Dean&Francis

ISSN 2959-6130

The Influence of Private Label Grocery Brands on Middle-Class Consumers (30-45) in China's Supermarket Industry.

Gujunyi Wei

Abstract:

The growing presence of private labelling brands (PLBs) in China's supermarket landscape has prompted investigation of middle-class consumer perceptions, purchasing behaviour, and the willingness to switch from national brands. The purpose of the current study is to explore the influence of PLBs on middle-class consumers between the ages of 30 and 45 in China's supermarket industry. Using a sample of 10344 respondents, the findings reveal a weak, but statistically significant positive correlation between the quality of PLB and the willingness to switch to a PLB from a national brand, while price perception negatively influences the switching behavior. Brand trust and supermarket reputation unexpectedly negatively affect the adoption of PLB, which points to the idea that consumers with strong trust in national brands or reputable supermarkets are less inclined to switch. In addition, a significant relationship exists between past shopping frequency and switching behaviour, indicating that consumers who regularly purchase PLBs are open to further adoption. The findings challenge traditional marketing theories, such as trust in PLBs does not essentially drive switching behaviour.

Keywords: Private Label Brands, Consumer Behavior, Brand Trust, Supermarket Reputation, Middle-Class Consumers, China, Retail Marketing, Brand Switching

1 CHAPTER I: INTRODUCTION

1.1 Background

Private label Brands (PLBs) have grown increasingly important all over the world, with store brands made easily accessible in nearly all product categories (Cuneo et al., 2015; Gielens et al., 2023; Gielens et al., 2021). PLBs can be described as brands that are produced, administered, owned, and marketed by a specific grocer, or consistent with its stipulations, and distributed under its exact identity (Girard et al.,

ISSN 2959-6130

2017). PLBs were first introduced in the United Kingdom in the late 1800s by Sainsbury's (Kumar, 2007), and have since grown in other developed and emerging markets to such an extent that they compete with manufacturer brands in virtually all the product categories. While historically, PLBs were linked to low prices, sub-standard performance, and poor-quality products, the development of high-end PLBs has led to brands that are now challenging or perhaps even outdoing manufacturer brands. Several global supermarkets now recognize the diffusion and adoption of private labels to be one of the most critical priorities.

1.2 Statement of the Problem

A significant challenge in private labeling refers to the need to deliver top-quality products that can effectively compete with established national brands while overcoming consumer perception issues concerning poor quality products associated with private labeling products, which can lead to hesitancy in buying despite the potential for lower prices. Despite the increasing availability and perceived quality control improvements, middle-class consumers still demonstrate substantial hesitation towards buying private-label grocery brands, which indicates a potential gap in understanding the reasons that influence decision-making processes when selecting between national brands and store-brand alternatives, especially regarding perceptions of quality, value, and brand image.

1.3 Purpose of the Study

The purpose of the current study is to explore the influence of PLBs on middle-class consumers between the ages of 30 and 45 in China's supermarket industry. In particular, this study aims to investigate the factors that are shaping market perceptions, preferences, and purchasing behaviour towards PLBs, relative to manufacturer brands. By examining the role of quality, value, brand image, and trust, this study seeks to identify the key drivers and barriers influencing Chinese middle-class decisions to either adopt or reject private-label grocery brands. In addition, the current study aims to provide further actionable insights and recommendations to retailers to improve the appeal, acceptance, and market share of PLBs in such an important consumer segment. By addressing the unique preferences and concerns of middle-class consumers, the current study contributes to an in-depth awareness of how retailers can effectively position and market private-label grocery brands in a competitive and rapidly changing marketplace.

1.4 Significance of the Study

The study embraces practical value for both the practical and academic domains. From an academic perspective, the study is a contribution to a large body of literature on PLBs by focusing on the unique context of China's supermarket industry and the middle-class consumer segment. Although a large part of the existing research on PLBs has been undertaken in Western markets, the current study addresses a critical gap and explores the dynamics of PLBs in emerging markets such as China, where consumer behavior, cultural preferences, and market structures are different. By exploring the factors that influence middle-class consumers' perceptions and purchasing decisions, this study enriches an understanding of how PLBs can succeed in diverse cultural and economic contexts. From a practical standpoint, the outcomes from the research provide actionable insights for retailers operating in the Chinese competitive supermarket industry. Middle-class consumers, and in particular people aged 30 and 45 years, represent an important demographic because of their growing purchasing power and their influence on market trends. An understanding of their preferences, concerns, and decision-making processes regarding PLBs can help retailers develop targeted strategies to improve the appeal, adoption, and loyalty of private-label grocery brands. In turn, it can lead to increased market share, higher profit margins, and a strong brand equity for retailers. Moreover, the study has broader implications for the global retail industry as the insights collected from the Chinese market can inform strategies for other emerging economies with similar consumer dynamics. By addressing the opportunities and challenges linked with PLBs, this study ultimately supports the sustainable increase in in-store brands in an increasingly competitive and consumer-driven marketplace.

1.5 Summary

Private-label grocery brands have become increasingly relevant within the global retail market, challenging national brands across different product categories. However, middle-class consumers in China continue to demonstrate a reluctance to adopt PLBs because of concerns about quality and brand perception. The research is interested in examining the influences that affect purchasing behaviour and providing strategic insights for retailers to improve the acceptance of PLB in the Chinese supermarket industry.

CHAPTER II: LITERATURE REVIEW

2.1 Introduction

A discussion of the literature consists of some studies and articles that address the influence of private labelling grocery brands on users in China. The literature review is a complete analysis of the existing studies on store brands, consumer perceptions, and their impact on purchasing behavior. In the literature review chapter, the different perspectives on PLBs includes its historical development, current trends and patterns, conceptual framework and the gaps in literature. An understanding of the evolution of the PLBs and the factors influencing consumer preferences can set some a solid basis important in exploring their influence in the Chinese supermarket industry.

2.2 Theoretical and Hypothesis Development

2.2.1 Perceived Quality Theory

With all human knowledge and memories backing their observations, it is virtually impossible for people to consider anything independent of an influence of their perceptions. Regarding that piece of wisdom, perceived quality can be defined as a subjective measure of quality based on the needs and experiences as well as the expectations of customers (Hao-Yue, 2014). The belief originates from a composite of sources that impact how a product is perceived, and it includes the standards of quality such as good craftmanship, feature, function, design and much more. Similarly, quality is only legitimate when it is backed by actual facts ad experiences. Stylidis et al. (2019) says that perception is produced by each user's perceptions of multiple elements. In assessing the quality elements, product users actually make up their mind about whether what they are saying actually matches the qualities that they are seeing. Solin and Curry (2023) define perceived quality as an approach used in assessing product quality. Further, Akoglu and Özbek (2021) held that perceived quality is about product users' perceptions of the quality, value and price, and as a judgement of the general superiority of a product. Perceived quality includes an evaluation of the general excellence and benefits of products; it means the evaluation of a product. The results of the evaluative processes come from making comparisons of actual quality with expected quality (Qalati et al., 2021). When the product quality is better than the product expectations, the quality perception is good. The assessment process includes the performance of a product and consumers' general perception of the overall quality of a product, and that is if a product is superior, including the subjective quality assessment based on things like price, packaging and consumer purchase.

H1: Perceived quality of private label brands positively influences middle-class consumers' purchase intention.

2.2.2 Price-Quality Relationship Theory

A large body of evidence points to a relationship existing between the price of a product and its perceived quality (Anton et al., 2023; Guizzardi et al., 2022; Song et al., 2023). However, there is a scant indication that the relationship between quality and price can be generalised to different brands with differing prices and users' purchase intentions. Moreover, some articles have depended on the implicit price and quality association developed from a situation where there are no alternatives, and others failed to use price as the only determinant (Hydock & Wathieu, 2023). Price-quality relationship theory explores how consumers evaluate the association between price and quality when making purchase decisions. Traditional assumptions posit that lower prices translate to inferior quality; however, with the rise of premium PLB, consumers are reconsidering the relationship. This study will analyze whether middle-class consumers in China associate lower prices with lower quality or whether they view PLBs as offering good value for money.

H2: Price consciousness positively influences middle-class consumers' preference for private-label brands over national brands.

Brand equity theory argues that the value of a brand is

ISSN 2959-6130

derived from customer perceptions, recognition, and loyalty, which creates a competitive advantage and drives profitability (Tasci, 2021). The theory stresses that brand equity is built via customer experiences, perceptions, and relationships with brands. Band equity comprises brand knowledge, brand associations, and brand loyalty (Faircloth et al., 2001). Brand knowledge refers to the extent to which users are familiar with a brand, while brand associations are the thoughts, feelings, and images consumers associate with a brand. Finally, brand loyalty is the extent to which users frequently select one brand over other brands. Sound brand equity will lead to higher customer loyalty, higher perceived value, potential price premiums, and ultimately, higher financial performance. Brand equity theory provides additional insights and explains the role of brand trust, loyalty, and general brand perception in consumer behavior. Typically, national brands benefit from strong brand equity that has been built over many years of consistent product offerings, ads, and consumer engagement. However, private labels are increasingly investing in brand-building strategies to compete on an equal footing. The current study considers whether Chinese middle-class consumers demonstrate loyalty to specific PLBs and whether brand equity plays a critical role in purchase decisions.

H3: Brand trust in private label brands has a significant impact on consumers' willingness to purchase private label products.

2.2.4 The Consumer Decision-Making Process Model

Consumer decision-making models (CDM) have grown over the last five decades and consist of studies on the different constructs developed from economics and psychology disciplines. Nicosia's model of buying behavior comprises several areas, starting with communicating information to affect customers' attitudes, then a search and evaluative process, decisions, and results in terms of behaviour, usage, storage, experiences, and feedback (Pillay, 2023). By applying this model, the study will assess the extent to which middle-class consumers consider PLBs during the decision-making process and identify any barriers preventing wider adoption.

H4: Consumers' past experiences with private label brands significantly affect their future purchase intentions.

Existing literature on PLBs highlights the significant transformation they have undergone over the years. Early on, PLBs were considered low-cost alternatives to national brands, primarily targeting price-sensitive consumers. However, the development of premium private labels is reshaping consumer perceptions and has made them more attractive to an even larger audience, which includes the middle class. Empirical research suggests that modern PLBs are increasingly thought of as high-quality substitutes for national brands, with some outperforming the branded alternatives in product evaluations and taste tests. Consumer attitudes towards PLBs vary considerably across various markets. In the West, PLBs enjoy a considerable market share, perhaps surpassing forty percent in certain product categories (Steenkamp, 2024). In contrast, in emerging economies such as China, the penetration of PLBs remains relatively low, albeit steadily growing. Some have attributed such a disparity to differences in cultural attitudes towards branding, consumer trust, and the competitive landscape in the retail industry.

Studies that have explored the Chinese retail sector suggest that middle-class consumers are increasingly open to private-label brands but remain alert to quality and brand reliability. Compared to the West, PLBs in China are often perceived as viable alternatives to national brands, and Chinese consumers are more likely to associate branding with trust and status. In turn, middle-class shoppers prefer established national brands over PLBs, in particular for essential household and food products. However, because retailers invest in improving PLB quality and branding efforts, consumer perceptions are slowly changing.

2.3 Summary

The chapter has provided an overview of the reviewed literature on theoretical frameworks underpinning the current study. The selected studies used in generating the hypotheses are all relevant to the study of PLBs and their influence on middle-class consumers in China.

3 CHAPTER III: METHODOLOGY

3.1 Introduction

The methodology chapter outlines the research philosophy and strategy used in investigating the influence of private-label grocery brands on middle-class consumers aged between 30-45 years in the Chinese supermarket industry. The methodology section provides a detailed discussion of the selected research design, data collection methods, sampling techniques and the procedure of data analysis. The goal of the methodology chapter is to ensure that the study is conducted systematically, reliably, and realistically to address the research objectives and prove the stated hypotheses.

3.2 Research Methods and Design

The study employed a quantitative study approach through a descriptive research design. Descriptive research appears to be suitable as it allows for systematic collection and assessment of data consistent with the research topic. The goal is to describe the aspects, behaviours, and the perceptions of the middle-class in China regarding PLBs. The design is particularly fitting when there is a need to understand the what, how and whys of consumer behaviour, and it provides a way to understand the factors that influence their preferences and purchase decisions. The descriptive research can be completed using surveys to collect data from a sample of middle-class consumers who are between thirty years and forty-five years, from the top tier cities in China. Surveys are effective for collecting vast amounts of data efficiently, which enables researchers to quantify consumer behaviors, attitudes, and perceptions towards private labelling brands. The survey consists of structured questionnaires with closed-ended questions, Likert-scale items, and demographic questions to ensure that data is collected comprehensively.

3.3 Population and Sampling

The targeted population for the current study consists of middle-class consumers aged between 30 and 45 years who shop in supermarkets in China. The middle class is operationalized using mid-income earners. According to Huld and Interesse (2023), Asia's largest economy is home to the world's largest middle-class group. China's National Bureau of Statistics (NBS) defines the middle class in Asia's largest country as a usual three-person family that earns between CN¥ 100,000 and CN¥ 500,000 annually. While 50.8% of the population in China is considered middle class according to ChinaPower (2025), Statista (2023) attributes 22.46% of the Chinese population to be between the ages of 30 and 45. The demographic was selected because they have considerable purchasing power and a certain degree of influence on market trends and relevance on a PLB growth trajectory.

A non-probability convergence sampling method was employed in administering a survey. While predetermined quotas were not set strictly, the researcher strived to collect a sample that was somehow indicative of supermarket shoppers in China. Questionnaires were used using the self-administered online-based method at tier 1 cities in China. It was an approach that proved useful as it facilitated expedient questionnaire completion. A preliminary check was conducted within the field to identify and remedy all the inconsistencies, omissions, or apparent anomalies with the questionnaire.

3.4 Data Collection Methods

Primary data was collected using an online survey distributed to middle-class consumers in China. The survey was designed using a structured questionnaire, which included the following sections: Demographic Information; Consumer perceptions, including questions assessing perceptions of quality, value, brand image, and trust toward private label grocery brands compared to national brands. Purchasing Behavior: questions exploring the frequency of purchasing PLBs, factors influencing purchase decisions, and barriers to adoption. Attitudes and preferences will be captured in the Likert-scale items, and which will measure the customers' attitudes towards PLBs preferences for specific product categories. The survey was then translated to Mandarin and then distributed through online-based platforms such as WeChat, Weibo and other social media channels commonly used by the targeted demographic in China.

3.5 Data Analysis

The collected data was then manipulated using quantitative data analysis techniques. Descriptive statistics including the mean, median, standard deviation and frequency distribution were used in summarizing the demographic characteristics and general trends in the consumer perceptions and behaviour. Similarly, inferential statistical tech-

ISSN 2959-6130

niques such as correlation and regression analyses and the chi-square test proved pivotal in assessing the relationship between variables, and it includes product quality, value, brand image, and purchasing behaviour. The statistical software SPSS was then used to presenting the results of data analysis.

3.6 Ethical Considerations

The study adhered to ethical practices such as offering respondents with informed consent from participants, and they were guaranteed anonymity and confidentiality of their responses, and provides them with the option to withdraw from the study on their whim. The research was made to comply with data protection regulations in China and the research ethics demands of the University.

CHAPTER IV: DISCUSSION

4.1 Introduction

The findings chapter presents the results of data analysis based on the data collected from middle-class consumers in China regarding their purchase behavior, perceptions, and attitudes toward PLBs in supermarkets. The current analysis evaluates the validity of the stated hypotheses and discusses the important factors that influence consumer decision-making.

4.2 Descriptive Statistics

Table 1:Summary Statistics

	Age	Monthly household income (RMB)
Mode	39	0
Mean	37.52	35415.18
Median	38.00	24018.00
Std. Deviation	4.599	40107.744
Skewness	-.017	1.670
Kurtosis	-1.201	2.388
Minimum	30	0
Maximum	45	160742

Source: User-generated

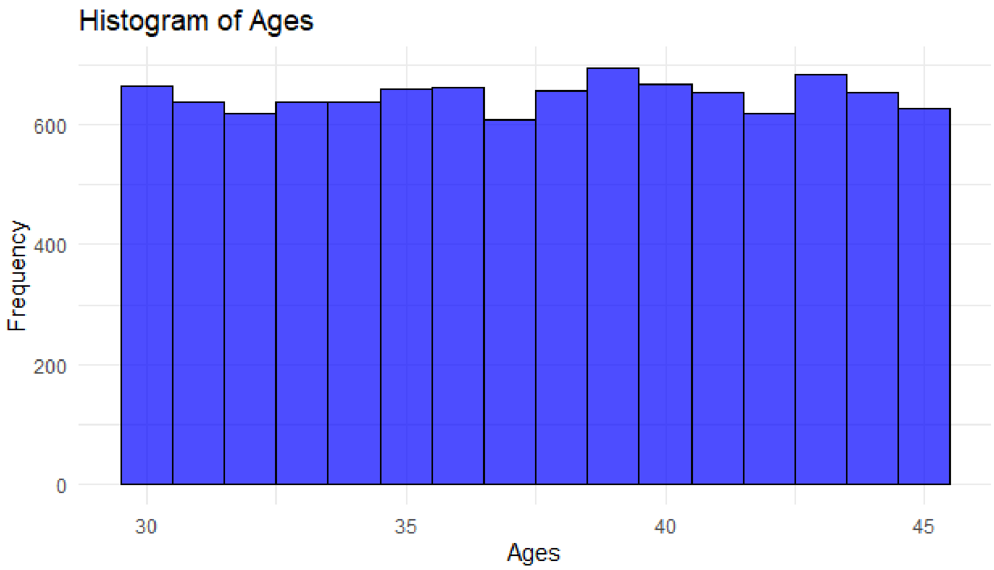

Figure 1: Histogram of ages

Source: User-generated

Table 2: Frequency table of gender

		Valid Percent	Cumulative Percent
	Male	52.0	52.0
	Female	48.0	100.0
	Total	100.0	

Source: User-generated

Table 3: Frequency of the highest level of education

		Valid Percent	Cumulative Percent
	No formal education	18.6	18.6
	Primary	30.7	49.4
	Secondary	37.0	86.3
	Post-secondary	13.4	99.8
	Don't know	2	100.0
	Total	100.0	

Source: User-generated

The descriptive statistics in Table 1 provide a summary of the data in terms of central tendency and dispersion. The mean age of the respondents is 37.52 years, while the standard deviation is 4.599, suggesting a moderate spread in the ages of the respondents from the mean. The data is skewed almost symmetrical with a skewness of -0. 017. The age distribution is almost normal. Kurtosis is -1.201, which indicates a fairly flat distribution relative to what is considered a normal curve. The mean monthly household income is 35,415.18 RMB, with a standard deviation of 40,107.744 RMB, showing that there is a large variation in income levels. Household income is positively skewed, meaning that middle-class income varies widely, while kurtosis is 2.388, which is a sharper peak, and which means that most respondents' income is clustered around extreme values, which pulls the mean upward. In Table 2, the sample consists of 52% males, and females are 48%. The sample is almost evenly split between male and female respondents. At least 80% of the respondents have formal education (Table 3).

4.3 Quality and Price Perceptions on PLBs

Table 4: Correlation Table

			Perceptions of PLBs based on quality	Perceptions of PLBs based on price	Willingness to Switch
Spearman's rho	Perceptions of PLBs based on quality	r		013	038**
		Sig. (2-tailed)		180	000
	Perceptions of PLBs based on price	r	013		-.052**
		Sig. (2-tailed)	180		000
	Willingness to Switch	r	038**	-.052**	
		Sig. (2-tailed)	000	000	
**. Correlation is significant at the 0.01 level (2-tailed).					

ISSN 2959-6130

Source: User-generated

The perceived quality of PLBs and the willingness to switch from national brands to PLBs have a correlation coefficient (ρ) = 0.038 with *a p-value* of 0.000. The correlation is significant at 0.01. There is a weak yet statistically significant positive correlation between the willingness to switch and consumers' perceptions of PLBs. It suggests that as consumers view PLBs as higher quality, they become marginally more willing to switch from national brands.

The relationship between willingness to switch and price, where the correlation coefficient (ρ) = -0.052, and the *p-value* is 0.000, which is significant at the 0.01 level. The relationship is a weak but significant negative correlation between price perception and willingness to switch. It means that if consumers perceive private label brands as more expensive, they are slightly less willing to switch.

4.4 Brand Trust in PLBs and Purchase Behaviour

Table 5:Model Summary

R	R^2	Adjusted R^2	Durbin-Watson	F	Sig
086	007	007	1.992	25.524	0000

Source: User-generated

R = 0.086, a correlation between brand trust, shopping frequency, and supermarket reputation, on the one hand, and willingness to switch to PLBs. The weak R-value suggests a weak relationship between the response variable and the explanatory variables. R^2 is 0.007, meaning that only 0.7% of the variation in willingness to switch is explained by brand trust, shopping frequency, and supermarket reputation. Durbin-Watson of 2 suggests there are no strong autocorrelation issues in the dataset. While the model lacks a linear strong relation, the absence of a strong autocorrelation is a good thing for the model. The *F-statistic* =25.524, with a corresponding *p-value* = 0.000, and since < 0.01, the model as a whole is statistically significant. It means that despite the model's low $R^{2\ \text{value}}$, the brand trust, as well as other predictors, as a whole, have some influence on consumer behaviour.

Table 6: Coefficients

Beta			Sig.
	(Constant)		000
	Brand trust	-.051	000
	Shopping frequency	000	981
	Supermarket reputation	-.052	000

Source: User-generated

Brand trust significantly affects consumer behavior (b = -0.051, p = 0.000). The other two control variables in the model, shopping frequency (b = 0, p = 0.981), do not significantly affect consumer behaviour, while supermarket reputation (b = -0.052, p = 0.000) significantly affects consumer behaviour. Brand trust and supermarket reputation significantly impact willingness to switch to private label brands, but the effects are negative and very small.

4.5 Past Experiences with PLBs

Table 7: Crosstab Table

No	Willingness to switch from national brands to PLBs		Total
	Yes		

Shopping frequency	Never	208	2270	2478
	Just once or twice	112	1044	1156
	Several times	269	1994	2263
	Many times	503	2121	2624
	Always	341	1444	1785
Total		1437	8907	10344

Source: User-generated

Table 8: Chi-square test results

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	189.413[a]	6	000
Likelihood Ratio	191.315	6	000
Linear-by-Linear Association	156.722	1	000
N of Valid Cases	10344		

Source: User-generated

The chi-square (χ^2) is 189.4 with *a p-value* < 0.001, which means that there is a statistically significant association between consumers' purchase of PLBs and their willingness to switch from national brands. This means that purchase frequency is considerably related to the likelihood of switching. People who frequently purchase PLBs are more likely to switch from national brands if the offer is of similar or better quality at lower prices.

4.6 Trends in Consumer Perceptions

Table 9: Perceptions on improvement in quality of private label grocery brands over the years?

	Valid Percent	Cumulative Percent
Not at all important	1.8	2.0
Not very important	2.9	4.9
Somewhat important	8.2	13.1
Very important	85.0	98.1
Total	100.0	

Source: User-generated

Table 10: Brand trust influencing decision to buy private label grocery brands

	Valid Percent	Cumulative Percent
Not at all	19.6	19.7
Just a little	23.1	42.8
Somewhat	25.9	68.7
A lot	25.7	94.4
Total	100.0	

Source: User-generated

The data in Table 9 shows the significance of perceived quality improvements in private-label grocery brands (PLBs) over time. A vast majority of respondents, at least 85%, consider the improvements to be very important, while an additional 8% perceive them as somewhat important. It indicates that consumers recognize and appreciate the improved quality of PLBs, which contributes to

ISSN 2959-6130

a more positive overall perception of the brands. Only a small proportion find the improvements to be not important or not important at all. The results suggest that quality perception plays a critical role in shaping consumer attitudes towards PLBs. It aligns with previous studies that stressed that perceived quality is an important determinant of consumer willingness to adopt private-label brands.

Table 10 shows a diverse distribution of opinions on consumer purchasing decisions. A quarter of the respondents believed that brand trust influences their decisions to buy PLBs a lot. This was true for somewhat influence and just a little influence. It suggests that although trust plays a role in the adoption of private-label brands, it is not a dominant factor in consumer decision-making.

Table 11: Willingness to Switch from Store Brands to Similar/Better Quality at a Lower Price

	Valid Percent	Cumulative Percent
No	13.9	13.9
Yes	86.1	100.0
Total	100.0	

Source: User-generated

In Table 11, a summary of the respondents' willingness to switch from manufacturer brands to store brands when offered a similar or better-quality product at a lower price is presented. The table shows that customers are generally more inclined towards substitute products when offered at a lower price. Overwhelming evidence suggests that price remains a key factor in the process of consumer decision-making. The current evidence is at par with previous research (Li et al., 2022; Zhang et al., 2021). It aligns with the previous evidence, where brand trust had only a moderate impact on purchase decisions. Overwhelming evidence suggests that consumers are willing to prioritize cost savings and equivalent quality over loyalty to a brand name.

Table 12: Frequency of purchasing private label grocery brands

	Valid Percent	Cumulative Percent
Never	23.9	24.1
Just once or twice	11.2	35.3
Several times	21.9	57.2
Many times,	25.4	82.5
Always	17.2	99.8
Total	100.0	

Source: User-generated

The results in Table 12 show a diverse range of purchasing behaviours where some consumers often purchase store brands, whereas others remain uncertain or are irregular buyers. A majority of the respondents showed that they purchased a private labelling brand at least once. The overwhelming evidence from the table suggests that private labelling brands have gained significant traction among Chinese middle-class consumers.

Table 13: Factors Influencing Respondents' Decision to Buy Private Labelling Grocery Brands

	Valid Percent	Cumulative Percent
Availability in store	2.7	38.6
Easy availability in stores	5.2	43.8
Easy identification of products on the shelf	1.6	45.4
Imitate leading brands	5.1	50.5

Packaging design	2.7	53.3
Price	20.9	74.2
Promotions	2.5	76.7
Quality	11.1	87.8
The satisfaction obtained from previous consumption	2.6	90.4
Taste	2.7	93.1
Trust in brand	2.6	95.7
Value for money	4.3	100.0
Total	100.0	

Source: User-generated

Table 13 presents data on the key factors that influence consumer decisions to purchase private-label grocery brands (PLBs). The results indicate that price, quality, and value for money are the most significant drivers of purchase behavior, while factors such as packaging design and product identification play a lesser role. The findings certifies price and quality as key factors driving private-label purchases, alongside the key role played by value for money.

Table 14: Private label brands' perception compared to National brands in terms of price

	Valid Percent	Cumulative Percent
Much cheaper	16.6	18.0
Slightly cheaper	28.4	46.4
About the same	34.7	81.1
Slightly more expensive	17.6	98.7
Total	100.0	

Source: User-generated

Table 14 explains how consumers perceive the pricing of private label brands (PLBs) when compared to that of national brands. The results identify a mixed perception, with a great number of consumers noting a small margin difference between the two. This indicates that despite private label identifying themselves as budget friendly, they are not any cheaper compared to national brands.

Table 15: Perceiving Private Label Brands Compared to National Brands in Terms of Quality

	Valid Percent	Cumulative Percent
Strongly agree	33.2	33.3
Agree	32.1	65.4
Neither agree nor disagree	9.0	74.4
Disagree	13.7	88.0
Strongly disagree	8.5	96.5
Total	100.0	

Source: User-generated

Table 15 shows that, private labels have improved significantly in consumer perception, possibly due to enhanced product formulations, better sourcing, and strong retailer branding. This means that it aligns with trends in premium private labels, where retailers invest in quality to compete directly with national brands.

The results from the current study between brand trust and purchase intention are counterintuitive because typically, a higher brand trust is expected to increase purchase intention. Konuk's (2018) study reported that trust in private labels and perceived value were found to have a positive

ISSN 2959-6130

influence on consumers' purchase intentions. Bertoli et al. (2020) in a 2×2×2 experiment between subjects, consumers revealed that trust in retailers had a positive influence on consumers' willingness to purchase in case of products that have hedonic value, and when consumers trust in retailers, non-involved consumers displayed greater willingness to buy private label products. The reason why the current study is not compatible with previous studies, and one possible explanation, is that brand inertia consumers who already trust private label brands may have already made their decisions to purchase them, instead of being in the process of switching (Gielens et al., 2021). The other explanation can be that the strong trust in national brands outweighs trust in PLBs, which will lead to resistance to switching, even when private labels are perceived positively (Abboud, 2021). The results are aligned with the studies by Sansone et al. (2021) and Ailawadi et al. (2008), suggesting that while trust is an important factor in purchase decisions, it does not always directly translate into brand switching behaviour. Instead, trust just reinforces loyalty to existing purchase habits and does not encourage change.

In the current study, the results of the study show that supermarket reputation negatively affects willingness to switch to PLBs. Dey and Rajkumar (2022) suggest that when consumers trust the reputation of a supermarket, they might be less persuaded to switch from national brands to PLBs. A possible explanation is that consumers shopping at reputable supermarkets might already be loyal to high-quality national brands that are available in those stores (Gielens et al., 2021). Perhaps, another explanation is that the reputation of a store can lead to high expectations for product quality, and consumers can assume that national brands remain superior to PLBs within highly reputed retailers (Volles and Geuens, 2023). The findings contradict some studies that suggested that retail reputation positively influences private label adoption because strong retailer credibility can improve confidence in private labels (Riboldazzi et al., 2021; Musso et al., 2022; Ndlovu & Heeralal, 2022). However, it can also support studies indicating that well-established national brands continue to dominate consumer trust, even in reputable supermarkets.

4.7 Summary

The findings suggest that brand trust and supermarket reputation influence private label purchasing decisions, however, it does not happen straightforwardly. Trust in PLBS does not necessarily lead to the switch, while retailer reputation does not automatically improve private-label purchasing. Future studies need to explore additional factors such as perceived risk, habitual buying behaviours, and brand loyalty strength to have a better understanding of consumer decision-making regarding PLBs.

CHAPTER V: CONCLUSION

5.1 Summary of Findings

The study explored the influence of PLBs on middle-class consumers aged between 30 and 45 years in the Chinese supermarket industry. The study employed a quantitative and descriptive research design using an online survey to collect data from consumers in Tier 1 cities across China. Statistical tools and instruments used included correlation, regression models, and a chi-square test.

A statistically significant but weak positive correlation was found between perceptions of PLB's quality and willingness to switch. Equally, price perceptions were found to be negatively correlated with switching behaviour, which was interpreted as consumers perceiving PLBs as expensive and less likely to switch from the national brands. Brand trust negatively influenced the willingness to switch, and it suggested that higher trust in a brand does not necessarily mean an intent to switch from national brands to PLBs. It challenges the traditional assumptions that brand trust will directly lead to an increase in purchase intention. In addition, a supermarket's reputation is also affected by the willingness to switch. Consumers shopping at reputable supermarkets seem to be more loyal to national brands and may perceive them as superior. Finally, a significant association was found between consumers' previous purchase frequency of PLBs and their willingness to switch from national brands. Consumers who often purchased PLBs were more likely to switch if they perceived the quality and price as competitive.

5.2 Implications of the Study

Findings from this study provide important insights into consumer behaviour within the Chinese supermarket industry and have theoretical, strategic, and practical implications. Regarding theoretical implications, the study challenges the traditional marketing theories that are built on the assumption that brand trust will automatically prevent brand switching. The results are consistent with this theory and suggest that trust cements the existing purchase habits instead of encouraging change. It aligns with studies that have indicated that strong trust in national brands creates resistance to switching, even when the private labels are perceived positively.

Regarding the practical implications for retailers and marketers, private-label brands can be positioned as premium alternatives. Because brand trust does not lead directly to switching, retailers should differentiate PLBs using high-quality parts, ingredients, ethical sourcing, and unique product features. Regarding the perceived value of PLBs in reputable supermarkets, retailers should leverage their reputation to promote PLBs to compete with national brands. Finally, they can target habitual buyers with promotions. Given the role of brand inertia, promotions such as discounts and free samples can be used to encourage hesitant consumers to try the private label brands.

Regarding social and economic implications, the results show that middle-class segments in China remain highly brand-conscious. If private-label brands gain customer trust through consistent quality and competitive pricing, they can drive greater affordability and market diversification.

5.3 Limitations of the Study

Despite its contributions, the study has certain limitations including on methodological framework used, scope, and generalizability. The use of self-administered online surveys can introduce response bias because participants may not always offer entirely accurate self-reports of their purchase behaviour. The sample was restricted to respondents from Chinese Tier 1 cities. However, consumer behaviour may differ in lower-tier cities or rural areas, where price sensitivity can be higher. Since a non-probability sampling method was used, the findings cannot be completely generalizable to the whole Chinese middle-class population.

5.4 Recommendations for Future Research

Studies in the future should consider exploring psychological factors. It would be befitting for studies to investigate how perceived risk, the strength of brand loyalty, and habitual purchasing behaviours influence consumer choices regarding private labelling brands. Studies should also consider the topic of segmenting consumer preferences. Studies should conduct further research to identify psychographic and demographic subgroups within the middle class that are more likely to adopt PLBs. Studies should also consider longitudinal studies. Long-term analysis of consumer behaviour can change over time and provide an in-depth insight into the changing perceptions of PLBs in China.

5.5 Summary

The current study provided a comprehensive investigation of how middle-class consumers in China perceive and purchase PLBs. Although quality and price perceptions can play a role in switching behaviour, brand trust and supermarket reputation do not ideally encourage the adoption of private labels. The findings challenge traditional marketing theories and assumptions and stress the complexities of consumer decision-making within China's retail industry.

Reflection

Undertaking the research process was engaging and intellectually rewarding experience. However, committing words to the pages was torture. I suffered from deadline day panic attacks. I struggle with perfectionism and the need to say things right. Conducting the research on the influence of private label grocery brands on middle class consumers in China was both an enlightening and aa challenging experience. From the initial stages of research objectives formulation to the analysis of findings, all the steps have provided me with valuable insights into the complexities of consumer behaviour and market dynamics. I selected a topic that genuinely interests me, and I it was unfortunate that there were no existing data, I had to go through the whole Institutional Review Board (IRB) process, which was a time-intensive and rigorous

ISSN 2959-6130

task of collecting primary data. The research was original and was to make some contributions to the field, and hence knowing prior studies were helpful in guiding in narrowing the focus. It was a lot of work, but rewarding, and I feel great to have accomplished it. I discovered that breaking down the exercise into smaller portions and concentrating on one at a time has helped me stay on track. This process helped me structure, proofread and refine the points, and which ended up saving me a lot of time and frustration.

One of the most rewarding aspects of the research process involved designing and implementing the research methodology. The decision to adopt a quantitative approach using a descriptive research design proved effective in capturing consumer perceptions, purchase behaviours and band trust dynamics. The entire process had its success and challenges, which presented me with both obstacles and valuable learning experiences along the way. Writing the sections can be a little punishing because I was never sure if I was covering everything that I needed to include. The results in the discussion chapter section of the study are always far too winded; however, consultation with some of my peers insisted that it was permissible. My biggest struggle throughout the whole process has been in planning. Initially, my topic was on the edges of what is available in literature, and hence a lot of my initial drafts involved me trying to catch up with the things that have already been studied. It took me many hours to come up with the introduction, research purpose and the structure. I can reason everything I do and clearly overanalyse. When something does not fit together, I can not move forward. It is difficult to know if everything essential is covered in all the sections. I started my writing by first doing the story outline. For the thesis, I ran my outline past my peers first in case there were any glaring omissions, and they were supportive. My struggle is more with knowing what is relevant to a point and what were excess for the entire process.

References

Abboud, S. (2021). Consumer Perceptions of Private Label Brands in Lebanon. *The EUrASEANs: Journal on Global Socio-Economic Dynamics*, (4), 55-69. https://doi.org/10.35678/2539-5645.4(29).2021.55-69

Ailawadi, K. L., Pauwels, K. & Steenkamp, J. B. E., 2008. Private-label use and store loyalty. *Journal of marketing,* 72(6), pp. 19-30.

Akoglu, H.E. and Özbek, O., 2021. The effect of brand experiences on brand loyalty through
perceived quality and brand trust: a study on sports consumers. *Asia Pacific Journal of Marketing and Logistics*, *34*(10), pp.2130-2148.

Anton, R., Chenavaz, R. Y. & Paraschiv, C., 2023. Anton, R., Chenavaz, R. Y., & Paraschiv, C. (2023). Dynamic pricing, reference price, and price-quality relationship. Journal of Economic Dynamics and Control, 146, 104586.. *Journal of Economic Dynamics and Control,,* Volume 146, p. 104586..

Bertoli, G., Busacca, B. & Imperato, M., 2020. Premium private label: how product value, trust and category involvement influence consumers willingness to buy. *Italian Journal of Marketing,* 2020(2), pp. 143-161..

ChinaPower, 2025. *How Well-off is China's Middle Class?.* [Online] Available at: https://chinapower.csis.org/china-middle-class/#:~:text=Based%20on%20Pew's%20income%20band,of%20the%20population)%20in%202018. [Accessed 12 March 2025].

Cuneo, A., Milberg, S. J., Benavente, J. M. & Palacios-Fenech, J., 2015. The growth of private label brands: a worldwide phenomenon?. *Journal of International Marketing,* 23(1), pp. 72-90.

Dey, S., & Rajkumar, M. (2022). 21 Factors Affecting the Diffusion of Private-Label Brands. *Sustainable Marketing and Customer Value*, 282.

Faircloth, J. B., Capella, L. M. & Alford, B. L., 2001. The effect of brand attitude and brand image on brand equity. *Journal of marketing theory and practice,* 9(3), pp. 61-75.

Gielens, K. et al., 2021. The future of private labels: towards a smart private label strategy. *Journal of Retailing,* 97(1), pp. 99-115.

Gielens, K., Dekimpe, M. G., Mukherjee, A. & Tuli, K., 2023. The future of private-label markets: A global convergence approach. *International Journal of Research in Marketing,* 40(1), pp. 248-267.

Gielens, K., Ma, Y., Namin, A., Sethuraman, R., Smith, R. J., Bachtel, R. C., & Jervis, S. (2021). The future of private labels: towards a smart private label strategy. *Journal of Retailing*, *97*(1), 99-115. https://doi.org/10.1016/j.jretai.2020.10.007

Girard, T. et al., 2017. Consumer-based brand equity of a private-label brand: Measuring and examining determinants. *Journal of marketing theory and practice,* 25(1), pp. 39-56..

Guizzardi, A., Mariani, M. M. & Stacchini, A., 2022. A temporal construal theory explanation of the price-quality relationship in online dynamic pricing. *Journal of Business Research,* Volume 146, pp. 32-44.

Hao-Yue, B. A. I., 2024. Unveiling the Power of Private Label Charm in Distribution: How Cues Shape Korean and Chinese Consumers' Consumption Value and Repurchase Intentions. *Journal of Distribution Science,* 22(8), pp. 87-98.

Huld, A. & Interesse, G., 2023. *China's Middle Class – Growth, Policy, and Consumption.* [Online] Available at: https://www.china-briefing.com/news/china-middle-class-growth-policy-and-consumption/#:~:text=The%20most%20common%20definition%20currently,%2474%2C221%20in%202022)%20per%20year. [Accessed 12 March 2025].

Hydock, C. & Wathieu, L., 2023. Not just about price: How benefit focus determines consumers' retailer pricing strategy preference. *Journal of Consumer Research,* 50(3), pp. 447-467.

Konuk, F. A., 2018. The role of store image, perceived quality, trust and perceived value in predicting consumers' purchase intentions towards organic private label food. *Journal of retailing and consumer services,* Volume 43, pp. 304-310.

Kumar, N., 2007. *Private label strategy: How to meet the store brand challenge.* s.l.:Harvard Business Review Press.

Li, X., Cai, X. & Chen, J., 2022. Quality and private label encroachment strategy.. *Production and Operations Management,* 31(1), pp. 374-390.

Musso, F. et al., 2022. Analysis of factors affecting the purchase of private label products by different age consumers. *British Food Journal,* 124(13), pp. 619-636.

Ndlovu, S. G. & Heeralal, S., 2022. An investigation into marketing activities role on the purchase of private label brands: A systematic review of trends in literature. *International Journal of Research in Business and Social Science,* 11(1), pp. 2147-4478.

Pillay, S. (2023). *A conceptual framework for online consumer decision-making in an emerging market*. University of Johannesburg (South Africa).

Qalati, S.A., Vela, E.G., Li, W., Dakhan, S.A., Hong Thuy, T.T. and Merani, S.H., 2021. Effects of perceived service quality, website quality, and reputation on purchase intention: The mediating and moderating roles of trust and perceived risk in online shopping. *Cogent Business & Management*, *8*(1), p.1869363.

Riboldazzi, S., Capriello, A. & Martin, D., 2021. Private-label consumer studies: A review and future research agenda. *International Journal of Consumer Studies,* 45(4), pp. 844-866.

Sansone, M., Musso, F., Colamatteo, A. & Pagnanelli, M. A., 2021. Factors affecting the purchase of private label food products. *British Food Journal,* 123(3), pp. 1207-1222.

Solin, A. and Curry, A., 2023. Perceived quality: in search of a definition. *The TQM Journal*, *35*(3), pp.778-795.

Song, L., Suri, R. & Huang, Y., 2023. Inferring quality from price: the effect of stereotype threat on price–quality judgments. *European journal of marketing,* 57(5), pp. 1442-1466.

Statista , 2023. *Population distribution in China in 2023, by five-year age group.* [Online] Available at: https://www.statista.com/statistics/1101677/population-distribution-by-detailed-age-group-in-china/ [Accessed 03 March 2025].

Steenkamp, J. B. E., 2024. What is holding private label back in the United States and in emerging markets?. *Journal of Retailing,* 100(1), pp. 56-69.

Stylidis, K., Wickman, C. & Söderberg, R., 2019. Perceived quality of products: a framework and attributes ranking method. *Journal of Engineering Design ,* 31(1), pp. 37-67.

Tasci, A. D. (2021). A critical review and reconstruction of perceptual brand equity. *International Journal of Contemporary Hospitality Management*, *33*(1), 166-198. https://doi.org/10.1108/IJCHM-03-2020-0186

ISSN 2959-6130

Volles, B. K. V. K. A. & Geuens, M., 2023. Triggering brand switching in online stores: The effectiveness of recommendations for private labels versus national brands. *Journal of Business Research,* Volume 164, p. 114020.
Wu, X., Xiong, J., Yan, J. & Wang, Y., 2021. Perceived quality of traceability information and its effect on purchase intention towards organic food. *Journal of Marketing Management,* 37(13-14), pp. 1267-1286.
Zhang, Z. et al., 2021. How to compete with a supply chain partner: Retailer's store brand vs. manufacturer's encroachment. *Omega,* Volume 103, p. 102412.

Appendix-Gantt chart