PRIVATE LABELS IN CHINA – CASE STUDIES OF RT-MART AND ICA

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Abstract
Private labels have been developing in Europe for a long time, but China is still in the primary stage. Compared with the developed countries, Chinese retail enterprises, especially supermarkets, have a lower level of their private label development. With the expansion of Chinese retail business, private labels have been adopted by more and more enterprises.

However, the existing supermarkets’ private labels are not well known to Chinese consumers. The purpose of this study is to compare the different opinions regarding private labels from Chinese young consumers and Swedish young consumers towards RT-Mart and ICA respectively. Both the Chinese supermarket RT-Mart and the Swedish supermarket ICA have a large number of stores and quite a lot of influences in the local area.

This study uses a case study method to study from the perspective of the consumer. This paper first introduces the background of private labels, and then analyzes the actual situation of ICA and RT-Mart. From the consumer perspective, we studied the different ideas of young consumers in two countries on their private labels. The analysis is based on young consumers of different nationalities.

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Keywords: Private Labels (PLs), RT-Mart, ICA, China, Sweden, Retail
# Table of contents

1 Introduction .................................................................................................................. 1
  1.1 Background ........................................................................................................ 1
    1.1.1 Definition and evolution of private labels ....................................................... 1
    1.1.2 Benefit of private labels to retailers ............................................................... 1
    1.1.3 The state of private labels around the world ................................................... 2
    1.1.4 Attitude towards private labels ....................................................................... 2
  1.2 Purpose and research question ............................................................................... 3
  1.3 Delimitations ........................................................................................................ 3

2 Theoretical framework ................................................................................................ 4
  2.1 Model of private label purchase intention ............................................................. 4
  2.2 Factors influencing private label levels in different product categories .................. 6
  2.3 Loyalty ................................................................................................................ 7

3 Method ....................................................................................................................... 8
  3.1 Research design- Case study design and comparative design ............................... 8
  3.2 Research strategy ................................................................................................ 10
    3.2.1 Questionnaires ............................................................................................... 10
    3.2.2 Interviews ..................................................................................................... 10
  3.3 Data collection ...................................................................................................... 11
  3.4 Data analysis ........................................................................................................ 12
  3.5 Credibility ........................................................................................................... 12
  3.6 Ethics ................................................................................................................... 12

4 Result ......................................................................................................................... 13
  4.1 Swedish Interview ............................................................................................... 13
    4.1.1 Basic information ......................................................................................... 13
    4.1.2 Opinions towards ICA’s private label products ............................................... 13
    4.1.3 Degree of trust towards ICA’s private label products ...................................... 14
    4.1.4 Opinions and advice towards private labels in China ..................................... 14
  4.2 Swedish Questionnaire .......................................................................................... 14
  4.3 Chinese Interview ............................................................................................... 18
    4.3.1 Basic information ......................................................................................... 18
    4.3.2 Opinions towards private label products of RT-Mart ..................................... 19
    4.3.3 Degree of trust towards private label products of RT-Mart ............................. 20
  4.4 Chinese Questionnaire ......................................................................................... 20

5 Discussion .................................................................................................................. 26

6 Conclusion .................................................................................................................. 29
  6.1 Further research .................................................................................................. 30

Reference ....................................................................................................................... 31
Appendix 1 .................................................................................................................... 35
Appendix 2 .................................................................................................................... 37
Appendix 3 .................................................................................................................... 39
Appendix 4 .................................................................................................................... 40
1 Introduction

In this chapter, we introduce the definition and evolution of private labels (PLs), the benefit of private labels to retailers, the state of private labels around the world. The research purpose and main question are stated.

1.1 Background

1.1.1 Definition and evolution of private labels

Private labels (PLs), also called store brands, are products produced by, or in the name of the distributor and sold under the distributor's own name and store (Morris, 1979). Private Label Manufacturers Association (PLMA), which is a non-profit organization founded in 1979, gives us a more official definition that “Private label products encompass all merchandise sold under a retailer's brand. That brand can be the retailer’s own name created exclusively by that retailer. In some cases, a retailer may belong to a wholesale group that owns the brands that are available only to the members of the group” (Paché, 2007).

Store brands, private brands (Lombart and Louis, 2016), owned brands, retail brands (Binninger, 2008) and private label brands (Hyman, Kopf and Lee, 2009) are synonymous with private labels. In this article, we use “private labels (PLs)”. Opposed to it is/they are national brands or manufacturer brands which are owned and managed by the manufacturer, such as Nike, Coca-Cola. Here we use manufacturer brands (MBs).

Private labels originated in the UK. In 1868, Sainsbury's, a large British food retailer, launched its private label brand. In 1904, a chocolate private label was also introduced by Geoffroy Guichard who was the owner of Casino in France (Paché, 2007). In the ensuing decades, private labels developed mainly in Britain and France, with a small market and almost entirely reliant on manufacturer brand products from reputable manufacturers to attract customers (Ma, 2001). At the end of the 1970s, as the European economy was depressed, Carrefour decided to relaunch its private label strategy and succeeded. Since then the use of private brands has started to grow in Europe and America (Paché, 2007). In the early stage of private labels’ development, as manufacturer companies availed of high-profile advertising and intensive commercialized activities to establish manufacturer brands, retailers had been dominated by manufacturers. After decades of integration, private labels become more and more competitive, even having a leading role over manufacturer brands across Europe (Cuneo, Lopez and Jesus Yagüe, 2012).

Since 1992, western retailers have entered China (Jiang and Zheng, 2007). Private labels attracted wide attention after the introduction of chain-store operations (Pan and Xu, 2009). Hence, private labels in China are just in the initial stage in the 2010s.

1.1.2 Benefit of private labels to retailers

Private labels can bring higher gross margins than manufacturer brands, particularly high-market-share private labels. The lower wholesale cost, the less expenditure on research and development (R&D), product launch (such as slotting fee), selling, and image-building, and little chance of internal competition in the same store are three main reasons why private labels can get higher profit margins. Meanwhile, it reduces the risk of a dramatic decrease in profits when some manufacturer brand fails (Hyman et al., 2009). The emergence of private labels has improved the bargaining power of retailers towards manufacturers (Cuneo et al., 2012; Hyman et al., 2009). Retailers operate private labels in a
low-cost way, and they produce highly competitive products that are similar to manufacturer brand products and reduce the competitiveness of the manufacturer brands. So, manufacturers of manufacturer brands may offer retailers preferential prices.

Private labels can bring strategic benefits to retailers (Cuneo et al., 2012). For example, the distinct market positioning by private labels is a strong strategy for retailers to differentiate store image from one another (Hyman et al., 2009). Martinez-López et al. (2015) refer to the research of Richardson, Jain, & Dick and Vahie & Paswan that there is a positive correlation between store image and private label image. It can cultivate store loyalty of consumers and get more. Moreover, the lower price can appeal to price-sensitive consumers (Hyman et al., 2009).

1.1.3 The state of private labels around the world

The development of private labels has grown rapidly in a global world. A study by the company ACNielsen (2014), a global marketing research firm, states that the sales of private labels are much higher in developed regions, like Europe, North America and Australia, than in developing regions. In terms of private-label development in Europe, the value share is the highest in the world with 45%. This is followed by Australia’s 20% share. The European share is almost three times that of North America’s share of 16.5%.

An article from the company Planet Retail RNG (2012) mentions that the private label penetration at global grocers in markets such as China, India and Vietnam are relatively lower than 10%. Lupton, Rawlinson and Braunstein (2010) state that marketing in China has been behind the United States for about 30 years in understanding how to use consumerism and modern marketing techniques and strategies to develop private labels.

Some of the world’s best-known retailers are mentioned by the Private Label Manufacturers Association (PLMA) and the Shanghai Private Label Specialty Committee (2016) in China, such as Walmart, Carrefour, Auchan and Metro. Chinese retailers include Lianhua, RT-Mart, Jingkelong and Vanguard. Although private labels have been growing for ten years in China, the average proportion of private labels in market shares is still low, only between 3% and 5%, and some of the retail companies’ market shares are higher (Shen, 2017).

1.1.4 Attitude towards private labels

According to PLMA, there is increasing interest in private label brands in Europe and Central Europe. Consumers in Britain, France, and Spain know their private labels very well. In fact, the data show that Europeans under 26 are the most enthusiastic supporters of private labels. Consumers appreciate high-quality private labels and can even accept them as good as manufacturer brands (Lupton et al., 2010).

Lupton et al. (2010) found a statistically significant difference between U.S. and Chinese respondents about the beliefs and perceptions of private labels.

The sales of private labels in the United States have grown, surpassing many manufacturer brands, private labels now account for 20% of all units’ sales in the grocery stores in America. They also make up a large percentage of supermarket sales (Thompson, 1999) ranking second in unit market share. This might be because consumers are looking for ways to save costs and are aware of the improved quality of retailer’s private label products.
Lupton et al. (2010) found that in China, consumers think Chinese private labels are not as good as the manufacturer brands. In addition, Chinese respondents either do not know retailers’ private label products or do not recognize their private labels. They also comment that Russian consumers are not very loyal to private labels either.

1.2 Purpose and research question

The purpose of this research is to understand the purchase intention of private labels based on the opinions of both Chinese young people and Swedish young people. Under the current situation, the value share of private labels in China, which is much lower than that of Europe, still has space to increase. We hope that the finding may give some advices to Chinese retailers through the comparison.

The research question is stated as followed:
*What are the differences in opinions between Chinese young customers and Swedish young customers regarding private labels?*

1.3 Delimitations

Since private labels not only develop in the supermarket industry, but also in other areas, such as clothing industry: H&M, furniture industry: IKEA (Kumar and Steenkamp, 2007). Our study mainly discusses private labels in the supermarket industry, so it does not apply to other industries.

This research is conducted in young people, so the results will only present the opinions of young people, not people of other ages. Two fairly equal supermarkets in each country have been chosen in this study. The markets of private labels we explore are RT-Mart in China and ICA in Sweden.

However, it’s not only about these two supermarkets. The study is a case study or multiple case studies, so the finding could be used to understand other similar cases. The number of respondents is limited and it’s not a random sample which is also the limitation.
2 Theoretical framework

In this chapter, we base on a model of PL purchase intention and add some other knowledge from literatures and articles which will be used to analyze the information we got.

2.1 Model of private label purchase intention

Lin, Marshall and Dawson (2009) propose a model based on theory of reasoned action to dedicate how familiarity with the private label (PL) influence the PL attitude via other perceptual variables such as price consciousness, perceived PL quality and perceived PL risk and how PL attitudes influence consumers’ purchase intention of PL.

Figure 2-1 A proposed model of private label purchase intention from Lin et al. (2009)

In the figure:
H1 (+) means that Familiarity with PL enhances Perceived Quality.
H2 (-) means that Familiarity with PL decreases Perceived Risk.
H3 (+) means that Familiarity with PL enhances Price Consciousness.
H4 (+) means that better Perceived Quality has a positive impact on PL Attitude.
H5 (-) means that higher Perceived Risk has a negative impact on PL Attitude.
H6 (+) means that Price Consciousness enhances PL Attitude.
H7 (+) means that positive PL Attitude enhances PL Purchase Intention.

Familiarity

Familiarity is an important determinant for consumers to evaluate whether private label products meet the need of consumers. Consumers will not consider brands without familiarity (Dick et al., 1995). One stereotype is that a low price is associated with low quality. Familiarity can help consumers realize that the reason of the lower price of a private label is reducing the operation cost instead of sacrificing the quality of product. So, they may not usually use price to indicate the quality of a product further. Familiarity has a positive impact on perceived quality.

The other stereotype is that consumers always regard private labels as risky alternatives. According to Horvat (2013), as production is not a primary activity for retailers, sometimes consumers doubt the quality of retailers’ private labels and as retailers do not have the producing experience, they seem to be in charge of all brands and all aspects of management roles. Consumers do not know who manufactured the product under a private label, which would surely increase perceived risk and reduce the likelihood of buying. Furthermore, the high gaps of the price between private labels and manufacturer brands cause doubts on the quality of low-priced private labels. It is easier for consumers to decrease the uncertainty if they are becoming familiar with private label products. So, familiarity can reduce the perceived risk of consumers and has a positive impact on perceived quality. Because of larger familiarity, consumers accept the quality of private brands and will then pay more attention to price benefits afterwards. So, familiarity has a positive impact on perceived consciousness.
Perceived quality
Packaging design and the quality of private label products have a positive relationship with consumer behavior. Introducing premium quality PL products can increase the profitability of PL products. But traditionally, retailers pay less attention to and lack investments in promotion and the quality of PL products (Lin et al., 2009). De Wulf et al. (2005) use blind and non-blind taste testing to try five different orange juice brands. Then they draw the conclusion that private label products have the same or even better quality compared to manufacturer brands.

Perceived risk
The definition of Perceived risk from the website Business Dictionary (No date) is consumer’s level of uncertainty which can influence a purchase decision. Consumers have certain doubts about the product they want to buy, especially expensive items such as computers, houses, and cars. Perceived risk has a negative impact on PL Attitude (Lin et al., 2009). Perceived risk is made up of uncertainty and adverse consequences (Cunningham, 1967). There are five types of perceived risk: functional, financial, social, physical and psychological risk.

Functional risk as the risk that a product will not meet consumer expectations if it is regarded as having inferior quality (Beneke, Greene, Lok and Mallett, 2012). This risk illustrates that a customer will suspect the quality of a product. Customers will measure the quality by handiwork, material, and designs. They conclude there is a strong negative correlation between functional risk and consumers’ purchase intention of private label products.

Financial risk is related to potential monetary loss (ibid.). The risk can be that a product is overpriced if its price does not match its quality. Consumers often use price as a cue of measurement of perceived quality. To minimize a possibility of failure, consumers would like to pay a premium for the assurance of quality.

Social risk is associated to the perception of other individuals about the consumer (Lin et al., 2009). Because of consumers’ trepidation of being negatively evaluated due to their purchase decision, they will not put their social standing at stake if they think their purchase decision can have an important consequence. Dick et al. (1995) find that individuals who think private label products are cheap will be afraid of being judged that they have poor quality perceptions when they buy cheap items. What’s more, Beneke et al. (2012) conclude that social risk varies between different categories. Some private label products such as kitchen rolls, shampoo, toasted bread and canned fish that are not used in a social setting, hence, had little impact on their social status.

Physical risk is most commonly defined that certain products can damage consumers’ health or physically hurt consumers in literatures (ibid.). Semeijn et al. (2004) give an example that producing a fine wine need sophisticated techniques. If products of wine are substandard, they will have a negative effect on consumers’ health. Especially the consumers with children have a significant consciousness about health.

Psychological risk can decrease consumers’ purchase intention of private label products (Beneke et al., 2012). Consumers often feel emotional and psychological stress when they intend to switch from manufacture brands to private labels if the new products have uncertainties. So, it is important to minimize the psychological risks to persuade consumers to try new brands.
Price consciousness

Price consciousness is defined as the degree to which the consumers who are sensitive to the price avoid buying expensive items (MBA Skool-Study.Learn.Share., 2011). It has a positive impact on PL Attitude (Lin et al., 2009). Price conscious consumers prefer to buy cheaper products to achieve the satisfaction of saving money and to reduce the feeling of losing money, which is the reason why price conscious consumers have a positive attitude to private label products and resist paying a high price for manufacturer brands (Dick et al., 1995). This is also called price saving, which is also related to the consumers who have financial constraints (Ailawadi, Neslin & Gedenk, 2001).

Some demographic characteristics influence price consciousness, such as income. The higher the income is, the lower the price consciousness is (Ailawadi et al., 2001). Garretson, Fisher and Burton (2002) refer to María Pilar Martínez-Ruiz and finds that price is important but consumers no longer buy private labels for low price or shopping budget.

Perceived category risk is a negative premise of price consciousness. A consumer may have different degrees of price consciousness in different categories because the perceived risk is different in different categories for a consumer. When people intend to buy expensive products, they will be more price conscious to reduce the risk of purchasing mistakenly (Sinha and Batra, 1999). Garretson et al. (2002) mention that for these kinds of consumers, the lower average price of a private label is, the less attractive the product is. Because they think these cheap products have lower quality.

2.2 Factors influencing private label levels in different product categories

The difference of private label levels in different product categories is influenced by technology, the size and growth of the market, innovation, manufacturer brands, the level of advertising spending, and consumer implication.

If retailers want to develop a private label, they should consider the growth of the market and the possibilities to develop private labels in the presence of a strong manufacturer brand or several strong manufacturer brands, such as Coca-Cola (Rudolph et al., 2012). Market saturation is another factor they should consider, although the category of milk has several distinct features that favor private labels. So, because of consumer demand saturation, sales will grow slowly, if retailers continue to choose one of the traditional commodity-driven products like milk (ACNielsen, 2014).

The technology to develop a private label product should not be sophisticated (Rudolph et al., 2012). For example, the dominant categories of private label products are kitchen towel instead of carbonated beverages, cereal, coffee, and laundry detergent which need sophisticated technologies. ACNielsen (2014) also emphasize on innovation and say that it is difficult for retailers to develop private labels in hair-care products because there are much more new products launched within one year. The hair-care products’ innovation rate is high.

ACNielsen (2014) also mentions another factor which is consumer implication. That means consumers’ purchase decisions influence the retails’ choices that which category of private labels they want to develop. Strong brand preferences and loyalty have been created by significant investment in innovation and marketing. The consumers would like to spend a premium for shampoo. They think it deserves extra money. But other products make
consumers highly sensitive to the price, such as milk. Because in European countries, the switching cost of milk and the risk of purchasing are low, and milk has a fast purchase cycle. The definition of purchase cycle from Business Dictionary (No date) is that “Frequency with which an inventory item is ordered or consumers by a good or service.” So, consumers usually look for the reasonable price of milk. So, private labels are easier to compete with manufacturer brands in the milk market. On the top of that, the heavier promotion of products is, the lower the price differential between manufacturer-brand and private-label products is (ACNielsen, 2014).

Nielsen (2014) mentions the high-purchase categories in different areas. For example, in developed markets like the U.S., Europe, and Australia, private-label sales and shares are strongest in products such as milk, bread and eggs. As for Chinese consumers, Xu (2007) notices that the three types of Chinese consumers' most trusted kinds of supermarkets in private labels are: cooked food, daily supplies, and stationery.

2.3 Loyalty
The concept of loyalty is defined by many researchers. A similarity that Ekström, Ottosson and Parment (2017) summarize from those definitions is that the consumer can be loyal to different objects, such as a store (store loyalty) and/or a brand (brand loyalty) etc.

Two key dimensions of loyalty and their relationship
Loyalty is related to two key dimensions: Behavioral loyalty which means how the consumer acts in relation to a specific object over time, and Mental loyalty which means whether the consumer, for instance, recommend a particular object to others. The true loyalty need is the combination of high behavioral loyalty and high mental loyalty. If the behavioral loyalty is high but mental loyalty is low, the loyalty is spurious. That means repeated behaviors need not be manifestations of loyalty. If a consumer has higher mental loyalty but the behavioral loyalty is lower, the loyalty is latent (Ekström et al., 2017).

Trust
To develop loyalty, a basic level of trust is a primary requirement for the company selling the products. Brand loyalty comes from the fact that consumers try to avoid perceived risk. In other ways, it will also save time for consumers to purchase the same brand as last time (Ekström et al., 2017).

Profitability
Some researchers assume that loyalty is influenced by customer satisfaction. Returning customers can be seen as loyal customers, which can lead to profitability. However, Ekström et al. (2017) also present a discrepancy from other researchers that there is a relatively weak correlation between loyalty and profitability. Some non-loyal customers can make a significant contribution to companies for gaining profits by buying large volumes of products with high margins.
3 Method

In this chapter, we describe the method we choose, the means we design, the manner we hand out the questionnaires and interviews, the way we collect data and how we analyze them. It includes research design part and research strategy part.

3.1 Research design- Case study design and comparative design

As Kumar (2011) mentions, in a case study design, the "case" of the choice is the basis for a comprehensive and in-depth exploration of what you want to know. So, our research is based on case study design and comparative design.

Multi-case studies allow researchers to explore the differences between cases. The goal is to duplicate the findings of the case. Because of the comparison, the case must be carefully selected so that researchers can predict the outcome of similar cases or predict the results of the comparison based on theory (Baxter & Jack, 2008). The purpose of this research is to compare the attitudes of young people both in China and Sweden towards private labels especially in RT-Mart and ICA respectively.

The fundamental case study involves a deep analysis of a single case. A geographical location such as a workplace or organization is the most general term which is utilized in the case study. The feature of a case study is the focus on a specific situation or system, an entity with a goal and functioning parts (Bryman and Bell, 2011). We choose RT-Mart and ICA as the cases we study. Through investigating the attitudes of both Chinese young people and Swedish young people towards these two companies’ private labels, we can get an overall view.

Case 1: RT-Mart

RT-Mart is one of the largest chain supermarkets in China which is spread almost all over the country (as figure 3-1 shows). Figure 3-1 displays the details about the RT-Mart. In the map, the darker the color is, the more stores there exist. However, there is no store in Xinjiang province and Tibet province.

![Figure 3-1 Distribution density of RT-MART in China (Rt-mart.com.cn, 2018)](image-url)
According to the research of Kantar Retail (2017), in the overall rankings of retailers, RT-Mart has topped the list for the second consecutive year. Its competition with Wal-Mart is extremely fierce (the overall ranking gap is only 0.3%). At a strategic level, manufacturers recognize Wal-Mart’s corporate strategy more clearly, at the same time, they also believe that RT-Mart has a more defined brand and image that will lead to better sales and revenue growth for them. Figure 3-2 shows the 2016 overall ranking about the retailers in China.

![Figure 3-2 2016 PoweRanking Overall Ranking (Kantar Retail, 2017)](image)

**Case 2: ICA**

ICA Sweden is the national leading food retailer with approximately 1,300 stores and around 36% market share. Each ICA-shop is run by an independent ICA retailer in partnership with the Swedish ICA organization. They customize concepts and services for local needs. The sales of ICA Sweden were SEK 74,050 million in year of 2016 (Icagruppen.se, 2018). Figure 3-3 demonstrates the number of stores in Sweden.

![Figure 3-3 Distribution density of ICA in Sweden (ICA.se, 2018)](image)
3.2 Research strategy

In this research, we combine a quantitative research strategy and a qualitative research strategy. The main purpose of qualitative research is to describe the changes and multiplicity of phenomena, scenarios or attitudes in a very flexible way in order to find differences and diversity as much as possible, and quantitative research also helps to quantify variations and diversity (Stake, 1995).

Kumar (2011) illustrates that although in a case study you can use a single approach, using multiple methods to collect data is an important aspect of case studies: in-depth interviews, obtaining information from secondary records, gathering data through observation, gathering information through focus groups and group interviews, etc. We combine a questionnaire with interviews to reduce the drawbacks of the two methods. Self-completing questionnaires provide a potential coverage of low-cost, widely distributed populations and a broader coverage of research populations relative to other approaches. This also avoids the prejudice of the interviewer (Meadows, 2003). As an interview is not restricted to a digital application, it averts the low response rate.

3.2.1 Questionnaires

An online questionnaire can collect of data efficiently at a relatively low cost in a short period of time (Robson, 2011). So, the online survey platforms Sojump in China and Google form in Sweden are our best choices. Online surveys can connect people almost everywhere, even in remote areas, reach out to inaccessible participants, and making it easier to collect data, which can reduce our time and effort to investigate (Wright, 2005).

The two questionnaires are designed to be similar, one for Chinese consumers, another one for Swedish consumers, which can provide comparisons on the same questions. In the first part, the questions are all about the basic background of respondents. We deal with the private questions carefully in order not to make people feel uncomfortable. Then ask questions about private labels of RT-Mart and ICA respectively. The pictures of RT-Mart private labels are showed to respondents to test the familiarity with it. To investigate the opinions, we set up the questions from several aspects, such as price, quality and packing. We do not want to waste meaning of any questionnaire, so when respondents do not know much about RT-Mart or ICA's private labels, the questions about other supermarkets' private labels are put forward, so that we can get a comprehensive understanding about private labels. The questionnaire for Chinese respondents is translated to Chinese, and the questionnaire for Swedish respondents is in English.

The questionnaires mainly consist of closed questions and one open-ended question which are designed as easy as possible to understand and answer. Dichotomous survey questions, image choice type questions, multiple choice survey questions, rating scale questions and a rank order scaling question are in this questionnaire. In order to enhance the response rate of Chinese respondents, we give a red packet which is an envelope with one RMB in return.

3.2.2 Interviews

Additionally, we make a semi-structured interview with consumers to get a deeper understanding. Interviewing is a common way to collect information from people. The interviewer attempts to get information, beliefs or opinions from another person through an interview which is an oral communication, usually, face-to-face communication, although the phone may be used (Kumar, 2011). Interviews can be good at collecting useful in-depth information because interviewees can talk about their thoughts more freely and we can
explain some details to interviewees. However, interviewing is a time consuming and expensive work, so we just choose some people to interview.

The interviews are structured more freely compared to the questionnaires. Basic information questions about respondents are designed as well. The main part of the interview is then about details of private labels in RT-Mart and ICA. The questions are about the perception of the products and the factors that affect the respondents purchase intention.

In the Chinese interview, we ask interviewees more direct questions like to what extents they know about the private labels and which brand they will choose if the options are private labels and manufacturer brands. Furthermore, we also wonder what factors will affect their minds when they buy it, so we have a question that asks them what other reasons are important to their buying behaviors.

In the Swedish interview, we also ask the questions above. What’s more, considering that some interviewees may have been to China and have experiences from a Chinese supermarket, we ask some special questions about private labels in China to them. We want to know if they notice the private labels in Chinese supermarkets and ask interviewees to give several pieces of advice for retailers in order to develop private labels in China.

Both Chinese and Swedish interview questions are shown in Appendix 3 and Appendix 4 respectively

3.3 Data collection

Questionnaires

Before the formal investigation, we made a pre-test which can test the readability for respondents. We posted the two questionnaires for a week from Feb 27th on the Internet. Snowball sampling is used to disseminate the questionnaires easily. The link to Sojump used for researching Chinese people was spread mainly on WeChat (social communication application). Firstly, we sent out the questionnaire to our friends and relatives, and then asked them to hand it further to their acquaintances. We also posted the questionnaire on the social networking sites like Weibo and Zhihu, to try to let more people know about our work and help us finish it.

When we distributed questionnaires to students in Sweden, we not only used the online sharing method but also invited young people in the street and university campus to participate in the questionnaire survey. In this way, we can get the answers from participants quickly and increase the speed of collecting data.

The distribution of the questionnaire in two different countries was determined by the proportion of the distribution of RT-Mart in China and the distribution of ICA in Sweden. So, 100 questionnaires were planned to be distributed in Sweden and 200 questionnaires from China were expected. The data can be collected automatically by Sojump and Google form, which can provide a primary overview of the answers.

Interviews

We interviewed both Chinese young people and Swedish young people whose ages are between 18 and 28. Convenience sampling is a low-cost way to select respondents who are near and accessible. The interviews lasted about 15 to 20 minutes. We conducted face-to-face
interviews with eight Swedish and four Chinese respondents, and other four Chinese respondents were interviewed through video. We recorded the interviews and took notes.

3.4 Data analysis

Questionnaires
The target of our research is young people both in China and Sweden, young people we define from 18 to 28 years old. When we get the information, we check the response rate and validity first. And then we eliminate invalid questionnaires including the wrong age groups and answers not followed in right structure. Excel documents from Sojump and Google form were downloaded. The variables we need were sorted out. SPSS and Excel are used for analysis.

Interviews
Firstly, we classify the questions into four categories. The first is the cognition of RT-Mart/ICA’s private labels. The second is the opinions towards RT-Mart/ICA’s private label products. The third is the degree of trust towards RT-Mart/ICA’s private label products. The last is opinions and pieces of advice towards private labels in China. We present the results from the Chinese and Swedish respondents separately. And then we integrated a common view of the result.

3.5 Credibility

When the questionnaires were sent out, we did not limit the age of our respondents. We posted a questionnaire on the website of Sojump and Google form, so everyone had the opportunity to answer our questionnaire, even if they have never been to RT-Mart or ICA. This could have an adverse effect on the credibility of the results and analysis. Therefore, in the analysis part we excluded questionnaires that did not meet requirements regarding age. We also considered some factors related to consumer behavior issues such as age, gender, and other factors. Also, if some respondents haven’t understood the questionnaires, it could lead to some inaccurate information.

3.6 Ethics

To protect the rights of our research participants, we use three principles which are pointed out by Trochim (2006). To stick to the principle of voluntary participation, we ask the participants for permission to interview and record the interview content. Before the start of an interview, we illustrate what kind of questions we will ask. Other two standards we have followed are the principle of anonymity and confidentiality. We have guaranteed the participants that their information is confidential. All the names of the interviewees have been exchanged.
4 Result

In this chapter, we summarize the interviews through the notes we took and recordings we made and analyze the results of the questionnaires.

4.1 Swedish Interview

4.1.1 Basic information

There are 8 respondents in total. The date we interviewed was from February 20 to 22. We sum up with the basic information listed by the order of interview date, to be seen in Table 1. The categories they would like to buy are also shown in the table. Regarding consumer behavior, there is one respondent never buys ICA’s private label product, so we decided to drop it away. If it separated by gender, there is just two females and six males.

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Hometown</th>
<th>Cognition</th>
<th>Frequency</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obasi</td>
<td>Male</td>
<td>Karlskrona</td>
<td>Know</td>
<td>2-3 times a week</td>
<td>Cheap and necessary stuff</td>
</tr>
<tr>
<td>Aart</td>
<td>Male</td>
<td>Halmstad</td>
<td>Know</td>
<td>Twice a week</td>
<td>Eco like vegetarian, not basic</td>
</tr>
<tr>
<td>Abbas</td>
<td>Male</td>
<td>Vaxholm</td>
<td>Know</td>
<td>Twice a week</td>
<td>Never in ICA</td>
</tr>
<tr>
<td>Tad</td>
<td>Male</td>
<td>Partille</td>
<td>High recognition</td>
<td>2-3 times a week</td>
<td>Food like vegetarian and pasta, cheap things</td>
</tr>
<tr>
<td>Sammi</td>
<td>Female</td>
<td>Borås</td>
<td>Know</td>
<td>3 times a week</td>
<td>Hygiene food, frozen food like vegetables, fruits</td>
</tr>
<tr>
<td>Nannie</td>
<td>Female</td>
<td>Borås</td>
<td>Know</td>
<td>3-4 times a week</td>
<td>Food like vegetable, bread, coffee</td>
</tr>
<tr>
<td>Maggie</td>
<td>Male</td>
<td>Gothenburg</td>
<td>Know</td>
<td>every two days</td>
<td>Food like cheese and meatballs, cheap things</td>
</tr>
<tr>
<td>Carita</td>
<td>Male</td>
<td>Ljungskile</td>
<td>Know</td>
<td>almost every day</td>
<td>Depend on products</td>
</tr>
</tbody>
</table>

As the chart shows, all the respondents know the ICA’s private label and Tad knows it very well. He not only thinks it is common to be seen in the supermarkets but also understands the meaning of private labels.

The other replies of the interviews can be grouped into three parts as following:
- The opinions towards ICA’s private label products.
- The degree of trust towards ICA’s private label products.
- Opinions and advices towards private labels in China.

4.1.2 Opinions towards ICA’s private label products

In this part, we discuss several specific aspects of ICA’s private label products, such as price, quality, packaging and distance. When talking about these four sides, people have different answers. Obasi thinks the price and quality are hard to define but generally it is fine, while the packaging is important. Nannie also thinks sometimes packaging will influence her buying decision, but the quality is as good as others. Tad has more opinions about this. He thinks the packaging was not creative previously but now all are at the same level as others, which means he is satisfied with the packaging. He also points out that good packaging may indicate good quality while bad packaging means bad quality. Sammi and other respondents do not
mind the packaging, what they focus is a reasonable price and good quality. As for distance, Tad claims that it is a very important reason for him when he goes to a supermarket, the closest one is always his priority. In addition, Obasi mentions this as well. Since the ICA is the nearest supermarket, he will go there without any doubts. Some other interviewees also refer to the distance when they answer how often they will shop in ICA.

When asking about the other factors that may affect their buying behaviors, they provide various answers. Carita and Obasi think the distance to the shop is quite important and everyone likes to choose the closer stores. In Sammi’s opinion, the habit is a strong reason because she gets used to the supermarket that her family goes to often and she thinks it’s worthy to trust the brand. From the perspective of Tad, he thinks there are a big variety of products in ICA than others, which makes it more attractive to him.

### 4.1.3 Degree of trust towards ICA’s private label products

In comparison to other supermarkets, Tad thinks the quality of Coop (another Swedish supermarket chain) is better than ICA, which is followed by Willys (another chain). He also likes shopping in the same market and believes that shopping in many different places is a time-consuming thing. But he does not agree that he is loyal to ICA, just considering the price like bonus and discounts rather than the brand itself. In other ways, Obasi thinks the price of Coop is more expensive. When asking the loyalty about ICA, different participants show different attitudes. Obasi told us he trusts ICA’s brand. He thinks ICA has better products. Another factor he mentions is that he has grown up around ICA. In other ways, his families who have loyalty to ICA influence him too much. He also has loyalty to some ICA’s private labels, for example he likes to buy soda of ICA’s private label. Nannie will buy the private label products if she tries before and know it has the good quality, but usually she will buy the manufacturer brand products.

### 4.1.4 Opinions and advice towards private labels in China

Some of the participants we surveyed know RT-Mart, but all of them do not know any private labels of RT-Mart. Aart thinks the major obstacle to recognizing private labels of RT-Mart is language. When we mentioned the market of private label products is not successful in China, which also could be another obstacle except the language, Tad thinks it would be hard for Chinese private label products striving in China among those similar cheap kinds of stuff. Carita also holds the same point about that.

Some of them give good pieces of advice for Chinese’s retailers to develop private label products. Sammi thinks it is not good to put the price so low. Because the price is always regarded as a signal of products’ quality. To let consumers know that the high quality of private label products is better than people think, Aart advised, it would be better to put the private label products in a well-marked place. And according to Sammi’s words, letting customers have the chance to taste private label products, for instance once a week, may also improve the private labels in the supermarkets. Besides, Abbas suggested the supermarket to use an internal system to measure the level of private label products by using points. The most important thing as Aart mentioned is to increase propaganda power and put more focus on their private labels.

### 4.2 Swedish Questionnaire

There were 84 questionnaires collected from Swedish young people, and 12 questionnaires were excluded as the focus was people between the age of 18 and 28. Here are the results of the remaining 72 questionnaires:
**Question 2 and 4: Correlation between gender and cognition of private labels**

As the table showed, there is no obvious difference regarding gender. Among 72 respondents, 37 respondents are men, 35 are women and nobody choose the alternative other. As for males, 70.3% know PLs and 29.7% do not know PLs. In the same way, 80.0% of females know PLs and the rest 20% do not know PLs. Overall, 75.0% of the respondents know PLs while 25.0% do not know it. So according to the data we collected we can clearly see that most people in our research know the concept of PLs.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Count</th>
<th>% within Gender</th>
<th>Count</th>
<th>% within Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>26</td>
<td>70,3%</td>
<td>11</td>
<td>29,7%</td>
<td>37</td>
</tr>
<tr>
<td>Female</td>
<td>28</td>
<td>80,0%</td>
<td>7</td>
<td>20,0%</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>75,0%</td>
<td>18</td>
<td>25,0%</td>
<td>72</td>
</tr>
</tbody>
</table>

**Table 2: Correlation between gender and cognition of private labels (Sweden)**

**Question 5: Buying frequency**

The following table 4 shows the buying frequencies of the participants in ICA. According to the table we can see that the highest number of respondents, who choose to go to the supermarket two or three times a week, is 52, which is approximately 72% of all the respondents, what’s more, the percentage is almost 7 times than that of the percentage who buys everyday or 2-3 times a month. Besides, compared to most respondents, only two respondents choose to go less than once a month. And it is obvious that all the respondents have the experience about shopping in ICA with different degrees.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everyday</td>
<td>7</td>
</tr>
<tr>
<td>2-3 times/week</td>
<td>52</td>
</tr>
<tr>
<td>2-3 times/ month</td>
<td>8</td>
</tr>
<tr>
<td>Once a month</td>
<td>3</td>
</tr>
<tr>
<td>Less than once a month</td>
<td>2</td>
</tr>
<tr>
<td>Never</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
</tr>
</tbody>
</table>

**Table 3: Buying frequency (ICA)**

**Question 6: Purchase PLs in ICA**

Table 5 shows the proportion of respondents who have experiences of buying private label products in ICA. Almost all the answers, 70 respondents have experiences of shopping private label products in ICA, which account for about 97% in the result. As for the rest, only two respondents choose “never bought the private label products in ICA”.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
</tr>
<tr>
<td>Everyday</td>
<td>7</td>
</tr>
<tr>
<td>2-3 times/week</td>
<td>52</td>
</tr>
<tr>
<td>2-3 times/ month</td>
<td>8</td>
</tr>
<tr>
<td>Once a month</td>
<td>3</td>
</tr>
<tr>
<td>Less than once a month</td>
<td>2</td>
</tr>
<tr>
<td>Never</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
</tr>
</tbody>
</table>
Table 4: Purchase PLs in ICA

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bought it</td>
<td>70</td>
<td>97.2%</td>
</tr>
<tr>
<td>Never bought it</td>
<td>2</td>
<td>2.8%</td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Question 7-11: Perceived quality, price, packaging, trust degree and recommended intention (ICA)**

A total of 70 respondents answered the questions 7 to 11. For the quality of ICA’s PLs, no one feels bad. Only 4 respondents (5.7%) think it is not good, and most respondents (44.3%) think it is good. Respondents who think the quality is normal account for 31.4% (22 respondents). About the price, 5 respondents (7.1%) feel it is very cheap, most respondents (31.4%) think it is high. So, more respondents (70%) think ICA’s own brand is not cheap. Only 2 respondents (2.9%) think ICA’s PLs are bad in packaging, 16 respondents (22.9%) think it is not good. Most respondents (35.7%) think it is normal. In general, respondents think the packaging is good. For ICA, no one completely distrusts ICA. 17 respondents (24.3%) are highly trusted with ICA, and 17 respondents remain neutral. But there are six respondents who don’t really believe it. In general, ICA is trusted by most respondents. For ICA’s PLs, 43.5% respondents are willing to recommend them to others, and only one of the participants has a negative attitude about ICA’s PLs and is reluctant to recommend them.

Chart 1: Perceived quality (ICA)

Chart 2: Perceived price (ICA)

Chart 3: Perceived packaging (ICA)

Chart 4: Trust degree (ICA)
Question 18: Why do you not buy any private label products? (Sweden)

This question is only answered by two respondents. The reason why they do not buy any private label products is that they think its quality is low.

Question 19: Ranking of factors influenced your buying private labels (Sweden)

This is a rank order scaling question, and the respondents need to select at least three options to rank. In order to measure the ranking, we use the following formula to calculate the average value.

\[
\text{Average value} = \frac{\sum \text{Frequency} \times \text{Weight}}{\text{Number of respondents}}
\]

Frequency represents the number of times this option is selected. Weight is determined by the location of the options. We set the first option weight to 6, the second option weight to 5, the third option weight to 4, and so on. Table 5 demonstrates the result.

Table 5: Average scores of ranking (Sweden)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Average scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quality</td>
<td>4.77</td>
</tr>
<tr>
<td>2. Price</td>
<td>3.79</td>
</tr>
<tr>
<td>3. Near home</td>
<td>3.6</td>
</tr>
<tr>
<td>4. Trust</td>
<td>2.28</td>
</tr>
<tr>
<td>5. Packaging</td>
<td>1.07</td>
</tr>
<tr>
<td>6. Other</td>
<td>0.44</td>
</tr>
</tbody>
</table>

The result shows that the respondents put the highest emphasis on Quality in the overall ranking, followed by Price and Near home. Trust and Packaging are less important. Regarding to other considerations, the respondents talk about some factors like ecological products, fair trade and environmental sustainability. They also mention that they prefer to local manufactures when it possible.
**Question 20: Correlation between gender and option of PLs VS MBs**

The data shows that the most respondents (about 36.1%) choose “MBs”, of which 15 are males and 11 are females. The number of respondents who choose “PLs” and “I do not know” is 25 (approximately 31.9%). The reason for choosing “MBs” can be summed up into three thoughts. One is that manufacturers have a longer history and they are more trustworthy. Respondents think that MBs are closer to producers which have sole product line whereas there are many different types of PLs. Manufacturer brand products look better and have better quality.

However, some respondents think that the quality of PLs is better than that of MBs. Some of respondents choose to support PLs. One person writes that he supports ICA directly. They also think the price is low and they always buy PLs.

Among other options, some respondents remain neutral. Many respondents have not thought about this issue. There are other different opinions. Some respondents say that it would probably depend on the packaging. Some respondents will choose the supermarket which is closest to home. Some respondents will not choose products based on brands, but the content. For example, some people care about the amount of fruit in the fruit juice, or the calorie and protein content on the ingredient list.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Count</th>
<th>PLs</th>
<th>MBs</th>
<th>I do not know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td></td>
<td>10</td>
<td>15</td>
<td>12</td>
<td></td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>% within Gender</td>
<td>27,0%</td>
<td>40,5%</td>
<td>32,4%</td>
<td>100,0%</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>13</td>
<td>11</td>
<td>11</td>
<td></td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>% within Gender</td>
<td>37,1%</td>
<td>31,4%</td>
<td>31,4%</td>
<td>100,0%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>23</td>
<td>26</td>
<td>23</td>
<td></td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>% within Gender</td>
<td>31,9%</td>
<td>36,1%</td>
<td>31,9%</td>
<td>100,0%</td>
<td></td>
</tr>
</tbody>
</table>

### 4.3 Chinese Interview

#### 4.3.1 Basic information

There are 8 interviewees in total, as well. We interviewed them from February 15 to March 2. We sum up with the basic information listed by the order of interview, to be seen in table 7. The categories they would like to buy are also shown in the table 7. If it separated by gender, there is just two males and six females. If it separated by the consumer behavior, only one woman never buys RT-Mart’s private label product. Since Wang did not provide some useful information, we decided to drop her answers away.
Table 7: Basic information of respondents (China)

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Hometown</th>
<th>Cognition</th>
<th>Frequency</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wang</td>
<td>Female</td>
<td>Fujian</td>
<td>Do not know</td>
<td>Never</td>
<td>None</td>
</tr>
<tr>
<td>Zhou</td>
<td>Female</td>
<td>Fujian</td>
<td>Know</td>
<td>Less than once a month</td>
<td>Delicatessen (ready-to-serve food)</td>
</tr>
<tr>
<td>Wu</td>
<td>Female</td>
<td>Shanghai</td>
<td>Do not know</td>
<td>1-2 times a month</td>
<td>Chopsticks, delicatessen</td>
</tr>
<tr>
<td>Sun</td>
<td>Female</td>
<td>Shanghai</td>
<td>Know</td>
<td>Less than once a month</td>
<td>Delicatessen and something unimportant</td>
</tr>
<tr>
<td>Chen</td>
<td>Male</td>
<td>Shanghai</td>
<td>Know</td>
<td>Less than once a month</td>
<td>Biscuits, tofu, bean products</td>
</tr>
<tr>
<td>Zhao</td>
<td>Male</td>
<td>Shanghai</td>
<td>Do not know</td>
<td>Less than once a month</td>
<td>Delicatessen, honey</td>
</tr>
<tr>
<td>Yu</td>
<td>Female</td>
<td>Shanghai</td>
<td>Know</td>
<td>2-3 times a week</td>
<td>Delicatessen</td>
</tr>
<tr>
<td>Han</td>
<td>Female</td>
<td>Jiangsu</td>
<td>Know</td>
<td>1-2 times a week</td>
<td>Delicatessen, soy milk powder</td>
</tr>
</tbody>
</table>

The chart illustrates that only half of the respondents know the private label of RT-Mart, and they cannot recognize every logo of private labels. So, they are not familiar with the private labels. We also know that they do not pay attention to private labels through the daily lives.

The other replies of the interviewees can be grouped into three parts as following:

- The opinions towards private label products of RT-Mart.
- The degree of trust towards private label products of RT-Mart.
- Opinions and advices towards private labels.

4.3.2 Opinions towards private label products of RT-Mart

In this part, we discuss several specific aspects with RT-Mart’s private label products, such as price, quality and packaging. When talking about these three sides, interviewees have different answers. Zhao thinks the price is moderate and the quality is ok. But he does not notice the packaging, so he has no idea about that aspect. The rest of the interviewees, except Yu, all think the price is low, and the quality is normal. Yu think the price is really cheap, but the quality is bad.

Yu: Because I bought cleaning products before, the effect was obvious, much worse than other manufacturer brands. I also buy bread at RT-Mart. It's really not good. So, I should not buy its private labels any more.

Zhou thinks the packaging of private labels in RT-Mart is delicate, but not environmentally friendly. While Sun and Wu think packaging is simple. Additionally, Chen notices that packaging of private labels has a unified logo and is unique. However, Yu and Han think packaging is bad.

Han: The milk powder I bought is too transparent to see what is inside. And a bunch of bean milk powder piled up there casually, the packaging is not clean.

Female interviewees show more positive attitudes to good-looking packaging. Males think it is not important, but clean and beautiful packaging appeal to people.
Regarding categories they would like to buy, all of them show the preference of delicatessen. Because they think delicatessen is fresh, and easily value the quality. Beside they are willing to buy chopsticks which are not related to health so much, instead of milk.

4.3.3 Degree of trust towards private label products of RT-Mart

Although most interviewees do not often go to RT-Mart, they all trust it because of its high reputation. So, we conclude 3 attitudes to private labels of RT-Mart.

Chen and Han trust RT-Mart and its private labels, so they will choose whether to buy the product according to the needs and the quality of the product. Zhao trust RT-Mart, but he does not know about private labels. He is too lazy to get to know it. It is more convenient for him to buy other known brands directly. Wu, Sun and Yu trust RT-Mart, but they are not willing to buy private labels of RT-Mart.

Sun: Although I trust the supermarket, I prefer something with a brand. And I have been used to them all the time. Besides, I don't know if the products of private labels are good, so I don't want to take the risk to buy something that I don't know whether they are good or not.

Zhou also trusts RT-Mart, but she thinks RT-Mart's pasta products are too terrible, so she is more willing to go to other supermarkets. So, a good private label product can attract people to come and shop.

4.3.3 Opinions and advices towards private labels.

Most interviewees show their attention on quality, so they suggest to improve the quality. Especially Chen, he thinks that retailers should pay more attention to quality and need to avoid starting a price war. They all believe good quality will attract more consumers to buy. Han mentions that the bad packaging may be associated with low quality, so retailers should improve the packaging to appeal to more consumers. What’s more, she also refers to the displays of the PLs products, it is important for the goods to be in the outstanding positions that will get more attention from the customers. In addition, the hygiene is also another essential part for the products.

Chen: As for me, I will highly recommend the supermarkets to produce the products with the variety species. Because only when you keep seeing the same labels for many times will make you have a deep impression on a certain thing, and after that, people will remember it and begin to try it based on their curiosity.

Yu: It's very important for the retailers to notice that the logo about their private labels should not be too different with their original labels, because it will make consumer confused and cannot have the right judgement towards its products.

4.4 Chinese Questionnaire

Finally, we collected a total of 185 questionnaires from China, of which 14 were excluded because they were not in the age group we surveyed. Therefore, we made further analysis based on the remaining 171 questionnaire information.
Questions 2 and 4: Correlation between gender and cognition of private labels

As table 8 shows, 69 respondents are men, 99 are women, and 3 choose “other”. Among males, 55.1% know PLs, and 44.9% do not know PLs. 54.7% of females know PLs and 45.5% do not know PLs. Overall, 55% of respondents know PLs, and 45% do not know PLs. So, based on the data we collected we can see that only half of respondents know the concept of PLs.

Table 8: Correlation between gender and cognition (China)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Count</th>
<th>% within Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>38</td>
<td>55.1%</td>
<td>69</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>54</td>
<td>44.9%</td>
<td>99</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>2</td>
<td>66.7%</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>94</td>
<td>55.0%</td>
<td>171</td>
</tr>
</tbody>
</table>

Questions 5 and 6: Relation between frequency to RT-Mart and familiarity of PLs

The table illustrates the relationship between the frequency to shop in RT-Mart and the familiarity degree of its private labels. Table 9 indicates that Chinese respondents do not have high familiarity with the private labels in RT-Mart. Only three respondents have high familiarity of private labels in RT-Mart. Most respondents (around 28.1%) go to RT-Mart less than once a month and are also unfamiliar with its private labels, following with 36 respondents (about 21.1%) who have never shopped in RT-Mart before. Respondents who choose “less than once a month” and show low familiarity of private labels, account for around 17% (29 respondents). And the number of respondents with low familiarity of private labels, who go once a month and 2-3 times a month is equal, that is 12 (about 7%).

Table 9: Relation of frequency to RT-Mart and familiarity of PLs

<table>
<thead>
<tr>
<th>Familiarity with PL</th>
<th>Frequency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2-3 times/week</td>
<td>2-3 times/month</td>
</tr>
<tr>
<td>Skip</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totally unfamiliar with PL (RT-Mart)</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Low familiarity of PL (RT-Mart)</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Middle familiarity of PL (RT-Mart)</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>High familiarity of PL (RT-Mart)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>24</td>
</tr>
</tbody>
</table>
Question 7: Have you ever bought any of RT-Mart’s private label products?

Table 10 shows the proportion of respondents who have experiences of buying private label products in RT-Mart before. Most of respondents (97 people) don’t have experiences of shopping private label products in RT-Mart, which account for about 56.7% in the result while 38 respondents choose that they have bought the private label products in RT-Mart. As for the rest, 36 respondents skipped this question because they don’t shop in RT-Mart at all. So, only about 22.2% respondent have bought the private labels in RT-Mart.

Table 10: Purchase PLs in RT-Mart

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skip</td>
<td>36</td>
<td>21.1%</td>
</tr>
<tr>
<td>Bought it</td>
<td>38</td>
<td>22.2%</td>
</tr>
<tr>
<td>Never bought it</td>
<td>97</td>
<td>56.7%</td>
</tr>
<tr>
<td>Total</td>
<td>171</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Question 8-12: Perceived quality, price, packaging, trust degree and recommend intention (RT-Mart) and
Question 15-18: Perceived quality, price, packaging and trust degree (other supermarkets)

Here we combine the perceived quality, price, packaging and trust degree of RT-Mart and other supermarkets together. The number of total respondents is 98 for these questions.

In terms of quality, generally speaking, most respondents (about 49%) feel that the quality is ordinary, and only one respondent thinks it is bad. 6 people (about 6.1%) feel that they are not good. 15 respondents (about 15.3%) think the quality is outstanding, and 34 respondents (34.7%) think private labels have good quality. We can also draw a similar trend by analyzing the respondents of RT-Mart alone. The most respondents (about 44.7%) feel that the quality is regular. Only one respondent thinks it has bad quality. 4 respondents (around 10.5%) think it is not good. About 15.8% (6 respondents) think it is good and 10 respondents (about 26.3%) feel excellent quality. So, only 18.4% of the respondents have a negative attitude towards the quality of RT-Mart’s private labels.

In terms of price, respondents in general think the price of PLs is normal no matter which supermarkets that sell it, with the amount of 42 (about 43.9%). 21 respondents (around 21.4%) think the price is high. The number of respondents who think the price is cheap is 18 (about 18.4%). Among the 38 respondents of RT-Mart, almost 44.7% (17 people) think the price of PLs in RT-Mart is normal. 8 respondents (about 21.1%) think the price is cheap and very cheap. Therefore, whether RT-Mart or other supermarkets more people feel the price of their private labels is not low.

In the chart 9, the trend is in line with last chart, majority respondents (about 41.8%) think the packaging is just fine, of which 16 are about RT-Mart and 25 are about other supermarkets. The second large group (about 29.6%) thinks that the packaging is good. As for “excellent” or “not good”, the number of respondents who think so is 13 and 12 respectively. Of all the respondents, only three participants think it is bad in the packaging of PLs.
As for the trust of consumers, generally most respondents trust private labels of supermarkets. There are 16 out of 98 respondents insist high trust in PLs, with 10 towards RT-Mart and 6 towards other supermarkets. Still many respondents choose to be neutral in this question, which accounts for 33 respondents (about 33.7%). For RT-Mart, it is obvious that 20 respondents (about 52.6%) think private labels are worthy to trust. Of all the respondents, only one respondent chooses totally distrust the PLs in RT-Mart.

In the chart 11, it displays the recommend intention of PLs in RT-Mart. Overall, according to the general feelings towards PLs, 16 out of 38 respondents hold the neutral opinions, which is about 42%. The distribution of recommended and not really recommended is quite equal, with 12 respondents positive and 10 respondents negative.
**Question 19: Why do you not buy any private label products?**

In this question, respondents can choose several options. Respondents who answer this question have never bought PLs. The effective number is 73. We can see “I do not know PL” is chosen most often, which is around 74% (54 people). Approximately 26% (19 respondents) chose “I do not trust PL”. 11 respondents (around 15%) think “Quality of PL is low”. Only one person chooses “Other”. He states that “I don’t pay attention to which products are private labels, so I do not know whether I have bought them or not”.

![Chart 12: The reason why they do not buy PLs (China)](chart)

**Question 20: Ranking of factors influenced your buying private labels**

This is also a rank order scaling question, and the respondents need to select three or more options to rank. We use the same formula to calculate the average value.

Average value = \( \frac{\sum \text{Frequency} \times \text{Weight}}{\text{Number of respondents}} \)

The result is illustrated in Table 11.

![Table 11: Average scores of ranking (China)](table)

We can clearly see that Quality is ranked in first place. The second rank and the third rank are Trust and Price respectively. Respondents don't pay too much attention to Packaging and Near home. About the option of Other, respondents give the similar answer “promotion”. Only one respondent states that she will not buy any private labels, so there are no other factors that are considered.

**Question 21: When there is no big difference between the private labels and the manufacturer brands, will you buy private label products or manufacturer brand products? Why?**

As the table 12 shows, 69 respondents are men, 99 are women, and 3 choose ‘other’.

24
Among males, 30.4% think they will buy PLs, about 36% choose to buy MBs and the rest of 23 respondents think they do not know what exact option they want to choose when they face this situation. As for females, 19.2% choose to buy PLs, about 48% will buy MBs and the rest of 32 respondents think they do not know what they will choose.

When asked the reasons why they make their choices, respondents give different explanations. The respondents who choose to buy PLs, have the thoughts that they usually are cheaper compared to manufacturer brands, some respondents even hold the opinions that the quality of PLs is better than the manufacturer brands. They prefer to trust the brands of supermarkets also because of after-sales service. In particular, there is one person who mentions that she likes the special design of the PLs and maybe it is worth a try.

As for the choice of manufacturer brands, respondents trust more about its pragmatic because of its guaranteed quality and well-known reputation. They also point out that compared to PLs, manufacturer brands can sell in many different places and there is more species in manufacturer brands for consumers to choose. What’s more, respondents will buy it just because of the habits they have already founded for a long time or they may be influenced by other people who exist around them. Unlike the person who thinks PLs has special features, there is another person that thinks it does not.

For the people who do not have a clear decision about whether they will buy PLs or MBs. They think it depends on the different situations, for example, the equality, the mood and the different uses will affect them to choose the different goods. In some females’ views, the good-looking packaging also changes their buying behaviors. For some respondents, they feel that sometimes it is hard to distinguish the bad or good in products, so the cost performance is also hard to measure. There are several respondents who do not care about anything.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Count</th>
<th>Private labels</th>
<th>Manufacturer brands</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>21</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>% within Gender</td>
<td></td>
<td>30.4%</td>
<td>36.2%</td>
<td>33.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Female</td>
<td>Count</td>
<td></td>
<td>19</td>
<td>48</td>
<td>32</td>
</tr>
<tr>
<td>% within Gender</td>
<td></td>
<td>19.2%</td>
<td>48.5%</td>
<td>32.3%</td>
<td>100.0%</td>
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<tr>
<td>Other</td>
<td>Count</td>
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<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>% within Gender</td>
<td></td>
<td>33.3%</td>
<td>66.7%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td></td>
<td>41</td>
<td>75</td>
<td>55</td>
</tr>
<tr>
<td>% within Gender</td>
<td></td>
<td>24.0%</td>
<td>43.9%</td>
<td>32.2%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Table 12: Correlation between gender and option of PL VS MB (China)
5 Discussion

In this chapter, we link the theory what we mentioned in chapter 2 with the results what we analyzed in chapter 4 and discuss the results from five aspects: perceived quality, perceived price, perceived risk, packaging, loyalty, categories of commodities.

When discussing the correlation between gender and cognition of private labels in Sweden (Table 2) and in China (Table 8), we find that a majority of the Swedish respondents know the concept of PLs compared to just half of Chinese respondents who know PLs. Table 4 and table 10 show that the respondents who go to the supermarket to buy PLs in Sweden are much more than that in China. Consequently, it still takes time for China's private labels to develop to keep up with Sweden.

Perceived Quality
The majority of Swedish respondents think the quality of private label products of ICA is good according to Chart 1. Most Chinese respondents think the quality of PLs in RT-Mart is normal (see in Chart 7). The reason some respondents answer on the open Q20 in the Swedish questionnaire why they choose PL when there is no a big difference between PLs and MBs is that the quality of PLs is better than that of MBs. According the conclusion that De Wulf et al. (2005) draw, we can guess that it is trend that the quality level of private label products is increasing steadily in recent years. Based on the theory of Lin et al. (2009), RT-Mart should pay more attentions and do some investments in promotion in order to increase the perceived quality of consumers.

Dick et al. (1995) come up with the relationships among perceived quality, perceived risk, price consciousness, and consumer behaviors. Familiarity has a positive impact on perceived quality. Chart 12 illustrates that around 74% of respondents say the reason why they do not buy any private label products is because they do not recognize PLs. Table 9 which shows the relationship between the frequency to shop in RT-Mart and the familiarity degree towards its private labels also indicates that Chinese consumers do not have high familiarity with private labels in RT-Mart. We find in table 11, the factor which will influence most about their purchasing decision is the quality.

Perceived Price
From the Q8 in the Swedish questionnaire (see Chart 2), it is surprised that most Swedish respondents still think ICA’s PLs are a little expensive likewise and more than one third Chinese respondents also think the price of PLs in RT-Mart is expensive. According to the theory of Dick et al. (1995), when consumers link the price with the quality, they do not trust the private label products of RT-Mart will have a good quality if they are cheap. It is worth for retailers to think some methods to make consumers be familiar with their PLs.

Perceived risk
In Table 12 and Table 6, we ask participants the preferences between PLs and MBs when these two do not have a big difference. There is no extreme preference among PLs, MBs, and the other option from the answer of Swedish responders. The number of Chinese respondents who choose the PLs is about 24.0% while there is 75 (43.9%) respondents choose the option of MBs. The reason can be explained by the theory of Dick et al. (1995): Familiarity has a negative impact on perceived risk. Consumers who do not familiar with private label products
can be related to their perceived risk of purchasing decision. Consumers try to avoid mistakenly buying to prevent undesirable consequences. So, that means consumers will not buy unfamiliar products (Cunningham, 1967).

In this question, about 32.2% of Chinese respondents could not make a decision because some of them say that it depends on different situations. Sinha and Batra (1999) can explain that the perceived riskiness is different in different categories for a consumer. According to Horvat (2013), sometimes consumers doubt the quality of retailers’ private labels because they think retailers who have many categories to develop and they do not have the expertise in a specific product. From the Q20 of the Swedish questionnaire (see in Table 6), few respondents say MBs are closer to producers which have sole product line whereas there are many different types of PLs. In summary, some respondents would doubt the ability of retailers to make their products have a good quality. But Private labels are products produced by, or in the name of the retailer and sold under the retailer’s own name and store (Morris, 1979). That means a retailer who has PLs is only a mediator between markets and industries. So, it is necessary for retailers to help these consumers to enhance the familiarity with the process of free brand production.

Packaging
From the Q20 of the Swedish questionnaire (see in Table 6), some respondents who could not make a choice between PLs and MBs say that it would probably depend on the packaging. We also find that about perceived packaging, the tendency of choices in Chart 9 (Q17 in the Chinese questionnaire) is similar to Chart 3(Q9 in the Swedish questionnaire). That means both Swedish and Chinese respondents think the packaging of PLs in the supermarkets are normal. Lin et al. (2009) emphasize the packaging design positively affect consumer behavior. Some interviewees also say that sometimes packaging will influence their purchasing decision. Improving the design of packaging maybe can increase the sales of private label products.

Loyalty
From a comparison between Table 5 and Table 11, some Chinese respondents think trust is the second factor to influence their purchasing decision of PLs, however trust is not one of primary factors some Swedish respondents considered to buy PLs.

In chart 4 and chart 5 we can know that more than 65% of the respondents in Sweden trust ICA’s PLs and are willing to recommend them to others. However, more than 50% Chinese respondents trust RT-Mart, only 31.57% respondents would like to recommend private label products of RT-Mart to others. Mental loyalty is related to whether the consumers recommend a product to others (Ekström et al., 2017). In summary, that means Swedish participants are more likely to trust and be loyal to PLs of their local supermarkets than Chinese participants through analyzing the results from both questionnaires and interviews.

As mentioned before, repeated behaviors are not manifestations of loyalty (ibid.). Distance is also mentioned by the participants to influence them to go the supermarket we research. One interviewee says the reason to go ICA is that ICA is the nearest supermarket for him. He will choose another nearest supermarket, if he moves to a new place. True loyalty needs high behavioral loyalty and high mental loyalty (ibid.). So, we assume that loyalty of that interviewee is spurious loyalty.

From the Q20 of the Swedish questionnaire (see in Table 6), the reason why some responders say to choose PLs between PLs and MBs is that they want to support ICA. Because we do not
know about their purchasing behavior of ICA’s PLs exactly, we can regard them as latent loyal customers of PLs. Ekström et al. (2017) represent that there is a relatively weak correlation between loyalty and profitability from other researchers. Maybe the company could not gain so many profits from these consumers, but these consumers can help company to develop PLs.

**Categories of commodities**

In Table 1 and Table 7, we ask interviewees what kind of categories of commodities they would like to buy. Most Swedish interviewees would like to buy food of private labels, such as milk, vegetarian and pasta. Most Chinese interviewees would like to buy delicatessen (ready-to-serve food) of private labels. Food products can be seen as having a fast purchase cycle. ACNielsen (2014) states products which have a fast purchase cycle can be considered by retailers to develop into private label products because they have low cost and the risk of purchasing. Only one Chinese interviewee has bought cleaning products but she felt bad quality obviously. According to Rudolph et al. (2012) and ACNielsen (2014), retailers do not use a sophisticated technology to develop a private label product and they also avoid high innovation products. Except delicatessen that Chinese interviewees choose, most of them are unwilling to buy other packaged food products of PLs including milk. Maybe because they do not trust the quality of PLs in China.

In the food category, different foods chosen vary between countries. Chinese interviewees choose tofu and honey, which Chinese people usually eat, instead of cheese and meatballs which are chosen by Swedish interviewees. Nielsen (2014) and Xu (2007) prove that different areas have their own high-purchase categories sometimes.
6 Conclusion

In this chapter, we summarize the conclusions based on the discussion part and some advices for retailer to develop PLs.

According to the study by the company ACNielsen (2014), the proportion of Sweden’s sales of private labels was about 25% which was almost 20 times that of China's share (about 1.3%). Now the PL market share of Sweden is about 31% (Plmainternational.com, 2018), while PL market share of China is between 3% and 5%. There is still a big gap between the two countries.

After the research, we find that most Swedish young respondents are aware of PLs, and many people will buy them. However, only half the Chinese young respondents know PLs and their familiarity with PLs is low. Few of them will buy them. It may be because Chinese retailers do not have the right design on their PLs’ logo. That will make consumers confused and they cannot recognize which one is PLs which also reduce their buying. So, we advise retailers design the logos are more associated with their labels so it will be much easier for consumers to distinguish their products.

In order to increase the familiarity with PLs, we think it would be good to put the private label products in a well-marked place so people can learn better about PLs. Chinese retailers can also give customers a chance to taste and test more times in the quality of private label products.

We also notice that Swedish young respondents prefer the supermarkets that are closer to their houses, while Chinese young respondents are more likely to go the supermarkets they trust. In a result, we suggest Chinese retailers should pay more attentions to build good reputations and gain more consumers.

As for packaging, Swedish young respondents almost do not care about it. While in China, young respondents, especially females, prefer to good-looking packaging products. So, we recommend retailers focus on the functions, beauty and sustainability when they design the packaging, it will be better if they have their own characteristic.

Some Swedish young respondents concentrate on the environmental sustainability when they choose products. But our research in China does not reflect this phenomenon. According to this, we advise Chinese retailers can introduce a series of ecological products, which are both good for health and environments to attract a specific group. Besides, retailers can develop private labels in categories which have a fast purchase cycle and a low degree of innovation, and avoid sophisticated technology, for example categories about food instead of cleaning products and hair-care products. Basically, Chinese retailers should make customers trust the quality of their products.

It's worth to notice that both Swedish young respondents and Chinese young respondents think the PL products are a little expensive to some extents, but they can accept if the quality of products is good. In order to do this, we suggest Chinese retailers to use an internal system to measure the level of private label products by using points and pay more attentions on hygiene and quality.

Up to this point, we compare the opinions of young people in two countries. The find may give some advices to Chinese retailers to improve their private labels in supermarket industry.
6.1 Further research

This case study is aimed at companies in two different countries but in the same field. It is interesting to investigate some similar companies that belong to the retail industry. By comparing the results of these companies, we can know whether this study is applicable to the same industry or not. Another study can be used to compare different businesses. What's more, from the experience of other industries, we can know whether our findings are applicable to other industries, not just supermarkets.
Reference


Appendix 1

Questionnaire about Chinese consumers’ attitudes towards private labels of RT-Mart

This questionnaire is for understanding Chinese young people’s attitudes towards private labels. Thank you for participation.

(Private labels, Private labels (PLs), also called store brands, are products sold under a retailer’s brand which is the retailer’s proprietary name. The manufacturer’s brand is launched by the manufacturer, and it is marketed with its own brand, such as Coca-Cola.)

1. Your age ____
   A. Under 18   B. 18-28   C. 29-35   D. 36-45   E. Over 45

2. Gender
   A. Male   B. Female   C. Other

3. Your personal (or your family’s) income (per month)
   A. Under 3500   B. 3500-5000   C. 5000-8000   D. 8000–12500
   E. 12500–38500   F. 38500–58500   G. Over 58500   H. Other

4. Have you ever heard about private labels?
   A. Yes   B. No

5. How often do you go to RT-Mart?
   A. Everyday   B. 2-3 times/week   C. 2-3 times/month
   D. Once a month   F. Less than once a month   E. Never
   (If you answer E you will be referred to question NO. 13)

6. Do you recognize any of these private labels of RT-Mart (multiple choices)?
   A.   B.   C.   D. I don't know.

7. Have you ever bought any of RT-Mart’s private label product?
   A. Yes   B. No
   (If you answer B you will be referred to question NO. 13)

8. What do you think of the Quality of RT-Mart’s private label products you have bought?
   (1 means lowest, 5 means highest)
   LOW 1 2 3 4 5  HIGH

9. What do you think of the price of RT-Mart’s private label products you have bought?
   (1 means lowest, 5 means highest)
   LOW 1 2 3 4 5  HIGH

10. What do you think of the packaging of RT-Mart’s private label products you have bought?
    (1 means worst, 5 means best)
    BAD 1 2 3 4 5  GOOD
11. Do you trust RT-Mart’s private label products in general? 
(1 means totally distrust, 5 means highly trust) 
   DISTRUST  1 2 3 4 5  TRUST 
12. Would you recommend RT-Mart’s private label products to friends and family? 
(1 means never recommend, 5 means highly recommend) 
   Never recommend  1 2 3 4 5  High recommended 
13. Have you ever bought other companies’ private label products? 
   A. Yes       B. No --->19 
(If you answer B you will be referred to question NO. 19) 
14. Which companies have you bought its private labels? 
   A. YONGHUI SUPERSTORES  B. CR Vanguard  C. Hualian  D. Walmart 
   E. CARREFOUR  F. Lianhua  G. Auchan  G. LOTUS MARKET  H. Other_____ 
15. How do you perceive private label products you have bought in Quality? 
(1 means lowest, 5 means highest) 
   LOW  1 2 3 4 5  HIGH 
16. How do you perceive private label products you have bought in Price? 
(1 means lowest, 5 means highest) 
   LOW  1 2 3 4 5  HIGH 
17. How do you perceive private label products you have bought in Packaging? 
(1 means worst, 5 means best) 
   BAD  1 2 3 4 5  GOOD 
18. Do you trust the supermarket’s private label products in general? 
(1 means totally distrust, 5 means highly trust) 
   DISTRUST  1 2 3 4 5  TRUST 
19. Why do you not buy any private label products? (Multiple choices) 
   A. I don’t know about private labels. 
   B. The quality of private labels is low. 
   C. I do not trust private labels. 
   D. Other_____ 
20. Please rank the factors that influence your buying private labels. Please rank the factors 
that influence on your buying products the most (at least 3 options, give rank 1 to the most 
influencing factor, rank 2 to the second most influencing etc.) 
   Trust of the brand 
   Quality 
   Near home 
   Price 
   Packaging 
   Other_____ 
21. When there is no big difference between the private labels and the manufacturer brands, 
will you buy private label products or manufacturer brand products? Why? 
   A. Private label products. ________ 
   B. Manufacturer brand products. ________ 
   C. I do not know. ________
Appendix 2

Questionnaire about Swedish consumers’ attitudes towards private labels of ICA
This questionnaire is only for understanding the Swedish young people’s attitudes towards private labels. It won’t be involved in your private. Thank you for participation.

(Private labels, also known as store brands, are products sold under a retailer’s brand which is the retailer’s proprietary name. The manufacturer’s brand is launched by the manufacturer, and it is marketed with its own brand, such as Coca-Cola.)

1. Your age _____
   A. Under 18    B. 18-26    C. 27-35    D. Over 35

2. Gender
   A. Male    B. Female    C. Other

3. Your personal income (per month)
   A. Under 20000    B. 20000-40000    C. 40000-60000
   D. 60000-80000    E. Over 80000    F. Other

4. Have you ever heard about private labels?
   A. Yes    B. No

5. How often do you go to ICA?
   A. Everyday    B. 2-3 times/week    C. 2-3 times/ month
   D. Once a month    F. Less than once a month    G. Never --- >12

   (If you answer G you will be referred to question NO. 12)

6. Have you ever bought any of ICAs own products?
   A. Yes    B. No --- >12

   (If you answer B you will be referred to question NO. 12)

7. What do you think of the quality of ICAs private label products you have bought?
   (1 means lowest, 5 means highest)
   LOW 1 2 3 4 5 HIGH

8. What do you think of the price of ICAs private label products you have bought?
   (1 means lowest, 5 means highest)
   LOW 1 2 3 4 5 HIGH

9. What do you think of the packaging of ICAs private label products you have bought?
   (1 means worst, 5 means best)
   BAD 1 2 3 4 5 GOOD

10. Do you trust ICAs private label products in general?
    (1 means totally distrust, 5 means highly trust)
    DISTRESS 1 2 3 4 5 TRUST

11. Would you recommend ICAs private label products to friends and family?
    (1 means never recommend, 5 means highly recommend)
    Never recommend 1 2 3 4 5 High recommended

12. Have you ever bought other companies’ private label products?
   A. Yes    B. No --- >18

   (If you answer B you will be referred to question NO. 18)

13. Which companies have you bought its private labels?
    A. WILLYS    B. COOP    C. Other

14. What do you think of the quality of private label products you have bought?
15. What do you think of the price of private label products you have bought?

16. What do you think of the packaging of private label products you have bought?

17. Do you trust the supermarket’s private label products in general?

18. Why do you not buy any private label products?
   A. I know private labels.
   B. The quality of private labels is low.
   C. I do not trust the manufacturer of private labels.
   D. Other____

19. Please rank the factors that influence on your buying products the most (at least 3 options, give rank 1 to the most influencing factor, rank 2 to the second most influencing etc.)
   Trust of the brand
   Quality
   Near home
   Price
   Packaging
   Other____

20. When there is no big difference between the private label and the manufacturer’s label, which one will you choose? Why?
   A. The private label product. __________
   B. The manufacturer’s label product. ____________
   C. C. I do not know. _______
Appendix 3

Interview for Chinese

1. Have you known about private labels before?
   - If interviewees do not know about, explain private labels to interviewees.
2. Have you shopped in RT-Mart before?
   - If not, do you shop in other supermarkets?
   - Do you know its private labels?
3. Do you know that RT-Mart has its private label products?
   - Do you recognize the logo of private labels?
4. Have you bought private label products of RT-Mart?
5. What kind of categories of private label you would like to buy?
6. What do you think of the price and quality of RT-Mart’s private labels?
7. What do you think about the package in RT-Mart’s private labels? / Is packaging important to you?
8. What the other factors will you consider when you buy private label products?
9. Have you ever bought a product in a supermarket just because it is the supermarket’s brand?
10. What do you think the similarities and differences between RT-Mart and other competitors are?
    - Can private labels be the specialty of RT-Mart?
11. Do you think RT-Mart is superior compared to other competition?
    - Do you think the private labels can be the reason?
12. Private labels and manufacturer brands, which one would you like to choose? Why?
    - Do you trust private labels or the owner of private labels?
    - Do you trust manufacturer brands?
    - Can you trust private labels as much as manufacturer brands?
13. What advices can you give to retailers in China to develop private labels? / What can appeal to you to buy the private label products?
Appendix 4

Interview for Swedish
1. Have you known about private label before?
   - If interviewees do not know about, explain private labels to interviewees.
2. Do you shop in ICA? How often?
   - Besides ICA, have you ever bought any other private label products such as at Willys or Coop?
     - Do you know its private labels?
3. Do you buy ICA’s private labels?
   - Can you recognize the logo of ICA’s private labels?
4. What kind of categories of private label would you like to buy?
5. What do you think of the price and quality of ICA’s private labels?
6. What do you think about the package in ICA’s private labels? / Is package important to you?
8. What the other factors will you consider when you buy private label products?
9. What do you think the similarities and differences between ICA and other supermarkets are?
   - Do you think any of them is better than the others?
10. Have you ever bought a product in a supermarket just because it is the supermarket’s brand?
11. If you compare Private labels of ICA for instance and manufacturer’s labels for instance, which one would you choose?
    - Why?
    - Do you trust ICA?
    - Do you trust private labels as much as manufacturer brands?
12. Have you ever been to China?
13. Do you know about any private label in China?
    - If No: According to research we have found, Chinese private labels haven’t developed so well. What advices can you give to retailers in China to develop private labels?
    - If yes: What do you think about it? What advices can you give to retailers in China to develop private labels?