

Understanding Consumer Behaviour towards In-House Brand in the FMCG Sector

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Abstract

This research focuses on consumer behaviour towards in-house brands within the FMCG sector and examines the influence of demographic factors on purchase patterns and brand perceptions. A total of 120 consumers from Haryana were surveyed using structured questionnaires to collect primary data on purchase frequency, trust, value perception, and the role of price, promotions, packaging, and branding. Frequency analysis was employed to identify prevailing trends in consumer behaviour, and Chi-square tests were applied to assess associations between consumer behaviour and demographic factors, including gender, age, marital status, level of education, occupation, and annual income. Results indicate that age, marital status, and annual income significantly influence consumer behaviour towards in-house FMCG brands, whereas gender, education, and occupation show no significant impact. The analysis highlights that consumers generally perceive in-house brands as reliable, cost-effective, and comparable to national brands, with price sensitivity and promotional offers shaping purchasing decisions. The study provides insights into consumer preferences and demographic influences, offering practical guidance for marketers to design targeted strategies, enhance adoption, and strengthen the competitive positioning of in-house FMCG brands.

Keywords: Understanding, Consumer Behaviour, In-House Brands, FMCG Sector.

1. Introduction

Consumer behaviour is a critical aspect of marketing and business management. It refers to the way individuals, groups, and organisations choose, buy, use, and eventually discard products, services, ideas, or experiences to meet their needs and wants. Understanding consumer behaviour provides businesses with insights into preferences, motivations, and decision-making processes, enabling them to develop products, pricing strategies, promotional campaigns, and distribution channels that resonate with their target audience. In today's highly competitive marketplace, where consumer expectations are constantly evolving, businesses must not only deliver quality products but also align their offerings with consumer perceptions and preferences to achieve sustainable growth.

The Fast-Moving Consumer Goods (FMCG) sector holds an important place in the Indian economy because of its large size, wide reach, and high rate of consumption. FMCG products include everyday essential items such as packaged foods, personal care products, home care items, and other consumables. The sector is characterised by high volume, low margin, frequent purchases, and intense competition between national brands, multinational corporations, and private or in-house brands. Over the years, in-house brands, also referred to as private labels or store brands, have gained considerable attention for their potential to offer value-for-money alternatives to branded products while maintaining acceptable quality standards.

1.1 Concept of In-House Brands

In-house brands refer to products that are produced, promoted, and sold using a retailer's or company's own brand identity, rather than a recognised national or multinational brand. These brands are strategically positioned to compete with established brands by offering comparable quality at a lower price. In-house brands are particularly relevant in the FMCG sector, where price-conscious consumers seek affordability without compromising quality. These brands are also employed by retailers to enhance profit margins, build customer loyalty, and differentiate their offerings in crowded markets.

Globally, the adoption of in-house brands has increased steadily due to rising consumer awareness, value-seeking behaviour, and changing retail dynamics. Retail chains such as Walmart, Tesco, and Carrefour have leveraged private labels to strengthen their market share and customer loyalty. In India, the growth of modern retail formats, organised supermarkets, and e-commerce platforms has accelerated the acceptance

of in-house brands. Consumers now consider these brands as viable alternatives to national brands, especially in categories like personal care, packaged foods, and household cleaning products.

1.2 Importance of Studying Consumer Behaviour towards In-House Brands

Studying consumer behaviour towards in-house FMCG brands is essential for several reasons. Firstly, it enables businesses to understand the factors influencing consumer preferences, such as price, quality, trust, packaging, brand image, and promotional activities. Insights into these factors allow marketers to design strategies that align with consumer expectations and enhance product adoption. Secondly, consumer behaviour studies help identify demographic patterns, including age, gender, marital status, occupation, education, and income, that influence purchasing decisions. Understanding these patterns allows businesses to segment the market effectively and target consumers with tailored offerings.

Additionally, in the context of increasing competition, studying consumer behaviour towards in-house brands helps retailers and manufacturers assess their brand positioning relative to established national brands. It provides insights into perceived quality, brand loyalty, and purchase frequency, which are critical in developing effective marketing strategies. For instance, price-conscious consumers may prioritise affordability over brand loyalty, while quality-sensitive consumers may evaluate reliability and trustworthiness before making a purchase. By understanding these behavioural dynamics, companies can optimise their product portfolio, promotional campaigns, and pricing strategies to strengthen market share.

1.3 Relevance of FMCG In-House Brands in India

India's FMCG sector is one of the largest in the world, driven by factors such as rising disposable income, increasing urbanisation, expanding retail infrastructure, and growing consumer awareness. The sector is broadly divided into categories such as food and beverages, personal care, home care, and health and wellness products. Among these, in-house brands are increasingly recognised as strategic alternatives to established brands, particularly in organised retail stores and e-commerce marketplaces.

The relevance of in-house brands in India is also shaped by changing consumer attitudes. Indian consumers are increasingly value-conscious, seeking products that provide quality and affordability. In-house brands fulfil this need by offering competitive pricing, acceptable quality standards, and promotional incentives, which appeal to price-sensitive segments such as students, homemakers, and middle-income households. Furthermore, organised retailers use private labels as a tool for differentiation, customer retention, and brand loyalty. The rapid growth of online retail has also contributed to the accessibility and visibility of in-house brands, making them a prominent feature of the modern FMCG landscape.

1.4 Factors Influencing Consumer Behaviour towards In-House Brands

Consumer behaviour towards in-house FMCG brands is influenced by multiple factors:

1. **Price Sensitivity:** In-house brands are often perceived as cost-effective alternatives to national brands, attracting price-conscious consumers.
2. **Perceived Quality:** The trust and confidence in product quality significantly influence purchase decisions. Consumers tend to compare in-house brands with established brands before buying.
3. **Promotions and Discounts:** Marketing strategies such as offers, discounts, and loyalty programs play a crucial role in encouraging purchases of in-house brands.
4. **Brand Image and Packaging:** Attractive packaging and branding contribute to perceived value and influence consumer preferences.
5. **Demographic Factors:** Age, gender, marital status, income, occupation, and education shape buying behaviour, purchase frequency, and brand acceptance.

Understanding the interplay of these factors helps companies predict consumer response, enhance brand positioning, and improve overall marketing effectiveness.

2. Review of Literature

The following section presents a review of the literature related to the study “Understanding Consumer Behaviour towards In-House Brands in the FMCG Sector”. These reviews highlight evolving insights into the FMCG industry in India, consumer preferences, purchasing behaviour, and the growing role of in-house brands in shaping market dynamics.

Assarzadegan et al. (2025) highlight the growing significance of store brands (SBs) in the retail and consumer-packaged goods sectors. Analyzing 180 studies published between 2010 and 2024, the research identifies key factors influencing consumer choices toward SBs, grouped into three categories: consumer characteristics (experience, perceived value, perceived risk), SB characteristics (price, quality, packaging, advertising, SB image), and store characteristics (assortment size, service quality, shelf space, store image, loyalty). Analytical methods applied in these studies include Game Theory, Multivariate Analysis, Path Analysis, Regression, and Structural Equation Modelling. The review offers comprehensive insights for retailers and SB manufacturers, enabling them to design effective strategies to enhance SB adoption, strengthen customer trust, and increase market share.

Chisango and Maposa (2015) highlighted that national brands continue to be perceived as superior to house brands, largely due to retailers’ inadequate understanding of consumer perceptions. Focusing on “Trademark” house brands, the research emphasised the need for retailers to identify and meet customer expectations shaped by these perceptions to enhance sales performance. The study investigated consumers’ perceptions of TM’s house brands and examined their impact on purchasing behaviour, with particular attention to the role of marketing mix variables. A descriptive survey design was adopted, involving 86 customers, and primary data were gathered through questionnaires and examined using descriptive analysis methods. The findings revealed that consumers evaluate and rank alternative products primarily on the basis of price and quality. The study further noted insufficient promotional efforts for TM house brands, contributing to lower price positioning. It recommended product differentiation, improved quality, and the adoption of varied pricing strategies to strengthen competitiveness against national brands.

Phiri and Kaupa (2015) studied consumer perceptions of in-house food brands in Durban, South Africa, using a quantitative approach and structured questionnaires. The findings revealed that consumers were primarily attracted to in-house food brands due to their low pricing strategies, along with perceived good quality and favourable product positioning. The study further indicated that these brands have emerged as strong competitors to manufacturer brands and are increasingly considered viable alternatives across various food categories. The findings indicated no significant link between consumers’ income levels and their loyalty to in-house food brands. The study highlighted that improved quality and competitive pricing enhance the market positioning of in-house brands, enabling retailers to refine marketing strategies and product mix decisions to positively influence consumer purchasing behaviour.

Objective

To examine the association between consumer behaviour towards in-house brands of the FMCG industry and different demographic variables.

Research Methodology

The present study is based on a sample of 120 consumers from selected markets in Haryana. Primary data collection techniques were employed to capture firsthand information on consumer behaviour. Quantitative data were collected using structured questionnaires and surveys designed to assess consumer perceptions, purchasing patterns, and factors influencing the selection of in-house FMCG brands. Frequency analysis and Chi-square tests were applied to identify significant relationships and trends across different demographic variables. Additionally, qualitative insights were gathered from relevant books, journals, and online articles to complement the quantitative findings. These qualitative methods helped in understanding consumer motivations, attitudes, and preferences, thereby providing a comprehensive view of the factors shaping consumer behaviour towards in-house brands in the FMCG industry.

Data Analysis

Data analysis involves carefully reviewing and interpreting the collected data to understand patterns, trends, and useful insights. The use of statistical methods helps draw clear conclusions, aids sound decision-making, and supports the achievement of the study’s objectives.

Frequency Analysis of Demographic Variable

Demographic Variables		Frequency
Gender	Male	52
	Female	68
	Total	120
Age	Below 18 years	19
	18-25 years	61
	26-35 years	34
	Above 35 years	6
	Total	120
Marital Status	Unmarried	44
	Married	76
	Total	120
Educational Qualification	Upto 10th	3
	12th	18
	Graduate	27
	Post Graduate	64
	Others	8
	Total	120
Occupation	Student	15
	Self-Employed	9
	Private Employee	49
	Government Employee	29

	Homemaker	18
	Total	120
Annual Income	Less than 3,00,000	29
	3,00,001 - 6,00,000	24
	6,00,001 - 9,00,000	31
	Above 9,00,000	36
	Total	120

Source: Researcher's Compilation

The demographic profile of the 120 respondents provides a clear understanding of the sample characteristics. In terms of gender, females (68) slightly outnumbered males (52), indicating a balanced representation. The age-wise distribution indicates that most respondents belong to the 18–25 years group (61), followed by those aged 26–35 years (34), below 18 years (19), and above 35 years (6), suggesting a predominantly young adult sample. Regarding marital status, most participants were married (76) compared to unmarried respondents (44). In terms of educational qualification, a large proportion were postgraduates (64), followed by graduates (27), 12th standard (18), others (8), and up to 10th standard (3), reflecting a highly educated sample. Occupationally, the respondents were mainly private employees (49), government employees (29), homemakers (18), students (15), and self-employed individuals (9). Annual income varied, with the highest group earning above ₹9,00,000 (36), followed by ₹6,00,001–9,00,000 (31), less than ₹3,00,000 (29), and ₹3,00,001–6,00,000 (24), indicating diversity in economic backgrounds.

Frequency Analysis: Consumer behaviour towards in-house brands of the FMCG industry

Frequency Analysis was conducted to examine consumer behaviour towards in-house FMCG brands, highlighting purchase patterns, perceptions, trust, value, and factors influencing consumers' brand preferences and buying decisions.

Frequency Analysis of consumer behaviour towards in-house brands of FMCG industry

Statements	SD	D	N	A	SA
I frequently purchase in-house brand FMCG products from retail stores.	2	7	9	63	39
I consider in-house brands to be a good value for money.	2	7	12	57	42
I trust the quality of in-house brand FMCG products.	2	8	6	58	46
I prefer in-house brands over national or branded FMCG products.	3	8	8	60	41
Price is the most important factor when choosing in-house FMCG products.	2	11	7	53	47
I am influenced by promotional offers and discounts on in-house brand products.	2	7	20	53	38

I believe in-house brands provide products that meet my expectations.	3	11	11	43	52
I am likely to recommend in-house brand FMCG products to others.	15	13	7	43	42
I feel that in-house brands are as reliable as branded FMCG products.	8	3	4	69	36
Packaging and branding of in-house FMCG products affect my purchase decisions.	7	4	5	69	35

Source: Researcher's Compilation

The frequency analysis reveals clear trends in consumer behaviour towards in-house FMCG brands, reflecting strong acceptance and positive perceptions. A majority of respondents frequently purchase in-house brand products from retail stores, with 63 agreeing and 39 strongly agreeing, indicating strong habitual buying behaviour. Consumers largely perceive these products as offering good value for money, as reflected by 57 agreeing and 42 strongly agreeing and express high levels of trust in their quality, demonstrating confidence in product standards. A strong preference for in-house brands over national brands further highlights their growing competitiveness.

Price emerges as a significant factor influencing purchase decisions, and discounts and promotional offers also play a motivating role. Respondents generally feel that in-house brands meet their expectations and are likely to recommend them to others, although slight hesitation was observed among some consumers. Reliability perceptions are high, along with the influence of packaging and branding in purchase decisions. Overall, the analysis demonstrates that in-house FMCG brands are widely accepted, trusted, and valued, with price, promotions, and packaging influencing consumer behaviour.

Chi-Square Test: Consumer behaviour for in-house brands in the FMCG industry and different demographic variables

Chi-Square Test was applied to examine the association between consumer behaviour towards in-house FMCG brands and various demographic variables, identifying significant relationships and patterns.

H₀: There is no significant association between consumer behaviour for In-House Brands in the FMCG industry and gender.

Chi-Square Tests: Gender			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.523 ^a	26	.714
Likelihood Ratio	26.372	26	.443
Linear-by-Linear Association	.333	1	.564
N of Valid Cases	120		

Source: Researcher's Compilation

The hypothesis H₀ stated that there is no significant association between consumer behaviour towards in-house brands in the FMCG industry and gender. This was tested using Chi-square analysis based on responses from 120 participants. The Pearson Chi-square value of 21.523 (df = 26) with a p-value of 0.714 indicates no statistically significant relationship, leading to the acceptance of the null hypothesis. The Likelihood Ratio test also supported this result, reporting a value of 26.372 with a significance level of

0.443. In addition, the Linear-by-Linear Association was not significant ($p = 0.564$), confirming the absence of a linear relationship.

Overall, the findings reveal that male and female consumers demonstrate similar patterns of behaviour when it comes to purchasing in-house FMCG products. Gender does not appear to influence factors such as product preference, trust, purchase frequency, or price sensitivity, indicating that in-house brand acceptance is broadly consistent across both male and female consumers within the sampled population.

H₀: There is no significant association between consumer behaviour for In-House Brands in the FMCG industry and age.

Chi-Square Tests: Age			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	99.152 ^a	78	.043
Likelihood Ratio	99.872	78	.048
Linear-by-Linear Association	.042	1	.837
N of Valid Cases	120		

Source: Researcher's Compilation

The hypothesis H₀ proposed that there is no significant association between age and consumer behaviour towards in-house FMCG brands. This was examined through Chi-square analysis using data from 120 respondents. The Pearson Chi-square value of 99.152 (df = 78) with a p-value of 0.043 indicates a statistically significant association, leading to the rejection of the null hypothesis. The Likelihood Ratio test further supported this finding with a significance level of 0.048. However, the Linear-by-Linear Association was not significant ($p = 0.837$), indicating the absence of a consistent linear trend across age groups

These results imply that consumer behaviour towards in-house FMCG brands varies significantly across different age categories. Younger consumers may demonstrate different purchasing patterns, brand preferences, and sensitivity to price, quality, and promotions compared to older consumers.

H₀: There is no significant association between consumer behaviour for In-House Brands in the FMCG industry and marital status.

Chi-Square Tests: Marital Status			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	145.725 ^a	104	.004
Likelihood Ratio	109.170	104	.345
Linear-by-Linear Association	6.444	1	.011
N of Valid Cases	120		

Source: Researcher's Compilation

The hypothesis H₀ assumed that there is no significant association between marital status and consumer behaviour towards in-house FMCG brands. This was tested using Chi-square analysis based on responses from 120 participants. The Pearson Chi-square value of 145.725 (df = 104) with a p-value of 0.004 indicates

a statistically significant association, leading to the rejection of the null hypothesis. Although the Likelihood Ratio test did not show significance ($p = 0.345$), the Pearson Chi-square result confirms the presence of an overall relationship. In addition, the Linear-by-Linear Association was significant ($p = 0.011$), suggesting a systematic pattern in behaviour across marital categories.

These results imply that married and unmarried consumers exhibit different patterns of behaviour towards in-house FMCG brands. These insights highlight Marital status as an important variable in understanding consumer behaviour, particularly in terms of purchase frequency, brand preference, and responsiveness to pricing and promotional offers.

H₀: There is no significant association between consumer behaviour for In-House Brands in the FMCG industry and educational qualification.

Chi-Square Tests: Educational Qualification			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.384 ^a	26	.668
Likelihood Ratio	26.855	26	.417
Linear-by-Linear Association	2.301	1	.129
N of Valid Cases	120		

Source: Researcher's Compilation

The hypothesis H₀ proposed that there is no significant association between educational qualification and consumer behaviour towards in-house FMCG brands. This was examined using Chi-square analysis based on responses from 120 participants. The Pearson Chi-square value of 22.384 (df = 26) with a p-value of 0.668 indicates no statistically significant relationship, leading to the acceptance of the null hypothesis. The Likelihood Ratio test further supported this result, reporting a value of 26.855 with a significance level of 0.417. In addition, the Linear-by-Linear Association was not significant ($p = 0.129$), suggesting the absence of a linear trend across education levels

These findings imply that consumers' educational backgrounds do not significantly influence their purchasing behaviour for in-house FMCG brands. Consumers across different education levels display similar patterns in terms of purchase frequency, brand trust, value perception, and responsiveness to promotional activities. Therefore, marketers can adopt uniform strategies across educational segments, as education does not appear to be a differentiating factor in consumer behaviour for in-house FMCG products.

H₀: There is no significant association between consumer behaviour for In-House Brands in the FMCG industry and occupation.

Chi-Square Tests: Occupation			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	119.045 ^a	104	.149
Likelihood Ratio	114.548	104	.225
Linear-by-Linear Association	12.061	1	.001

N of Valid Cases	120		
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Source: *Researcher's Compilation*

The hypothesis H_0 assumed no significant association between occupation and consumer behaviour towards in-house FMCG brands. This was tested using Chi-square analysis based on responses from 120 participants. The Pearson Chi-square value of 119.045 (df = 104) with a p-value of 0.149 indicates that the association is not statistically significant, leading to the acceptance of the null hypothesis. The Likelihood Ratio test also confirmed this outcome, reporting a value of 114.548 with a significance level of 0.225. However, the Linear-by-Linear Association was significant ($\chi^2 = 12.061$, $p = 0.001$), suggesting the presence of a systematic trend across occupational categories.

These findings imply that while occupation does not significantly influence overall consumer behaviour, specific behavioural patterns or tendencies may still exist. For instance, professionals or homemakers may show slightly different preferences, purchase frequency, or responsiveness to promotions. These subtle differences can be considered by marketers while fine-tuning promotional strategies and brand positioning.

H_0 : There is no significant association between consumer behaviour for In-House Brands in the FMCG industry and annual income.

Chi-Square Tests: Annual Income			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	96.813 ^a	78	.041
Likelihood Ratio	106.826	78	.017
Linear-by-Linear Association	1.296	1	.255
N of Valid Cases	120		

Source: *Researcher's Compilation*

The hypothesis H_0 proposed that there is no significant association between annual income and consumer behaviour towards in-house FMCG brands. This was examined using Chi-square analysis based on responses from 120 participants. The Pearson Chi-square value of 96.813 (df = 78) with a p-value of 0.041 indicates a statistically significant relationship, leading to the rejection of the null hypothesis. The Likelihood Ratio test also supported this finding, yielding a value of 106.826 with a significance level of 0.017. However, the Linear-by-Linear Association was not significant ($p = 0.255$), suggesting the absence of a consistent linear pattern across income levels.

These findings suggest that consumer behaviour towards in-house FMCG brands varies across different income groups. Income may influence factors such as brand preference, purchase frequency, price sensitivity, and responsiveness to discounts and promotional offers. Consequently, marketers can develop income group-based strategies, targeting specific consumer segments to optimise acceptance, engagement, and sales of in-house FMCG products, ensuring alignment with consumers' purchasing capacity and preferences.

Conclusion

The Chi-square analysis provided further insights into the role of demographic factors. It was observed that age, marital status, and annual income have a significant association with consumer behaviour, indicating that different age groups, marital segments, and income levels demonstrate varying preferences, purchase patterns, and responsiveness to promotions. In contrast, gender, educational qualification, and occupation

were not found to have a significant overall impact, suggesting that these factors do not substantially differentiate consumer behaviour for in-house FMCG brands.

Overall, the findings highlight strong consumer acceptance and trust in in-house FMCG brands, largely driven by price consciousness and perceived value for money. Retailers and Marketers can utilise these insights to develop focused marketing strategies by targeting relevant age, income, and marital status segments, thereby improving market penetration, adoption and customer loyalty, and offer actionable guidance for strengthening brand positioning and competitive advantage.

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