Uniqueness, Social Image & Home Country Origin Important To Consumers For Own Brand Products

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With UK supermarket Sainsburyâ€™s recently launching its biggest own-label campaign to date, it is no surprise that its own label sales are continuing to grow at twice the rate of branded goods.Â No longer the poor relation, own label food products are the rising stars of supermarket shopping.Â So what can brands do to fight back?Â New research published in the latest issue of the Journal of Product and Brand Management by global academic publisher, Emerald Group Publishing, reveals just what motivates a customer to change loyalties. And itâ€™s not just the price â€“ social image, perceived quality, and perhaps surprisingly, country of origin all strongly influence consumer buying behaviour.

Brand managers within the food industry have traditionally prioritized a quality image in their efforts to build strong brands. But with only 20% of consumers willing to pay a price premium for a brand based on its perceived quality alone, there are reasons to believe that product quality is losing its strength as a competitive tool. Â

This latest research develops an understanding of the driving forces behind consumer packaged food and why consumers want to pay more or less.Â In a survey of household food purchasers aged between 20 and 74,, the research studied the brand image of three staple foodstuffs representing fresh, frozen and dried foods with a market leading brand, a leading copycat private label and leading discount own label.

The results found that three brand image factors stand out as particularly strong price premium determinants: uniqueness, social image and home country origin.Â In all but the dried foods, the country of origin was the third strongest factor, with consumers responding to a product or a brand more favourably if it has a positive country-of-origin image.Â Corporate social responsibility (CSR) is significant but among the weaker aspects regarding its impact on customers' willingness to pay a price premium.Â This should raise some concerns for CSR brands, which due to higher costs of production need to charge a premium price. Â

Johan Anselmsson of the School of Economics and Management, Lund University, Sweden and one of the authors of the study, comments: â€œIn our view, the important role of social image is the most novel finding in the present study.Â It shows that the images that drive loyalty are not necessarily the same as those that drive price premium. This suggests the importance of distinguishing between brand associations that drive price premium and others that drive loyalty. We urge both researchers and managers to be more precise on what the objective of building a strong image should be, to obtain a price premium, loyalty or bothâ€•.

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