

# Australian study: Store brands battle quality perceptions

March 19 2012

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Store brands now account for more than 22 per cent of supermarket sales in Australia yet consumers are still wary about their quality, new research has found.

According to Drs Mauricio Palmeira and Dominic Thomas from Monash University's Department of Marketing, consumers' perception of the [quality](#) of store-branded goods is influenced by whether or not there is a "value" brand in the same product range as a "premium" brand.

“The research focused on assessing the impact of a second store brand positioned at a different quality level on consumers' expectations and decisions,” Dr. Palmeira said.

Store brands first emerged as cheaper alternatives to national brands. Now as the supermarkets increase the number of store-brand items on their shelves - and introduce "premium" options - they have to overcome years of thinking that store brands are of a lower quality.

“The results of our studies highlighted the retailers’ difficulty in breaking these associations, as participants demonstrated insensitivity to a retailer’s positioning of its range of premium store-brand items,” Dr. Palmeira said.

“The premium ranges, focusing on quality and selectivity, were met with the same low expectations of quality and price as those of the value-for-money range.”

The researchers also looked at any changes to the perception of the quality of a premium product when a value store brand was introduced.

“We examined order effects of a value store brand being added to the range. When a premium store brand is the first brand rolled out it is perceived as a value brand, but later when a cheaper store brand is added to the range, it increases the profile of the premium brand.”

Following the initial blind testing, the consumers were then provided with the actual names and descriptions of the store brands resulting in a rise in the perceptions of quality of the premium store brand.

The research also highlighted the need for retailers to increase their communication about their store brands to [consumers](#), with a majority of participants saying they were largely unaware of price and quality difference.

“Having two store brands did not automatically have customers thinking that one is a premium brand,” Dr. Thomas said.

“As the major supermarket chains look to increase their range of store-brand items, they need to communicate better to their customers to increase the perception of quality of their premium store brands and therefore sales.”

Provided by Monash University

Citation: Australian study: Store brands battle quality perceptions (2012, March 19) retrieved 25 April 2024 from <https://phys.org/news/2012-03-australian-brands-quality-perceptions.html>

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