

# COMPARISON OF PERCEPTION OF PRIVATE LABELS BETWEEN STUDENTS STUDYING IN THEIR PLACE OF RESIDENCE AND STUDENTS STUDYING OUTSIDE THEIR PLACE OF RESIDENCE

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# COMPARISON OF PERCEPTION OF PRIVATE LABELS BETWEEN STUDENTS STUDYING IN THEIR PLACE OF RESIDENCE AND STUDENTS STUDYING OUTSIDE THEIR PLACE OF RESIDENCE

## ABSTRACT

In order to be more successful and achieve higher profits, supermarket chains have recognized and used the possibility of creating their own brands. Creating private labels, modeled after manufacturer's products, enables differentiation from competitors, market competition, sales growth by accumulating new buyers and gaining their loyalty. In recent years, the trend of private label consumption in the Republic of Croatia has grown and positive perception has been created. Apart from lower price, which has been the most significant advantage, buyers' perception has lately been focused on the benefit with regard to their investment. As the private label is bought by various consumer categories, this paper focuses on the segment of students. The aim of this paper is to research how a place of study in relation to the place of residence of students has an impact on the perception of private labels. The primary research was conducted on two groups, namely students studying outside their place of residence and students studying in their place of residence aged from 18 to 26. Furthermore, the study analyzes students' shopping habits, the influence of other individuals on students in the final decision on buying as well as preferences of the respondents to a particular private label.

**Keywords:** Private label, students, buying habits, making the final purchase decision

## 1. Introduction

Students have always been a specific consumer group. Given that they are of legal age, they feel independent, but in most cases, they are supported by their parents. The most common form of support is for parents to give a monthly allowance to their children, i.e. to the students. As students differ from one another by relationship between the place of studying and the place of residence, factors that also differ are their spending habits, making the final buying decisions and the perception of the products available to them.

The assumption is that students studying in their place of residence live in the parental home, i.e. in a household with their parents and therefore their responsibilities and obligations to the household are significantly smaller, and the cost of studying is lower. On the other hand, students who are studying away from home spend most of the year in a rented apartment or a dorm and they are taking the responsibilities and obligations of that household. Also, students who are studying in their home town have smaller amounts of money at their disposal that are directed mainly to the personal needs, while students studying outside their place of residence usually dispose with a larger amount of money that is spent primarily on the rent, utilities, food and other household goods, and then on the personal needs.

Therefore, the assumption of this research is that the situation between place of studying and residence affects students' consumption, perceptions and habits while purchasing, and seeks to determine the extent to which the place of residence during the study affects consumption, perceptions and habits while purchasing.

The assumption is that consumers of smaller purchasing power, which students belong to, resort to the purchase of private labels because of their significantly lower price compared to other brands of the same product or manufacturer. The research sought to determine the differences in the perception of private labels between students studying in the place of residence and students studying outside their place of residence and their preference in the purchase of private labels.

The study hypothesis is the following: students studying outside their place of residence have a better perception of private labels and are more inclined to purchase private labels compared to students studying in their place of residence.

## 2. Methodology

There is some secondary research that determines and shows consumption trends of private labels and current perception of private labels on the market. Currently, the only data available is the data on the general state of private labels on the Croatian market, without specifications for individual groups. However, as this study closely determines the focus group which is researched, it was highly unlikely to find studies that deal with similar topics.

Primary research was conducted in order to determine the differences of the two groups in the perception of the private labels and how their lifestyle or housing/residence specifications affect their habits while purchasing and making the final purchase decision.

Primary research was conducted through an online questionnaire created using the Google Disc platform. The questionnaire was anonymously filled by respondents who belong to the aforementioned groups, i.e. students of both sexes aged from 18 to 26. The questionnaire was filled out by a total of 155 respondents. The study, using questionnaires, divided the respondents into two groups: students studying outside their place of residence and students studying in their place of residence.

The questionnaire consisted of:

- Closed-ended questions, with the possibility to mark only one answer
- Closed-ended questions, with the possibility to mark more than one answer
- Likert scale questions, or marking level of liking among the respondents
- Open-ended questions, where the respondents completely independently offered an answer.

The intention was to find the best way to obtain honest answers by asking different types of questions so the answers of respondents would be relevant for the research.

The first part of the questionnaire sought to determine the specifications of the respondents, which were used to determine further assumptions set by the hypothesis of the research. The determined data were on the age and gender of the respondents, followed by the place of studying and place of residence of students, and the source of income of the respondents.

The second part of the questionnaire dealt with purchasing habits, making purchasing decisions, the perception of the private labels in general and the specific, existing private label brands present on the Croatian market. A key part of this study was comparing the two defined groups based on the above factors.

### 3. Research results

#### 3.1 Secondary research results

##### 3.1.1 Trend of private labels consumption

The latest survey on private labels on the Croatian market was conducted in 2012/2013 and showcased some very interesting results. "The Best Buy Award survey for 2012/2013 showed that 76% of Croatian citizens bought a private label and 8% think that they will start buying private labels. The survey, conducted by the Centre for Market Research GfK, showed an increase of the purchase and use of private label products in comparison to conventional brand products and found that the economic crisis and recession significantly affected the spending habits of Croatians. A very interesting fact is that today already 76% of Croatian citizens buy private labels, it is equally impressive as the data from the Best Buy Award research that 59.5% of respondents stated that private labels are, on average, the same level of quality as the classic "brands" and as many as 9.3% of respondents believe that private labels are of higher quality than classic "brands". In addition, 31.3% of respondents pointed out that private labels are, on average, lower quality products. Of all respondents, 59% stated that private labels today are bought because these products offer approximately the same level of quality as well as classic brand products, or manufacturer's brands, but they offer a lower price. At the same time, 17% of respondents stated that private label products are bought today because of the crisis, or recession, which forces

them to buy such products, but as soon as the crisis is over, they will return to the classic brand products. A small number of respondents, 8.1% reported that they do not buy private labels, but think that they will start buying" (Kale, 2012).

Due to the increased investment of retailers in the quality and packaging, intensive promotion and emphasizing the positive characteristics of private labels, consumers are choosing to buy private labels. When they first appeared, private labels represented substitutes for producer brands. But today, thanks to all the visible innovations that chain stores pay a lot of attention to, they have become a serious competitor to the manufacturer's brands.

##### 3.1.2 The comparison of attitudes towards private labels and their consumption

The rise in popularity of private labels with Croatian consumers is particularly noticeable when the latest results are compared with those of Best Buy Award research in 2010 and 2011. In the latest Best Buy Award research in July 2012, 76% of respondents said they bought private labels, while in a similar survey in September 2010, 66.6% of consumers claimed that they bought private label of retail chains.

"The Best Buy Award survey for 2012/2013 shows a significant increase in consumption of private labels in 2012, compared to the previous researched 2010. It may be noted that the respondents have a positive opinion of the private labels and that the trend of their consumption is on the rise, partly due to the improvement of their quality, partly because of the economic situation in the country and the world.

Comparing the results of the private labels in 2010 and 2012/2013, we can see increasing dominance of Konzum together with its private label K-Plus, but also the popularization of new private labels that consumers haven't recognized or used few years ago. In 2010 Croatian consumers have cited only two private labels in a significant percentage: K-Plus (28.3%) and Clever (5.5%), while today six private labels are referred to in percentage greater than 4% (K Plus, Konzum, Kaufland, Clever, Lidl, Interspar)" (Kale, 2012).

### 3.1.3 Trends in private label advertising

Often the question is why private labels are cheaper than the original producer's products. Recently, there was a positive trend of buying private labels by end customers. Private labels are cheaper due to lower investments in marketing and advertising, and savings are made in distribution and marketing costs, but that does not necessarily mean that they are of lower quality. "In the very beginning of market placing, these products were not of good quality. But as time has passed and the competition increased, so the composition of these products got better and better", said Marijan Katalenić from the Croatian Institute for Public Health. As time passes, even more retail chains go into the development of their own private labels and so today there is almost no large retail chain without its own private brand. Even though the emphasis on selling and consumption of private labels is higher, advertising of private labels is still in its infancy. Due to lower prices of competitors, private labels are constantly invested in, so their recognition is achieved by quality and practical packaging. Sophisticated product lines, bold design and original packaging of private labels have put a higher pressure on branded manufacturers.

"As the premium private labels are becoming more common, retailers are trying to raise them to a higher level. It seems that the contribution of experts is an increasing opportunity for private labels of retailers; a product line with the signature of a famous chef can really improve the perception of the product with consumers. The origin and quality of the ingredients are increasingly important because customers often associate the origin of products with the premium label. Therefore, retailers actively search for the best quality ingredients so that their private labels could provide customers an added value and differ from the others" (Winkelman, 2012).

Although advertising of private labels is not as present in Croatia as in other countries due to opinion of lower price generated from savings in marketing, foreign retailers have recognized the importance of branding and investing in private labels. Therefore, they invest in advertising to acquire customers and build brand awareness.

As the competition on the consumer goods market intensifies each day, retailers increasingly invest in television advertising with campaigns which promote individual product lines of their private label and the entire corporate brand in general. By building the personality of their private label and adopting marketing solutions used by competitors, retailers achieve significantly higher levels of customer acquisition and loyalty.

As the trend of investing in private labels has started, we cannot discard the possibility that soon intensive investing in advertising of private labels will come to Croatia, at least in the cheaper versions. The days when private labels were just a substitute for branded products are behind us. Today, more than ever, private labels are an integral part of retailer's corporate brand and its communication with its buyers. Innovation and advertising are at the core of private labels development, but other, equally significant elements, such as formulation of the composition, origin of products and packaging, shouldn't be forgotten. As a result of these developments, for the branded manufacturers it is essential to nurture the brand and keep the loyalty of their customers. To make buyers buy a private label, they first must be informed of its existence, and that means that the private label needs its marketing or adequate promotion and advertising as its integral part. Large budgets for TV advertising are not immediately necessary, because advertising, like guerilla advertising, gives results and informs the consumers. In addition to advertising, basic communication tools for communication are available for each retailer, and those are packaging, design of the product and retailer's stores. How the product looks on the shelf, where it is, how it is structured, with what kind of promotional material, all these are communication elements which can attract the buyer.

### 3.2 Primary research results

The research was conducted on a total of 155 respondents. Respondents were anonymous, answering through an online questionnaire, giving all the answers in the comfort of their homes. Of the total number of respondents, 39% were male (61 respondents), and 61% were female (94 respondents). The demographic structure of the sample is shown in Table 1.

**Table 1 Demographic structure of the sample**

| Characteristics:              | Number of respondents | Percentage |
|-------------------------------|-----------------------|------------|
| <b>Gender</b>                 |                       |            |
| Male                          | 61                    | 39%        |
| Female                        | 94                    | 61%        |
| <b>Age</b>                    |                       |            |
| 18-20                         | 45                    | 29%        |
| 21-23                         | 88                    | 57%        |
| 24-26                         | 22                    | 19%        |
| <b>Residence</b>              |                       |            |
| In place of studying          | 55                    | 35%        |
| Outside the place of studying | 100                   | 65%        |

Source: Authors

It can be seen (Table 1) that nearly two thirds of respondents are studying outside their place of residence. The respondents, according to the criterion of the place of study and place of residence, were grouped into two groups that were compared to each other.

### 3.3 Researched groups and their specifications

As it was previously stated, groups that are researched in this paper are students which differ by one main characteristic, and that is the place of studying in regard to place of residence. Based on that criterion, respondents are divided into two groups:

- Students studying outside their place of residence, i.e. students who do not share their household with their parents
- Students studying in their place of residence, i.e. students who share their household with their parents.

The assumption of main difference between these two groups of students/respondents is the amount of money they handle during a period of one month and the way they handle their money, in regard to their needs and priorities. Both groups are primarily supported by their parents, but there is a difference in spending, considering the place of studying in regard to place of residence.

#### 3.3.1 Students studying outside their place of residence

The representatives of this group are individuals who have temporarily moved from their place of residence, i.e. parental home, with the purpose of studying at university, or acquiring a higher education degree. Representatives of this group are meeting new obligations or expenses that they have to deal with independently. These expenses include rent, utilities and supplying for a new, their own household with needed groceries and other household and hygienic necessities. Even though in this situation, in most cases, members of this group have more funds at their disposal, their spending priorities are changing and therefore there is a different distribution of funds than there was before. Furthermore, the perception of consumption is changing, as well as purchasing habits and making the final purchase decision.

This group consists of 100 out of total of 155 respondents. From 100 respondents who study outside their place of residence, 33 respondents are male, and 77 respondents are female. Age groups of respondents are presented in the following table (Table 2).

**Table 2 Age of respondents studying outside of their place of residence**

| Age     | Number of respondents | Percentage |
|---------|-----------------------|------------|
| 18 - 20 | 31                    | 31%        |
| 21 - 23 | 58                    | 58%        |
| 24 - 26 | 11                    | 11%        |

Source: Authors

48% of respondents of this group have more than one source of funds. Respondents could mark more answers while answering this question, which leads to a percentage sum larger than 100%. An overview of the sources of funds of this group is as follows:

- Parents: 79% of respondents
- Scholarship: 38% of respondents
- Freelance student job: 19% of respondents
- Part-time student job: 8% of respondents
- Full-time student job: 4% of respondents
- Part-time job: 2% of respondents
- Full time job: 3% of respondents
- Other (internship, pension, student loan): 2% of respondents
- Two sources of funds: 41% of respondents
- Three or more sources of funds: 7% of respondents.

The most common combination of double funds source is a combination of parents and scholarship, which is the case for 30% of respondents, and combination of parents and some form of student job (freelance, part-time or full-time student job), which is the case for 16% of respondents.

Furthermore, the important characteristic of this group is accommodation in the place of studying. The research showed the following:

- 44% of respondents live in a student dorm
- 35% of respondents live in a rented apartment
- 13% of respondents live in their own apartment
- 6% of respondents live in relative's home
- 2% of respondents marked the option "Other", without any further clarification.

Furthermore, the research stated additional accommodation information in the place of studying, in terms of sharing a household. The research showed the following:

- With a roommate – 66%
- With a brother or a sister – 13%
- Alone – 7%
- With a boyfriend or a girlfriend – 7%
- With relatives - 1%
- Other – 6%

According to this research, a representative of this group would be a female aged from 21 to 23, who lives in a student dorm with a roommate in the place of studying. During her studies she is supported by her parents, and receives a scholarship.

### 3.3.2 Students studying in their place of residence

Representatives of this group are individuals, i.e. students who are studying in their place of residence. In other words, it could be said that representatives of this group haven't left their "parent's nest". This is the main characteristic by which they differ from the previously stated group. As representatives of this group live with their parents, the assumption is that parents take care of paying the rent, utilities, buying groceries and other household and hygienic necessities.

Due to this living situation, representatives of this group handle with smaller amounts of funds, but these funds are spent primarily and exclusively on their needs. These needs are secondary needs, as their primary needs, by Maslow's hierarchy of needs, physiological and safety needs have been fulfilled. Because of that, representatives of this group channel their funds to fulfill other, secondary needs. Their perception is not significantly changed, as well as their buying and process of making a final purchase decision.

This group consists of 55 out of the total of 155 respondents. From 55 respondents who study in their place of residence, 28 respondents are male, and 27 respondents are female. Age groups of respondents are presented in the following table (Table 3).

**Table 3** Age of respondents studying in their place of residence

| Age     | Number of respondents | Percentage |
|---------|-----------------------|------------|
| 18 - 20 | 14                    | 26%        |
| 21 - 23 | 31                    | 56%        |
| 24 - 26 | 10                    | 18%        |

Source: Authors

58% of respondents in this group have more than one source of funds. Respondents could mark more answers while answering this question, which leads to a percentage sum larger than 100%. An overview of the sources of funds of this group is as follows:

- Parents: 73%; 40 respondents
- Scholarship: 20%; 11 respondents
- Freelance student job: 33%; 18 respondents
- Part-time student job: 5%; 3 respondents
- Full-time student job: 4%; 2 respondents
- Part-time job: 7%; 4 respondents
- Full-time job: 10%; 5 respondents
- Other (internship, pension, student loan): 8%; 4 respondents
- Two sources of funds: 51%; 28 respondents
- Three or more sources of funds: 7%; 4 respondents.

As in the previous group, the most common combination of double funds source is a combination of parents and some form of student job (freelance, part-time or full-time student job), which is the case for 31% respondents, and combination of parents and scholarship, which is the case for 13% of respondents.

According to this research, a representative of this group would be a male aged from 21 to 23, who studies in his place of residence and lives with his parents. During his studies he is supported by his parents, and he is earning additional allowance by taking freelance student jobs.

### 3.3.3 The comparison of two groups

For simpler comparison, the stated results of the research are presented in the following table. The group of students studying outside their place of residence can be found in the S1 column, and the group of students studying in their place of residence can be found in the S2 column.

**Table 4 Respondent's funds sources by groups**

| Funds source  | S1  | S2  |
|---|-----|-----|
| Parents   | 79% | 73% |
| Scholarship   | 38% | 20% |
| Freelance student job   | 19% | 33% |
| Part-time student job   | 8%  | 5%  |
| Full-time student job   | 4%  | 4%  |
| Part-time job   | 2%  | 7%  |
| Full-time job   | 3%  | 10% |
| Other (internship, pension, student loan)                             | 2%  | 8%  |
| Two sources of funds  | 41% | 51% |
| Three or more sources of funds  | 7%  | 7%  |
| Parents + scholarship   | 30% | 13% |
| Parents + student job (freelance, part-time or full-time student job) | 16% | 31% |

*Source: Authors*

### 3.4 Buying habits, making the final purchase decision and private labels perception

This part of the research was focused on the subject of going to the store, and habits during shopping, particularly regarding private labels. As in the previous chapters, each group will be separately presented, and the results will be compared afterwards.

As 70% of decision making happens in the store (Brajković, 2014), habits of going to the store were also researched. Basic information, such as frequency of going to the store, company while going to the store and the average amount of a receipt, says a lot about a consumer and his or hers decision making process.



### 3.4.1 Habits of going to the store of students who study outside their place of residence

Students who study outside their place of residence handle their household responsibilities independently or perhaps with a help from their roommate. Consequently, the assumption is that their habits of going to the store significantly differ from students who study in their place of residence.

The research found that frequency of going to the store is as follows (Table 5):

**Table 5** Frequency of going to the store of students who study outside their place of residence

| Going to the store    | Number of respondents | Percentage |
|-----------------------|-----------------------|------------|
| Every day             | 16                    | 16%        |
| A few times a week    | 43                    | 43%        |
| Once a week           | 38                    | 38%        |
| Less than once a week | 3                     | 3%         |

Source: Authors

As a result, it could be concluded that representatives of this group in their occasional trips to the store buy more groceries and necessities in order to stock up for a few days to avoid repetition of going to the store.

Building upon frequency of going to the store, the average receipt amount is important information. The assumption is that representatives of this group, due to their habits of going to the store, have a smaller number of receipts, but with a larger sum spent, instead of more receipts with smaller amounts spent, which would happen by going to the store every day.

- The amount of 100 HRK has been set as an approximate amount for shopping and the research determined the frequency of 100 HRK receipt occurrence as follows:
- The amount of receipt is always higher than 100 HRK – 3%
- The amount of receipt is mostly higher than 100 HRK – 20%
- The amount of receipt is occasionally higher than

100 HRK – 49%

- The amount of receipt is rarely higher than 100 HRK – 21%
- The amount of receipt is never higher than 100 HRK – 7%

As a recommendation from a friend or a family member has a high influence in decision making process, the research determined how often people have company while going to the store. Friends and family members give recommendations and their opinions, even in the store, and they are undoubtedly an important part in determining buyer's habits. The research showed as follows:

- 50% of respondents go to the store alone.
- 21% of respondents go to the store in the company of friends.
- 9% of respondents go to the store in the company of roommates.
- 8% of respondents go to the store in the company of a boyfriend or a girlfriend.
- 8% of respondents go to the store in the company of a sibling.
- 2% of respondents marked „Other“, without any further specification.

Furthermore, the research questioned which person makes the final purchase decision, which is as follows:

- 73% of respondents make the final purchase decision independently.
- 9% of respondents make the final purchase decision in agreement with their roommate.
- 8% of respondents make the final purchase decision in agreement with their boyfriend or girlfriend.
- 6% of respondents make the final purchase decision in agreement with their sibling.
- In case of 2% of respondents, the final purchase decision is made by their sibling.
- In case of 1% of respondents, the final purchase decision is made by their roommate.
- 2% of respondents marked the answer „Other“.

According to their new responsibilities which the representatives of this group have taken over, decision making is undoubtedly one of them, which they use to show their independence.

### 3.4.2 Habits of going to the store of students who study in their place of residence

Students who study in their place of residence are still in their parent's „nests“, which means that the parents still bear most of household responsibilities. Due to those circumstances, their habits of going to the store and buying habits are significantly different from the other group.

The research found that frequency of going to the store is as follows (Table 6):

**Table 6** Frequency of going to the store of students who study in their place of residence

| Going to the store    | Number of respondents | Percentage |
|-----------------------|-----------------------|------------|
| Every day             | 8                     | 14%        |
| A few times a week    | 23                    | 44%        |
| Once a week           | 15                    | 27%        |
| Less than once a week | 9                     | 15%        |

Source: Authors

As a result, it could be concluded that representatives of this group in their occasional trips to the store buy more groceries and necessities in order to stock up for a few days to avoid repetition of going to the store.

Building upon frequency of going to the store, the average receipt amount is important information. The assumption is that representatives of this group, due to their habits of going to the store, have a smaller number of receipts, but with a larger sum spent, instead of more receipts with smaller amounts spent, which would happen by going to the store every day.

The amount of 100 HRK has been set as an approximate amount for shopping and the research determined the frequency of 100 HRK receipt occurrence as follows:

- The amount of receipt is always higher than 100 HRK – 7%
- The amount of receipt is mostly higher than 100 HRK – 35%

- The amount of receipt is occasionally higher than 100 HRK – 47%
- The amount of receipt is rarely higher than 100 HRK – 11%
- The amount of receipt is never higher than 100 HRK – 0%

As recommendation of parents, friends and other family members has a high influence on final purchase decision, the research determined how often people have company while going to the store. Friends and family members give recommendations and their opinions, even in the store, and they are undoubtedly an important part in determining buyer's habits. The research showed as follows:

- 53% of respondents go to the store alone.
- 22% of respondents go to the store in company of parents.
- 15% of respondents go to the store in company of friends.
- 7% of respondents go to the store in company of a boyfriend or a girlfriend.
- 2% of respondents go to the store in company of a sibling.
- 1% of respondents marked „Other“, without any further specification.

Furthermore, the research questioned which person makes the final purchase decision. Unlike the other group, in this group family members are crucial, so the question was differently set. The research showed as follows:

- In case of 56% of respondents, the final decision is made by the mother.
- In case of 33% of respondents, the final decision is a family decision.
- 9% of respondents make the final purchase decision independently.
- In case of 2% of respondents, the final decision is made by the father.

As expected, the mother is taking care of the household. Consequently, the number of respondents who make their final purchase decision is significantly smaller.

### 3.4.3 Perception of private labels by students who study outside their place of residence

In order to determine respondent's familiarity with the subject of this research, the first task was to determine whether the respondents have already bought and consumed private label products. The research showed that 99% of respondents have already bought a private label, which means that respondents are familiar with the subject of this research.

The respondents were asked an open-ended question where they had to present their opinion about private labels. An open-ended question was used in order to get a completely honest answer, without insinuating an answer with provided responses. Even though the answers are various, they have been divided in several categories for transparency. The opinions of students who study outside their place of residence about private labels are:

- 31 respondents think that private labels have satisfying quality with a lower price.
- 20 respondents are satisfied with private labels and think that private labels are great for students.
- 13 respondents often buy private labels because of their lower price.
- 13 respondents think that some private labels are of good quality, and some are not.
- 9 respondents think that private labels are of solid quality.
- 5 respondents think that private labels are of lower quality and are not satisfied with them.
- 5 respondents have no opinion of private labels.
- 4 respondents think that private labels have lower quality and lower price.

It can be concluded that 60% of respondents have a positive opinion about private labels because of price and quality ratio, and tend to buy private labels.

Respondents were presented with private labels of larger store chains, available in the Republic of Croatia, to rate their satisfaction with those private labels. Respondents rated their satisfaction for each private label on a Likert scale. The results present the most used answers for each private label:

- Clever – Billa: mostly satisfied – 32%
- K-Classic – Kaufland: mostly satisfied – 34%
- K-plus – Konzum: mostly satisfied – 50%
- Cien, Crusti Croc, Pilos, W5 – Lidl: fully satisfied – 29%
- Aro – Metro: never bought the private label – 41%
- Plodine – Plodine: neither satisfied nor dissatisfied – 27%
- S-BUDGET – Spar: mostly satisfied – 28%
- Rial – Velpro: neither satisfied nor dissatisfied – 25%

### 3.4.4 Perception of private labels by students who study in their place of residence

In order to determine respondent's familiarity with the subject of this research, the first task was to determine whether the respondents have already bought and consumed private label products. The research showed that 95% of respondents have already bought a private label, which means that respondents are familiar with the subject of this research.

The respondents were asked an open-ended question where they had to present their opinion about private labels. An open-ended question was used in order to get a completely honest answer, without insinuating an answer with provided responses. Even though the answers are various, they have been divided in several categories for transparency. The opinions of students who study in their place of residence about private labels are:

- 15 respondents think that private labels have good quality with a lower price.
- 14 respondents are satisfied with private labels.
- 7 respondents think that private labels are of solid quality.
- 7 respondents think that private labels have lower quality and lower price.
- 5 respondents think that private labels are of lower quality and are not satisfied with them.
- 4 has no opinion about private labels.
- 3 respondents think that private labels have lower quality and lower price.

It can be concluded that 65% of respondents have a positive opinion about private labels because of price and quality ratio.

Respondents were presented with private labels of larger store chains, available in the Republic of Croatia, to rate their satisfaction with those private labels. Respondents rated their satisfaction for each private label on a Likert scale. The results present the most used answers for each private label:

- Clever – Billa: neither satisfied nor dissatisfied – 31%
- K-Classic – Kaufland: never bought the private label – 31%
- K-plus – Konzum: mostly satisfied – 42%
- Cien, Crusti Croc, Pilos, W5 – Lidl: never bought the private label – 24%
- Aro – Metro: never bought the private label – 35%
- Plodine – Plodine: mostly satisfied – 27%; never bought the private label – 27 %
- S-BUDGET – Spar: mostly satisfied – 31%
- Rial – Velpro: never bought the private label – 42%

#### 4. Discussion

The research was intended to show if there is a difference in private label perception between students who study outside their place of residence and students who study in their place of residence.

It appears that the hypothesis „students studying outside their place of residence have a better perception of private labels and are more inclined to purchase private labels compared to students studying in the place of residence“ does not hold.

The research showed that private label perception and tendency to buy private labels is actually similar for both groups. In the same way, habits of going to the store do not differ very much between these two groups. The most significant difference is the process of making final purchase decision where the housing situation, i.e. household members, have higher influence on students who study in their place of residence.

Although the hypothesis has not been confirmed, the results of this research are surprising. A significant disproportion in opinions and perceptions of these two groups was expected, due to the difference in their housing situation. But, as the research showed, their opinions are very similar. Building upon this research, a new assumption arose. The assumption is that lifestyle has a higher influence on buying habits than housing situation. As students life, compared to other lifestyles, is very specific, we can assume that is the reason why there is no greater difference between these two groups in private label perception and buying habits.

#### 5. Conclusion

Private labels have been present on the Croatian market for a longer time and they had a slow rise in their market share until the recession came. With the long period of recession, consumers had to find ways to lower their expenses, and they developed a tendency to buy private labels. Subsequently, private labels became a profitable business, leading to more and more store chains having even more than one private label.

As the competition of private labels grew, additional investments in products and their packaging have been made. That has led to the development of premium private labels, which have occupied a significant part of the market and have a rise in sales.

The research attempted to show if there is a difference in private label perception between students who study outside their place of residence and students who study in their place of residence, assuming that students who study outside their place of residence will be more careful with their funds, due to new costs. The assumption was greater tendency towards buying private labels among students who study outside their place of residence.

The research showed there is no difference between these two groups. Private labels today have a large share on the Croatian market, and thanks to their quality and price ratio, they satisfy more than 60% of respondents. Furthermore, their buying habits are not significantly different, even though their housing situation is very different. That leads us to a conclusion that lifestyle has a greater influence on private label perception than the housing situation,

i.e. relationship between place of studying and place of residence. Subsequently, it would be interesting to research and define the impact of other factors (e.g. level of education, lifestyle) on private label perception and tendency to buy private labels available on the Croatian market.

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## USPOREDBA PERCEPCIJE TRGOVAČKIH MARKI IZMEĐU STUDENATA KOJI STUDIRAJU U MJESTU PREBIVALIŠTA I KOJI STUDIRAJU IZVAN MJESTA PREBIVALIŠTA

### SAŽETAK

Kako bi bili što uspješniji i ostvarili veće profite, trgovački lanci su prepoznali i iskoristili mogućnost kreiranja vlastitih marki. Stvaranje trgovačkih marki, po uzoru na marku proizvođača pojedinoga proizvođača, omogućuje diferenciranje od konkurencije, tržišno nadmetanje, povećanje prodaje pridobivanjem novih kupaca i dobivanjem njihove lojalnosti. U Republici Hrvatskoj, posljednjih godina, povećava se trend potrošnje trgovačkih marki i stvara pozitivna percepcija. Osim niže cijene, kao najvažnije prednosti, percepcije potrošača sve se više usmjeravaju i na korist koju ostvaruju s obzirom na uloženo. Kako trgovačku marku kupuju različite kategorije potrošača, u radu je naglasak dan na studentskoj populaciji. Cilj je ovoga rada istražiti kako mjesto studiranja u odnosu na mjesto prebivališta kod studentske populacije ima utjecaj na percepciju o trgovačkim markama. Primarno se istraživanje provodilo na dvjema skupinama ispitanika, a to su studenti koji studiraju izvan mjesta prebivališta i studenti koji studiraju u mjestu prebivališta u dobi od 18 do 26 godina. Također, istraživanjem su analizirane navike studenata pri odlasku u kupovinu, utjecaj pojedinih osoba na studente pri donošenju konačne odluke o kupnji te preferencije ispitanika prema pojedinoj trgovačkoj marki.

**Ključne riječi:** trgovačka marka, studenti, navike pri kupovini, donošenje konačne odluke o kupnji