one person at a time.
- Provide an opportunity to observe the exchange of ideas in a dynamic way, (Birn, 2000, p. 300).
- Relative cheapness and speed where deadlines are critical.

Disadvantages of focus groups:

- Not possible to build one-on-one rapport.
- Involvement may take time.
- It is difficult to encourage participation in the group and maintain its intended focus.
- A high level of skill is required to conduct the discussion correctly.
- As the researcher is the interviewer/moderator it is not possible to take notes so therefore a colleague observed so bias did not occur and also transcribed notes.

3.16.1 Focus Group Design

The researcher found that focus groups are an extremely useful and a practical exploratory technique for gathering research. Five focus groups were conducted in the Mid-West and North-West region of Ireland (forty-eight participants in total) among consumers from different genders, ages, geographical area and incomes. The researcher had prepared a number of questions (see appendix D) prior the focus groups. The focus groups were based upon these questions and this helped start and control the group discussions.

3.16.2 Testing

Before conducting the focus group, the researcher had to insure the probing questions provided the information needed for the research. The researcher and a colleague went through the questions and answered them as if it were in a focus group situation. A small number of questions were chosen as they were most appropriate for the focus groups, these questions helped to answer the research question and meet the research objectives.

3.16.3 Sampling

Participants were gathered together, with the help of contacts, to five different locations in the West of Ireland (discussed in more detail in the focus group administration process). The frothy-eight participants in the focus groups were the main weekly household shoppers in the family, this was necessary as it gave the researcher more reliable information on their regular weekly purchasing behaviours and their overall perceptions of own-brand products.

3.16.4 Administration

Five focus groups were employed by the researcher so as to gain further consumer perceptions on grocery retail own-brands. The focus group discussion process was flexible and dynamic and well controlled by the researcher/moderator. Participants in the focus groups were the main weekly household shoppers in the family. The following is an outline of the focus group schedules and locations.

Table 3.3

Focus Group Schedule

Focus Group	Location	Date
Focus Group 1	Castleplunkett, Roscommon	18/06/2012
Focus Group 2	I.T Sligo	28/06/2012
Focus Group 3	Tulsk, Roscommon	13/07/2012
Focus Group 4	Castlerea, Roscommon	15/07/2012
Focus Group 5	Roscommon Town	03/08/2012

The first focus group took place in a rural part of Co. Roscommon, Castleplunkett, this focus group was conducted on the 18th of June 2012 in St. Ciaran Niofa National School, Castleplunkett and consisted of three males and eight females, these contacts were parents of children in the school and the researcher was aided with help from the principle of the school to reach the respondents.

The second group was based in Co. Sligo and consisted of male and female from different income level and ages, the focus group took place in the Institute of Technology Sligo on the 28th of June and was conducted with three females and four male members.

The third focus group on the 13th of July 2012, was conducted in the GAA club rooms in Tulsk, Co. Roscommon, the members were mainly from rural areas, were male and female, from different ages and different income levels. 12 members were present, seven females and five males.

The fourth focus group was gathered through contacts from the SuperValu store in Castlerea town, the focus group of eight females who live in the town took place on the 15th of July 2012, in the boardroom of Cahill's SuperValu Castlerea.

The fifth focus group was carried out on the 3rd of August in Roscommon town. The members of the group were mostly from the town, 10 members attended. Eight females and two males, six of which were contacts of the researcher.

3.16.5 Analysis

The focus group interpretation/notes were collated and analysed and a common theme was formed, (own-brands are becoming the number one consumer choice in the recession).

3.17 Small Scale Observation Study

As the research question and a number of the research objectives were concerned about consumers buying behaviours, the obvious way in which to discover this in reality was to watch them. According to Saunders et al (2000, p. 218) watching people is essentially what observation involves: the systematic observation, recording, description, analysis and interpretation of people's behaviours. Descriptive observation was carried out in this study. Robson (1993) explains that descriptive observation is where the researcher concentrates on the physical setting (The

SuperValu Store), people's activities (Are they purchasing own-branded products?) and their behaviours (Are they looking at the price of the product before purchasing?).

The observation study was conducted on a regular busy Saturday in a local SuperValu store in County Roscommon. It took place from ten in the morning to five o'clock that same evening. The researcher/observer predominantly observed consumers with larger shopping trolleys as the researcher considered them to be the main grocery shoppers in the family. After each observation was made, the researcher declared the reason for observing to the consumers for ethical reasons. Throughout the observation study, informal discussions between the researcher and the consumers occurred. The researcher observed informal conversations between consumers themselves and with staff within the store. As much data as possible was recorded on the spot or at least written up soon after an observation was made. Later that day, the rough comments were then converted into readable, systematic notes for the research.

After lunch that same day, the researcher/observer completed a taste testing experiment on "SuperValu Own-Brand Vanilla Ice-Cream". This helped to explore consumers perceptions about the brand and most of the time lead to a brief discussion about their purchasing decisions of own-branded products. The researcher believes that more taste-test experiments should be conducted in supermarkets around Ireland to increase own-brand purchases.

3.18 Limitations of the Study

- Because of the allocated timeframe, it was impossible for the researcher to carry out research on all grocery outlets in the entire island of Ireland; perhaps this limits the scope of the research, as it was only carried out in the North and Mid-West Region.
- A number of the interviews were carried out on the telephone due to interviewee preference, financial constraints and the travel costs required, although telephone interviewing was appropriate, face-to-face interviewing gave the researcher much more in-depth information.

- The researcher tried to avoid and eliminate errors throughout the research, however the primary research - two important interviews with one head marketing manager and one regional manager, that were proposed for the methodology, were not carried out as Dunnes Stores declared 'they did not wish to take part in any student research' as a result this may have affected the outcome of the overall study.
- For the Literature Review there appeared to be a lack of prior academic investigation for this study and also a lack of recent literature on this topic.

3.19 Conclusion

This chapter outlined Domegan & Fleming's (2007) Seven Step Research Process that the researcher employed in order to achieve the research objectives. The chapter explains each step in detail and how it was applied to the research in question. The chapter discusses the overall research design and the advantages and disadvantages of conducting the semi-structured in-depth interviews, questionnaires and the focus groups and the observation study. The chapter also illustrates the different methods and the course of action taken by the researcher in obtaining the data necessary to complete the research process effectively.

CHAPTER FOUR. FINDINGS AND ANALYSIS

4.1 Introduction

On concluding the primary research the data was analysed and findings were generated. The aim of this study was to investigate whether the current economic downturn had a positive or negative impact on retail own-branded products in the grocery sector from an Irish grocery retailer point of view and if the recession had an effect on consumer's perceptions and purchasing behaviour.

The process of analysis for this study involved transcribing all the interviews, they were analysed several times and then compared and contrasted with each other under emergent headings/themes. The data from each interview was grouped under themed headings for analysis and the focus group notes from each group were contrasted and examined and also grouped under frequent underlying themes. The observation study results were also thoroughly analysed.

This analysis generated comparisons and contrasts with:

- Previous Literature (discussed in the preceding chapter).
- The four retailer interview transcripts.
- Five consumer focus group minutes.
- One small scale observation study.

From the investigation, this chapter reveals the findings that emerged from the identified key areas/themes relating to the impact the recession has had on grocery retail own-brands.

4.2 Profile of Population for Interviews

The population for the interviews were Managers and Retailers in SuperValu, Centra, Dunnes Stores and Tesco stores in the Mid-west and Northwest region of Ireland. The researcher chose to interview the population using a convenience sampling method

not only because it accommodated the geographic preference of the researcher for access purposes but also because the interviewees extensive experience in the grocery sector.

4.3 Profile of Population for Focus Groups

Consumer focus groups were chosen, so the researcher could explore consumer perceptions of own-branded products, before the recession. To determine the importance of “quality” and to evaluate the role of “price” on own-brand purchasing decisions. The research also observes in detail how the recession has had an effect/impact on consumers purchasing behaviour. The forty-eight focus group participants were all from the Mid-West and North West areas of Ireland, participants involved in the focus group were both males and females, of all ages and had different levels of income and diverse backgrounds.

4.4 Profile of Observation Study

The small scale observation study took place in a local SuperValu store. The SuperValu is based in County Roscommon in the Mid-West region of Ireland. The study was conducted from 10 am in the morning until 5pm in the evening. The identity of the research/observer was revealed to the consumers in the store for ethical reasons.

4.5 Grocery Retailers Interview Findings and Analysis

The rationale for conducting the retailer interviews was to establish whether the current economic downturn had a positive or negative impact on retail own-branded products and to identify the retailer’s perceptions of their grocery retail own-brands,

while also gaining insight into their own-brand performance before the recession and now in an economic recession.

4.6 SuperValu

4.6.1 Retailer Perceptions

Management at SuperValu admitted that retailers like themselves use own-brands to increase sales margins as well as to win the loyalty of their customers. 'Own brands help retailers differentiate themselves from the competition – it's a point of difference between retailers'. Having a range of own-brand helps enhance your stores corporate image and helps to strengthen your relationship with your customers. Customers can buy a national brand anywhere, in any store, but they can only buy your grocery own-brand in your store, "*so it must have something special to offer consumers*".

In 2011 we first created the Daily Basics range to help shoppers save money on household staples. The new range is approximately 60% cheaper and a 1/3 less than national brands. Also the expansion of our second major own-brand range – called simply SuperValu Range – is a significant initiative for brand and business.

SuperValu's Own-brand Manager truly believes that their own-brands have the ability to become an integral part of Irish culture – up there with Avonmore, Brennans and Denny's. "*With our own-brand ranges obtaining great economic gains and in a growth of 13 per cent this year alone, the SuperValu brand is our biggest responsibility now and for the next number of years*". SuperValu own-brand sales reached 2.4 billion euro in 2011.

SuperValu were proud to announce their great success in the recent '2012 Wholesale Quality Food Awards', forty six products from SuperValu's range of own-brands were shortlisted for the awards. '*This is great opportunity for SuperValu*'. With the brands performing so well, Musgrave's hope to increase their own-brands sales up to 1billion before the year 2014. 'Irish companies produce over 70% of all our SuperValu own-branded products so SuperValu are 'incredibly proud' to be supporting over 30,000 Irish jobs with our own-brand ranges'.

4.6.2 Pre-Recession

Prior the recession there was 'no obvious demand' for the SuperValu's Range or their 'Nice Price' own-brand value range (now Daily Basis). It was not until early 2010 that the own-brand range reported an increase in sales and this was '*mainly due to the extended own-brand range that was stocked in store*'.

Pre-recession the segment of consumers (identified by the retailers) that were inclined to purchase own-branded products and try them out was the main family shoppers and typically housewives. It is believed that consumers were less likely to engage in own-branded goods before the recession commenced. Quality consciousness seemed to be the main reason that discouraged consumers from using own-brands, especially the 'value' own-brand ranges.

With price also another significant factor in regard consumer engagement with retailer brands, '*sales of the 'Nice Price' range were higher than the sales of the standard SuperValu range, which may be because if consumers purchased the cheaper own-brand there would consider them a less riskier choice*'.

It was revealed in the interviews that before the recession hit; consumers had a particularly negative perception of own-brands and perhaps were '*supermarket own-brand snobs*'. "*The appearance of the older Nice Price and SuperValu packages were unattractive and never tempted consumers to buy them*" but with SuperValu's 'massive' investment of their own-brand range this year, sales have increased an average of 8 to 10 per cent.

'Also the weekly in-store taste testing was and still is a way to get consumers to try out and taste the different tiers of our own-brand ranges'. One store manager revealed that a consumer, when asked why they did not purchase the 'SuperValu Brand' said, "*they would not try it as they always stick to the brand they no, as they know what to expect from it*", before the recession 'consumers were extremely loyal to the brands they knew and were always aware of ways to save time not money'.

4.6.3 The Impact of the Recession

SuperValu expressed that own-brands are becoming more of a priority for retailers, as *“own-branded products have more margin to help with the loss of sales”*. In order to fully compete with the main Irish grocery stores like Tesco and Dunnes Stores, SuperValu feel that, in the coming years they need to extend their own-brands in different categories – *‘maybe even extend to something bigger like Tesco’s ‘Technika’ electrical range’*.

With the improvements in quality, appearance, taste, product availability and price of the SuperValu own-brand range, sales have increased and have made them a satisfactory purchase alternative for many consumers today. Since 2009-2010 consumers seem to be less loyal to their big brands. More and more consumers are now shopping for their weekly groceries on a tighter budget. *‘Not many are able to afford all the big brands any more – consumers are looking for bargains and value for money at the same time’*.

Own-brands have expanded solely as a result of consumer demand. SuperValu have observed a significant increase in demand and consumers purchasing in their standard ‘SuperValu own-brand’ range and have noticed a decline in the sales of their SuperValu Fair Trade products, mainly due to their higher *“price”*. Own-brands are *‘definitely’* becoming more of a trend for consumers now that we are in a economic decline, *the demand for our own products is greater - this may be because the average price of our SuperValu own-brands are 25 per cent to 30 per cent cheaper than your branded alternative and it the same quality if not better”*.

Overall SuperValu believe that the main reason consumers chose their own-branded products and other own-brands over branded products is because of the *‘cheaper price’*. Consumers are very ‘price driven’ and are frequently looking for special offers and *‘that’s why we have our weekly bargains on the different own-brand ranges – from Daily Basics to SuperValu Supreme’*.

4.7 Centra

4.7.1 Retailer Perceptions

With over 460 stores in Ireland, Centra simply value their own-brand ranges, 'we have a reputation for quality and value'. We have over 700 Centra own-brand products available to our customers and 35% of them are truly Irish made. 'We really try our best to get local, Irish suppliers when we can'. In 2011 it was recorded that Centra achieved 1 billion euro in sales and has officially maintained its position as 'Ireland's number one convenience brand'.

Since 2008, many retailers have started to heavily invest in their own-brand ranges - there are many stores like Tesco and SuperValu that have re-launched their sub-brands in a bid to win back consumer loyalty and increase their own-brand appeal across various consumer segments. Own-brands are seriously becoming a key part of our companies' strategy. *'We believe that own-brands allow retailers to build their brand image and differentiate themselves from other competitors'*. 'Since about 2009 there has been a significant shift in attitudes to own-brand products. *'Shoppers are much more eager to consider own-brands as a first choice now'*. Consumers know by now that own-brand products cost less – and if they know the brand they will trust it and feel confident that the products are of high quality. *'Own-brands are going to be the next trend setters and become tradition, as consumer spending levels are unlikely to increase for many years'*.

The market is becoming more and more competitive as consumers are seeking great value products at a reasonable price. Our own-brand strategy lets us help hard pressed shoppers find better ways to save and manage their weekly spend. Consumers' changing shopping habits have influenced our determination to stock more and more own-branded products. 'We feel that Centra's own-brands have a strong and growing appeal for shoppers today more than ever. Overall the Centra brand has performed well and is still increasing in this recession. *'With Musgrave's hoping to increase their own-brand sales, the Centra brand needs to keep increasing the way it is'* !.

4.7.2 Pre-Recession

Before the recession Centra in general was growing. Yet the 'own-brands did not take off very well, it was tough'. Customers shopped in Centra because it was just around the corner and convenient for the busy worker. There was no consumer engagement with own-brands. *"It wasn't really the 'Centra Range' they shopped for – it was the more branded 'expensive' products that were been purchased"*. Centra's customers were the typical time-strapped customers who were not thinking about the price – they just wanted the quality product they knew fast.

People were afraid to make a commitment to own-brands – *'we even carried out taste testing in-store to get people to experience the great taste of our products'* but it did not really have an impact on consumers until the recession hit. People thought negatively about own-brands, perhaps it was because consumers were *'too brand loyal'*, they just wanted the best quality products for the family, they were not as price conscious as they are today.

4.7.3 The Impact of the Recession

Before the recession convenience brands also had a tough time in a downturn. But with Centra, 'we have worked hard to distance ourselves from other convenience stores, 'our focus is on price, range, quality and service delivery for consumers'. *"Own-brands are our biggest priority now"*.

There has been a 1.9% rise in sales of own-branded products this year alone, this is simply because consumers are trying their best to control their weekly spending. 'We are developing our brands to help shoppers manage their spending without compromising on quality. 'Many of our brands outperforming the market'. Two of our own-brand products were also shortlisted for the '2012 Wholesale Quality Food Awards', which highlights the fact that own-branded products from convenience stores are very much on par with own-brands from the larger supermarkets like Dunnes Stores and Tesco. We are delighted with our achievement – there are so many brands out there – *"you never know we could get more next year!"*.

We've developed new and innovative ways of helping customers in tough times and building consumer loyalty, 'we are constantly highlighting how consumers can save money through our good value, while still enjoying the benefits of hassle-free, local shopping.

In addition to bringing price and value to customers we now use 'smart technology' to make their lives easier. Reflecting the busy, on-the-go lives of our Centra customers, we have invested in a new type of 'innovative loyalty card' called "Smile" that works on the phone or internet', it gives customers money off Centra products as a thank you for shopping in-store. The reason 'we decided to develop this loyalty card system was because we could see that a lot of consumers are stuck for cash - everyone wants an 'offer' or 'vouchers' to help with their saving'.

'Gaining market share in highly competitive markets is about *'(as the saying goes) 'doing the ordinary things extraordinarily well'*. The way we have developed and moved the Centra brand on over the past year is a great example of how this works. We have simplified our pricing with initiatives like Centra's €1 and €2 offers since the recession – and this has had a great response. 'We sold more than two million – *'yes, 2 million'* in €1 deals alone in 2011'. *'We hope this continues'*.

We have to say we have been quick to adapt to the budget conscious consumer. The good to go range has taken off so well since 2009-2010 – the own-brand range was formulated with every customer's lifestyle in mind. 'There's a variety of choice for everyone'.

Since 2010, Centra have been sponsoring the much loved soap Emmerdale which is presented on TV3 during the week. Emmerdale has close to a quarter of a million viewers every week, which definitely helped to drive awareness of our large range of Centra's own-brand products along with highlighting the great quality and value for money in the range. *'We were very happy to see the sales increase in Centra's own-brands towards the third quarter of 2010'*.

Also in February 2010 – two weeks after announcing their sponsorship of Emmerdale, Centra announced that they were the official sponsor of the GAA Hurling All-Ireland Championship until 2013. Centra do not advertise or invest as much in their own-brands as their competitors like Tesco and Dunnes Stores do – *"we like to get*

involved in the community and sponsor who and where we can – it's how our name gets out there for all to see". 'Centra, is Ireland's leading convenience brands and Centra are extremely proud of its position at the heart of almost every parish in Ireland'.

Centra have noticed that consumers shop in Centra on a regular basis – *'we are not as expensive as your typical convenience store'*. Our own-brand range includes just over 200 own-brand products for less than €2. Our own-brands are up to 33 per cent cheaper than other branded products. *"So we can see why consumers are letting go their loyalties of national brands and converting to own-brands"*.

4.8 Tesco Ireland

4.8.1 Retailer Perceptions

Tesco's own-brand ranges have grown strongly since 2009. Tesco's own-brands have performed strongly with almost 29% market share this quarter. The squeeze to the overall spending power, and an increased focus on consumers saving money on their grocery shopping, more consumers are considering the cheaper alternatives provided by our retailer own-brand ranges.

'Cash-strapped consumers seem to have come away from their well-known branded products to our own-branded products in these austere times'. Even when or if the recession comes to an end *'we believe that sales in their own-brands will not decline or disappear'* as consumers will still be drawn to own-brands and may opt for the Tesco Finest, Tesco Organics or Fair Trade products – the more sophisticated higher end own-brand ranges.

Tesco like Musgrave's admits that they are constantly investing in their own-brand ranges, *"our own-brands help us build rapport with our consumers, they lead to higher profits (through increased sales) and they have the ability to achieve higher margins"*. *'Having your own-brand ranges helps you to stay competitive and stand out from the crowd'*. Tesco have noticed that consumers are more *'informed or educated'* and have

become 'smart-shoppers'. Tesco believes that purchasing own-branded products will become part of consumers psyche to the extent that consumers will be purchasing own-brands regularly, without even thinking.

4.8.2 Pre-Recession

The late 1990's early 2000's was the era for manufacturer brands. *'Everyone thought there was no end to their money'*, own-brands were 'never' considered.

Before the recession a lot of consumers thought negatively about own-brands. Perhaps consumer's rejection of own-branded products occurred primarily because they always perceived that they were of inferior quality. People thought all own-brand ranges were just *'cheap thrown-together products that looked nasty and probably tasted awful'*. *'Honestly though our Tesco Value range did look unappealing'* – the blue-white-red packaging was discouraging people to buy it'.

Tesco insists that *'consumers were likely to engage with their own-branded products, consumers were not willing to try out or waste their money on own-brands, one manager felt that there was a form of label snobbery among consumers. He expressed that from observing, consumers would almost seem embarrassed to be even seen on the own-brand aisle'*. Consumers were too stuck to their big fancy brands and too loyal to the brands they knew and trusted'.

Before the recession hit sales of our Tesco standard own-brand range always remained steady, followed by the Tesco Finest range. Tesco are not completely sure price was a factor in regard consumer engagement, *'not before the recession'*. *'From analysing the sales maybe the higher priced own-brand ranges took off because consumers thought they were more acceptable to buy'*. So *'in our opinion pre-recession product quality was the most significant factor for consumers purchasing own-brands'*.

4.8.3 The Impact of the Recession

Tesco strongly believe that own-brands are truly becoming more of a priority for retailers; more and more consumers are purchasing our own-brands than ever before. Investing and looking after your own-brands help to stimulate competition and innovation between retailers. Since the beginning of 2009 the Tesco Value range has increased gradually - it wasn't until 2009 that the value own-brand range actually took off. Tesco spent a massive amount of time and money on their marketing campaigns for their own-brand range especially the Everyday Valu and the standard Tesco range. Tesco admit that *'despite their massive 'Switch & Save' and 'Big Price Drop' campaigns and their poor Christmas sales'*, they are determined to win back the loyalty of our customers and woo consumers from other grocery stores like SuperValu, Dunnes, Asda etc.

“Following the rise in 2011, of our Tesco Value range, Tesco ‘thought out the best strategy and decided to revamp the entire brand’ and give consumers exactly what they were looking for – *“products that taste better, look better and are healthier – but still have the same great price”*. Tesco’s Marketing Director said, Tesco have waved goodbye to their ‘generic’, ‘staggeringly cheap’, twenty year old ‘Tesco Value’ own-brand range and have invested in the brand and re-launched the new own-brand as ‘Tesco Everyday Value’ – *“a new sub-brand for changing and challenging times”*.”

The improved brand is taking off, *‘consumers are already informing us that it looks stylish and doesn’t stream out ‘cheap’ in the shopping baskets, some customers admitted that with the new packaging, they are now more willing to try it and are not embarrassed to have it seen in the press’*.”

Following research Tesco conducted in 2011’, Tesco announced that 98% of their customers now purchase at least one own-branded food item in their grocery shopping. They are looking for value for their money. ‘Every time customers shop ‘they hope to save money’, *they have too!!* – The weekly income isn’t the same anymore for most people. Consumers will go to another supermarket or discounter like Lidl and Aldi if they can’t get a bargain’. We believe that consumers know now how good our own-brand ranges are, they know the quality is just as good – *‘if not better’* than the alternative brands and at a lower price.

4.9 Dunnes Stores

4.9.1 Case Study of Dunnes Stores Own-Brand Range

With just over 155 supermarkets, we are so proud to say that we are 'Ireland's largest grocery retailer' for now – but if our sales margins continue to decrease, 'we could be in trouble'. Lidl and Aldi could seriously take over the Irish grocery market.

'Our "St. Bernard" own-brand range was founded back in 1956 and still remains a byword for value in retailing today'. The 'St Bernard' Range of products is the leader in own-brand sales to date. We stress that Dunnes Stores provide its customers with a choice of good quality products at competitive cheaper prices. That's what customers are looking for. That's why we constantly highlight the words 'Always *Better Value*', because our own-brands are!. Our own-brands are obtaining huge economic gains since 2010.

It's our standard 'Dunnes Stores Range' rather than our 'St Bernard' Range that the best profits lay. The recession has accelerated the consumer purchasing of own-brands. Since the recession and especially this year consumers are feeling a squeeze on their household budgets. Value for money remains at the top of the agenda for most consumers in these tough times. Consumers are becoming more '*selective*' about which products they purchase and where they buy them from. 'Own-brand products have dramatically improved in terms of quality and attractiveness'. Now customers can purchase our extended range of own-branded products in our Textiles, Howewares and of course food departments – better than the big brands and at over 35% cheaper prices.

'By investing in your own-brand lines it can inversely help improve your bottom line'. Own-brands are 'of course' important to retailers, they increase your sales margins and helps you compete in the market place today.

Dunnes Stores own-brand ranges won many awards in this year's recent 'Great Taste Awards', '*our Simply Better Range out shone our competitors especially SuperValu*

and Tesco, we also took home many awards from the 'National Irish Food Awards 2011'. Are brands are doing us proud!.

Even before the recession we were lucky that our own-brands performed so well and expanded mainly because of consumer demand. There wasn't a major demand for own-brands but we done 'okay'. Consumers had this negative perception that Dunnes Stores own-brands – '*and probably all grocery own-brands*', were just for the '*scabby, low income individuals*'. Perhaps consumers were not as well informed as they are now. But even if they were, "*consumers didn't care; they weren't going to be seen with an own-branded product in their shopping baskets*". Brand loyalty was a huge factor for many consumers – some consumers didn't even want to engage with own-brands at any level.

As the recession is still looming and may even get worse, consumers household incomes will be dramatically decreasing and this will hopefully result in a further increase of our own-brand range. '*We are not only thinking of ourselves – 'we are out to meet the needs of our customers and that involves giving our customers great quality Irish products, which are great tasting, look good and available at an affordable price'*. Despite the reduced budgets and hardship for our consumers, the recession has had a big impact on sales of our grocery own-brand range, increasing sales year-on-year since the end of 2008.

4.10 Summary of Key Trends from Retailer Interviews

- The recurring trend among each of the four retailers is that own-brands have become the main priority for retailers now in the recession.
- They each agree that own-brands increase their market share and help differentiate their brand.
- The retailers declare that since the recession, consumers are now accepting own-brands and are purchasing them on a regular basis.
- The retailers are also in agreement that they need to keep up with their consumers changing shopping habits and invest more and/or extend their own-brand ranges.

- Each of the retailers believe that their customers are looking for value – good quality products at a 1/3 less than national brands.
- Own-brands will be a future trend.

4.11 Consumer Focus Group Findings and Analysis

From conducting the five consumer based focus groups in the West of Ireland the overall result showed that consumers are making big changes in their supermarket shopping as they tighten their budgets during the country's economic troubles. The focus groups explored both consumer attitudes and their behaviour toward own-brand grocery products.

4.11.1 Consumers Perceptions of Own-Brands

Up to only two years ago the majority of the respondents disclosed that they thought negatively about own-brands. 'they never gave it a chance', one member said that all own-brands looked 'awful' – but that they have changed for the better now, they are more attractive looking so *'I'm tempted to buy them'*.

Own-brands have won the heart of most consumers, *'they are of great quality'*, *'they look good'* and *'they are so reasonably priced'*. Six participants out of each of the Focus Groups (five groups - 30 participants) believe now that own-brands are as good as national brands. After trying them out. More than 75 percent of the groups *"agree" that own-brands "are as good as, if not better than, national brand products."*

This positive perception of own-brand quality was shared by all at every income level. One member expressed that *"for the same quality products but with lower prices own-brands are the way to go – they will be a future trend"*.

Figure 4.11 Participants Perceptions of Own-Brands V's National Brands

Is the recession playing an important role in consumers purchasing decisions?



Only 18 participants preferred national brands to the own-branded alternative.

4.11.2 The Importance of 'Quality' for Consumers

Consumers are constantly shopping for quality – but they want it for a reasonable price. Just over half the participants in the focus groups (twenty-eight participants in total) said that before the recession, they had the extra grocery spend in the week and that their purchasing decisions were definitely more concerned about quality than price. Twelve participants said they 'would have stuck to the brands they knew and if they were not in stock, they would then only consider the alternative own-brand product'. Everyone wants the best for their families and giving them quality foods is very important. Two participants declared that they did try out particular own-brand products and they did not fulfil their expectations, so therefore '*we labelled all own-branded products are low in quality*'. The qualities consumers are searching for in own-brand products include taste, nutritional properties, texture, shelf life and price.

The participants in the focus groups said that own-brands have changed for the better, with the new investments and re-launches of own-brands their appearance even *'calls out' better 'quality'*. Many participants of the groups said they have seen the in-store taste tests and free samples of the own-brand labels. *'From tasting how good they really are – this has encouraged them to buy them'. "You wouldn't believe how good the quality really is until you try them". "'Loads' of own-brand products taste the exact same – if not better than the usual expensive brands that we used to purchase habitually"*. The retailers investments in own-brands are really paying off, *"with the better 'taste', 'price', 'appearance', 'product availability' and 'quality' own-brands are going to be the number one brand for years to come"*.

4.11.3 The Role of 'Price' in Purchasing Decisions

Price is an important factor for consumers on a tighter budget. Each of the participants agreed that *'if the price isn't right then they will go elsewhere where it is'*. Twenty participants admitted they do not have a loyal supermarket and they shop around for "Value". 50 percent said they go to two or more supermarkets to complete their weekly household shop in a bid to save money. Not only are shoppers going to a greater variety of retailers like Tesco, Dunnes Stores, Super Valu, Centra etc, they are also visiting more discount stores like Lidl, Aldi and Asda up the north of Ireland. Low prices and more product variety were the reasons they visited more than one store.

More than 50 percent of the forty-eight group participants (thirty-one participants) said they are currently "purchasing more own-brand products compared to a year ago" and this is all because *'it's a way of saving money'*. Fifteen participants said they were "frequent own-brand shoppers" before the recession and have transferred to become "habitual own-brand shoppers" now in the recession. Each of the group participants stated that they intend to buy even more own-brands in the future. At least 25 percent of the participants (twelve out of forth-eight) said, with their lowering weekly income, looking ahead to next year, they will have no other choice but to purchase more own-branded grocery products.

4.11.4 The Impact of the Recession

The recession is playing an important role in the way they shop. A solid majority of consumers involved in the focus groups disclosed that the recession is playing a major role in the way they shop. “75 percent of the focus group participants (thirty-six participants out of forty-eight) said the “current economic conditions” are playing an important role in their decision to purchase the supermarket grocery own-brands.

Is the recession playing an important role in consumers purchasing decisions?



‘We shop with bargains in mind’. ‘We don’t care anymore about how it looks – it’s the same product only cheaper’. We just want quality groceries at a reasonable price. Consumer’s financial situation at the moment is forcing consumers to purchase the cheaper products on the market. Within the groups women were most likely to report that they had reduced on their grocery shopping. This may be because women were mostly responsible for a larger share of the grocery household shopping. 45% of the total participants indicated that they now belong to a retailer/store loyalty or rewards programme. They said the reason they belong to these programmes is because of the product discounts you receive for been a member. Some stated that they before they joined they asked ‘what was in it for them’!. Consumers want their free gifts and

money off vouchers now more than ever. One participant said that *'with the kids going back to school she hopes that the fantastic own-brand offers will still continue'*.

4.14 Summary of Key Trends from Consumer Focus Groups

- More consumers are having financial difficulty in this recession.
- There are an increased number of consumers searching for bargains in a bid to save money.
- More consumers believe that own-brands are as good as the branded alternative, if not better.
- More consumers are willing to purchase own-branded products than they were prior the recession.
- Consumers consider own-brand products, good quality, and value for money.

4.15 Analysis of the Small Scale Observation Study

From observing consumers go about their daily grocery shopping, the researcher found that approximately 90 percent of the time consumers, looked at the price of products before considering to purchase. From this analysis, approximately 65 percent of the consumers choose the own-branded alternative, when possible (SuperValu do not have their own-brand version in every product category). As the day of observation was on a Saturday, after lunch the researcher/observer found that, as the supermarket got busier consumers were less likely to scan through the prices. Perhaps consumers felt rushed. But own-brands still appeared to be the key sellers on that day.

At 2pm that same day, the researcher/observer completed a taste testing experiment on "SuperValu Own-Brand Vanilla Ice-Cream", the results indicate that 95 percent of the consumers did not believe it was the SuperValu brand- they could not believe how good the ice-cream tasted and how cheap it was - selling at €1.99, compared to the HB branded alternative costing €3.98. Some consumers said they never realised the

price difference before. One consumer said she '*intends to purchase the own-brand product anymore – it tastes even nicer than HB, its alot more creamier*'.

Overall consumers tend to be purchasing more own-brand products in their grocery shopping. It seems to be accurate that consumers do search for value and bargains – almost every consumer looked at the price of the item they picked up. Consumers have to be clever about how they shop, otherwise, they could get ripped off and not risk going back to the store, for fear of it happening again.

When consumers saw that the brand of the ice-cream was SuperValu, some consumers said that after tasting the own-brand ice-cream, '*they would be more willing to give other own-branded products a go*'. Consumers said that the quality was excellent and so to was the price. Shopping for own-brands is becoming a trend for many consumers and will perhaps become part of their psyche.

4.16 Conclusion

This chapter outlines in detail, the findings and analysis generated from the primary data collection methods, which included interviews with well known Irish retailers and focus groups with consumers in the mid-west and northwest of Ireland.

This study discovered that the current economic downturn has had a positive effect on grocery retail own-branded products with retailers obtaining massive economic gains.

It was found that the recession has had a huge effect on consumer's perceptions and purchasing behaviour of own-brands. Leaving most consumers with no other option but to reduce costs and engage with own-branded products, the same quality products at reasonable prices.

From the observation study findings suggest that consumers are always looking at the price of their products and that for many reasons they are looking for better value for their money. Also the researcher believes that if more taste testing's were conducted in supermarkets like Centra, Tesco and Dunnes Stores that perhaps this would lead to an increase in own-brand purchases. If the consumers were informed more and introduced to the own-brand ranges, it would reduce the level of risk involved in

purchasing and would entice them to purchase more own-brand products now and in the future.

Overall the research has found that own-brands have gained customer acceptance since the 1900's and are the new trend for consumers and are here for the long-term.

**CHAPTER FIVE. CONCLUSIONS &
RECOMMENDATIONS**

5.1 Introduction

The aim of this study was to investigate whether the current economic downturn had a positive or negative impact on retail own-branded products in the grocery sector from a retailer point of view and to establish if the recession has had an effect on consumer's perceptions and purchasing behaviour.

The specific research objectives were to:

- Identify the retailer perceptions of grocery retail own-brands and to gain insight into their performance pre-recession and during a recession.
- Explore consumer perceptions of own-branded products pre-recession.
- Determine the importance of "quality" of own-brands in consumers purchase decisions.
- Evaluate the role of "price" on purchasing decisions.
- Examine in detail if the recession has had an effect on consumers purchasing behaviour today.

Within this section the researcher will revisit the five research objectives, summarise the findings and offer conclusions based on these findings. Recommendations for retailers and probable further research will also be discussed, in terms of how to progress this study.

5.2 Conclusions

5.2.1 Key Findings from the interviews with Irish Retailers

The recurring opinion among each of the four retailers is that own-brands have become the main priority for retailers now in these tougher times. Own-brands are excellent for increasing market share, differentiating your brand and winning back consumers. The four retailers need to constantly invest and nourish their own-brands

in order to prohibit the competition from shopping in discounters like Lidl and Aldi, which are increasing their customer base on a weekly basis. The retailers are indeed proud of the success in their own-brand ranges. It was felt among the retailers that own-brands are really becoming more a trend for consumers now in the unfavourable economic climate. There is a perception that the loyalty to the national brands seems to have decreased and this is what has also helped the increase in own-brand sales. The overall perception of the retailers is that own-brands are the new consumer trend, they will become an integral part of Irish culture and they are hopefully here to stay.

Prior the recession, it was evident from the interviews that all of the retailer's own-brands did not perform very well until 2008 and for some 2009/2010. Before the recession it was detected that there was truly a negative perception of own-branded products among consumers. The retailers stated that consumers appeared to be more focused on quality than on price and remained loyal to the bigger brands they knew and trusted, prior the economic decline. In the 1990's early 2000's there was no sign of customer engagement with own-brands.

Since the global recession struck in 2008, retailers have observed a significant increase in their own-brand ranges. The recession has had a desirable impact on retailer sales. Own-brands have become acceptable consumer purchases. The own-brand ranges in each of the stores interviewed helped the stores to win back the loyalty of their customers in these 'changing and challenging times'. Everyday more and more consumers are looking for ways to reduce their household spend, 'they have to'. The retailers are keeping up with the changing habits of their consumers and investing and extended their own-brand ranges. The customers of today are looking for great value products at great affordable prices and that's exactly what these retailers are offering their 'cash-strapped' customers.

5.2.2 Key Findings from Consumer Focus Groups

The recession has impacted so many consumers. Many consumers are short for cash and some even in financial difficulty. They are hunting for special offer products and hoping to save money at the same time. When it comes to price, own-brands are the ideal purchase; they are great quality products at affordable prices.

Overall the participants agreed that own-brands are just as good in every way – if not better than national brands, but the only pleasant difference is, '*their much much cheaper!*'.

Customers will join loyalty schemes, shop around and even 'wait' for products to go on offer before they purchase. Participants in the group stated that "they have to save on their shopping bills or their mortgage goes unpaid". The recession has been tough on so many families but with the retailers making their brands even better and offering weekly deals, consumers can reduce their weekly shopping budget by approximately 33%.

5.2.3 Key Findings from the Small Scale Observation Study

From the observation study, analysis shows that approximately 90% of the time consumers look at the price of products before considering the purchase. From this analysis, approximately 65% of the consumers choose the own-branded alternative, when possible (as stated in the preceding chapter - SuperValu do not have their own-brand version in every product category). Own-brands appeared to be the key sellers on the day of the observation study day in the store.

Results from the taste-test experiment indicate that 95% of consumers did not believe it was from SuperValu's own-brand- they could not believe how good the ice-cream tasted and how cheap it was - selling at €1.99, compared to the HB branded alternative costing €3.98.

After the in-store taste test consumers said 'they would be more willing to give other own-branded products a go'. Many consumers tend to be purchasing more own-brand

products in their grocery shopping. Consumers said that the quality and price of the own-brand range was outstanding – ‘one to go for’.

5.3 Recommendations for Retailers

- Retailers need to continue investing in their own-brand ranges. Retailers own-brands help to stimulate competition and innovation between retailers and they can help retailers to achieve better terms and lower input prices from both own-brand and branded suppliers.
- Retailers should if possible, extend their own-brand categories. Own-brand innovation, even the introduction of niche sub-brands, allows retailers to win customers by differentiating their offerings from other supermarkets. Innovation is widely recognised as a key driver of economic growth (Oxera Report, 2010).
- If or when the economy elevates, retailers need to make their own-brand range their biggest priority. Own-brands are likely to play a role in the ongoing competition and innovation between Irish grocery retailers. Own-brands help retailers compete for customers and allows them to differentiate their offering now in the recession and post recession. Own-brands provide the retailers with increasing sales margins, therefore making them their biggest priority will benefit both the retailers themselves and consumers.
- The retailers need to keep up with consumers ever changing shopping habits. Retailers must have a close, day-to-day relationship with consumers, this will give them an advantage in being able to tailor products to suit consumers’ needs. Own-brands allow retailers to take advantage of their in-depth knowledge of their customer base and to design and market-test new products.
- Retailers need to draw consumers away from the discounters like Lidl and Aldi and expose them to the benefits of their own grocery own-brand ranges. Perhaps increasing in-store taste tests, blind comparisons with national brands,

or the distribution of free own-brand product samples will introduce more consumers to the brand and convert them into loyal own-brand shoppers in your store.

5.4 Directions for Further Study

Through this study the researcher has highlighted a number of areas where future research may be valid:

- ❖ To further this study it would be advisable for one to research the discounter own-brands like Lidl and Aldi currently operating and gaining increasing market share in Ireland. By conducting this research it would establish whether the discounter brands or retailer/supermarket brands are most favourable by consumers in a recession.
- ❖ It would also compare and contrast the sales of the brands being considered and the penetration of own-brands.
- ❖ A further study with M&S's own-brand range would detect if the smaller convenience retailer own-brands like Centra are going to fall behind and lose market share in the years to come.
- ❖ An additional study could be conducted on the impact of the recession on national brands in the retail sector in Ireland, this would compare the impact the recession has had on own-brands and national brands and would determine the brands that are most beneficial to retailers and consumers alike.
- ❖ Also a further study into the sales, consumer perception and the recession impacts on the parent brands of the chosen Supermarkets involved in this study would also be of assistance to retailers who are thinking of or, who are investing and extending their own-brand ranges.

5.5 Research Limitations

- There was limited recent data available to the researcher on this topic. While compiling the relevant literature for the Literature Review, the researcher established a lack of recent (2011/2012) academic journals and articles regarding own-brands and as a result the Literature consists primarily of literature from the year 2010 and earlier.
- The researcher did not have any previous experience of holding and moderating a focus group, so therefore a colleague had to step in for each of the five focus groups and a take notes to avoid researcher bias.
- The original purposed methodology for the interviews with retailers was altered. As the retailer interviews were with managers in head office, regional managers and store managers, it proved difficult to get these managers out of their busy working schedule, so therefore a number of telephone interview were conducted.
- Dunnes Stores refused to conduct a number of the interviews with the researcher and did not wish to get involved in student research – this may have limited the scope of the research.

5.6 Conclusion

The final conclusion found from this research was that, the current economic downturn has improved sales of grocery own-branded products, with many of Irelands leading retailers achieving massive increases in sales of their own-brand ranges.

From a consumer point of view the recession has had a huge effect on consumer's perceptions of and purchasing behaviours of own-brands. Own-brands have become a major growing consumer acceptance. Yet, with many consumers struggling

financially, the own-brands ranges have become to be an excellent way of getting the same quality products for less.

From the research, overall findings suggest that own-branded products are becoming the new trend for many consumers today and that own-brands are the future – they are here for the long-term.

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APPENDICES

APPENDIX A



Email of Guidelines



Emlagh,
Castleplunkett,
Castlerea,
Co. Roscommon,
Tel: 086 0764331

Email: lr_hssy@yahoo.ie

To Whom It Concerns

My name is Laura Hussey, I was in contact with you in regard conducting a questionnaire or telephone interview about your own-brand ranges within your store.

I am conducting this research in partial fulfilment of my Masters Degree in the Institute of Technology, Sligo. The title of my dissertation is 'An Investigation into the Impact of the Current Economic Recession on 'Own-Brands' in the Irish Grocery Retail Sector'. Any information you can give me in relation to your own-brand ranges will be very much appreciated.

I have attached a number of interview guidelines/questions for you, if you wish to have a look at them prior the interview. The questions are only guidelines so feel free to involve any other information you feel is relevant.

I would like to thank you for taking the time to answer my calls and emails, I am entirely grateful you accepted to partake in my research.

I look forward to hearing from you soon.

Regards

Laura Hussey

APPENDIX B



Interview Guidelines for Managers in Head Office

Pre - Recession

- 1. Has the quantity of own branded products, purchased by consumers increased or decreased over the past number of years?**
- 2. Before the recession was there any evidence for the fall or rise in demand in own branded products?**
- 3. Was there a specific segment of your customers which were more inclined to purchase own branded goods?**
- 4. Do you believe that consumers were less/more likely to engage in own branded goods?**
- 5. Do you believe consumers were loyal to national brands to try out own branded goods?**
- 6. Do you agree/disagree that there were negative perceptions about own-branded products before the recession?**

The Recession

- 7. In the Recession have you observed an increase/decrease in consumer purchases of own branded goods?**
- 8. Is there more of a demand for own brands today?**
- 9. Do you feel that own brands are becoming more of a trend for consumers now in a recession (Since 2008).**

- 10. Are own brands today becoming more of a priority to retailers?**
- 11. Do own-brands help stimulate competition and innovation between your store and other retailers?**
- 12. Do you think that own brands have the ability to become an integral part of Irish culture like Tayto, Avonmore, Brennans, etc.?**
- 13. Have own-branded products obtained big economic gains/losses? Since the Recession.**
- 14. Do you think own-brands can enhance a stores corporate image?**

APPENDIX C





The purpose of this survey is to “*To investigate the impact of a recession on grocery retail own-brands*”. Your input into this survey is very important and It would be greatly appreciated if you would take a few moments of your time to take part.

Student: Miss Laura Hussey (s00067058)

Supervisor: Dr. Catherine McGuinn



Pre-Recession

1. **Has the quantity of own branded products, purchased by consumers increased or decreased over the past number of years?**

Yes No Don't Know

2. **Prior to the recession was there any evidence for the fall off or rise in demand in own branded products?**

3. **Was there a specific segment of your customers which were more inclined to purchase own branded goods?**

Yes No Don't Know

If yes please specify: _____

4. Do you believe that consumers were less/more likely to engage in own branded goods on a scale of 1 – 5, (5 been more likely).

Not Likely Likely

1 2 3 4 5

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5. In your estimation what were the significant factors in regard to customer engagement with own branded products?

6. In which classification of products do you believe customers were more likely to engage with?

Nice Price/Daily Basics products	
SuperValu products	
SuperValu Supreme products	
SuperValu Organic/Fair Trade products	

7. In which product categories did most consumers purchase own branded goods:

Tinned products	
Fresh products	
Frozen products	
Dairy products	
Other (please specify)	

8. Do you believe consumers were loyal to national brands to try out own branded goods?

- Yes No Don't Know

9. Do you agree/disagree that there were negative perceptions about own-branded products before the recession?

- Strongly Agree Agree No Opinion Disagree Strongly Disagree
-

The Recession

10. In the Recession have you observed an increase/decrease in consumer purchases of own branded goods? (Since 2008)

- Increase Decrease Not Sure

(ii) In which category have you observed the greatest change?

Nice Price/Daily Basics products	
SuperValu products	
SuperValu Supreme products	
SuperValu Organic/Fair Trade products	

11. Is there more of a demand for the cheaper "generic" sub-own brands today?

- Yes No Don't Know

If yes, in which subcategory has this demand been greatest?

Nice Price/Daily Basics products	
SuperValu products	
SuperValu Supreme products	
SuperValu Organic/Fair Trade products	

12. Do you feel that own brands are becoming more of a trend for consumers now in a recession (Since 2008)? If so, why?

13. Are own brands today becoming more of a priority to retailers?

Yes No Don't Know

If yes, please state why this is the case:

14. What do you perceive to be the main reason that consumers choose own brands over other branded items?

Quality	
Price	
Product Availability	
Loyalty	
Change	
Impulse Purchase	
Other (please specify)	

15. Is the recession having an impact on the way consumers shop for their groceries?

16. Since 2008, are people still loyal to other brands to try out own branded goods?

- Yes No Don't Know

17. Have own brands expanded solely as a result of consumer demands?

- Yes No Don't Know

If no, what other reasons do you believe have aided their growth in the market?

18. Can you describe what you believe are the characteristics of a typical own-brand purchaser? (eg. Income, Education etc).

19. Today: Are own-brands equal or inferior to the brand of the manufacturer, in regards the following?

	EQUAL (Just as Good)	INFERIOR (Not as Good)
Price		
Quality		
Taste		
Image		
Product Availability		
Other (Please Specify)		

20. Do own-brands help stimulate competition and innovation between you (SuperValu) and other retailers?

21. Do you think that own brands have the ability to become an integral part of Irish culture like Tayto, Avonmore, Brennans, etc.?

(i.e. part of our psyche to the extent of purchasing without thinking)

Yes No Don't Know

22. Have own-branded products obtained big economic gains/losses? Since the Recession. (In regards Sales, Loyalty etc.)

23. Do you think own-brands can enhance a stores corporate image?

Yes No Don't Know

Thank you for your participation in this survey, it is greatly appreciated.





The purpose of this survey is to “*To investigate the impact of a recession on grocery retail own-brands*”. Your input into this survey is very important and It would be greatly appreciated if you would take a few moments of your time to take part in the following interview questionnaire.

Student: Miss Laura Hussey (s00067058)

Supervisor: Dr. Catherine McGuinn

The logo for CENTRA, featuring the word 'CENTRA' in yellow capital letters on a blue rectangular background.

Pre-Recession

1. **Has the quantity of own branded products, purchased by consumers increased or decreased over the past number of years?**

Yes No Don't Know

2. **Prior to the recession was there any evidence for the fall off or rise in demand in own branded products?**

3. **Was there a specific segment of your customers which were more inclined to purchase own branded goods?**

Yes No Don't Know

If yes please specify: _____

4. Do you believe that consumers were less/more likely to engage in own branded goods on a scale of 1 – 5, (5 been more likely).

Not Likely

Likely

1

2

3

4

5

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5. In your estimation what were the significant factors in regard to customer engagement with own branded products?

6. In which classification of products do you believe customers were more likely to engage with?

Centra products	
Good to Go products	
Simply Cook products	

7. In which product categories did most consumers purchase own branded goods:

Tinned products	
Fresh products	
Frozen products	
Dairy products	
Other (please specify)	

8. Do you believe consumers were loyal to national brands to try out own branded goods?

Yes No Don't Know

9. Do you agree/disagree that there were negative perceptions about own-branded products before the recession?

Strongly Agree Agree No Opinion Disagree Strongly Disagree

The Recession

10. In the Recession have you observed an increase/decrease in consumer purchases of own branded goods? (Since 2008)

Increase Decrease Not Sure

(ii) In which category have you observed the greatest change?

Centra products	
Good to Go products	
Simply Cook products	

11. Is there more of a demand for the cheaper "generic" sub-own brands today?

Yes No Don't Know

If yes, in which subcategory has this demand been greatest?

Centra products	
Good to Go products	
Simply Cook products	

12. Do you feel that own brands are becoming more of a trend for consumers now in a recession (Since 2008)? If so, why?

13. Are own brands today becoming more of a priority to retailers?

- Yes No Don't Know

If yes, please state why this is the case:

14. What do you perceive to be the main reason that consumers choose own brands over other branded items?

Quality

Price

Product Availability

Loyalty

Change

Impulse Purchase

Other (please specify)

15. Is the recession having an impact on the way consumers shop for their groceries?

16. Since 2008, are people still loyal to other brands to try out own branded goods?

Yes No Don't Know

17. Have own brands expanded solely as a result of consumer demands?

Yes No Don't Know

If no, what other reasons do you believe have aided their growth in the market?

18. Can you describe what you believe are the characteristics of a typical own-brand purchaser? (eg. Income, Education etc).

19. Today: Are own-brands equal or inferior to the brand of the manufacturer, in regards the following?

	EQUAL <i>Just as Good</i>	INFERIOR <i>Not as Good</i>
Price		
Quality		
Taste		
Image		
Product Availability		
Other (Please Specify)		

20. Do own-brands help stimulate competition and innovation between you (Centra) and other retailers?

21. Do you think that own brands have the ability to become an integral part of Irish culture like Tayto, Avonmore, Brennans, etc.?

(i.e. part of our psyche to the extent of purchasing without thinking)

Yes No Don't Know

22. Have own-branded products obtained big economic gains/losses? Since the Recession. (In regards Sales, Loyalty etc.)

23. Do you think own-brands can enhance a stores corporate image?

Yes No Don't Know

Thank you for your participation in this survey, it is greatly appreciated.





The purpose of this survey is to “*To investigate the impact of a recession on grocery retail own-brands*”. Your input into this survey is very important and It would be greatly appreciated if you would take a few moments of your time to take part in the following interview questionnaire.

Student: Miss Laura Hussey (s00067058)

Supervisor: Dr. Catherine McGuinn



Pre-Recession

1. **Has the quantity of own branded products, purchased by consumers increased or decreased over the past number of years?**

Yes No Don't Know

2. **Prior to the recession was there any evidence for the fall off or rise in demand in own branded products?**

3. **Was there a specific segment of your customers which were more inclined to purchase own branded goods?**

Yes No Don't Know

If yes please specify: _____

4. **Do you believe that consumers were less/more likely to engage in own branded goods on a scale of 1 – 5, (5 been more likely).**



Not Likely Likely

1 2 3 4 5

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5. In your estimation what were the significant factors in regard to customer engagement with own branded products?

6. In which classification of products do you believe customers were more likely to engage with?

Tesco Value/Everyday Value products	
Tesco products	
Tesco Finest products	
Tesco Organic products	

7. In which product categories did most consumers purchase own branded goods:

Tinned products	
Fresh products	
Frozen products	
Dairy products	
Other (please specify)	

8. Do you believe consumers were loyal to national brands to try out own branded goods?

- Yes No Don't Know

9. Do you agree/disagree that there were negative perceptions about own-branded products before the recession?

- Strongly Agree Agree No Opinion Disagree Strongly Disagree
-

The Recession

10. In the Recession have you observed an increase/decrease in consumer purchases of own branded goods? (Since 2008)

- Increase Decrease Not Sure

(ii) In which category have you observed the greatest change?

Tesco Value/Everyday Value products	
Tesco products	
Tesco Finest products	
Tesco Organic products	

11. Is there more of a demand for the cheaper "generic" sub-own brands today?

- Yes No Don't Know

If yes, in which subcategory has this demand been greatest?

Tesco Value/Everyday Value products	
Tesco products	
Tesco Finest products	
Tesco Organic products	

12. Do you feel that own brands are becoming more of a trend for consumers now in a recession (Since 2008)? If so, why?

13. Are own brands today becoming more of a priority to retailers?

Yes No Don't Know

If yes, please state why this is the case:

14. What do you perceive to be the main reason that consumers choose own brands over other branded items?

Quality
Price
Product Availability
Loyalty
Change
Impulse Purchase
Other (please specify)

15. Is the recession having an impact on the way consumers shop for their groceries?

16. Since 2008, are people still loyal to other brands to try out own branded goods?

Yes No Don't Know

17. Have own brands expanded solely as a result of consumer demands?

Yes No Don't Know

If no, what other reasons do you believe have aided their growth in the market?

18. Can you describe what you believe are the characteristics of a typical own-brand purchaser? (eg. Income, Education etc).

19. Today: Are own-brands equal or inferior to the brand of the manufacturer, in regards the following?

	EQUAL (Just as Good)	INFERIOR (Not as Good)
Price		
Quality		
Taste		

Image

Product Availability

Other (Please Specify)

20. Do own-brands help stimulate competition and innovation between you (Tesco) and other retailers?

21. Do you think that own brands have the ability to become an integral part of Irish culture like Tayto, Avonmore, Brennans, etc.?

(i.e. part of our psyche to the extent of purchasing without thinking)

Yes No Don't Know

22. Have own-branded products obtained big economic gains/losses? Since the Recession. (In regards Sales, Loyalty etc.)

23. Do you think own-brands can enhance a stores corporate image?

Yes No Don't Know

Thank you for your participation in this survey, it is greatly appreciated.





The purpose of this survey is to *“To investigate the impact of a recession on grocery retail own-brands”*. Your input into this survey is very important and It would be greatly appreciated if you would take a few moments of your time to take part.

Student: Miss Laura Hussey (s00067058)

Supervisor: Dr. Catherine McGuinn

DUNNES STORES
Always Better Value

Pre-Recession

1. **Has the quantity of own branded products, purchased by consumers increased or decreased over the past number of years?**

Yes No Don't Know

2. **Prior to the recession was there any evidence for the fall off or rise in demand in own branded products?**

3. **Was there a specific segment of your customers which were more inclined to purchase own branded goods?**

Yes No Don't Know

If yes please specify: _____

4. Do you believe that consumers were less/more likely to engage in own branded goods on a scale of 1 – 5, (5 been more likely).

Not Likely Likely

1 2 3 4 5

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5. In your estimation what were the significant factors in regard to customer engagement with own branded products?

6. In which classification of products do you believe customers were more likely to engage with?

St Bernard's products	
Dunnes products	
Dunnes Stores Simply Better products	

7. In which product categories did most consumers purchase own branded goods:

Tinned products	
Fresh products	
Frozen products	
Dairy products	
Other (please specify)	

8. Do you believe consumers were loyal to national brands to try out own branded goods?

- Yes No Don't Know

9. Do you agree/disagree that there were negative perceptions about own-branded products before the recession?

- Strongly Agree Agree No Opinion Disagree Strongly Disagree
-

The Recession

10. In the Recession have you observed an increase/decrease in consumer purchases of own branded goods? (Since 2008)

- Increase Decrease Not Sure

(ii) In which category have you observed the greatest change?

St Bernard's products	
Dunnes products	
Dunnes Stores Simply Better products	

11. Is there more of a demand for the cheaper "generic" sub-own brands today?

- Yes No Don't Know

If yes, in which subcategory has this demand been greatest?

St Bernard's products	
Dunnes products	
Dunnes Stores Simply Better products	

12. Do you feel that own brands are becoming more of a trend for consumers now in a recession (Since 2008)? If so, why?

13. Are own brands today becoming more of a priority to retailers?

Yes No Don't Know

If yes, please state why this is the case:

14. What do you perceive to be the main reason that consumers choose own brands over other branded items?

-
- Quality
 - Price
 - Product Availability
 - Loyalty
 - Change
 - Impulse Purchase
 - Other (please specify)
-

15. Is the recession having an impact on the way consumers shop for their groceries?

16. Since 2008, are people still loyal to other brands to try out own branded goods?

- Yes No Don't Know

17. Have own brands expanded solely as a result of consumer demands?

- Yes No Don't Know

If no, what other reasons do you believe have aided their growth in the market?

18. Can you describe what you believe are the characteristics of a typical own-brand purchaser?

(eg. Income, Education etc).

19. Today: Are own-brands equal or inferior to the brand of the manufacturer, in regards the following?

EQUAL (Just as Good) INFERIOR (Not as Good)

Price

Quality

Taste

Image

Product Availability

Other (Please Specify)

20. Do own-brands help stimulate competition and innovation between you (Dunnes Stores) and other retailers?

21. Do you think that own brands have the ability to become an integral part of Irish culture like Tayto, Avonmore, Brennans, etc.?

(i.e. part of our psyche to the extent of purchasing without thinking)

Yes No Don't Know

22. Have own-branded products obtained big economic gains/losses? Since the Recession. (In regards Sales, Loyalty etc.)

23. Do you think own-brands can enhance a stores corporate image?

Yes No Don't Know

Thank you for your participation in this survey, it is greatly appreciated.



APPENDIX D



Focus Group Topics/Guidelines

- **Familiarity with grocery own-branded products.**
- **Individual's overall perception of grocery own-branded products.**
- **Their perception of the price of own-brands.**
- **Perception of the quality of own-branded products.**
- **Attitude towards own-brands 'before' the recession.**
- **Is the recession having an impact on the way they now shop for groceries.**
- **Why do they purchase or consider purchasing own-branded groceries.**
- **How good or bad do they believe own-brands to be.**

- ➔ **Intention to purchase own-branded goods in their next grocery shop?**
- ➔ **Is risk a factor?**
- ➔ **Does any of the group participants compare own-brands to national brands?**