

The importance of private brands with the Romanian trade

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Abstract: *The main objectives of this paper are the identification of the best-known private brands of some of Europe's largest retailers, Carrefour and Auchan. We also want to highlight the benefits brought by these products on the Romanian market. The determination of the degree of satisfaction felt by the inhabitants of Brasov on the quality level of the price and the assistance of the private brands products was achieved with the help of a quantitative marketing research.*

Key-words: *private brands, retailer, marketing research*

1. Introduction

The brand is one of the fundamental pillars of trade regardless of its spatial and temporal coordinates. Under the conditions of modern trade, characterized as it is by over-dimensioning and over-diversification of the offer, as well as by intensification of competition between producers and traders, the traditional functions of the brand increased, some of them having special meanings.

Brands are powerful entities because they combine rational values (based on product performance) with emotional values. (De Chernatonz, L, 2010).

Successful brands create wealth by attracting and retaining customers (Băltescu, C.A., 2009).

The brand shows consumers the origin of the products or services and gives them a certain degree of confidence about their quality and benefits. Referring both to the essential aspects and the concept of brand value to consumers and their holding companies, Clifton Maughan offers the following definition: "a mixture of tangible and non-intangible attributes, symbolized by a trademark, and which, if properly managed, creates influence and generates value". (Clifton and Maughan, 2000). For better brand management, companies need to understand how the strategy is communicated and implemented to consumers, and how consumers

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respond to it. A study conducted by qualitative research in the field of services shows that there is a concern of managers for "close relations with the client, in which experience and knowledge are accumulated, both on the one hand and on the other, the observance of ethical rules regarding integrity and objectivity in business "[Anton,C.E., 2010].

From the point of view of buyers, the brand is more than just a name or other concrete symbols such as logo, slogan or design. This helps them in choosing the desired product or service, promises them a certain level of quality and lifestyle, reduces risk and increases their confidence when consumers have to choose from a multitude of similar offers. Instead, from the manufacturer's point of view, the brand plays an important role in marketing (product placement and branding). The manufacturer is forced to change the perception of the consumer through innovation through communication and new means of promotion (viral marketing, social-based marketing, creativity at the level of conception).

In other words, the way the brand manages to communicate with current or potential consumers plays an important role. Their perception of commercial messages and skeptical attitude is a real challenge. (Nechita, F., 2012).

The development and modernization of the trade, and the marketing diversification intensified the concern of producers and retailers to expand pre-packaging operations and to give importance to the brand of the product. The aesthetic concept of the brand must take into account the existence of a sensorial complex, causing a manifestation of approval or rejection on the part of every individual's aesthetic sense. This emotional effect is triggered by the act of buying and consumption (Neacşu, N.A., 2015).

From the producer's desire to gain loyal customers through products specific to their organization and to ensure a certain level of production, the concept of "own brand" has emerged, which grew significantly in recent years.

In this context, this paper analyses Carrefour and Auchan Romania's own brands.

2. Overview of private brands at Carrefour and Auchan

2.1. Carrefour

Carrefour operates in Romania through a network of 29 Carrefour hypermarkets, 106 Carrefour Market Supermarkets and 43 Carrefour Express supermarkets.

Over the past 50 years, the Carrefour Group grew to become one of the world's leading distribution giants. The second largest and largest retailer in Europe, the group currently operates with the following major department stores: hypermarkets, supermarkets, hard-discounts and convenience stores. The Carrefour Group currently has more than 15,500 stores, either organized or

franchises, operating in three main markets: Europe (Spain, Italy, Belgium, Cyprus, Portugal, Poland, Romania, the Netherlands and Turkey), Latin America, Bolivia and Asia (China, Taiwan, Thailand, Indonesia, Malaysia and Singapore) (www.carrefour.ro).

The company follows a fundamental trend in selling products under its own brand, which every year is becoming more and more important. In France, Carrefour private brands account for 34% in business, 20% in Poland, and 13% in Romania. In Romania, among the companies currently producing under their own brand, are Reinert Romania, Orkla Foods Romania, Vascar or Farmec Cluj-Napoca. (www.carrefour.ro/despre-noi/marci-proprii)

Carrefour has created its own brands to meet all of our customers' requirements by meeting the highest quality standards for each category: Carrefour - brand for consumer goods and bazaar; Carrefour Home - own brand of household and home appliance; Carrefour Selection - premium brand products; Carrefour Bio - Bio food range; Carrefour Baby - a range of baby food and hygiene products; Carrefour Kids - a range of food and hygiene products for children; Carrefour Light - a range of dietetic products. We also identified Bluesky - own brand for home appliances; Les Cosmetiques - brand of cosmetics; Reflets of France - a range of regional products from France; (www.carrefour.ro/despre-noi/marci-proprii).

Other private brand products Carrefour currently owns are: Brand no. 1 - best value for money; TEX - own brand of textile products; TeX Basic - day care, comfortable, including: pants, shirts, shirts, jackets; TeX Casual - a category for less formal characters, looking for comfort; TeX Sport - sport products with high quality materials: mood-resistant and wear-resistant fabrics; TeX Lingerie - the range of lingerie is addressed to both women, men and children, made of high quality materials, vivid colors and attractive patterns; TeX Nightware (pajamas) - clothes for the night, out of pleasant and comfortable material.) (www.carrefour.ro/despre-noi/marci-proprii)

2.2. Auchan

Auchan is one of the most important retail companies in the world, present in 12 countries, through four divisions: hypermarkets, supermarkets, Immochan shopping centers and Accord bank. The Auchan Group currently manages a fleet of 834 integrated hypermarkets, of which 267 are located in Western Europe, 224 in Central and Eastern Europe and 343 in Asia. It also owns 362 shopping centers, out of which 86 are in Europe. (www.auchan.ro)

Auchan's own brand products are the qualitative, economical and convenient way to shop. Auchan's own brands are an alternative of up to 30% cheaper than similar products in its range, keeping their quality level. Trademarks present in Auchan stores can be manufactured in Romania, developed in collaboration with countries in Central and Eastern Europe or can be internationally available to all

countries. All Auchan stores have their own brand products, totaling over 5000 food and non-food items. Inside the stores, these are placed on the shelf alongside the rest of the products in that category.

Own brands marketed by Auchan are: Economic - food and non-food products; Baby care and baby care products; toys (Baby and Rik & Rok); Actuellum, decorations; Airport - products for travelling and tourism; Cup's - products for many types of sports; Qilive - small and large home appliances, video audio, consumables; Clothing, footwear and accessories for women, men and children (In Extenso.) (www.auchan.ro)

3. Material and Methods

In order to achieve the objectives of this article, a quantitative market research was carried out. It aimed to get acquainted with the opinions and attitudes of the Braşov people to their own brand products currently offered by two of the strongest retailers operating on the Romanian market. In this case, the research focused on the market in Brasov.

The most important objectives of this research are: to determine the purchasing behaviors of customers of large hypermarkets when purchasing branded products; to present views on the availability of the purchase of branded products; to observe customers' view on prices and quality of proprietary products marketed by the two retailers Carrefour and Auchan.

This research was based on a questionnaire with 20 questions and was applied to a sample of 100 people in Brasov. The method used for this marketing research is the survey method. The period in which this study was conducted was January 2017 - June 2017. The data collection was carried out by operators at the respondent's home.

The sampling step method was chosen - because we do not have a list of the inhabitants of Braşov over 18. This would have allowed a systematic random sampling. We considered the city's neighbourhoods to be primary sampling units (number 15), the secondary drives - neighbourhood streets, tertiary units - buildings, quaternary units - persons. A first step is the selection of the Brasov city neighbourhoods chosen to be part of the sample. The following neighbourhoods were selected by simple random sampling: the Florilor and Valea Cetatii districts. In addition to this, we made a list of streets that underpinned sampling for the next step. 3 blocks from the Florilor district and 7 blocks from the Valea Cetatii were extracted. 100 properties in these blocks were randomly selected and data for this research was collected.

The SPSS system (Statistical Package for Social Sciences) was used in data processing in order to obtain useful information to decision-makers. (Constantin, C., and Tecau, A. S., 2009)

4. Results and discussions

From the research we have obtained the following information which is presented below in the order of their importance for the objectives envisaged.

When questioning the habit of purchasing branded products at Carrefour and Auchan, 87% of those questioned said they bought such products from both stores and 13% informed us that they did not buy this type of product. At the same time, being asked whether they consider the importance of the manufacturer's when purchasing a product, 12.6% consider the brand of the producer as being totally unimportant, 13.8% consider the producer's brand unimportant; 24.1% consider the manufacturer's brand neither important nor unimportant, and the highest percentage of 32.2% of respondents considers the brand of the producer to be important. We observe that only 17.2% consider the brand of the producer as decisive when buying. (As shown in Table 1).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Totally not important	11	11,0	12,6	12,6
	Unimportant	12	12,0	13,8	26,4
	Neither important, nor unimportant	21	21,0	24,1	50,6
	Important	28	28,0	32,2	82,8
	Very important	15	15,0	17,2	100,0
	Total	87	87,0	100,0	
Missing	System	13	13,0		
Total		100	100,0		

Table 1. *Importance of the producer mark*

Source: Own research of the authors

To the question of the degree of satisfaction with the quality of their branded products marketed by Carrefour, 35.6% of respondents said they were very pleased, compared to the same question for the Auchan option, where only 14.9% of the respondents were very satisfied with the purchase of their own brand products (own).

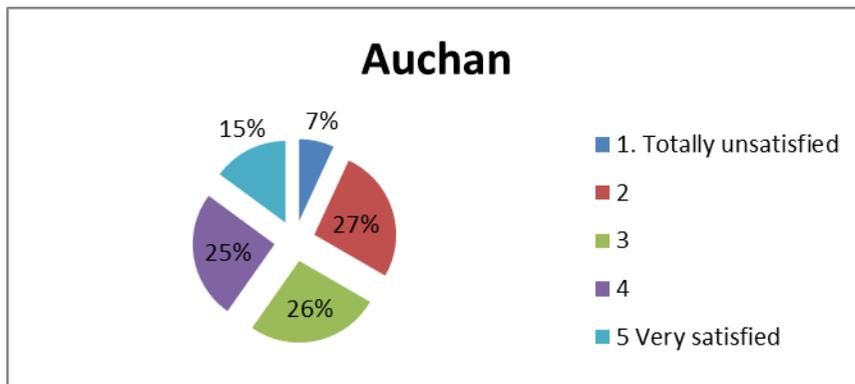


Fig.1. *The degree of satisfaction with Auchan brand products*

Source: Own research of the authors

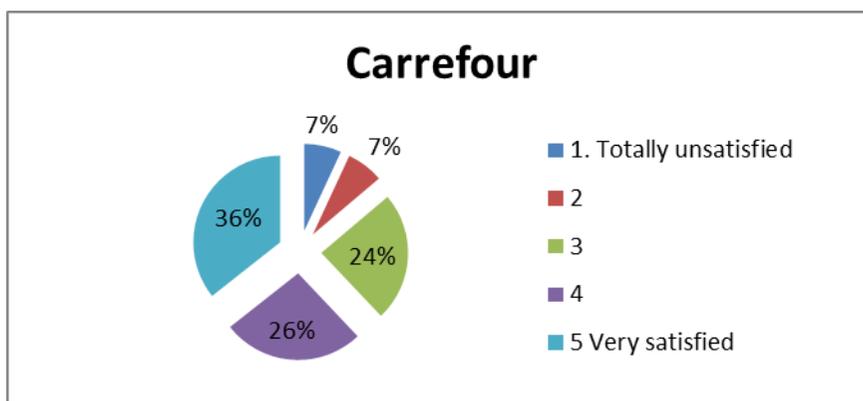


Fig.2. *The degree of satisfaction with Carrefour brand products*

Source: Own research of the authors

The main factor that led to the acquisition of the private brand products by the respondents was the price for 49.4% of the respondents, followed by the quality of the products to 20.7% of the respondents. 18.4% believe shop trust is the main reason for buying branded products at Carrefour and Auchan. Commercial situations are clearly affected by the source effect (generated by the prestige of the producer) (Balasescu, 2011)

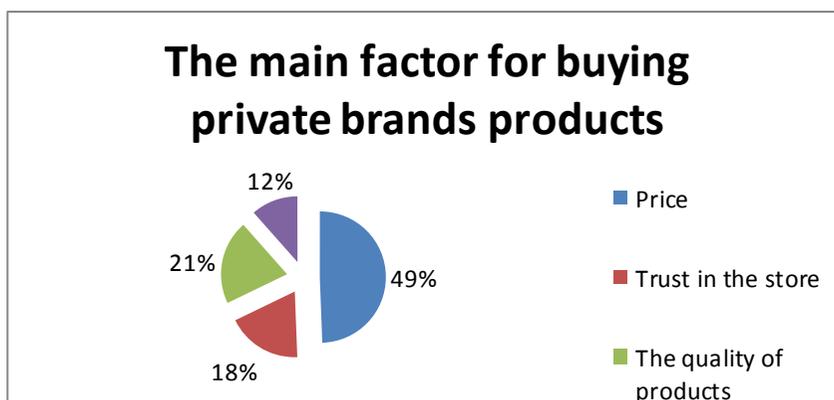


Fig.3. *The main factor for buying private brands products*

Source: Own research of the authors

Regarding the sources of information on the private brands, the respondents were able to choose between more answers, so 42.4% checked the TV advertising among other reasons, 52.9% also checked the direct advertising in the shop, 47.1 % said they were informed from various knowledge, and 43.5% said they had seen these products on the shelf. (As shown in Table 2).

Sources of information	Responses		Percent of Cases
	N	Percent	
TV advertising	36	22,8%	42,4%
Direct advertising in the shop	45	28,5%	52,9%
Information from acquaintances	40	25,3%	47,1%
I was not informed, I saw them directly at the shelf	37	23,4%	43,5%
Total	158	100,0%	185,9%

Table 2. *Information sources for private brands products*

Source: Own research of the authors

Following the test of the hypothesis that there are no significant differences between the percentage of men and that of women who purchase branded products (as shown in Table 3), the results point to the fact that at the sample level the average values of the two groups (female, male) to the question is 0.78% for men, 0.91% for women. This means that 78% of men bought these products, while 91% of women bought brand of the store products. The standard deviations of the two groups in the sample are 41% for men and 27% respectively for women.

	Your gender	N	Mean	Std. Deviation	Std. Error Mean
Have you ever purchased Carrefour and / or Auchan private brands products?	Male	38	,7895	,41315	,06702
	Female	62	,9194	,27451	,03486

Table 3. *Purchase of private brands products from Carrefour and / or Auchan*
Source: Own research of the authors

Based on the Levene test, it can be seen that the minimum level for which the H1 hypothesis can be accepted is 0 (sig 0). This being less than 0.05, we can guarantee with a 95% probability that the variants of the two groups are different. Sig 2-tailed is equal to 0.062 or 0.091, these figures being greater than 0.05. (As shown in Table 4)

	Levene's Test for Equality of Variances	t-test for Equality of Means								
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Have you ever purchased Carrefour and / or Auchan private brands products?	Equal variances assumed	14,630	,000	-1,889	98	,062	-,12988	,06875	-,26631	,00655
	Equal variances not assumed			-1,719	57,192	,091	-,12988	,07555	-,28115	,02139

Table 4. *Levene's Test for Equality of Variances*
Source: Own research of the authors

This results in accepting the H0 null hypothesis that there are no significant differences between the percentage of men and those of women who purchase store-branded products.

5. Final conclusions

The marketing research carried out reveals a series of features that express the views and attitudes of the Brașov people with regard to their branded products marketed by the major stores of Carrefour and Auchan:

- Most of the people in Brasov shop at major stores;
- 87% of the inhabitants of Brasov bought and know about the existence of these products sold at Auchan and Carrefour;
- Less than 50% of the Brasov inhabitants take into consideration the brand of the major manufacturer, bearing this in mind, the big chain stores can diversify their own products offer;
- Frequency and preference for proprietary foods is greater than the frequency and preference for non-food products. So managers should turn their attention more towards the category specified first;
- People in Brasov are more pleased with the Carrefour brand products than with the Auchan ones;
- To Brasov residents, the advantageous price is the main factor in buying these store-branded products; 18.4% of the customers mainly count on the trust they have in the store;
- Advertising is neither important nor unimportant to the people of Brasov, but their biggest source of information is the advertising of the store brand products within the store.

We believe that the results obtained from this research will be useful to directors, managers and consultants of the big commercial chains.

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