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Improving Marketing Strategies for Private Label Products

Yusuf Arslan

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Improving Marketing Strategies for Private Label Products

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Sakarya University, Turkey

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Table of Contents

Section 1
Marketing Strategies to Create Successful Private Label Products

Section 2
**Marketing Strategies to Create Positive Perceptions of Private Label
Products**

Section 3
Marketing Strategies to Increase Private Label Preferences

Detailed Table of Contents

Section 1
Marketing Strategies to Create Successful Private Label Products

Chapter 1

   Yusuf Arslan, Sakarya University, Turkey

The purpose of this chapter is to reveal the recent situation in Turkey for private label products in detail and to create some insights for marketing professionals in terms of which marketing strategy to use for private labels to become more successful in the market. To reach this aim, a literature review has been made to understand the success of developed markets and to reveal the marketing strategies that would be proper to implement also in the Turkish market. Then, certain marketing strategies were proposed to the professionals in the Turkish market. One of the main solutions revealed in this study was the importance of creating premium private labels for the Turkish market. It was also understood that Turkish professionals can benefit from the successful marketing activities implemented by developed markets earlier.

Chapter 2

   Anita Silvana Ilak Peršurić, Institute for Agriculture and Tourism Porec,
      Croatia

The chapter represents the challenges of creating a new wine brand in Croatia based upon an autochthonous wine grape variety Malvazija Istarska. As a product, the wine has a long tradition of winegrowing and strong historical background. With novel technologies which create high quality wines with numerous positive attributes

and current presence on national and international markets, there is strong evidence that branding could be the next step. The demand for Malvazija Istarska exists and consumers are aware of the attributes and quality. From the producer's point of view Malvazija Istarska should maintain its quality and positive image and geographic origin which warranties uniqueness. The brand should be distinctive from other similar products with distinctive and protected package and bottle design and size.

Chapter 3

    Zeynep Genel, Okan University, Turkey

Globalization and developing communication technologies have shaped the approach and expectations of consumers towards brands, and this has necessitated the transformation of communication practices into widening approaches in marketing rules. There are many studies on marketing communications; most of them are based on the marketing perspective. This chapter explains marketing communications practices in the scope of the fundamental communication discipline. In this scope, the branding communications efforts of two leading Turkish private labels retail as brands as examined as a case study with the light of field research. The chapter is a contribution to the studies in the marketing communications field with the perspective of the communication discipline.

Chapter 4

    Musa Pınar, Valparaiso University, USA
    Tulay Girard, Pennsylvania State University, USA

This chapter examines the CBBE of two different product category PLBs of the same retailer, holding the retailer constant. Specifically, the study presented examines and compares the CBBE and its underlying dimensions and their relationships for Walmart's Great Value (grocery, consumable household goods) and Equate (beauty, health, pharmacy) PLBs. Based on a total of 421 surveys (270 for the Great Value brand and 151 for the Equate brand), the study found that 1) while consumers seem to have accepted PLBs in general, Great Value and Equate have lower levels of acceptance among consumers and 2) the comparison of models for Great Value and Equate brands displayed similarities and a few differences in significant relationships among the CBBE dimensions. The findings of this study provide important insights to the management of the retail stores to identify the areas for improvements and develop strategies based on similarities and differences of the two brands.

Chapter 5

Önder Kethüda, Düzce University, Turkey

The aim of this chapter is to evaluate the success of private labels positioned as economic and premium from the customer perspective in the retailers that have different positioning strategies. For this aim, two retailers that positioned themselves at the opposite ends on the price and service quality axes and a product category were identified along with a national brand. The research used between-subjects design and data were collected from customers of both retailers via a questionnaire. The success rates of economic and premium private labels were compared between the two retailers. The results indicate that both economic and premium private labels are more credible and favorable in retailers with superior service quality. On the other hand, the customers of the retailer positioned at low price have more tendencies to purchase economic private labels than the customers of the other store, whereas the customers of the retailer positioned at superior service quality have higher tendency to purchase premium private labels than the customers of the other store.

Chapter 6

Niyazi Gümüş, Bolu Abant İzzet Baysal University, Turkey
Fatih Geçti, Yalova University, Turkey
Ali Yılmaz, Yalova University, Turkey

It is important for retailers to be prepared for these difficult times because economic recession periods can cause serious changes in consumer behavior. Private label product strategy is one of these strategies, since the price sensitivity of consumers is increasing during bad economic times. Therefore, retailers have to give more importance to private label products in order to both pull through these difficult times with minimum casualty and increase their market share after these periods. The main purpose of this study is to investigate the marketing strategies of retailers with private label products during an economic recession. In order to reach this aim, several research questions were asked, and the related literature and practices were examined to answer these questions. It is expected that this study will provide a different perspective by contributing to the academicians and practitioners working in this field.

Chapter 7

Elif Yolbulan Okan, Bahçeşehir University, Turkey
Gulberk Gultekin Salman, Bahcesehir University, Turkey

There have been disruptive changes in retail industry due to changing consumer
expectations and hyper competition. The aim of the current study is to provide an
initial attempt at addressing a less researched area: customer dissatisfaction with
private label brands. Since retailers are in search of finding new sources of competitive
advantage—besides cost advantage—customer intimacy, complaint management,
and creating secondary customer satisfaction for private label loyalty is an essential
strategy in today's retailing industry. This study covers a review on private label
branding and customer complaint management literature. In order to provide support
for the existing literature, in depth interview with managers of two leading retailers
is included in the study. The findings reveal the need and importance of focusing on
antecedents of customer complaints and developing recovery strategies for gaining
secondary satisfaction.

Section 2
Marketing Strategies to Create Positive Perceptions of Private Label
Products

Chapter 8

Emre Yildirim, Sakarya University, Turkey

Today's private label products are not as in the past and trying to compete with
the national brands. They generate a significant threat through the premiumness
packaging for them. In this context, eight food products from the brand Harras, which
belongs to File Market, have been analyzed in terms of premiumness perception.
To this end, a premiumness filter has been generated through the literature and
these products selected based on it. After conducting a focus group, the findings
show that the factors such as black and gold colors, thin, upright and minimalistic
design, durable and soft materials, differentiation and authenticity via reflecting the
intrinsic value of the products generate a premiumness perception. Moreover, other
factors such as bright red color of tea, transparent window, and the usability of the
package after the consumption under the new dimension "culture" are also found
the factors that evoke a premium image.

The increasingly globalized economy has many effects on consumer everyday lives. The rapid changes in technological, social, and economic aspects have impacted the people's buying and consumption patterns. Even the traditional roles in value chain have started to disappear. Manufacturers have started to be taken over retailing functions whereas retailers began with the creation of their own brands. This increasing trend towards the retailer's brands is indeed one of the key changes in the retail industry. As per the reports of FMI and IRI's consumer research, 97% of households consume private label products. This chapter will give insight on different perspective and strategies that effect the consumer perception.

This chapter aims at demonstrating the relationship between perceived risk for private label products and consumer's personality traits. Because of that reason, the data was collected from 462 respondents who bought and used a private label food product at least one time in Bilecik between 15 March and 01 April 2019. This data was collected via convenience sampling methods. According to the findings, perceived risk for private label products and consumer's personality traits are statistically significant. There is a statistically significant relationship between perceived risk for private label products and consumer's personality traits.

<div align="center">

Section 3
Marketing Strategies to Increase Private Label Preferences

</div>

E-grocery as a retail service of delivering grocers to consumer's door step is a new phenomenon for Indian consumers. Private label brands of e-grocery retail creates a new level of complication for consumers. As consumers are familiar with private

label brands of popular supermarkets through past experience, they are not aware about private label brands of e-grocery retailer and therefore have not developed a level of trust with the private label brands making them reluctant to purchase private label brands from e-grocery retailers. However, there is lack of research done to understand the consumer attitude towards private label brands available on the e-grocery platform. Therefore, the purpose of the present study is to focus on two key areas: first, on types of private label brand buyers on e-grocery sites based on consumer reaction towards private label brands; and second, situations where consumers show their willingness-to-purchase private label brands on e-grocery site.

Chapter 12

        Dilaysu Cinar, Beykent University, Turkey

The aim of this research is to demonstrate the impact of private label brand personality perception on consumers' buying intentions. For that reason, it has been made in order to reveal which type of brand personality dimension is more effective on purchasing of private label product. For this purpose, the research has been carried out between October 2018 and January 2019 in Istanbul and 516 respondents have been interviewed by using convenience sampling method. In this context, it is concluded that there is no statistically significant difference was found between perceived brand sincerity, perceived brand excitement and buying intention of private label product. On the other hand, it has been found that there is a statistically significant relationship with perceived brand competence, perceived brand sophistication, and perceived brand ruggedness and buying intention of private label product.

Chapter 13

        Şeniz Özhan, Tekirdag Namik Kemal University, Turkey
        Duygu Talih Akkaya, Yalova University, Turkey
        Ozge Habiboglu, Tekirdag Namik Kemal University, Turkey

The aim of this chapter was to examine the effect of individual factors (price consciousness, quality consciousness, value consciousness, frugality, and risk aversion) and consumer perceptions regarding store characteristics on the attitude and purchase intention towards private label products. The data acquired from consumers shopping from two supermarkets providing private label products in the province of Yalova in Turkey via face-to-face questionnaire method were tested by way of structural equation modeling. It was observed as a result of the analysis that quality consciousness, value consciousness, price image, and product variety image have an effect on the attitude towards private label products. It was also determined that

the attitude towards private label products has an effect on purchase intention and that the private label product purchase intention is effective on actual purchasing. Based on the aforementioned findings, strategies were taken into consideration that should be adopted by private label product retailers in their stores.

Chapter 14
The Relationship Between Sales Promotion Activities, Private Label
Ömer Sezai Aykaç, Sakarya University of Applied Sciences, Turkey
Aykut Yilmaz, Sakarya University of Applied Sciences, Turkey

This chapter examines the effect of sales promotion activities for PLs on consumers attitudes toward PLs and how these attitudes influence their purchase intentions. Regarding this objective, three hard-discount retail stores that have the highest number of branches around Turkey were included in the study. In addition to this, the PLs of dairy product category from each of the retail stores were examined, since is frequently consumed and dairy PLs have high market shares in most of the countries. In the scope of the study, 756 surveys were gathered and analyzed. Regarding the results, it was seen that the effect of sales promotion activities on consumers' attitudes toward PLs is 0.30. Moreover, the effect of consumers' attitudes toward PLs on their purchase intentions is 0.48, which means that if consumers' attitudes toward PLs can be developed in a positive way, it will increase their intention to purchase these products or brands by 48%. The findings of the study provide important implications to the practitioners and scholars in marketing and retailing fields.

Preface

Private labels are the brands that are created and controlled by retailers and where the retailers have the sole responsibility from development, purchase, and storage to marketing (Dhar & Hoch, 1997). With the changing economic and social environmental conditions and diversified consumer attitudes and behaviors, internationally increased competition among retailers played a significant role in the development process of such brands. Thus, private label brands have started to follow a dynamic structure in order to adapt themselves to ever-developing environmental conditions. Today, private label brands have become a strategic feature for the retailing industry and are present in almost every product category. The growing sales of private label brands have become a large and global phenomenon, making these products a serious competitor for national brands.

Private label brands have undergone a radical transformation in the last decades, evolving from a low-price/quality image to competing in some categories even with the strongest brands in the market. This new kind of stronger private labels called "premium private labels" which positioned in the market as being of superior quality (Steenkamp & Kumar, 2007). One of the best growth strategies for the private label market might be creating these kinds of premium brands which can compete with the national brands in terms of price and quality. The success of creating premium private labels can be understood by examining successful markets in terms of private label shares. In the developed private label markets, premium private label shares are much higher than developing private label markets.

Private label brands have several benefits for all stakeholders in the market. First, it provides benefits to the retailers with higher profit margins mainly due to its lower marketing costs. Secondly, these brands help retailers to differentiate themselves from their competitors. If a retailer manages to create demand for its private labels, they gain loyal customers in return, considering the fact that their store is the only sources for that specific product. Third, private label brands are also often mentioned as a mechanism for helping retailers to strengthen consumer loyalty. Fourth but not the last, private label brands create store traffic for the retailer considering that certain private label product can only be purchased by visiting that specific store.

To sum up, there are many reasons for the retailers to create their own private label brands which are their potential to increase store loyalty, chain profitability, control over shelf space, increasing store traffic, bargaining power over manufacturers, etc. (Richardson et al., 1996). To obtain from these benefits, retailers all over the world have invested considerable resources into building their stores to become strong brands, and often placed their private label brands at the center of this strategy (Geyskens et al., 2018). Private label brands are also important in terms of consumer well-being, considering their low prices and comparatively high-quality which are easy to reach also for lower income consumer groups. These reasons might have been created an environment for the "natural selection" of private labels to become premium products.

In spite of the fact that the benefits of the private labels explained above, most of the consumers in different country markets couldn't benefit from these products due to low market penetrations. While in some countries the share for private label brands is relatively high (UK 52%, Spain 52%, Germany 40%) the situation is quite different for some other countries (Turkey 25%, Italy 20%, Greece 16%) according to 2018 data of *Private Labels Marketing Association*. Although private label brands in some developing markets are growing rapidly, the gap is still too big between those two groups. But what could be the reason for that? What could marketing professionals do in countries like Turkey and Greece to raise the private label product shares in their domestic markets? This book aims to provide detailed answers to those questions.

Especially in the last 20 years, a rich body of literature has been undertaken regarding the penetration of the private labels to the country markets. These studies subjected consumer level factors (Batra & Sinha, 2000; Beneke et al., 2013), attitudes towards private labels (Burton et al., 1998; Garretson et al., 2002), private label brand image (Vahie & Paswan, 2006; Wu et al., 2011), determinants of private label success (Lamey et al, 2007; Glynn & Chen, 2009), positioning of private labels (Ghose & Lowengard, 2001; Choi & Coughlan, 2006) and so forth. In spite of the fact that the insights these studies bring into the private label issue and although we think we understand the private label phenomenon thoroughly, it is widely accepted that marketing professionals couldn't solve the problem about the consumers' negative attitudes towards private labels yet. Private label brands are still being perceived as low quality and cheaper alternatives of national brands and we still know very little about why these unfavorable perceptions exist. It might be one of the biggest reasons that some markets couldn't grow further in terms of private label market shares and this is one of the main reasons for the idea of creating this book. In this context, the main aim of this book is to understand how some markets are quite successful and what other markets can do to increase their market shares regarding private label brands.

This book aims to provide a comprehensive and contemporary body of knowledge regarding private label brands. This book also provides an insight to the executors to help them in developing marketing strategies to make their private label brands more successful. The target audience of this book is composed of marketing professionals and researchers working in the fields of marketing and business (e.g. retailing, consumer behavior, private labels, and brand management). In addition, the book provides information and support to the executives concerned with food products retailing. The audience may gain insight regarding private labels by reading this book.

ORGANIZATION OF THE BOOK

All of the chapters in this book are original works of the authors which haven't been published elsewhere. Fourteen chapters were selected between 25 chapter proposals considering their potential contributions to the aims of the book which explained above in detail. All fourteen chapters of the book also have been significantly revised according to three independent referees' comments and guidance. Thus, all chapters together represent a comprehensive overview of private label issues. Thematically, the chapters are presented within three major themes of current research in marketing strategies of private labels brands. A brief description of each section and the chapters included represented in the following sections.

Section 1: Marketing Strategies to Create Successful Private Label Brands

Chapter 1 reveals the recent situation of private label products in Turkish retailing sector. The author compares the developing Turkish market with developed markets and seeks answers in terms of how to make private label products more successful. In this context, certain marketing strategies are proposed to Turkish market professionals who worked for the success of private labels at the other markets. The general perspective of the chapter is that the successful marketing activities implemented by developed markets earlier might be copied by developing markets for more successful private label products.

Chapter 2 represents the challenges of creating a new private label wine brand in Croatia based upon an autochthonous wine grape variety Malvazija Istarska. After presenting the challenges of creating a new private label wine product the author explains how producers should act in terms of marketing implementations.

Chapter 3 explains marketing communication practices in the scope of the fundamental communication discipline. In this perspective, the author examines the branding communications efforts of two leading Turkish private label retailers

xviii

as a case study in light of field research. The chapter contributes to the marketing communications field with the perspective of the communication discipline.

Chapter 4 examines the consumer based brand equity of two different product category private labels of the same retailer. Specifically, the study examines and compares the CBBE and its underlying dimensions and their relationships for Wal-Mart's Great Value and Equate private label brands. This study provides important insights into the management of the retail stores to identify the areas for improvements and develop strategies based on similarities and differences between the two brands.

Chapter 5 evaluates the success of private labels that have different positioning strategies as economic and premium. To reach this purpose, two retailers that positioned themselves at the opposite ends on the price and service quality axes are subjected. This study reveals that customers' tendency to purchase is a critical factor representing the success of the economic and premium private label brands. Finally, the author put an emphasis on the importance of premium private labels for private label success in general.

Chapter 6 investigates the marketing strategies of retailers with private label products during economic recessions. By examining the literature thoroughly, the authors propose a number of marketing strategies which marketing professionals can implement during an economic recession in the economy.

Chapter 7 addresses the consumer dissatisfaction issue regarding private labels. The authors put this issue at the center of their study to have a better understanding and to be able to create an insight into this important matter. The study represents consumer satisfaction as an instrument to obtain a competitive advantage for private label products besides their cost advantage. By conducting in-depth interviews with managers of two leading retailers, this study promises to create an insight about dealing with the customer dissatisfaction towards private labels.

Section 2: Marketing Strategies to Create Positive Perceptions of Private Label Brands

Chapter 8 examines the private labels in terms of perceived product quality. The authors make a focus group to discuss the perceived quality of private labels especially in terms of product packaging. This research aims to re-test the factors which evoke the premiumness image of the PL product packages. The focus group examines a number of premium private labels of a certain quality and evaluates them. The chapter provides an insight in terms of understanding the components of premiumness perception of private label products.

Chapter 9 aims to give insight on different perspective and strategies that affect consumer perception towards private labels. Authors evaluated the situation through this lens in India. The chapter also puts a special emphasis on the importance of

private labels for online grocery retailing. Authors give suggestions to the marketing professionals in terms of promoting private labels within a huge developing economy like India.

Chapter 10 looks at perceived risk within the context of private labels. The authors establish the perceived risk as one of the most important issues for the success of private labels from the consumers' perspective. The chapter offers an alternative approach by revealing the relationships between the consumers' personality traits and the perceived risk towards private labels.

Section 3: Marketing Strategies to Increase Private Label Brand Preference

Chapter 11 undertakes the private label issue from the perspective of e-grocery retailing. The authors put emphasis on the potential for private labels by using e-grocery more effectively as a distribution channel. The chapter giving answers to sector players about how to increase the awareness of the consumers regarding this relatively new distribution channel to obtain private labels and to understand in what conditions consumers show their willingness-to-purchase private label brands on an e-grocery site.

Chapter 12 represents the brand personality as a competitive advantage tool for private label brands. The authors demonstrate the impact of private label brand personality perception on consumers' buying intentions. The authors compare the brand personality dimensions in terms of their effects on purchasing private label products and explain which one is more important and why. The chapter also presents an explanation regarding which specific brand personality components marketing professional should be put more emphasis on.

Chapter 13 examines the effects of a number of individual factors on the purchase intention and the attitudes towards private label products. The study puts forth that consumers with quality consciousness have positive perceptions related to PLBs. The author suggested to retailer professionals to improve the quality of their PLBs thereby reinforcing these positive attitudes and thus increasing their profitability.

Chapter 14 looks at sales promotion activities as a determinant of private label success. For this purpose, the authors examine the effect of these activities on consumers' attitudes toward private label brands. Also whether the attitudes have an effect on purchase intention is examined. The study reveals sales promotion activities as a valid determinant of PL attitudes and purchase. The authors give suggestions to the market professionals to take promotion activities more seriously to persuade the consumers to purchase private labels; even if they know that these activities will increase the cost of the products in a certain level.

Preface

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Section 1

Marketing Strategies to Create Successful Private Label Products

Chapter 1
The Evolution of Private Label Products in Turkey:
What to Do Next?

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ABSTRACT

The purpose of this chapter is to reveal the recent situation in Turkey for private label products in detail and to create some insights for marketing professionals in terms of which marketing strategy to use for private labels to become more successful in the market. To reach this aim, a literature review has been made to understand the success of developed markets and to reveal the marketing strategies that would be proper to implement also in the Turkish market. Then, certain marketing strategies were proposed to the professionals in the Turkish market. One of the main solutions revealed in this study was the importance of creating premium private labels for the Turkish market. It was also understood that Turkish professionals can benefit from the successful marketing activities implemented by developed markets earlier.

INTRODUCTION

Private label (PL) products have been quite successful in recent years globally. The market share of PLs has increased significantly across the world over the last decades (Sethuraman & Gielens, 2014). Nielsen information across more than 60 countries also shows that PL products continue to gain share across all major geographies (Nielsen, 2018). The main aim of these products was to provide cheap alternatives

over national brands (NB) at an acceptable quality when they were first launched to the market. However, the quality of PLs has evolved into products that comparable to NBs for certain markets. Some PL products are even considered to have a higher quality than NBs (Dekimpe & Deleersnyder, 2018). But this situation is not valid for all markets.

PL brands have a multi-tiered offering in the most developed markets. They mainly make use of a "good-better-best" approach. According to this approach, the quality of PLs is divided into three PL tiers which are economy, standard and premium. Standard PLs are older and widely available ones which have been in the market for quite a long time (Geyskens et al., 2010). However, economy PLs are positioned at the bottom of the market with the strategy reducing the costs by using cheaper ingredients. And standard PLs mainly imitate the main national brands and they are considered as medium quality alternatives. The best alternatives are premium PLs which have a similar or higher quality then the NBs with similar prices (Vroegrijk et al, 2016). Over the last two decades, although PLs have almost caught up with the NBs in terms of quality, they are still considered mainly as value for money alternatives in the eyes of most consumers (Steenkamp et al., 2010).

With the development of PL products, the instruments of the competition in the market have also been changed as retailers develop and market their own products. This is an important development due to the fact that PL products have benefits for all its stakeholders. Retailers use PLs as a tool to gain bargaining power and a competitive advantage over other retailers. PLs also help retailers to increase profit margin and store loyalty (Sarantidou, 2017). They also provide benefits for manufacturers by increasing revenues and also for customers by giving them the opportunity to find cheaper alternatives with similar level of quality (Hyaman et al., 2010). However, PLs do not share the same destiny for all countries and apparently a quite many of them still do not have the chance to take advantage of those benefits considering the low PL shares in their domestic markets. While it has been much successful for Europe than US or Asia-Pacific, yet it is not homogenous for all European countries. For example, volume share of PLs for Italy is 20%, for the Netherlands is 26% while it is 50% for Switzerland and 52% for Spain (plmainternational.com, 2018). In the case of Turkey, although PL market is growing rapidly, there is still much way to go compared to the developed markets like the UK and Switzerland. In spite of the big increase in recent years, the value share for PLs is only 25% for Turkey which means there is still too much way to go for Turkey to reach the level of the developed markets. But, what can be done for Turkish PL market to increase the value share of PLs? What is missing? Will the increase for the PL market continue for Turkey until the market shares reach 50% rate compared to national brands like Spain or Switzerland? Or will marketing professionals need to do something else?

2

The main aim of this study is to elucidate the questions given above and give suggestions to the practitioners of Turkish retailing sector regarding to making PLs more successful and increase their market shares. Although, there are quite many number of studies focusing on the driving forces behind PL growth (e.g. the determinants of market share (Lamey et al. 2007; Sethuraman et al, 2014), success (Batra & Sinha, 2000), consumer characteristics (Baltas & Argouslidis, 2007), branding strategies (Geykens et al., 2018 etc.), it would not be possible for a single study to overcome this issue. Thus, a vast literature review has been made in this study to be able to give those suggestions in one study by adapting them to the Turkish market considering its unique characteristics.

BACKGROUND

Recent Situation of Private Labels in European Market

As seen in Figure 1, both value and volume shares of PL brands reached the highest levels in Germany which is the biggest retail market in whole Europe, with the market share exceeding 45% for the first time. The situation is also similar for the other six countries which are Turkey, Belgium, the Netherlands, Norway, Hungary and Sweden. The gains came even in the countries where private label already had a very high penetration. Market share for retailer brands climbed in the UK, Germany, Belgium and Portugal where the share was more than 40%. In the UK where supermarkets invest their PL programs to meet competition from the discounters, market share

Figure 1. Volume and value shares of PLs across Europe
Source: PLMA's 2018 International Private Label Yearbook by Nielsen
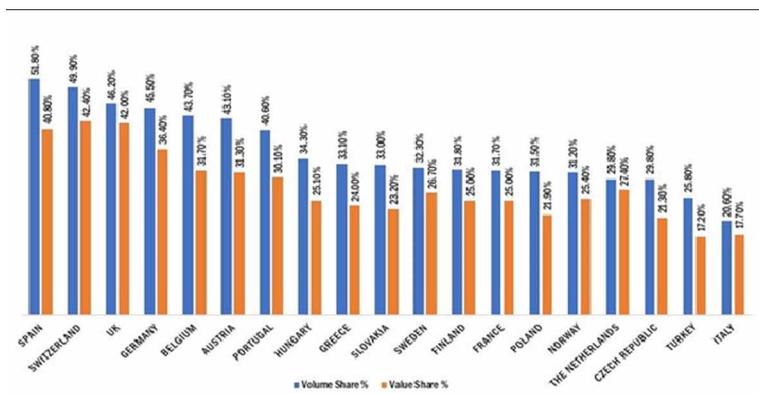
climbed to more than 46%. Private label's share has remained above 40% there ever since Nielsen began compiled data for PLMA in 1997 (Nielsen, 2018).

PL still accounts for half of the products sold in Spain and Switzerland. Market share in France remained above 30% but declined as some retailers reduced their price entry brands and moved toward more premium products. In Greece, retailer brands still account for one of every three products sold in the country. In Scandinavia, there were gains in Sweden, Norway and Finland, with market share in all three countries above 30%. Private label share also was 30% or above in four central and eastern European countries—Poland, Hungary, Czechia and Slovakia—led by Hungary climbing to 34%. Market share remains above 40% in Austria. Market share stayed at or above 20% in Italy for the sixth consecutive year but declined by a point last year. The biggest market share gain was posted in Turkey where private label climbed by 3 points to nearly 26%. Hard discounters are also one of the main actors for PL products due to their large share of PL products in their stores. The story of hard discounters for Europe began in Germany with the ALDI, it is now growing steadily almost for all European countries with the success of other European chains include Norma, Netto, Ed, BİM and Dia (Steenkamp & Kumar, 2009). In Europe, all discounters now generate 22% of all FMCG sales up from 14.9% over the last 15 years (see Figure 2).

To sum up, it is understood that all types of PLs, including hard discounters, are growing steadily in Europe, especially in Turkey. In spite of the high levels of competition, PLs are getting stronger day by day and becoming a more serious competitor for NBs.

PL Market in Turkey

As PL products have entered the Turkish market in the mid 90's, essential growing corresponded to post-economic crisis period which took place in 2001. After the economic crises that resulted with one of the most serious recession in the history of country, the demand for PL products dramatically increased in the Turkish market

Figure 2. The raise and raise again of PL
Source: Nieslen, 2018
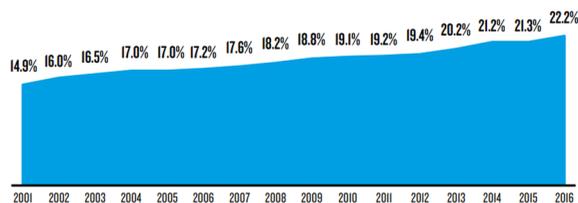
(Arslan et. al, 2013). This growth took place mainly with the success of hard discount retailers. After the emergence of hard discount formats in Turkey, PLs started to grow steadily for the market. According to Nielsen data, the number of modern grocery channels in Turkey has increased by 300% from 2008 to 2018, from 10.152 to 30.640 stores. Because most of the stores were hard discounters selling mainly PL products, PL share has also increased rapidly. While hard discount share has increased 34% within the period of 2016-2018, PLs value share has also increased 25% between January-August 2018 (retailturkiye.com, October 2018).

In the Turkish market, PLs are mainly economic and standard quality products which are cheaper alternatives of NBs at an acceptable quality. However, premium PLs have only a little share in the market. There are two big retailers (Migros and Carrefour) operating in the Turkish market which sell mainly NBs in their stores, but also PL alternatives for their lots of product items. The PLs they sell are mainly cheaper alternatives of NBs. As seen in Figure 3 below, "Sarelle" is one of the main NBs in the market for hazelnut butter and Migros and Carrefour also have their own PL brands slightly cheaper and have lower quality than the product of Sarelle. They both use store banner branding by putting their own name or logo to every PL product they have.

To evaluate hard discount stores in the Turkish retail market, it can be said that they are growing rapidly. One of the good examples of them is BİM which has the 149th place in the report of Deloitte Global Powers of Retailing, with more than 6.000 stores across Turkey (deloitte.com, 2018). BİM uses stand-alone branding by creating different brands for each of their PL products as illustrated in Figure 4.

The reason for BİM to become successful with their PL brands is mostly because the products BİM sells are their own PL brands and 67% of their profit comes from them (BİM Activity Report, 2017). Some of their PLs are even the leader of the market. According to the Roamler's study "What's in the refrigerator"; Dost Milk, one of the most successful PLs of BİM, is the leader of packed milk market with the share of 19.5% (marketingturkiye.com, 2016). The other big players of discount

Figure 3. Hazelnut butter product of Sarelle (NB) and PLs of Carrefour and Migros respectively

Figure 4. Milk and peanut PL brands of BİM

markets are "ŞOK" and "A101". A101 has more than 7.000 stores across Turkey and 35% of their profit comes from PLs. ŞOK is also an important player of the market with its more than 5.000 stores (plturkey.org, 2018). 25% of ŞOK's profit also comes from their PL products (retailturkiye.com, 2017).

The main similarity for the aforementioned retailers is the quality of their PLs. Although the quality of their PL products varies, most of them have only standard quality. The first premium PL attempt in Turkish market was launched only in 2015 by FİLE, which is also owned by BİM (file.com.tr, 2018). FİLE can be referred as the higher quality version of BİM. It has only 60 stores across Turkey with 35% PL share. They stand alone branding with the name "Harras" for all their PL food products and claim that it has higher quality than ordinary PLs (Figure 5). But, it is still not widely accepted better or equal alternatives of NBs like it is for Switzerland.

MAIN FOCUS OF THE CHAPTER

Possible Marketing Strategies to Reach Higher Shares of PLs for the Turkish Market

As a summary of the literature review between 1997 and 2017, 21 studies have been given in Table 1 that subjected main antecedents for PL attitudes and purchase intentions. The antecedents include price consciousness, store image, PL familiarity, smart shopping feeling, impulsiveness, variety seeking, perceived risk, perceived quality, trust and value consciousness. All independent variables for 21 studies

6

Figure 5. FİLE's PL product Harras

present significant effects on PL attitude and purchase intention. The studies explain a lot especially in terms of giving insights to marketing professionals about how to increase the PL sales and how to create positive attitudes towards them. However, it highly depends on the country and the type of the PLs. The results of the studies summarized in the Table 1 can easily differentiate among the countries which are at the maturity or developing stage regarding PL products. Product types and the general PL quality at the market would also deeply affect the results of the aforementioned studies. Thus, to understand a certain market's PLs, the domestic characteristics of the countries also need to be considered. It would only be possible then to understand which marketing strategy would work for a certain market regarding PL products.

As mentioned earlier, PLs created to provide acceptable quality with a cheap price. However, PL products have recently evolved into products that comparable or sometimes even better than NBs in terms of quality. But, in the case of Turkish market, PL products are still mainly considered as low quality and cheap alternatives of NBs (Aksu & Özkan, 2011; Ceylan et al., 2017). In Turkey, 66% of the consumers say that they prefer PLs because they are cheap and for 42% its value for the money (Nielsen, 2018). It might be one of the main reasons for the Turkish market not to be able to reach the maturity level. To overcome this impediment and unlock PLs' true potential, the next step might be to create premium PL brands. In contrast to the standard PLs which have been around for several decades, many retailers have not carried a PL tier for the Turkish market yet.

Table 1. The effects of certain antecedents on attitudes and purchase intentions towards PLs

Authors	Independent Variable	Dependent Variable
Burton et al., 1998; Batra & Sinha, 2000; Ailawadi et al., 2001; Martinez & Montaner, 2008; Gomez & Rubio, 2010	Price consciousness	Attitude
Burton et al., 1998; Garretson et al., 2002; Gomez & Rubio, 2010; Diallo et al., 2013	Value consciousness	Attitude
Baltas, 1997; Ailawadi et al., 2001	PL Familiarity	Attitude
Baltas, 1997; Burton et al., 1998; Liu & Wang, 2008	Smart Shopping Feeling	Attitude
Burton et al., 1998; Ailawadi et al., 2001; Manzur et al., 2011	Impulsiveness	Attitude
Baltas, 1997; Ailawadi et al., 2001; Martinez & Montaner, 2008	Variety Seeking	Attitude
Batra & Sinha, 2000; Gomez & Rubio, 2010, Dursun et al., 2011; Arslan et al., 2013	Perceived Risk	Attitude
Jin & Gu Suh, 2005; ; Glynn & Chen,2009	Price Consciousness	Purchase Intention
Jin & Gu Suh, 2005; Diallo et al., 2013	Value Consciousness	Purchase Intention
Caplliure et al., 2010; Dursun et al., 2011	PL Familiarity	Purchase Intention
Batra & Sinha, 2000; Glynn & Chen,2009; Dursun et al., 2011	Perceived Risk	Purchase Intention
Jin & Gu Suh, 2005; Dolekoglu et al., 2008; Ailawadi et al., 2008; De Cannie`re et al., 2010	Perceived Quality	Purchase Intention
Calvo Porral & Levy-Mangin, 2016; Sarantidou, 2017	Trust	Purchase Intention
Diallo, 2012; Wu et al., 2011	Store Image	Purchase Intention

Big retailers in Turkey such as Migros and Carrefour use store banner branding while most of the discounters use stand-alone branding for their PL products. One of the solutions to increase PL sales might be "rebranding" especially for the discounters in the Turkish market. According to the study of Geyskens et al., (2018) rebranding would work for that purpose. For example, the Dutch retailer "Jumbo", which offers standard PLs and follow a low price strategy, had been continuing the name "O'Lacy" for all its PLs. After 2009, the retailer has switched to store banner branding and started to use its own name "Jumbo" for all its PLs. They did really hard to make their new brand perceived as a premium PL. For that purpose, they used

8

new package designs with high quality food photos. Across 100 categories studied, an average increase of 27% was observed in the first quarter after the rebranding. By using its banner name on its standard PL, Jumbo successfully capitalized on its reputation and also managed to increase profits. Consequently, the rebranding of their PLs was a success for Jumbo. Because typical PLs in the Turkish market are quite similar of Jumbo's, the same strategy could also work for Turkish market.

Showing that rebranding may lead PLs to become more successful, it is not easy to decide which branding strategy to choose. Because it is not possible to say that one brand strategy is superior for every situation. According to the study of Keller et al. (2016), store-banner branding is more successful for a premium PL in the markets which have a low degree of retail concentration. However, according to the study of Geyskens et al. (2018), the higher its uncertainty avoidance for a country, the better it is to use store-banner branding on the premium PLs. On the contrary, the higher a country's emphasis is on status, the better it is to use stand-alone branding for premium PLs. However, it is not possible to create a marketing strategy just by looking at these results due to the fact that they are highly contradictory to implement in the Turkish market. In the Turkish market, retail concentration degrees are quite low compared to mature European economies. Despite the steady growth in recent years, the majority of the retail market still consists of traditional players. The overall share of organized retailing estimated at 33% in Turkey remains well below 80% of the European average (PWC, 2015: 16). Hence, just looking at the Keller's results, because Turkish retail concentration levels are also low, store banner-brand use ought to be more successful. However, owing to the fact that status consumption is an important phenomenon in the Turkish culture (Üstüner & Holt, 2009) and uncertainty avoidance levels are also high (hofstede-insights.com), it would not be possible to choose a branding style just by looking these results. Thus, for the Turkish market, the implemented marketing practices should vary according to product group and retailer type.

CONCLUSION AND IMPLICATIONS

Private labels are significantly different between different country markets in terms of product range, product quality, positioning, image and origin of the development (Burt, 2000). But, it is probable to assume that despite the differences among the markets, all PL products go through the stage of product life cycle and share some universal principles (Horvat & Ozretic-Dosen, 2015). That is why it does make sense to copy the marketing strategies of similar mature markets to the Turkish market. Turkish PL market can be regarded as at the growing stage of its product life cycle which is the period from a new product's takeoff until its slowdown in sales (Golder

& Tellis, 2004). Marketing strategies of mature markets can be investigated in terms of what strategies they have implemented for their PLs while they were also at growing stage. Especially it should be well understood what mature market players did to create successful premium PLs which can compete with NBs.

Trust towards PLs is also an important predictor of PL sales (Sarantidou, 2017). Thus, creating a trustworthy brand is also an important factor to create a successful premium PL for the market. Besides, creating premium PLs will also help to increase brand equity of retailer's in the Turkish market. The more the brand equity of retailers increases, the more the PLs are perceived as of good quality and trustworthy. It is well known that it is not wise to spend too much for marketing PLs to be able to keep prices lower than NBs. But, to make possible new premium PLs more successful in the Turkish market, this rule can be bent for a certain period. It could be wise for marketing professionals to spend a little bit more for the marketing activities of premium PLs, at least until they penetrate to the market. If they manage to do so, it will be easier to make the consumers think that those products have high quality and they are reliable.

From another perspective, it is more likely that Turkish PL market will grow steadily as retailers gain more expertise (Raju et al., 1995) especially on premium PLs. As mentioned earlier, PLs entered the Turkish market in 1995 and have accelerated its success only after the economic crisis which took place in 2001. Considering the steady growth after then, there is no need to be pessimistic about it. The data coming from the sector show that PLs are continuously growing in Turkey. Actually, there is a big opportunity for retailing market professional especially in terms of premium PLs. One of the main driving forces for promoting the spread of premium PL products is the demand of consumers. And if they manage to create successful marketing tactics as we suggest some of them in the present paper, they will most likely to be successful in terms of creating demand for premium PLs.

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KEY TERMS AND DEFINITIONS

Discount Retailer: A retailer that sells products at an acceptable quality and price by saving from their marketing expenses.

National Brand: The brand that is marketed and distributed nationally which is also owned by a national manufacturer.

Premium Private Label Brand: The brands which have similar or even higher quality than national brands which are owned and produced by the retailer.

Private Label Brand: Cheaper alternatives of national brands with an acceptable quality which are owned & produced by the retailer.

Rebranding: Branding activities to reposition a brand which were positioned differently.

Stand-Alone Branding: The strategy that retailers use for their private label products by creating a different brand name for them other than their own store name.

Store-Banner Branding: The strategy that retailers use by giving their own store name to their private label products.

16

Chapter 2
Improving Marketing Strategies for Private Labels of Malvazija Istarska Wines

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ABSTRACT

The chapter represents the challenges of creating a new wine brand in Croatia based upon an autochthonous wine grape variety Malvazija Istarska. As a product, the wine has a long tradition of winegrowing and strong historical background. With novel technologies which create high quality wines with numerous positive attributes and current presence on national and international markets, there is strong evidence that branding could be the next step. The demand for Malvazija Istarska exists and consumers are aware of the attributes and quality. From the producer's point of view Malvazija Istarska should maintain its quality and positive image and geographic origin which warranties uniqueness. The brand should be distinctive from other similar products with distinctive and protected package and bottle design and size.

INTRODUCTION

The ever changing situation on the market and changing trends in consumer behaviour and preferences puts pressures on producers to maintain and improve their brand or private labels. As a consequence producers can act in two ways, through differentiation of their existing products or creating new products. In both cases they should protect the existing brand/label with quality that will maintain their positive reputation.

In case of wine, the brand can be defined with focus on the producer, whereas the brand reflects the image and name of the producer (Kotler and Keller, 2016). Also for wines the value of the brand/label is connected with the image of the single producer, the image of the wine terroir and the image of all producers in the wine region. Therefore in case of the wines the image of the brand is not the responsibility neither in the ownership of one person.

According to De Chernatony *et al.* (2011, p.40) during the 19th century people bought their goods through four existing channels; retailers, from those who grew and sold their own produce, from farmers markets and travelling salesman. In case of wine, nothing crucial has changed, and all four sales channels still exist in the 21st century.

In general terms consumers in Western societies are used to purchase food and drinks in retail chains, shops and less on green markets and at the producers' site. Therefore for all products and wine too it is extremely important to achieve visibility on the shop shelve. The main attribute to achieve visibility on the shop shelve is the package and its attractiveness and impact on the consumer. The shape, colour, size, letters, pictures, information (weight, calories, expiration date, content, product description) on the bottle are as relevant as well as the price, quality, brand, origin (Eldesonky and Mesias, 2014).

Exterior of the wine bottle is especially important when purchasing a wine for the first time, when the consumer usually has no previous knowledge about what he/she is purchasing. Without knowledge about the wine the consumer is lead only by its' exterior (or so called extrinsic attributes). Further, extrinsic attributes as land and region of origin and grape variety (with designation of origin, eco logo, medal, award, certain pictures, text, description of wine) can also impact the consumer to purchase a certain bottle of wine.

In retail chains, especially specialised for wines, a consumer can be guided by sales staff which can describe some intrinsic attributes of the wine (such as organoleptic taste, bouquet, aroma, flavour, effects of ageing, and harvest year). Therefore the presentation of wines by the sales personal and the personal approach to the customer are very important.

In specialised shops consumers expect retailers with high and detailed knowledge about the wines sold and have high expectations towards recommendations about certain wines. Also consumers expect a certain assertive behaviour that will not "push" the customer "too much" toward purchasing. The aspect of sales persons' importance was described by Goodman *et. al.* (2010) whereas in a sample of retail chains specialised for wines consumers were expecting a treatment like in neighbourhood shops, a warm welcome, a personal approach and a well trained staff with high knowledge about wines sold.

18

BACKGROUND

Main Focus Of The Chapter

The focus of the chapters is wine, wine attributes and how consumers respond to them.

Wine and Consumers Values

Wine can be a product that shows *social values* of a person, or a group the person belongs. For example in the case of research in China, red wines were preferred more comparing to white ones. The social value of red colour was connected with the positive image of red and a consequence of constructs through history (Liu and Murphy, 2007). Chinese consumers developed various ideas that the consumption of red wine is connected to certain "higher" and "classier" life style.

Consumption of wine can also have *socializing effects* for example enhancing the atmosphere, entertainment, having a relaxing day out, socialising with partners, friends and family members. These effects are particularly important motives for wine consumers which attend wine fairs. Wine fair visitors explained the importance of socializing with friends, meeting the wine maker, learning about wine, tasting and buying wine, increasing their knowledge about wines, touring the vineries, visiting attractions in the surroundings, and overall entertainment (Galloway *et al*., 2008; Getz and Brown 2006; Yuan *et. al*., 2005).

Wine cellar visitors in Africa were primarily motivated by socializing effects such as enjoyment, pleasure, while the positive behaviour of the wine cellar staff (friendliness, hospitality) had positive consequences on wine sales, increasing the number of purchases, the volume and value of wines purchased (Bruwer and Alant, 2009).

The socialising aspects of wines such as socializing with family, friends, colleagues plays an important role in wine consumption, wine purchase and spreading knowledge. Social ties connect also to *emotional values* of wine consumers, these aspects are especially important for autochthonous wines, which present a certain wine growing area or country of origin.

In the case of France the perspective of Bordeaux wines was described by acquaintances (family and friends) which gave emotional value to Bordeaux wines and transferring them in socializing occasions (Cardebat and Fiquet, 2009).

In the case of Germany a promotion through word of mouth and the information spreading directly via blogs and wine seminars enhanced crucially the sales of Riesling wines (Schultz, 2015).

In literature, cases of connection between social values and *emotional values* were documented in case to particular wines. The example of Chinese wine consumers visiting New Zealand wine cellars explained the motivation for wine purchase which raised after wine tasting in wine cellars, also the overall perception of New Zealand wines raised too (Fountain and Menival, 2016). After Chinese wine consumers came back to China the purchase of New Zealand wines were connected to enhanced life style, aspirations to western life style, mirroring good taste, good impression and social acceptability.

Another social influence on wine consumers occurs through positive recommendations of wines from experts, sommeliers at restaurants, catering facilities personnel and retailors. Wines reviewed positively by "wine experts" with reviews published in wine magazines which were red by consumers had evident positive effects on their wine purchases (Cardebat and Fiquet, 2013; Roma *et al.,* 2013; Hertzberg and Malorgio 2008). Some wines positively rated by experts, especially by sensory attributes achieved "hedonic" prices (Benfrattelo *et al.,* 2009; Cardebat and Fiquet, 2009; 2013; Outreville 2011). Educated and knowledgeable personnel in retail who can give the customer recommendations about wines sold at the shop are highly valued and enhance the wine sales too (Goodman *et al.* 2010).

The perception of the consumer when trying a new brand, satisfying their curiosity in trying something news or changing their habit of consumption is called *epistemic value* of the product. Since wines are present in numerous varieties on the markets, an average consumer can change their habits as much as they like, and trying brands from all over the world.

Consequences of changing should be avoided by keeping the consumer interested in the purchase so the wine producers should attract consumers with wine attributes such as regional features, geographical identity, autochthonous wines and awards (Lockshin *et al*., 2006). An average consumer facing unfamiliar wines on the shelf and without previous knowledge about a wine will choose in priority the wine from a well-known region or a wine which has received a certain award or medal. It is important to mention that wine is a "single origin" product, with clear origin of a certain land, wine region, grape variety and can be distinguished on the wine market from other products with the same name "wine". This feature is especially important world wine known countries such as France, Italy, Spain as "old" wine countries which have limited surfaces of vineyards and cannot be copied or multiplied. On the opposite are Australia, Chile and South Africa as "new" wine countries with heavily marketed wines which provoke consumers to purchase their wines through more aggressive marketing methods. The importance of reputation of "old and new" wine countries affects consumers directly and were described by a number of surveys (Combris *et al*., 2009; Gomez *et al*., 2013; Koch *et al*., 2013; Marzo-Navarro *et al*.,

2012; Melo *et al.,* 2010). Well-known regions and well-known brands (advertised or recommended) receive more consumers' attention and purchase response (Ampuro and Villa, 2006; Chrea *et al.,* 2011). Well-known brands (advertised or recommended) also positively influence on purchase, especially on low involvement consumers. On the contrary, highly involved consumers have higher epistemic values and chose more often new wines, even from less known wine countries or regions because they possess more knowledge and are more aware and conscious about new wines on the market (Verdonk *et al.*, 2016).

Wine Attributes

Wine attributes were examined by a number of authors, whereas extrinsic attributes were origin, grape variety, packaging, price, while intrinsic attributes were value for reputation, expert opinions, tasting ratings, appellation, and sensory values (Chrysochou and Jorgensen, 2016; Eldesonky and Mesias, 2014; Ilak Perurić *et al.*, 2018; Ramos *et al.*, 2011).

Generally speaking, wine attributes enable producers to position their wines on the market, and help consumers in making wine purchasing decisions. Ramos *et al*. (2011) found that consumers perceive wine attributes as intrinsic and extrinsic and that those attributes are either tangible or intangible. Thus, extrinsic and intrinsic attributes of wine as a product are usually a starting point for researcher interested in examining wine attributes.

Mentioned numerous attributes demand from the consumer to involve himself heavily in choosing a particular wine, therefore wine is a so called "high involvement product". Each and every wine and wine grape has particular attributes which can appeal to the consumer.

According De Chernatony and MacDonald (2011), a product has multifaceted aspects, containing the product itself with its function, price, design, features, efficacy and the wide range of services and intangibles around it. Therefore Figure 1. was chosen particularly from the authors book because it can be applied to wine as a product.

The consumers give wine social, emotional and epistemic value, the perceptions on wines are based on their extrinsic and intrinsic attributes, the quality of wines is extremely important and a consequence of origin, and the satisfaction with a particular wine can translate to the overall reputation of a wine region/country. The impact of sales persons affect the volume and financial level of purchases, while the satisfaction with the purchase multiplies through social connections resulting in recommendations and further increase of sales. Advisory effects of wine experts and sales personnel can positively affect sales and confirm the warranties of wines quality.

Figure 1. The components of a product
Source: De Chernatony, L., Macdonald, M. (2011). Creating Powerful Brands, p.18.
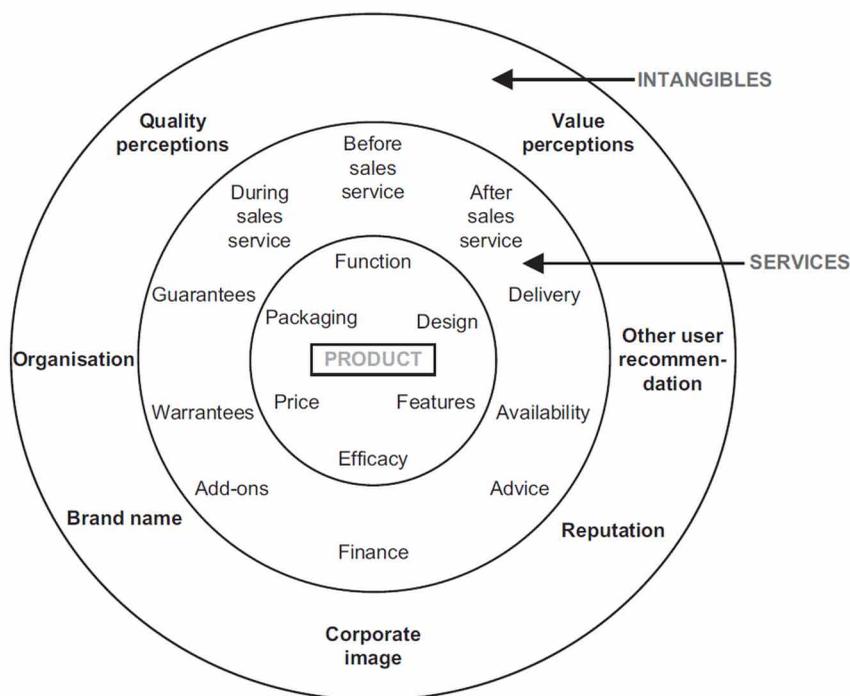
The extrinsic attribute of geographic origin of a wine presumes specific qualities that can be described by analytical (chemical, physical) and sensorial features. For certain grape varieties these qualities are well known and prescribed by independent accreditation organizations or authorities which organize wine testing, tastings and ratings ensuring that the wine satisfies the criteria of geographic origin and grape variety label. The case of Danish wine consumers reported that the origin of wine and grape varieties were most important extrinsic attributes (Chrysochou and Jorgensen, 2016), while the case of Australian and Spanish consumers showed that wine region labels were highly valued among consumers and affected their purchase decisions (Kallas *et.al.*, 2012; Verdonk *et.al*., 2016).

Facing the extrinsic features of the wine bottle, such as package (with etiquette, label, bottle size, weight colour and shape) can give a perception of wine inside the package. Wines on the shelves can stimulate the imagination of the consumer and reflect in their minds various descriptions as high end, prestigious, ancient, refined, elegant, noble, with tradition, rustic, trustworthy or at the other end as modern, basic, cheap, simple, clear, modest, empty (Celhay and Remaud, 2016).

In the process of purchase, wine is a product with perceived value. This value is often perceived before the product is consumed and therefore consumers are motivated for the purchase primarily through the extrinsic features mentioned before, such as geographic origin, grape variety, year of harvesting (vintage), and package. Further, the descriptions and imagination of the wines take place and finally intrinsic values take place. When the wine is purchased and consumed (benefits received) than the consumer can be motivated for purchase with intrinsic attributes which rely more to their emotional response and beliefs. The satisfaction with the product stored in her/his memory for "getting" a good quality for price or "good value for money" remains as a "satisfaction" or "dissatisfaction" with the product that can lead to further consumption or purchase (Foxall and Goldsmith, 1994).

For example, in the case of Australian wine consumers the perception of wine quality was comprised by distinct components of extrinsic and intrinsic dimensions (Charters and Pettigrew, 2007). Extrinsic dimensions comprised grapes, production (drinkability, faultlessness, consistency) and marketing, whereas intrinsic dimensions were pleasure, appearance, and gustatory potential (taste, smoothness, body, balance, concentration, complexity).

In the case of Spanish wine consumers the quality of red wines was assessed through dimensions of extrinsic values such as origin, vintage and ageing ability, while intrinsic attributes flavour, bouquet, image were related to experienced and perceived quality (Jouvier *et al*., 2004).

One of the most obvious and clear extrinsic attribute of the wines is their price. Consumers tend to reflect the price of the wine (extrinsic attribute) to the level of its quality and consider that wines from well-known wine regions deserve higher prices (Ampuro and Villa, 2006; Boudreaux and Palmer, 2007; Chrea *et al.,* 2011). The translation of price as an extrinsic attribute into the intrinsic attribute occurs when consumer add more value to a certain wine which then can achieve "hedonic" price (Frankel and Rose, 2010; Rössel and Beckert, 2012).

Certain years are better for wine grape production then other, and therefore wines are graded according to vintage. Different vintages gain different prices, what is important especially in the case red wines, which age longer in the barrels or in the bottle (comparing to white wines) achieving finally a higher market price (Hughson *et al*., 2004, Chrea *et al.,* 2011)

Distinction between wines can be made also according to content of sugar. Consumers tend to prefer certain types of wines, so usually more experienced wine consumers and connoisseurs favour dry wines, while younger wine consumers with less knowledge and less self-conscious about their wine choice tend to consume sweet and semisweet wines (Ilak Peršurić *et al.*, 2016). The content of sugar that

defines the distinction between dry and sweet wines lead to the general impression that consumers like more fresh white wines and consume less frequently sparkling or sweet wines (Melo *et al.,* 2010).

SOLUTIONS AND RECCOMENDATIONS FOR PRIVATE LABELS OF MALVAZIJA ISTARSKA WINES IN THE PROCESS ON BRANDING

Methodology

In order to understand the position of Malvazija Istarska wine as a product with local features and restricted volume of production (made only in Istria, on limited vineyard surfaces, autochthonous variety) but present, sold and consumed on the national and worldwide market, a field survey was created. The opportunity of Istria as a well-known tourist destination and the constant arrival of foreign tourists gave potential to our research of wine consumers' behaviour on foreign markets at the doorstep in Istria (instead of organizing expensive research abroad, Ilak Peršurić et al., 2018, 2016). Foreign consumers that visit Croatia as tourists consume local food and drinks (and wine). They provided insights to the wider frame of their behaviours which could be used for further market research and future promotion of Malvazija Istarska.

The goal of the survey was to detect which features of consumption were important for consumers and to search for differences between Croatian and foreign consumers. In order to find out which functional values Malvazija Istarska possesses, wine attributes were surveyed. Attributes ranged from extrinsic (package, price, discounts, wine/micro region) to intrinsic ones (quality labels - geographical origin, IQ – Istrian quality label, terroir, awards, sugar content, vintage, wine age, recommendations of friends and sales persons). Participants of the survey graded each and every wine attribute and wine motive grade 1 (lowest) up to 5 (highest grade.)

Results: Consumers Perceptions of Values of Malvazija Istarska Wine

Findings showed (Box 1) that the intrinsic attribute, recommendations of friends, scored the first and highest rank (4.06). This attribute was a reflection of social values in which the values of the peer group of friends influenced on the questioned person in our survey. The opinions of friends influenced the questioned person as the wine consumer directly when choosing or purchasing a certain wine.

The influence of experts which have greater knowledge about wine than the questioned person and could recommend a certain producer, micro location, explain the concept of terroir for Malvazija Istarska wine was second important intrinsic attribute. The importance recommendation of sales personnel was more important and valued higher by the local population (3.51 for waiters, for sellers 3.36) comparing to tourists (2.92 and 2.24). Therefore it will be likely that a local person would listen to the recommendations of sales personnel in a restaurant or wine shop and make a purchase and consume a certain wine recommended more often than a tourist.

The most important extrinsic attribute was the quality of wine, showing that consumers appreciate the high quality of Malvazija wines, for locals it was rated 3.91, while tourist graded it lower (3.25). In general terms according to Croatian laws quality is described by quality labels of protected geographic origin (PDO - Zaštićeno geografsko porijeklo) and originality label (PDI – Zaštićena oznaka izvornosti - ZOI) which are labels stated on the bottle label. These labels are a warranty that Malvazija Istarska is produced and processed in Istria, in one of the three wine growing areas (east, west and south) with standard procedures. The quality was also described through quality levels of table, quality and excellent wine (stolno, kvalitetno, vrhunsko). These two types of quality labels can give the necessary information about quality even to consumers which face the wine for the first time, what was the case of some tourists.

Results showed that price of wine was set as second important extrinsic attribute, locals and tourists were almost equally sensitive to wine prices (3.56 comparing to 3.52). Questioned consumers confirm that Malvazija has an appropriate price suitable to their appreciation for the quality it performs. Further the lower importance of discounts (3.02 for locals and 3.04 for tourists) comparing to importance of price shows that consumers intend to purchase Malvazija wine at the producer or shelve price although no discounts are available.

On the third and fourth place of importance, extrinsic attributes of the vintage and age of wine were set. Grades were similar for locals (3.44. vs, 3.35) and tourists (3.31. vs. 3.13).

Grades for micro locality and terroir were also similar for locals and tourists showing that these two attributes were recognized and important for all wine consumers. It also reveals that questioned consumers had previous knowledge about Istria micro regions and were aware of the differences of terroirs or micro locations which create differences among Malvazias.

Awards were more important to local consumers presuming that they were more familiar to them comparing to tourists which might have less knowledge about Croatian wine awards.

Winery or producers labels were slightly more important for tourists (3.29) showing that previous information from recommendations of friends, waiters and sales personnel or advertises (in tourist magazines, on websites, social platforms) influenced them more.

Overall, results showed somewhat higher scores of all attributes given by local population, what was expected, considering they would have higher level of knowledge about Croatian wines and the higher propensity of consuming it before the survey. Although in grades the differences among locals and tourists were not very high and ranged from 0.01 to 0.6.

From the answers of consumers we have gained information what drives them toward wine as a product, which social circumstances enhance the consumption, which socializing effects were evident in the occasions when wine was consumed and how important were social, status and healthy images of wine.

According to findings of Sheth et al. (1991) consumers add certain values to a product: functional values connected to possession and psychical attributes of the product; social values like perceived utility, choice of visible products; emotional values associated with feelings, emotions the product create (e.i. comfort, childhood, romance, aesthetic); epistemic values like arousing curiosity, novelty, desire, optimal level of stimulation and conditional values depending on the consumption situation (once in a lifetime, seasonal, for holidays, birthdays, occasional, every day).

The opinions of consumers (both tourists and locals) about Malvazija Istarska wine contained functional values, social values, emotional values, epistemic values and conditional values (Box 2).

Functional values were described as "I like the taste and smell of wine" which were ranked highest for tourists (4.57), "Wine is a natural drink" (4.12), "Wine is good for one's health" (3.69) and "Wine is a part of healthy life style" (3.45).

Social values for Malvazija Istarska were complementary with the gastronomy, "Food gets a better taste" with equal rank for local and tourists (4.09), "It offers a complete gastronomy experience" (4.14 for tourists and 3.97 for locals) and with cultural and social surrounding "It is part of my culture", "Because it is a tradition in my family". Somewhat lower scores were set for status and prestige like "Because it is fashionable" (1.92 tourists/1.21 for locals), "It shows my personal maturity" (2.1 tourists/1.58 for locals), "It shows a sophisticated personality" (2.1 tourists/1.74 for locals), "It gives value in the society" (1.88 tourists/1.26 for locals).

Emotional values were associated with feeling for family and friends such as "It is a bond in special life moments" (3.91 tourists/3.48 for locals), "It is a bond of generations in the family" (3.32 tourists/2.66 for locals), it was a bond in "Gatherings with family and friends" (4.08 tourists/3.58 for locals). Also personal emotional

Box 1. Importance of wine attributes
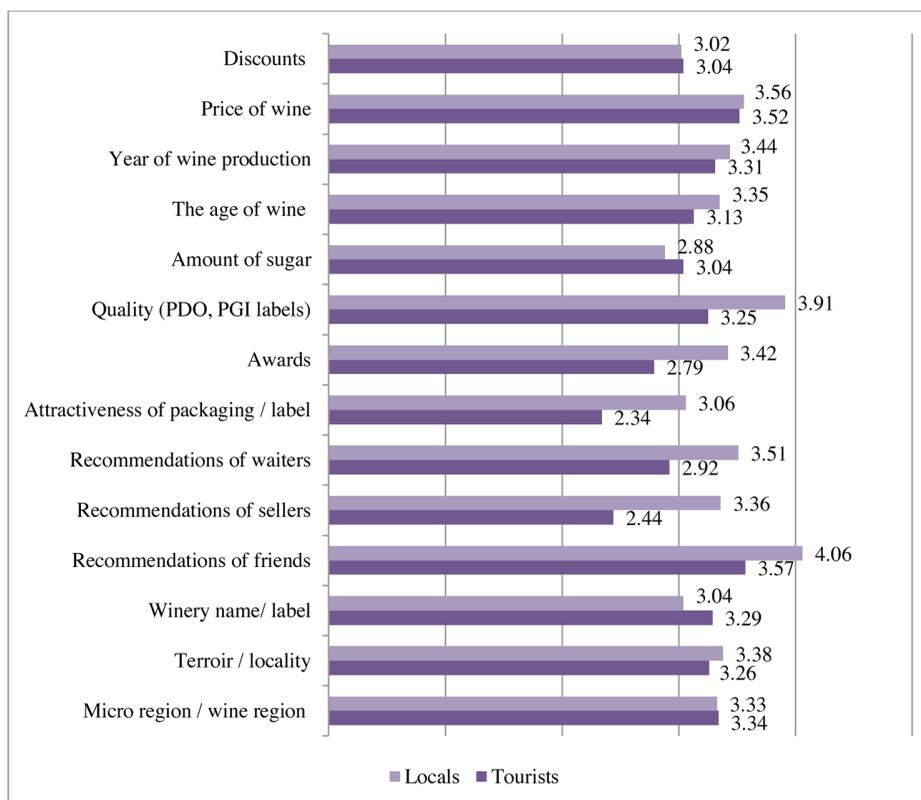
Source: authors' data processing

value was given to Malvazija wine such as "I consume wine to feel good" (3.36 tourists/2.75 for locals), "I consume wine for pleasure" (4.46 tourists/3.58 for locals). Consumers gave value also to health (3.69 tourists /3.35 locals) effects of wine and perception that wine is a part of their healthy lifestyle (3.45 vs. 2.93).

Epistemic values were described through the perception of own knowledge about wine which the respondent possessed and the recognition of this knowledge by other persons, "My knowledge about wines" was ranked 3.88 for tourists and somewhat less for locals (3.53). "I'm pleased when others recognize my knowledge about wines" (2.62 tourists/2.11 for locals).

Conditional values were depending on the situation of consumption, which were connected with social circumstances of wine consumption and in relation to the persons in the family, friendship and business relations or just personal satisfaction.

Box 2. Wine consumption and consumer values

Statement	Tourists	Locals
Food gets a better taste	4.09	4.09
It offers a complete gastronomy experience	3.97	4.14
It is a bond in special life moments	3.91	3.48
It is a bond of generations in the family	3.32	2.66
Gatherings with family and friends	4.03	3.58
Because it is a part of my culture	3.41	2.71
Because it is a tradition in my family	2.83	2.1
Because its fashionable	1.92	1.21
I consume wine to feel good	3.36	2.75
I consume wine because I'm used	2.82	2.3
I like the smell and taste of wine	4.57	2.66
I consume wine for pleasure	4.46	3.58
Wine is good for thirst	2.25	1.9
Wine is a part of healthy lifestyle	3.45	2.93
Wine is good for ones health	3.69	3.35
Wine is a natural drink	4.12	3.46
It gives a break in a hectic day	3.71	3.56
It relaxes me	3.54	3.37
my knowledge about wines	3.88	3.53
I'm pleased when others recognize	2.62	2.11
It shows a sophisticated personality	2.1	1.74
It shows my personal maturity	2.1	1.58
It gives value in the society	1.88	1.26
Self pleasure / Self fulfilment	3.33	3.16
I want to differ from other persons	1.68	1.29
In business wine is a sign of success	2.01	1.48
It declares social status / recognition	1.81	1.23

Source: authors' data processing

Statements "It relaxes me" (3.54 tourists/3.37 for locals), "I differ from others" (1.68 tourists/1.29 for locals), and "Self-pleasure/self-fulfilment" (3.33 tourists/3.16 for locals), showed the importance of personal values. Consuming wine in business relations was described as "In business it is a sign of success" (2.01 tourists/1.48 for locals),, "It declares social status" (1.81 tourists/1.23 for locals),, "It declares value in the society" (1.88 tourists/1.26 for locals).

28

Patterns of wine consumption showed that most respondents consumed wine at their homes (75% of wine tourist and 60.4% of local population). Consuming wine outdoors was most common in restaurants for both groups (24.2% in restaurants for tourists' and 23% of locals).

The local population showed a larger variety of behaviours in wine consumption because they mentioned consuming wine in night clubs and bars (11%), on farm tourism facilities (2.2%) and in other places (2.2%).

The majority of local population consumed wines in bottles of 0.75 litres (89% of respondents) and less in other types of packaging (6% in litre bottles and 5% in bulk).

The locals bought their wine in majority of cases at the winery (40%) or at the shopping mall (39%) and less frequently at specialised shops, oenotheque (20%) or by internet purchase (1%).

Their spending habits showed appropriate behaviour according to their income. Therefore most locals were spending up to 20 euro monthly for their wines (66.2%). About twenty percent spent 21-35 euro monthly (19.5%), then 9.1% spent 36-55 euro and 5.2% spent more than 55 euro monthly. Wine tourists were spending in general terms more monthly for their wine; 26% up to 20 euro, 24% spent 21-35 euro, 34% spent 36-55 euro and 16% more than 55 euro monthly.

Creating a Producers Brand for Malvazija Istarska Private Labels

Currently on the market Malvazija Istarska wines are sold with labels of geographic origin obtained through Croatian institutions. The label of geographic origin is a warranty of chemical and sensory analysis executed and control of production and vineyards. The laws provide a frame in which the wine growing region and grape variety should be stated, which producers' data and wine features should be written on the label. Each and every producer creates their label according to their aesthetic vision. Geographic origin provides to the consumer a warranty of quality and sense of product protection. It also clearly states the wine region where the wine is produced and bottled so the wine represents its uniqueness, identity, territory. In sales, producers used both direct and indirect channels of sales, whereas the direct sales at cellar doors were most used (Table 1.).

For the producers this type of sales offers an opportunity to present the wine in the best possible way; close to the production site (vineyards and wine cellar), directly in contact with the producer who can explain all positive aspects and attributes of their wine, present it in optimal surrounding (in the wine cellar, with professional wine glasses, at optimal temperature) and recommend its pairing with food and occasion. For the consumers it offers the possibility to encounter the wine producer, to gain new knowledge about the wine region and wines, and taste wine directly in

Table 1. Distribution of Malvazija Istarska wines

Channels of Distribution in Last Three Years	Frequency	%
Own wine cellar	32	94.1
Wine boutique	19	55.8
Small shops	11	32.4
Retail chains	8	23.5
Restaurants	31	91.2
Agro tourism	3	8.8
Internet	8	23.5
Other (distributers, gift packages)	10	29.4

Source: field research, sample of producers

the wine cellar. From the financial aspects consumers can purchase wines on prices lower than in other indirect sale

Prominent producers have sold Malvazija in at least one EU country, and almost half of the responding producers had such sales strategies (Table 2). Furthermore each fourth producer sold their Malvazija worldwide. These two sets of data show that Malvazija is recognized and attractive to foreign markets and seen as already an established market product.

Producers described their Malvazija Istarska which they currently produce as an attractive market product which has a good market position due to its quality gained from the growing areas (micro locations/terroir), its price and due to the fact that consumers recognize Malvazija wines and find it easily on the market (Table 3.)

Since Malvazija Istarska is a wine already recognized by the consumers and widely available on the markets, especially on the national level, in the process of brand creation special attention should be given to producers opinions. Therefore their expressions and concerns about a new brand tackled both positive and negative effects

Table 2. Sales of Malvazija Istarska wines

		N	%
	Locally (wine cellar and nearby)	31	91.2
	Regional (Istria)	28	82.4
Location of sales	Nacional (Croatia)	22	64.7
	EU	16	47.1
	World	8	23.5

Source: field research, sample of producers

30

Table 3. Producers perceptions of own wine label

Perceptions	Grade
My Malvazija istarska is competitive because of geography closeness of sales place	3.79
My Malvazija istarska is competitive because of its price	4.26
My Malvazija istarska is competitive because of its quality	4.68
My Malvazija istarska is competitive because of promotion activities	3.29
My Malvazija istarska is competitive because of its image	3.74
Consumers recognize my Malvazija Istarska as a product	4.00
Consumer find on their own my Malvazija Istarska on the market	4.00
The demand for my Malvazija Istarska is high	3.56
Micro location of my vineyards has positive effects on my Malvazija Istarska	4.24

Source: field research, sample of producers

Table 4. Branding Malvazija Istarska wines

	Grade
A brand demands framework for production	3.68
The brand and its promotion should increase the price of wines	3.65
The brand and its promotion should increase the quality of wines	3.94
The brand and its promotion should increase the image of wines	4.50
The brand will increase the price of wines	3.62
The brand will increase the sales of wines	4.24
The brand will increase the export of wines	4.29
The brand will increase the global competitiveness	3.68
Promotion of the brand should be based on autochtonousness	4.47
Promotion of the brand should highlight micro region	4.06

Source: field research, sample of producers

(Table 3.). Producers expect that the new brand will respond to a certain rise of their image, wine sales and prices. In order to maintain their existing positive image all producers which produce branded Malvazija Istarska should have an equal production technique and label on the package (Table 4.). With the new brand established, the producers expect a better position on the market, rising competitiveness, especially on international markets, resulting with increased sales.

Further the producers claimed that the new brand label should be particular and recognizable to the consumers and the wine bottled in particular bottles (Table 5.). The producers were ready to participate in the price of creating the brand so willing

Table 5. Brand features of Malvazija Istarska wines

	Yes	%
The brand should have a particular and recognizable label	25	75.0
The producers should pay for the brand label	14	41.2
The brand should have a particular and recognizable package (bottle)	13	38.2
A minimum price per bottle should be set for branded Malvazija	25	73.5
Production technologies should be equal for all producers	24	70.6
I'm interested to create and produce other products from Malvazija	24	70.6
I will create these new products on my own	5	14.7
I will create these new products through a partnership	19	57.8

Source: field research, sample of producers

Table 6. Who should do the promotion of Malvazija Istarska wines

Promotion Should Be Done by	Grade
Croatian tourists board	4.06
Istria tourist board	4.50
Local tourist boards	4.00
Producers association Vinistra	4.47
Other association of producers	3.76
County of Istria	4.41
Cities and municipalities in Istria	3.82
Wine producers	4.44
Farm tourism facilities	3.62
Hotel chains	3.82
Restaurants	4.06
Oenotheques	4.09

Source: field research, sample of producers

to pay the costs. Some producers had some ideas of creating other products from Malvazija Istarska, for example filled chocolates, jams, sweets, sausages and cheese with added wine or wine must.

Finally the question was who will take part in the promotion of the new brand. Producers were willing to take part in promotion themselves and through their wine producers associations, either local or regional (Vinistra), but they also expect the local community and tourists facilities personnel to take part (in catering facilities e.g. hotels, restaurants, and wine shops, e.g. oenotheques).

CONCLUSION

Malvazija Istarska is a wine present on the wine market with evident demand and sales both on national and international level. Producers currently produce their own labels with protected geographic origin and high quality already recognized by local consumers and foreign tourists.

Further development of the market requires higher levels of involvement especially on international markets. In order to achieve producers' aspirations for higher sales, prices and international competitiveness branding can be a solution and a very appealing way.

SOLUTIONS AND RECOMMENDATIONS

The new brand of Malvazija Istarska should be established on existing quality, wine attributes and positive image. It should provide a distinctive package, bottle size and shape and unique label for all producers.

Advertising of Malvazija Istarska should be connected to functional values of the wine described through wine attributes. Further social values should be highlighted, such as socializing with family and friends, and positive aspects of wine consumption on health and relaxation.

Since consumers were interested to learn about wines and were currently willing to visit the producers at their cellar doors and their wineries this aspect should be developed (for example introduction of activities, events, and products connected to wine). Also gastronomy offer and connection to food could facilitate the image of Malvazija Istarska, especially on wine events and through lodging and catering facilities.

In order to increase international sales tourists should be attracted to Malvazija Istarska wines when visiting Istria. Therefore Malvazija Istarksa epistemic values should be presented (novelty, increasing knowledge about local wines), emotional values highlighted (family gatherings, comfort, feeling good, pleasure), conditional values stated (holidays connected with wine) all connected to functional values (described through wine attributes).

FUTURE RESEARCH DIRECTIONS

After the development of the new brand Malvazija Istarska a future research should be created. In order to compare the previous situation and the results achieved through the new brand the opinions and views of producers, promotors and consumers

should be taken. A field survey after label establishment could give valuable data for further development of the brand and promotion. Eventually the survey could show positive and eventually negative effects of the new brand for the producers which accepted the new brand instead of their own private label.

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34

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KEY TERMS AND DEFINITIONS

Emotional Values of Products: Arousing feelings, feelings associated with other options, comfort, childhood emotions.

Epistemic Values of Products: Arousing curiosity, providing novelty, satisfying desire for knowledge, changing products for boredom, experiencing new things.

Extrinsic Attributes of Wine: Origin, grape variety, packaging, price of a wine.

Functional Values: Possession, psychical attributers, reliability, ownership of a product.

Intrinsic Attributes of Wine: Value for reputation, expert opinions, tasting ratings, appellation, and sensory values of a wine.

Social Values of Products: Perceived utility, choices of highly visible products, assurance of class differentiation, social status symbol.

Socializing Effects of Wine: Effects of social interactions at the wine fairs and wine cellars, such as, enhancing the atmosphere, entertainment, having a relaxing day out, socializing with partners, friends and family members, meeting the wine maker, learning about wine, tasting and buying wine, touring the vineries, visiting attractions in the surroundings, and overall entertainment.

Chapter 3

Building Powerful Private Label Brands in Creating Effective Communication Processes:
Turkish Ironman as Case Study in Scope of Linear Communication Approach

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ABSTRACT

Globalization and developing communication technologies have shaped the approach and expectations of consumers towards brands, and this has necessitated the transformation of communication practices into widening approaches in marketing rules. There are many studies on marketing communications; most of them are based on the marketing perspective. This chapter explains marketing communications practices in the scope of the fundamental communication discipline. In this scope, the branding communications efforts of two leading Turkish private labels retail as brands as examined as a case study with the light of field research. The chapter is a contribution to the studies in the marketing communications field with the perspective of the communication discipline.

INTRODUCTION

The field of marketing has been changing because of the differentiating market conditions. The changing expectations and attitudes of the consumers have been among the fundamental triggers of this change. The marketing approach evolving in parallel with the consumers' demand came to the forefront with building more economic and beneficial product categories in the markets. Consumers' changing shopping attitudes play an important role in the expansion of the market chains. The increasing demand in the market brought the branding beyond the product. Besides the tangible benefits associated with the product, brand value started to come to the fore with the intangible associations of product. In this transformation, developing communication technologies play important role. Especially, the development of digital communication instruments such as social media platforms and comment platforms providing detailed information about the products and the hard-sell opportunities improves the inclination towards thrift purchasing trend in not only the low-income socioeconomic segment but also the mid- and high-income groups. For instance; among these groups, the private label products gained increasing popularity in the last decade as a result of this tendency towards thrift purchasing motivation.

The private label products or brands can be defined as a group of labeled products that are manufactured by the large chain market groups (Beneke, 2010). These are the products that are manufactured by third parties but branded by popular chain market groups or distributors (Boon and Kurtz, 1995). This tendency was first seen in Europe, followed by the United States and Canada. Then, it rapidly spread to the other countries and regions around the world. These products have been produced in 1849 for the first time but the manufacturers have ceased the production because the penetration decreased in the first period (Herstein & Gamliel, 2004). Then, in the 1990s, the store brands reemerged and they became a type of fixture for discount stores in the last two decades (Abdullah et al., 2012).-

The first motivation of the idea underlying the production of private label brands is to reach low-income level consumers in order to enhance the market and category penetration and to create new marketing opportunities, which are considered as a beneficial method for raising the productivity of production resources. It was traditionally the product that promises the most advantageous price range to the target audiences. In the first phase of production (Hoch & Banerji, 1993), "the private label products were merchandised based on the price advantage"(p.57). The price advantage has increased the demand for these alternatives to the national or global brands. In the course of time, some of the retailers positioned the quality over the price; these brands still merchandise the price advantage to the market (Steiner, 2004). The first motivation of private label products was to meet the consumers' functional expectations regarding the market categories. Over the following two

40

decades, the private label shares reached an average of 14 percent in the market of the USA (Quelch & Hardling, 1996). Thus, it rapidly became very popular among the consumers around the world. According to the Turkish retail market report, the market share expansion of the small scale products was 30.3 percent in comparison to its development in markets with different sizes, and the private label brand chain is the leader, which is the most rapidly developed chain group among the private label brands (Nielsen, 2018). The private label brands are perceived as very synonymous with trusted and high-quality brands but having lower price alternatives (Walker, 2016). Considering this, the retail markets started merchandizing their own labels in order to increase the purchase intention among the consumers.

The consumers also started paying attention to these products that are branded by the name of the company. Thus, the company gains benefit and increases its penetration in the market. The similarities with high-quality brands increased the motivation towards these brands and played an important role in the popularization of these brands. There are direct and indirect triggers influencing the consumer's perception of a brand or a product (Dick et al., 1997). The direct triggers can be classified as taste, texture, fragrance, content, and price, whereas the factors indirectly affecting the perception of consumers and constituting the image of the brand are the factors that are related with the brand identity and image and enabling the brand to make the brand choice by imagining that it will meet his/her expectations. The increasing competition in the market affects the development of continuous innovation approach to the features of products or brands, which triggers the consumers directly through the functional motivations and benefits. Because of this reason, the indirect triggers are easier than the direct triggers in positioning the brands by establishing a brand identity and image on consumers' mind. All the efforts made by the brand teams until the moment of sale is described as the marketing communication process, which is very important in terms of brand experience (Varnalı, 2017). In this respect, the marketing communications play a crucial role in the mind of target audiences that is considered as a leading factor. The marketing communication is a fundamental communication process between parties.

From this point of view, the main purpose of the present study is to understand the effects of marketing communication activities, and how the marketing communications process evolves in the eye of consumers and how a role the communication process plays in the sales promotion campaigns. In the scope of this study, two different retailers are chosen as the cases of the study and each retailer is accepted as a brand to examine the marketing communications process within the scope of the linear communication model. Therefore, this study aims to reveal the communication process of the chosen brands in the eye of their consumers, as well as understanding the role of marketing communication channels within the scope of the basic communication process. The linear communication model is used in order to explain the marketing

communication process and how the media channels play an effective role in the consumers' actions. The questionnaire was conducted with two largest private label brand stores' consumers from different socio-demographic structures in different regions of İstanbul. The interviews with the customers were performed on the opening hours of stores during the first days of the hard-sell campaign. This study also aims to explain the role of communication activities in marketing within the scope of communication theories. For this purpose, this chapter focuses on giving a theoretical perspective to the brand communication effect from the aspect of the linear communication model. It is predicted that this study would provide a new perspective to the literature in terms of discussing the marketing communication effects of private label brand retailers from the aspect of communication dynamics.

BACKGROUND

In the first period, when the retail distributors started manufacturing products, the method used in order to ensure the low price in selling the product they manufactured was the production at low costs. The hypermarkets, which started to become more widespread and the symbol of that period in the 1980s, started re-determining the conditions of competition (Farhangmehr et al., 2000). This development in the market caused changes in the expectations and habits of the consumers. As a result of the changing dynamics of the market, the consumers perceived the private label products as low-quality products and it caused these products to lose competitive advantage in the market (Bellizzi et al., 1981). The benefit, which is based mainly on meeting the needs, necessitated the differentiation because of these conditions of competition. The branding efforts were initiated as the manufacturers added the efforts such as differentiation and making price-quality balance more advantageous than the competitors to the main components of marketing (Dunne & Narrisham, 1999; Tamilia et al., 2000). The need for differentiation became one of the most prominent marketing efforts, and the factors including the expectations of consumers other than the needs started becoming more prominent. The consumer-oriented marketing activities also featured the distinguishing, competitive, and attention-grabbing characteristics of the brand in comparison to the other actors in the market, and the brand promoted itself in the course of marketing communication in this parallel.

The concept of brand coming to the forefront in the whole market became one of the assets creating added value for a company in the previous period, and establishing a product identity became the most important investment of the 2000s (Odabaşı & Oyman, 2011). In other words, all the planned and unplanned changes in the marketing and all the efforts aiming the differentiation by enabling the consumer to recognize another existing distinguishing characteristic of the product constituted the concept

42

of brand (Odabaşı & Oyman, 2011; Gemici et al, 2009). The concept brand, which is coming from an old Norse word meaning burnt (Parcy, 2008), "is a name, term, design, symbol, or a combination of them aiming to identify the goods or services of one seller or group of sellers and to differentiate them from the competitors"(AMA, 1960 cited in Wood, 2000,p.664). Oxford Dictionary defines the brand as a particular sort or class of goods, as indicated by the trademark on them (2009). Branding is a value-creating process, in which a product differentiates from the others in terms of the consumer experience as obtained benefit and satisfaction, as well as providing sustainable purchasing process (Aaker, 1991; De Chernatony & McDonald, 1992). In other words, the branding is the efforts addressing the characteristics distinguishing a person or institution from its rivals, as well as creating all the associations arising from the benefits that these characteristics created in the target audience. In the first periods of branding, creating an identity (brand name) for the product and making a promise that would attract the attention of the consumer were at the core of process (Kotler & Armstrong, 1989). These promises were generally being announced by making use of the traditional advertisement methods. In the field phase of the process, the personal sales channels were playing an active role. The initial marketing efforts started with these three communication functions (Aaker, 2014). The brands were initially classified into two as manufacturer and distributor brands, and then they started to differ by dividing into different groups together with the changes in marketing methods (Kotler, 1976). The brands becoming diversified as manufacturer brands, private distributor brands, and generic brands classified the retail market. The brands, in which the manufacturer performs all the distribution and promotion activities and the manufacturer sets the price, are classified as manufacturer brands. The brands, on which belong to the wholesaler and retailers and the manufacturer has a voice in, named private distributor brands. The brands incorporating no advertisement and promotion activity and no determinative terms are classified as generic brands (Pride & Ferrell, 2003).

The macro changes created by the brand in the 20th century, the image coming to the forefront besides the quality, and the consumers showing purchasing inclination towards this image led the discount stores in this direction (Albayrak & Dölekoğlu, 2006). By labeling the products with their own brands or other brands, the stores focus on drawing the attention of consumers and to establish loyalty. The quality and image association in the mind of the consumer is very important for the sustainable preferability of a brand (Albayrak & Dölekoğlu, 2006). The branded store products positively contribute to the consumers' visit frequency, and they also accelerate the process of constructing brand loyalty from the brand awareness in terms of consumers' action. The brands have specific meanings to the consumers, and these meanings derive partially from the experience but mainly from how a brand has been positioned and presented to the people via the marketing communications

43

(Parcy, 2008). As the retailers recognized the importance of branding, the brand communication activities enabled the private label brands and, consequently, the discount stores to become more demanded. The brand communication is becoming gradually more popular in distinguishing the brands from the other competitors in the consumers' mind in order to provide brand loyalty, which is the determinant of market share and takes a larger share from the penetration sales.

The brand communication, which came to the forefront together with the change of consumer expectations and the increasing competition in communication as a component of marketing, brought a new period, in which the factors such as advertisement, public relations, event management, sales promotion, and digital media management are managed with a strategy and the communication aspect of the brand arises (Allen & Kaufmann, 2009; Parcy, 2008; Bozkurt, 2013). The change of consumer habits and expectations laid the foundation for the development of the marketing approach focusing on the needs of consumers, and increased the efforts of communication with consumers over the brand identity. The brand communication refers to positioning the brand name and characteristics with significant values that important or popular for the consumers by using the marketing communications strategies and tools. It is defined as "the primary integrative element in managing the brand relationships with customers, employees, suppliers, channel members, the media, government regulators, and community"(Zehir et al., 2011: 1219). The brand communication is defined mainly as the whole of communication efforts made within the scope of informing the consumers about the image and perception regarding the brand's own and developing a communication strategy based on this information. The main purpose in brand communication is to inform the target audience about the brand and, thus, to convince them of buying behavior by raising the brand awareness (Kayode, 2014). At this point, not only the consumers but also the environment, in which the consumers live, become more important for the communication addressing the brands and the purchasing preferences and recommendations in this environment. People like to talk about their involvement in the products and services for a variety of reasons (Varnalı, 2017). Especially these dialogues create the recommendations and, from the aspect of marketing, these recommendations are very important for the purchasing behavior. The recommendation influences the consumers' process of information, assessment, and decision-making regarding the brand (Kalpakçıoğlu, 2015; Kayode, 2014).

The balance in communication activities plays a determining role in establishing an attitude towards a brand among the target audience. Especially the studies carried out on the retail brands revealed that the communication activities positively contribute to the brand (Arslan & Yavuzyılmaz, 2017). As stated by Kotler (2014), "regardless of which direction the brand communication strategy of marketers is in, the final effect that brand communication creates on the target audience plays a

44

determining role in the brand image"(p.58-59). The brand communication is the main objective of marketing communication activities. The marketing communication is an important instrument, by which the organizations inform, teach, persuade, and remind the consumers about their products and brands that they sell (Deava, 2011). It plays a role not only in fulfilling the sales targets but also in establishing the consumer perception, as well as influencing the buying behavior (Odabaşı & Oyman, 2001). It is the whole of the brand's unilateral, planned, and strategic activities, in which many instruments are used synchronously and in parallel with each other. In other words, the marketing communication is a "sustainable communication established between the brand, corporation or person and the consumers" (Odabaşı & Oyman, 2001: 37). The marketing communication activities playing an effective role especially in establishing the brand image inform the customer about what the company and its brand stand for; it is a way to associate the brands with other people, places, events, brands, experiences, feelings, and things (Deava, 2011: 51). The globalization, economic and cultural transformations, advancements in the communication technologies, and change in media consumption habits transform the dynamics of the consumers' buying behaviors. Because of the development of digital communities and tools, marketing communications became a precise, effective tool for the brands. The marketing communication is the core starting point for the efforts and practices that popularize a brand, idea or service among a category of consumers, as well as making the target consumers interact and keep them intact with the brand and product (Jothi et al., 2011: 237).

The main functions of communication such as advertisement, public relations, sales promotion, social and digital media communication, and event management are used in order to deliver a message to a target audience within the scope of marketing communication strategies (Parcy, 2008; Bozkurt, 2013). By making use of these functions, a single communication objective is encoded for different media environments and then distributed through the appropriate communication channels. The main objective of this planned communication activity is to draw the attention of the target audience, to inform and convince them, and to mobilize them in accordance with the message given. The communication process mobilizes many dynamics in establishing the attitude towards the brand and it encompasses the consumers from every aspect. The communication process starts with sending the message to the target audience and, by determining the necessary forms and methods in parallel with the effective communication programs, it aims to influence the behavior directly or indirectly (Bozkurt, 2013, p.73). The trends emerging in the consumer's environment because of the effects of communication are the efforts mentally directing the consumer and ensuring the establishment of perception in this parallel (Kongarchapatara et al., 2011).

Figure 1. Linear model of communication process
Source: McQuail & Windhal, 2010.

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┌─────────────┐   ┌─────────────┐   ┌─────────────┐   ┌─────────────┐
│    Who      │   │    Says     │   │  In which   │   │     To      │
│             │   │    what     │   │  channel    │   │    whom     │
│ Communicator│ → │   Message   │ → │   Medium    │ → │  Receiver   │ →
└─────────────┘   └─────────────┘   └─────────────┘   └─────────────┘
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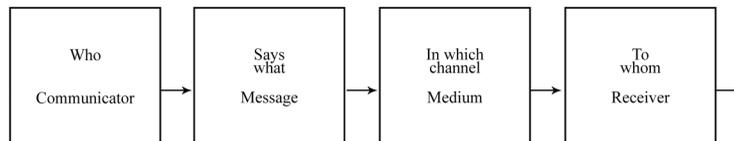
Within this scope, the chapter focuses on the communication process of marketing communication activities in order to understand the components of the process and the final effect. Based on this perspective, the Turkish private label retail brands communications efforts are analyzed by making use of the fundamental communication formulas in order to understand the process.

THE MAIN FOCUS OF THE CHAPTER

The branding that spreads to every market was considered as the most important instrument of marketing. The actors in the retail sector, which has an important position in the national economies of countries and plays a driving role in the main flow, added the branding efforts to their marketing activities very rapidly and they started canalizing themselves to the communication activities that would provide their products with an identity (Mulky, 2013). The retail stores, which quitted being an ordinary regular product and oriented towards the brand communication in the early 1980s in the USA, became an integral part of daily life practice in Turkey since the early 2000s (Çınar, 2016). In Turkish retail sector run in traditional and organized way, besides the traditional trade approach, the growth as store chain or store brand showed a significant acceleration in last 20 years and, according to Public Oversight Accounting and Auditing Standards Authority (KPMG) data, it gained 67 percent from the market share in Turkey (2018).

The main purpose of this study is, within the scope of marketing communication activities that these companies perform for their own brands, to theoretically reveal in *which communication channels (medium)* show *which effect*, as well as the effect on the buying process. In this parallel, a questionnaire was conducted to the consumers of these two discount store companies, which have stores in entire Turkey. From the theoretical aspect, the linear communication model was employed in order to understand the factors playing a role in the effects of communication activities aiming to convince and to influence the attitude. The linear communication model developed by Harold Lasswell as a result of the studies on understanding the

46

process of the communication activities carried out in different fields and aiming to convince describes a unilateral communication process (Lasswell, 2007). This simple communication formula is mainly used for organizing and structuring the communication-related processes (McQuail & Windhal, 2010).

The formula of this model, explains the sender and receiver of communication process. In the second step, it is defined how the message is encoded as a communication, which is transmitted to the target audience by the party starting the communication. The model, which is defined as linear since it is unilateral, assumes that the communication channels play an important role in achieving the targeted effect (Duncan & Moriarty, 1998).

Finally, it aims explaining which effect the communication created on the *receiver,* which refers to *whom* in the formula. This study is considered as a preliminary study and it aims to provide a perspective to the future studies, which are to organize and define the store brands' marketing communication process in Turkey and aim to understand the attitude of the whole population, with a perspective.

The market share of private label sector in Turkey was reported to be approximately 2.5 billion USD (Arslan et al., 2013). These brands having an important place in daily life in Turkey are among the actors influencing the conditions of competition in the market. According to the Social Economic Status 2017 report of Turkish Statistical Institute on the social demographic structure and consumer group, approximately 62 percent of the population in Turkey consists of the households at low and mid-income levels (TUIK, 2017). These figures play an important role in the branding and marketing of the products that the discount stores produce on their own. Considering the social economic statute distribution in Turkey, Twentify conducted a research in 2018 and reported that the discount store, from which the consumers make shopping at most, is BİM with 43.7 percent, followed by A101 with 27.2 percent. (Twentify, 2018). In this respect, A101 and BİM retailers were chosen as case study brands within the scope of this research. For this reason, these two discount markets are discussed here as the sample cases.

It is considered that the communication activities play an important role in communication environment of the brand and also an effective role in attitude towards such brands, in which some of the brand costs are reduced and the price advantage is achieved. By analyzing the data obtained within the scope of this study, it was aimed to establish a theoretical perspective by taking Lasswell's model as a base among the mass communication theories. This model was preferred in order to explain the main communication process of marketing communication of discount stores influencing the target audience.

According to the Lasswell's linear model of communication process illustrating the conviction-oriented communication process and examining the effects of communication activities on the masses, the party starting the communication process,

Figure 2. The linear communication model of private label brands
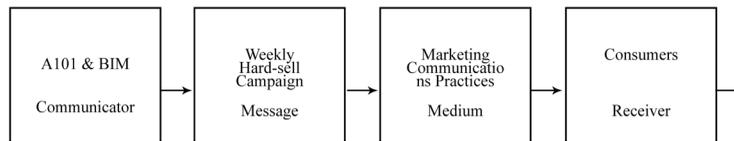
determining the sources, and designing the message is defined as *communicator (who)*, the sender of the message. In this study, A101 and BİM brands are the *communicator (who)* of the communication process. The participants consisting of the consumers preferring A101 and BİM brands are accepted as the *receivers (whom)* of the message in the brand communication process, who are influenced by the marketing communication activities including the communication and point-of-purchase activities through the advertisement, promotion, social media, digital communication, and traditional media channels.

The message in this model, which is *what is told,* is accepted as the unique of periodical hard-sell campaigns. In this study, it was aimed to reveal through which channels and how effective the communication message, which motives the consumers for waiting at the doors of stores for the opening hour of hard-sell campaigns, shows such effect. The *which effect* component in the model is accepted as the motivation of consumers, who were waiting at the doors of private label retails markets for the opening on the first day of the hard-sell campaign.

Research Method

In this research, which is a heuristic research aiming to frame the communication process; the unobstructed research method was used for explaining the role of communication process on consumers' motivation. The structured questionnaires were utilized in order to explore the marketing processes of these brands from the aspect of the target audience's perception and to define it within a theoretical frame.

The research has limitations since it is not capable of representing the whole universe and providing valid and statistically measured information about the whole universe due to sampling and questioning techniques. Since the questionnaires were conducted in specific districts of İstanbul, the present research is not capable of providing descriptive data for entire İstanbul or Turkey.

Research Sample

The research sample was determined by using the convenience sampling method, which is a type of non-probability sampling technique, in hard-sell days of PL label distributors on the first day of campaigns. According to Etikan et al. (2016),

The convenience sampling method is a type of non-probability or nonrandom sampling where the members of the target population that meet certain practical criteria such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study (p. 2).

According to Barbie (2007), the researcher aims to reveal some of the usages, attributes, and attitudes of a consumer group in order to determine some of the specific points on an issue. Therefore, representing the population is not a requirement if the research sample is determined by using the non-probability technique.

The questionnaires were applied to the research field by choosing the respondents among the people waiting for the opening of the market and accepting participating in the research on discount stores' first day of weekly campaign. The research sample was composed of different regions of İstanbul, which are easily accessible and located on the Anatolian and the European sides of the İstanbul province. The research questionnaire was conducted to 190 individuals among the consumers of the A101 and BİM market, who were waiting for the opening time outside the stores during the campaign days between 10 November 2018 and 30 March 2019 in Anatolian region of the İstanbul. 157 respondents were involved in the analyses in total. 69 percent (n=109) of the participants waiting at the outside of two different stores (shown in Table 1) are female, whereas 30% (n=49) are male.

The distribution of participants by age is as follows; 24 percent (n=37) of the participants were aged between 20 and 29 years, 27 percent (n=42) between 30 and 39 years, 31 percent (n=49) between 40 and 49 years, 11 percent (n=17) between 50 and 59 years, and 8 percent (n=12) were aged ≥ 59 years (presented in Table 2).

The distribution of the participants, who are waiting at the outside of stores on campaign days, by the educational status is presented in Table 3. 34 percent

Table 1. The gender distribution of research sample

Female		Male	
n	*%*	*n*	*%*
109	69	47	31
157	100.0	157	100.0

Table 2. The age distribution of research sample

20-29 years		30-39 years		40-49 years		50-59 years		59+ years	
n	*%*	*n*	*%*	*n*	*%*	*n*	*%*	*n*	*%*
37	24	42	27	49	31	17	11	12	8
157	100.0	157	100.0	157	100.0	157	100.0	157	100.0

Table 3. The educational status distribution of research example

Primary		Secondary		High		Undergraduate		Post-graduate	
n	*%*	*n*	*%*	*n*	*%*	*n*	*%*	*n*	*%*
27	17	26	17	53	34	48	31	3	2
157	100.0	157	100.0	157	100.0	157	100.0	157	100.0

(n=53) of the participants have high school degree, whereas 31 percent (n=48) have undergraduate degree, 17 percent (n=26) have secondary school degree, 17 percent (n=27) have elementary school degree, and 2 percent (n=3) have postgraduate degree (presented in Table 3).

The customer shares of these brands are presented in Table 4 because the questionnaire was conducted to the customers of A101 and BİM, which are the leading actors in the retailing sector. 51 percent (n=80) of the participants were the customers of BİM and 49 percent (n=77) were of A101 (Table 4).

Research Findings

The attitude of customers towards the brand in parallel with this communication refers to the effect. Moreover, accurately directing the communication message and achieving the expected effect brought the experience. The point-of-purchase activities carried out by the retail stores in order to gain customer's attention and create loyalty are very important for the repetition of customer experience (Çınar, 2016). The hard-sell campaigns are such activities aiming to gain attention through

Table 4. The consumer distribution of private label retail brands

BIM		A101	
n	*%*	*n*	*%*
80	51	77	49
157	100.0	157	100.0

50

the limited-stock hot products. This is one of the communication strategies preferred in order to encode the message of this communication to be transmitted most effectively (Allen & Kaufmann, 2009).

The message coding strategies were admitted as the factors that marketing communications refer consumer towards aimed attitude. Lasswell emphasized that encoding the message is the first step of drawing the attention of mass and to direct them into the desired attitude (McQuail & Windhal, 2017). The weekly hard-sell campaign conducted by the brand is accepted as the message of linear communication process since it makes a promise, and it is observed to draw the attention of the customers. Repetition of the customer experience is one of the most important factors playing a role in establishing the brand loyalty among the customers (Varnalı, 2017). The communication message is an effective tool in creating the targeted marketing communications affect by increasing the consumer experience frequency.

As the first findings of the study, the rate of participants' visit to the A101 and BİM stores on the first hours of hard-sell campaigns shows the effect of the linear communication message and process. The visit frequency of participants in the campaign days is 33 percent (n=52) of the sample (Table 5) .The results obtained from the interviews revealed that the hard-sell campaign day is a determinant factor from the aspect of customers' frequency of visiting the store. It was observed that the campaign activity is an effective message encoded for initiating the communication process between the brand as the communicator and the consumer as the receiver. In order to determine in which channels the instruments used for transmitting the message to the target audience are effective to what extent, the question *from which channel did they receive the brands' campaign messages* was asked to participants. It was determined that the Internet platforms with 35 percent (n=55) share are the most effective medium for transmitting the campaign message (Table 6). From the aspect of brands' marketing communication, it was found that the digital channels are more effective in transmitting the message to the consumers of A101 and BİM brands.

The rate of visiting the store upon the recommendation of a friend during the campaign period is 24 percent (n=37), whereas it was observed that the brochures

Table 5. The distribution of linear communication process effect

I visit the store on the campaign day every week.		I visit the store on the campaign day once every two weeks.		I visit the store on the campaign once every month.		I visit the store on the campaign day less than once every month.	
n	*%*	*n*	*%*	*n*	*%*	*n*	*%*
52	33	45	29	27	17	33	21
157	100.0	157	100.0	157	100.0	157	100.0

Table 6. The distribution of linear communication mediums

I receive the information via the Internet.		I receive the information via friends.		I receive the information via posters.		I receive the information via brochures.		I receive the information via TV ads.	
n	*%*	*n*	*%*	*n*	*%*	*n*	*%*	*n*	*%*
55	35	37	24	35	22	12	19	11	7
157	100.0	157	100.0	157	100.0	157	100.0	157	100.0

(19 percent, n=12) and TV ads (19 percent, n=12) were less effective than the posters on the display window (35 percent, n=19). At this point, it is considered that the point-of-purchase materials are the second most effective communication channels for stimulating the target audience via the campaign message, following the Internet. In order to understand from which channel they follow the campaigns, the participants were asked about where they obtained the information about the campaign after learning the presence of campaign. The participants most frequently use the digital media for following, reminding, and getting information about the campaigns. As a result of this research, the social media groups as a communication medium with 80 percent (n=51) was observed as the most dominant channel among these digital media (Table 7).

Among the digital media platforms, which became an integral part of marketing communication under the effects of new media technologies, the effect of social media groups comes to the forefront because of the effect of friendship, and the repetition of the message transmitted by the other communication instruments is ensured (Parcy, 2008). It is an irreplaceable source for brand recall, awareness, and motivating the consumer's action in order to achieve the desired effect within the process of repeated planned and controlled communication. The effective frequency is the number of times a consumer is exposed to a message before the marketer gets the desired response, whether that be buying a product or something as simple as remembering a message (Pilcher, 2013). As it is seen, the new media communication platforms are the most effective media for enhancing the message frequency and

Table 7. The distribution of digital communication media

I follow via the social media group.		I follow via the search engine.		I follow via the webpage of brand.		I follow via the blogs.		I don't follow via the Internet.	
n	*%*	*n*	*%*	*n*	*%*	*n*	*%*	*n*	*%*
80	51	51	32	12	8	5	3	9	6
157	100.0	157	100.0	157	100.0	157	100.0	157	100.0

52

Table 8. The distribution of communication echo system's effect

My friends remind me.		My neighbors remind me.		WhatsApp/Facebook group reminds me.		Campaign posters remind me.		My relatives remind me.	
n	*%*	*n*	*%*	*n*	*%*	*n*	*%*	*n*	*%*
43	27	41	26	37	24	25	16	11	7
157	100.0	157	100.0	157	100.0	157	100.0	157	100.0

transmitting the message to the brand's communication eco-system. For the study participants, another platform used by 8 percent (n=12) was the official website of the company. It is one of the digital media that consumers use in order to obtain information in the decision-making process; nevertheless, it was observed that the effect of the official website on the brand recall is less effective than the others. The rate of search by using the name of a brand or campaign on the search engine within the follow-up and information processes in Internet domains was found to be 32% (n=51). It is suggested that the social media and the search engines such as Google and Yandex are more frequently preferred for the brands and the official website is a less effective channel. Another channel used for the campaigns is the blogs (3 percent, n=5) providing information about the campaign contents. At this point, it is thought that the digital platforms play an effective role in transmitting the message to the target audience and achieving the desired effect within the process of communication. On the other hand, among the fundamental principles of communication, the dispersion rate indicating the effect transmits this message to the environment of the customer; it can be seen that the message stimulates interest among the recipients and creates a desire to achieve information about the subject.

According to the communication formula of the linear model, the dispersion is of significant importance for achieving the desired effect and attitude (Lasswell, 2007). In establishing and maintaining the loyalty towards a brand, the tendency of society that the person is in interaction with is of the triggering effect. Even if the party designing and transmitting the message uses the some of the fundamental communication channels, the most important characteristic of the mass communication is to increase the brand awareness by making use of consumers creating the organic echo in brand communication environment (Varnalı, 2017). When the participants were asked about which associates played a role in participant's visit to the store on campaign day, 27 percent (n=43) gave the answer *friend* and 26 percent (n=41) gave the answer *neighbors*. On the other hand, it was determined that the communications on social media and WhatsApp groups played an effective role in 24 percent (n=37).

Considering from the aspect of the linear communication process, each individual transmitting the message through the masses becomes a communication medium (Duncan & Moriarity, 1998).

The other channels reminding the message and having them experience the brand on campaign day were the advertisements of brand and campaign (16 percent, n=25) and relatives speaking of the campaign (7 percent, n=11), which are the communication channels playing an effective role in this process. The linear communication model used in the studies on explaining the effect of mass communication for many years emphasizes that this interaction is the most important communication channel creating the effect. The data obtained show the effect of this communication channel in reminding the message and mobilizing the customer.

FURTHER STUDIES

Among the studies carried out on the field of marketing, this study is thought to contribute to the literature in terms of theoretically explaining and integrating the main communication functions and effect. Approaching to the communication process, which has been shaped mainly based on the marketing, from the aspect of communication discipline is considered to be very important for understanding the technological and personal changes in this field analyzing the mass communication since 1930s. This study is thought to be an example for the similar theoretical studies and to generalize how valid a study representing the whole target audience in parallel with the results obtained in the field of retailing is for the population.

CONCLUSION

The marketing dynamics changing together with the globalization bring the communication discipline to the forefront in marketing activities. Together with the popularization of digital markets of today, the communication discipline is now an inevitable necessity for all the brands and corporations for developing a marketing perspective. It is believed that it would become easier for the brands and corporations to adapt themselves to the changing dynamics of communications, as the marketing communication becomes a synthesis of business administration and communication disciplines. Within the scope of this study, the retail discount stores A101 and BİM are discussed as private label brands. It was observed that the communication activities of sample brands were effective on the consumers and having them wait at the outside of store not any day but the first day of the campaign period is the effect.

Within scope of this perspective, it is shown which communication functions play an effective role in consumers' decision-making process. In this study, among the marketing communication functions, the point-of-purchase activities, advertisements, and digital communication channels drew attention in the process of establishing the effect on the consumer. Moreover, it was found that many of the consumers face this message through multiple channels and they use digital communication channels in obtaining the information about the channel. It was reported that, besides the official websites of the brands, also the social media and search engines among the digital communication channels have an effect. In the questionnaire conducted face-to-face with the consumers waiting outside the store on the first day morning of the campaign of A101 and BİM in İstanbul, it was found that the participants make use of social media channels for following the campaigns of these brands. Moreover, it can be seen that the effect of traditional advertisement activities on the effectiveness of the message is at a low level and falls behind the digital interaction. This underlines the importance of the digital communication in the retail sector. The fact that the consumers get the information about the campaign via other consumers and they use the social media domains in following the campaigns suggests that an effective environment has been established for the brand recognition and awareness among the consumers. According to the linear communication model, the echo communication arising from the dispersion of effect created is accepted as a channel and has been examined for many years in studies on creating public opinion. The results of the present study showed that the interaction density and the new masses obtained by means of the Web 3-based communication platforms fulfill the function of a campaign-related communication channel.

Since the marketing-oriented studies are discussed from the fundamental principles of communication, it becomes a necessity for the brands to consider this interaction as a channel. Nowadays, it is predicted that the activities discussed over the influencers and examined and carried out over the conventional celebrity interaction would lose their effect as the TV-oriented advertisements did in the recent period and the interaction of micro-societies would become a much more effective channel. From this aspect, when the main dynamics of this circle effect are discussed over the linear modes, the neighbors, friends, relatives, and social media groups come to the forefront as the components of interaction channel. It can be clearly seen that improving the interaction-oriented marketing communication activities would contribute to both brand awareness and the rituals and experiences constituting the brand loyalty.

In this parallel, the present study is a source providing a different perspective from the aspect of organizing the process for more comprehensive future studies since it provides a theoretical frame for approaching to the studies on marketing communication from the aspect of the communication discipline.

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56

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KEY TERMS AND DEFINITIONS

Brand Communication: Brand communication is a kind of mass communication that aims to influence target audiences of the brand in the aspect of intangible values.

Linear Communication: Linear communication expresses the basic components and actors of mass communication in a theoretical order.

Marketing Communications: Marketing communications is conveying one unique message by using different communications functions within the scope of strategic focusing.

Private Label Brands: The brands that are built by the manufacturers and retailers and produced by third parties as alternatives of category-leading brands.

Chapter 4

Comparing Private Label Brand Equity Dimensions of the Same Store:
Their Relationships, Similarities, and Differences

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ABSTRACT

This chapter examines the CBBE of two different product category PLBs of the same retailer, holding the retailer constant. Specifically, the study presented examines and compares the CBBE and its underlying dimensions and their relationships for Walmart's Great Value (grocery, consumable household goods) and Equate (beauty, health, pharmacy) PLBs. Based on a total of 421 surveys (270 for the Great Value brand and 151 for the Equate brand), the study found that 1) while consumers seem to have accepted PLBs in general, Great Value and Equate have lower levels of acceptance among consumers and 2) the comparison of models for Great Value and Equate brands displayed similarities and a few differences in significant relationships among the CBBE dimensions. The findings of this study provide important insights to the management of the retail stores to identify the areas for improvements and develop strategies based on similarities and differences of the two brands.

INTRODUCTION

Private-label brands are an important part of retailing in various parts of the world, often holding substantial shares of the market (Ailawadi et al. 2008), especially in Western Europe (Queck, 2009). The economic recession of 2008-2009 had a strong positive impact on private-label sales (Nielsen, 2011). Since then, private-label brand sales have remained strong even as the economy has recovered as "shoppers are now more focused on value than at any time in the recent past" (U.S. Grocery Shopper 2012, p.5). Based on a Nielsen report, Hearn (2018b) states that store brands are growing three times faster than national brands, with much of the growth coming from premium private label brands. In fact, in 2016 one in every five items sold in U.S. supermarkets was store brands, where private label brands captured 22.3% of unit shares and total market size was secured at $150 billion (Skrovan, 2017). As a result of the success of private-label brands, retailers are beginning to act very much like their national brand competitors in terms of how they manage and promote their private-label brands.

Research shows that the benefits of private-label brands for both consumers and retailers are quite compelling. For consumers, private-label brands offer relatively high-quality products at very attractive price levels (Davis, 2013; Pauwels & Srinivasan, 2004; "Store-brand" 2012, p. 17). The main reasons for retailers' desire to increase their private-labels are higher profit margins on private-labels, negotiating leverage with national brand manufacturers, and higher consumer loyalty (Ailawadi et al. 2008; Ailawadi & Harlam, 2004; Hoch & Banerji, 1993; Kumar, 2004; Narasimhan & Wilcox, 1998; Pauwels & Srinivasan, 2004). This situation is especially true for the world's largest retailers (Kumar 2004; Gerlock, 2013), as indicated by PLBs' global market share of 16.7% (Nielsen, 2018). Moreover, research suggests that private-label brands have the potential to help build store loyalty (Ailawadi et al. 2008; Corstjens & Lal, 2000; Gonzalez-Benito & Martos-Partal, 2012; Martos-Partal & Gonzalez-Benito, 2011). In support of this point, Hearn (2018b) states that private label will play an increasingly critical role in driving loyalty and profits.

As retailers develop and market their own products rather than multinational name brands to meet changing consumer needs, these recent developments of private-label products present new challenges for brands and manufacturers across globe, (Nielsen, 2018). Moreover, in competing with national brands, some retailers have been offering different PLBs in various product categories, and at different price points. For example, Walmart and e-commerce leader Amazon offer private label brand in multiple categories by expanding their private-label brands of product lines (Hearn, 2018a). As a result of the success of PLBs and their growing market shares across different nations, especially in Europe capturing a larger market share (Skrovan, 2017), PLBs have increasingly captured the attention of researchers. Even

so, the consumer-based brand equity (CBBE) of PLBs (PL-CBBE) has remained largely unexplored (Ailawadi & Kelle,r 2004; Cuneo et al. 2012; Jara & Cliquet, 2012). In fact, Cuneo et al. (2012) state that developing measurements of brand equity for private-label brands is an important issue to be addressed before advancing research on private-label branding. In response to these calls, this study aims to integrate private label brand research with CBBE theory and relevant brand equity research, which will help identifying the dimensions of PL-CBBE to examine the relationships from the consumer point of view and the antecedents' impact on PL-CBBE in creating a strong PLB equity.

Recently branding has emerged as a top management priority (Aaker 1991, 1996; Ailawadi & Keller, 2004; Keller, 2013), where brand equity is a key indicator of a brand's health (Keller 1993; Kim & Kim, 2004). Given that, brand equity, including PLBs, is built through the effective management of the brand promise and brand experience. This requires identifying the dimensions of CBBE and the nature of their relationships. Additionally, no prior study has compared the PL-CBBE dimensions of two PLBs of the same store. Our findings suggest that each PL needs to be managed separately and carefully. This study helps to fill this void in PLB literature and responds to the calls to better understand private label branding (Ailawadi & Keller, 2004; Sayman & Raju, 2004, Cuneo et al. 2012). Therefore, this study examines the CBBE of two different product category PLBs of the same retailer, holding the retailer constant. Specifically, the study examines and compares the CBBE and its underlying dimensions and their relationships for Walmart's Great Value (grocery, consumable household goods) and Equate (beauty, health, pharmacy) PLBs. The findings of this study provide important managerial implications in building strong brand strategies for PLBs, as well as unique strategies for different PLBs of the same store.

This chapter is organized in the following way. The next section provides background for the theoretical foundation for brand equity, and relevant research on PLBs and brand equity to identify the dimensions of PL-CBBE and their expected relationships for creating strong PLBs and brand equity. This is followed by the study objectives and the methodology section that presents the development of scale measures for PL-CBBE, the sampling method, and selection of the qualified respondents. Next, the results section presents the respondent profiles, PLB purchase shares, and model findings regarding path coefficients and relationships for two private labels brands (Great Value and Equate by Walmart), and the comparisons of the PL-CBBE dimensions of the two PLBs. The final sections discuss the implications of the findings, and limitations and future research suggestions.

BACKGROUND

Brand equity has been described in different ways. However, it is widely accepted that the brand equity concept pertains to the added value associated with a branded product/service in comparison with an unbranded product/service (French & Smith, 2013; Keller, 2013). Drawing on cognitive psychology, CBBE is defined as "the differential effect of brand knowledge on consumer response to the marketing of the brand" (Keller 1993, p. 2). In essence, "brand knowledge is the source of brand equity" (Keller, 2003: p. 596), which is accumulated over time through customers' feelings and responses related to the brand (Keller 2013). Aaker (1991) made the first attempt to conceptualize it as a multifaceted construct, consisting of brand awareness, brand association, perceived quality, and brand loyalty.

Private Label Branding and the Conceptual Framework

As the importance of PLBs has become more apparent, numerous studies have been conducted related to PLBs, such as impact of consumer demographics on PLB proneness and purchase behavior (e.g. Richardson et al. 1996; Ailawadi et al. 2001; Baltas & Argouslidis, 2007; Shukla et al. 2013), buying proneness between PLBs and manufacturer brands (e.g. Richardson et al. 1996; Hoch 1996; Narasimhan & Wilcox, 1998; Quelch & Harding, 1996), and similarities and differences between national and PLBs (e.g. Ailawadi et al. 2001; Garretson et al. 2002). Some others examined antecedents that affect attitudes toward PLBs (e.g. Richardson et al. 1996; Batra & Sinha, 2000; Baltas 2003), and the link between private-label share and store loyalty (e.g. Bonfrer & Chintagunta, 2004; Sudhir & Talukdar, 2004; Kumar & Steenkamp, 2007; Ailawadi et al. 2008; Baltas at al.; Martos-Partal & Gonzalez-Benito, 2011; Gonzalez-Benito & Martos-Partal, 2012; Koschate-Fischer et al. 2014).

Jara and Cliquet (2012) found that retailer brand awareness and perceived quality are the two main factors that systematically explain the performance of the retail (i.e., organizational) brand. It seems that store image (or brand association) and store loyalty may also improve as consumers become more familiar with PLBs as suggested by Ailawadi and Keller (2004). This is consistent with research that PLBs can create and foster store loyalty (Richardson et al.1996; Dhar at al. 2001; Collins-Dodd & Lindley, 2003). In addition, various empirical studies provide support for the link between private label purchase share and store loyalty (e.g., Ailawadi et al. 2001; Bonfrer & Chintagunta, 2004; Kumar & Steenkamp, 2007; Baltas et al. 2010; Martos-Partal & Gonzalez-Benito, 2011; Gonzalez-Benito & Martos-Partal, 2012; Koschate-Fischer et al. 2014). Although these studies and the previously cited studies addressed distinctive topics related to PLBs, there is still limited research

64

on PL-CBBE (Ailawadi & Keller, 2004; Cuneo et al. 2012; Jara & Cliquet 2012; Girard et al. 2016; Girard et al. 2016; Keller et al. 2016).

As a result of the recent success of private-label brands, retailers are beginning to act very much like their national brand competitors in terms of how they value and manage their private-label brands. Clearly, the increase in store brand market share partly reflects retailers' recognition that store brands represent an important strategic asset for the firm (Richardson et al., 1996). Hearn (2018b) states that, private label brands once likely to be viewed as "cheap" alternative, two-thirds of surveyed shoppers now believe that private label products offer extremely good value for money, and more than 70% of shoppers state private-label product quality has improved. While PLB sales and shares in the United States are increasing, with 22.3% of unit shares in 2016, it is not as close to that level as seen overseas (Skrovan, 2017). Nielson's (2018) data show that in 2017 private label brands captured 31.4% of European sales, 17.7% of North America sales, 8.3% of Latin America, and 4.2% of Asia-Pacific. This shows that private-label brands have the largest market share (or acceptance) in Europe, followed by North America. Moreover, Skrovan (2017), citing Nielson data, points out that market shares for retailers' own brands have claimed to record highs across Europe. In the U.K., private label owns a 45% market share in grocery, and it is over 40% in six countries – Germany, Austria, Belgium, Switzerland, Spain and Portugal. All these data show the growing importance of store brands, as they seem to be fairly well-accepted by consumers. This is also supported by the research that during the last quarter of 2017, private label sales grew at 3.2%, while manufacturer-branded products declined by .05% (Research Brief, 2018). Moreover, the same research indicates that PLBs started dominating some of the product categories, such as bottled water with 29% share, and pet food over 15% share.

In published brand equity research (e.g., Aaker 1991& 1996; Aaker, 1997; Keller, 1993; Yoo et al. 2000; Yoo & Donthu, 2001) and private-label or store brand research (e.g., Richardson et al. 1996; Ailawadi et al. 2008; Cuneo et al. 2012; Jara & Cliquet, 2012) PL-CBBE is conceptualized as multiple constructs. Girard et al. 2016 developed and measured eight PL-CBBE dimensions dimensions that included brand awareness, perceived quality, brand association, perceived value, perceived risk, retail store loyalty, PLB loyalty, and overall PLB equity. The CBBE-PLB dimensions and their relationships are presented in Figure 1. The literature suggests positive relationships among all of the antecedent dimensions of the CBBE except for perceived risk.

Figure 1. Conceptual relationships among private-label brand equity dimensions
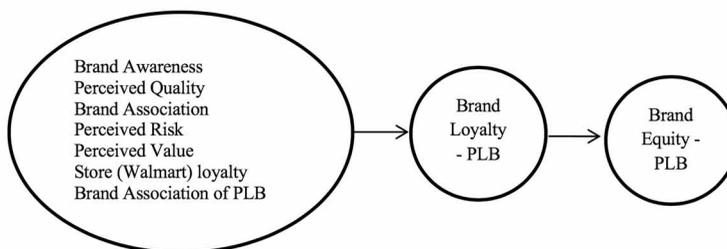
MAIN FOCUS OF THE CHAPTER

In order to achieve the broadly stated objective and explore the nature of the PL-CBBE structure for each product category (i.e., Equate, Great Value), the following specific research objectives (RO) were pursued:

RO 1: Examine consumer purchase behaviors for PLBs in general, as well as for Great Value and Equate to determine consumers' acceptance level of PLBs, and compare the purchase behaviors associated with Great Value and Equate.

RO 2: Examine the significance and direction of the relationships (as stated in prior literature) of the PL-CBBE dimensions of the PLBs (Great Value and Equate).

RO 3: Compare the mean values of the PL-CBBE of the two product categories to determine if the underlying dimensions differ, given both are offered by the same retailer (Wal-Mart).

Because of the exploratory nature of this study in examining the relationships of the two PLBs of the same store (Walmart), specific hypotheses for each PLB are not deemed necessary to be proposed.

METHODOLOGY

In order to fulfill the study objectives, an identical online survey-instrument measured the eight PL-CBBE dimensions that were developed by Girard et al. (2016) for the two product-category PLBs (Great Value, Equate) offered by the same store – Walmart. To fine-tune and purify the various scale items, several pretests were conducted for both of the private-label brand surveys. These pretests included receiving feedback from knowledgeable colleagues about scale development and private-label branding to ensure the intended meaning and clarity of each item have been achieved, and

66

subsequently pilot-testing the full survey using a sample from the target population. The pretests provided useful input for improving the survey items and in establishing face validity of the constructs (Churchill & Iacobucci, 2005; Narver & Slater, 1990). The survey-instrument included the brand equity dimensions of brand awareness, perceived quality, brand association, perceived-value, perceived-risk, retail store-loyalty, PLB loyalty, and overall-PLB equity. Concerning measurement of these dimensions, brand awareness is measured with 4 items, perceived quality with 3 items, brand association with 4 items, perceived value with 3 items, retail store loyalty with 5 items, PLB loyalty (Great Value/Equate) with 5 items, and overall-PLB equity with 4 items. These items were measured on a seven-point agreement (Likert) scale ranging from 1=strongly disagree to 7=strongly agree.

The survey also included questions to determine consumers' purchase share behavior to discover what percent of their total monthly purchases were spent on Great Value and Equate PLBs as well as their all grocery spending on all PLBs. In this regard, the respondents were asked two separate questions: 1) "On average what percent of your total monthly purchases are Great Value products?" and 2) "Considering all your monthly grocery and household goods purchases from all stores, please indicate approximately what percent of those purchases are store brands (e.g., Great Value, Sam's, Archer Farms, Centralia) compared to national manufacturer's brands (e.g., Dole, Libby's, Del Monte, Tide) found at most stores?" Demographic questions of age, gender, size of household, education, and income were also included in the survey.

The survey instrument was administered online to purchasers of the PLBs (Great Value and Equate) living in the United States following a procedure initially used by Bitner et al. (1990). As suggested by Bitner et al. (1990), the researchers explained the purpose of the survey to the students and the students were instructed to send the link for the online survey to their family members and relatives, but not to fellow students. Students were given extra credit as an incentive for the completed and submitted surveys that met the required criteria. The trained undergraduate students distributed an email invitation linked to the survey to potential respondents. The data were collected in three weeks. Only the purchasers of the Great Value and Equate PLBs who had direct experience with the products of each brand were included in the study. The criterion used to select the respondents is consistent with that used in prior brand equity research (e.g., Bauer et al. 2005; Ross, 2006; Ross et al. 2008; Biscaia et al. 2013). Berry (2000) suggests that consumer brand experience is crucial in building brand-equity, where he stresses the importance of actual, direct-consumer experience with a brand.

RESULTS

The survey method produced a total of 421 surveys: 270 for the Great Value brand and 151 for the Equate-brand. As illustrated in Table 1, 59.5% of all respondents were female and 40.5% were male, and while the majority of Great Value (GV) respondents were female (69.8%), the opposite was true for Equate (59.3% male). The respondent for both GV and Equate tend to be middle-aged or younger with about 67% between the ages of 21 and 59 years old, where 40% of GV and 34.5% of the Equate respondents were in 21-30 age group. With respect to family size, about 45% of respondents for both PLB groups were from households of three to four persons. As for income distribution shown in Table 1, while there is no clear dominant pattern for both PLB respondents, about 27% of the respondents were in income range of $30,000 to $60,000. Respondents from both PLBs tended to be educated, with 63% of GV respondents having a college or graduate education, and 54% of Equate respondents in the same two education categories.

As stated in RO1, in order to determine consumers' acceptance level of PLBs, and compare the purchase behaviors associated with Great Value and Equate, and consumer purchase behaviors for PLBs in general were examined. The results for purchase shares of all PLBs in Figure 2 show that 18.4% of the respondents indicated that all PLBs represent 1-10% of their monthly purchases, 19.4% of the respondents indicated that all PLBs represent their 11-20% of monthly purchases, and 20.6% indicated that PLBs represent 21-30% of their monthly purchases. Interestingly, 15.6% and 12.7% of the respondents indicated all PLBs represent 41-50% and more than 50% of their monthly purchases, respectively. More specifically, as shown in Figure 2, PLBs make up 41% or more of consumer purchases for 28.3% of respondents. These monthly purchase distributions of all PLBs from all stores suggest that PLBs seem to be well accepted by consumers.

Figure 2 also shows the distributions of respondents' monthly purchases of the Great Value and Equate brands of products. The results show that both Great Value and Equate make up a smaller share of respondents' monthly purchase shares, where 44.3% of respondents indicated that the Great Value brand of products represents 1-10% of purchases and 53.7% of respondents indicated that the Equate brand of products represents 1-10% of their purchases. Figure 2 also shows that the percent of consumers who purchase Great Value and Equate brands decline as the proportion of PLB shares in consumer spending increases. These findings show that Great Value and Equate do not appear to be well-accepted by consumers. Both brands' purchase shares decline drastically in consumers' larger monthly purchases. For example, 6.5% of respondents indicated that the Great Value brand of products represents 41-50% of their monthly purchases and 3.4% indicated that the Equate brand of products represents 41-50% of their purchases. The Chi-square test for

Table 1. Demographic profiles of respondents by each PLB

	All Respondents		Great Value		Equate	
Gender	**n**	**Percent**	**n**	**Percent**	**n**	**Percent**
Male	166	40.5	80	30.2	86	59.3
Female	244	59.5	185	69.8	59	40.7
Total	**410**	**100.0**	**265**	**100.0**	**145**	**100.0**
Age	**n**	**Percent**	**n**	**Percent**	**n**	**Percent**
Under 21	31	7.6	18	6.8	13	9.0
21-30	156	38.0	106	40.0	50	34.5
31 40	44	10.7	29	10.9	15	10.3
41-50	75	18.3	43	16.2	32	22.1
51-60	71	17.3	46	17.4	25	17.2
61-70	24	5.9	18	6.8	6	4.1
71 or older	9	2.2	5	1.9	4	2.8
Total	**410**	**100.0**	**265**	**100.0**	**145**	**100.0**
Family Size	**n**	**Percent**	**n**	**Percent**	**n**	**Percent**
1 person	84	20.6	59	22.3	25	17.4
2 persons	42	10.3	11	4.2	31	21.5
3 persons	107	26.2	75	28.4	32	22.2
4 persons	80	19.6	48	18.2	32	22.2
5 persons	67	16.4	53	20.1	14	9.7
6 persons	18	4.4	14	5.3	4	2.8
> 6 persons	10	2.4	4	1.5	6	4.2
Total	**408**	**100.0**	**264**	**100.0**	**144**	**100.0**
Annual Household Income (in 000)	**n**	**Percent**	**n**	**Percent**	**n**	**Percent**
< $15	81	20.7	53	21.0	28	20.1
$15-$30	38	9.7	21	8.3	17	12.2
$30-$45	47	12.0	29	11.5	18	12.9
$45-$60	57	14.6	38	15.1	19	13.7
$60-$75	35	9.0	18	7.1	17	12.2
$75-$90	34	8.7	22	8.7	12	8.6
$90-$105	19	4.9	15	6.0	4	2.9
>$105	80	20.5	56	22.2	24	17.3
Total	**391**	**100.0**	**252**	**100.0**	**139**	**100.0**
Education	**n**	**Percent**	**n**	**Percent**	**n**	**Percent**
Less than High School	3	0.7	n/a	n/a	3	2.1
High School degree	89	21.8	61	23.1	28	19.4
Assoc. or Jr. College	72	17.6	36	13.6	36	25.0
College	164	40.2	107	40.5	57	39.6
Graduate	80	19.6	60	22.7	20	13.9
Total	**408**	**100.0**	**264**	**100.0**	**144**	**100.0**

69

Figure 2. Monthly purchase shares
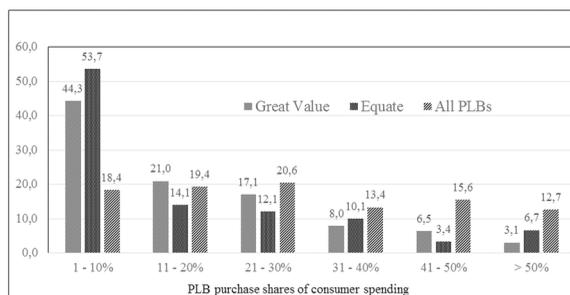
Great Value and Equate purchase distributions ($p_{(5, 418)}$ = .394) is not statically significant (p>.05), indicating that consumers' monthly purchase shares of these two PLBs are not significantly different. This suggests that both the Great Value brand of products and the Equate brand of products have similar levels of consumer acceptance. These results suggest that while the Great Value and Equate brands have similar levels of consumer acceptance (market penetration), as shown in Figure 2, their levels of consumer acceptance are fairly low when compared to consumers' purchase of all PLBs.

To achieve RO2, the significance of the relationships of the PL-CBBE dimensions of the two PLBs (Great Value, Equate) was examined using PLS-SEM in SmartPLS 3. The discriminant and convergent validity of the measurement models were tested by using the procedure suggested by Fornell and Larcker (1981). Almost all of the items for the Great Value PL-CBBE model had the minimum recommended level of loadings of .70 or higher (Hair et al. 2014) (Figure 3 & 4). The construct Cronbach's alphas and construct reliability values were above the recommended level of .70 (Hair et al. 2012), indicating internal reliability and convergent validity of the measurements for each PL-CBBE dimension in both models. The average variance extracted values were higher than the square of the inter-construct correlations, which confirms discriminant and construct validity (Table 2). The PLS algorithm converged in five iterations for Great Value and eight iterations for Equate.

The Equate PL-CBBE model revealed similar findings except that the brand loyalty and brand equity dimensions did not discriminate (Table 3). This means that the perceptions of the Equate purchasers are almost the same for these two dimensions, which is supported by the path coefficient of .86 between brand loyalty and brand equity of Equate (Table 4).

70

Table 2. Reliability and construct validity measures for great value brand equity dimensions

	AVE	CR	R²	CA	BAW	BA	PQ	PR	PV	SL	BL-GV	BE-GV
Br. Awareness	0.74	0.92	--	0.88	**0.86**							
Br. Association	0.65	0.88	0.48	0.82	0.61	**0.81**						
Perc'd Quality	0.68	0.87	0.21	0.77	0.57	0.46	**0.83**					
Perc'd Risk	0.58	0.89	0.31	0.85	-0.31	-0.48	-0.56	**0.76**				
Perc'd Value	0.78	0.91	0.53	0.86	0.56	0.64	0.70	0.57	**0.88**			
Store Loyalty	0.72	0.93	0.27	0.90	0.56	0.50	0.38	-0.26	0.44	**0.85**		
BL-GV	0.77	0.94	0.70	0.92	0.81	0.71	0.70	-0.50	0.68	0.63	**0.88**	
BE-GV	0.80	0.94	0.66	0.92	0.21	0.61	0.57	-038	0.56	0.56	0.81	**0.89**

* Exogenous Construct; **CR:** Composite Reliability; **CA:** Cronbach's Alpha; **AVE:** Square root of Average Variance Extracted for the construct (diagonal in bold). Below diagonal are the inter-construct correlations.

Table 3. Reliability and construct validity measures for equate brand equity dimensions

	AVE	CR	R²	CA	BAW	BA	PQ	PR	PV	SL	BL-Eq	BE-Eq
Br. Awareness	0.71	0.91	--	0.87	**0.85**							
Br. Association	0.69	0.90	0.62	0.85	0.60	**0.83**						
Perc'd Quality	0.64	0.83	0.51	0.70	0.71	0.61	**0.80**					
Perc'd Risk	0.73	0.94	0.17	0.92	-0.25	-0.06	-0.41	**0.85**				
Perc'd Value	0.75	0.90	0.66	0.83	0.71	0.78	0.78	-0.24	**0.87**			
Store Loyalty	0.71	0.92	0.37	0.90	0.23	0.50	0.28	-0.28	0.41	**0.84**		
BL-Equate	0.68	0.91	0.62	0.88	0.47	0.69	0.53	0.04	0.64	0.65	**0.82**	
BE-Equate	0.66	0.89	0.74	0.83	0.44	0.61	0.45	0.08	0.57	0.56	0.86	**0.81**

* Exogenous Construct; **CR:** Composite Reliability; **CA:** Cronbach's Alpha; **AVE:** Square root of Average Variance Extracted for the construct (diagonal in bold). Below diagonal are the inter-construct correlations.

The significant path coefficients (standard betas) among the eight latent constructs in the two PL-CBBE models are presented in Table 4. Most relationships were significant for both the Great Value and Equate brands. The signs of the significant relationships between perceived risk and brand association, perceived risk and perceived value, and perceived risk and store brand loyalty were positive for Equate and negative for Great Value. This may suggest that because Equate is a personal care and over-the-counter medicine and cosmetic PLB products, increased perceived risk for Equate makes brand association, perceived value, and store loyalty significantly more important for customers. The results also showed that there were still a few differences in the significance of the relationships between the Great Value and Equate CBBE dimensions. This suggests that these two PLBs of the same store

Table 4. Path coefficients and significance for the two plbs

	Great Value		Equate	
	β	t-value	β	t-value
BL-PLB → BE-PLB	.81	33.8***	.86	35.6***
BL-Store → BL-PLB	.31	14.4***	.40	5.5***
Brand Association → BL-Store	.36	10.2***	.37	3.5***
Brand Association → BL-PLB	.26	23.6***	.31	3.0***
Perc'd Quality → Perc'd Value	.55	26.2***	.56	7.1***
Perc'd Quality → Perc'd Risk	-.55	13.3***	-.41	4.1***
Brand Awareness → Perc'd Quality	.46	9.5***	.71	14.6***
Perc'd Risk → Brand Association	-.10	8.2***	.13	2.7***
Perc'd Value → BL-Store	.22	8.6***	.20	2.0**
Perc'd Value → Brand Association	.35	16.3***	.81	22.2***
Perc'd Quality → BL-PLB	.31	26.1***	n.s.	n.s.
Perc'd Quality → Brand Association	.33	17.5***	n.s.	n.s.
Brand Awareness → Perc'd Value	n.s.	n.s.	.31	3.5***
Perc'd Risk → Perc'd Value	-.27	12.9***	n.s.	n.s.
Perc'd Risk → BL-Store	n.s.	n.s.	.35	5.6***

*** p<.01; ** p<.05; n.s.: not significant

(Walmart) brands hold different levels of importance in consumers' mind for some of the brand equity dimensions. The R^2 ranged from 0.21 to 0.70 for Great Value, and 0.17 to 0.74 for Equate, indicating each antecedent PL-CBBE dimension significantly contributed to predicting overall PL-CBBE.

Figure 3 presents the results of SmartPLS model for the Great Value brand and Figure 4 presents the results of SmartPLS model for the Equate brand, depicting the significant relationships among the eight CBBE dimensions, the outer loadings of the items for each brand equity dimension and the R^2 values for both PLBs. These findings show that while some path relationships follow similar patterns, some path relationships follow different patterns. For example, both models show that as expected, perceived quality has a significant negative effect on perceived risk, indicating that as perceived quality increases, perceived risk declines. As for some of the similarities between the two PLBs: a) perceived value has a significant positive effect on brand association, PLB loyalty, and Walmart brand loyalty; b) brand association has a significant effect on PLB loyalty and Walmart store loyalty; c) Walmart store loyalty has a significant positive effect on PLB loyalty; d) PLB loyalty has a significant positive effect on PLB equity, and e) brand awareness of

72

Figure 3. Smart PLS model results for Great Value
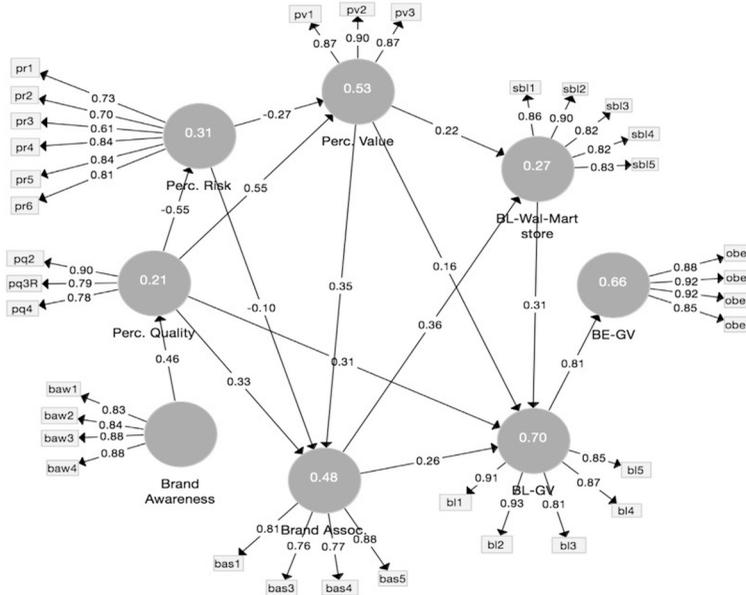
Figure 4. Smart PLS model results for Equate
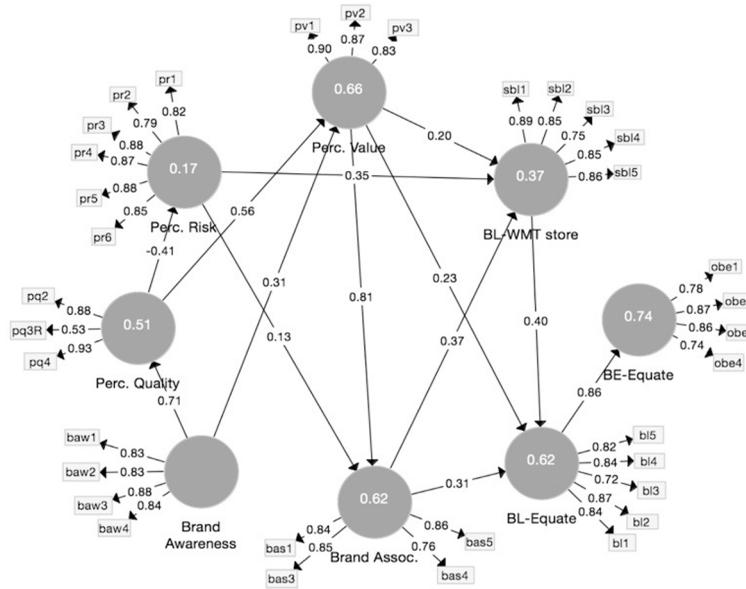
both brands has a significant positive effect on perceived quality of each brand. Also, while perceived risk has a significant negative effect on GV brand association, it has a significant positive effect on Equate brand association.

In order to accomplish RO3, the mean values of brand equity dimensions and compared the respondents' perceptions of the Great Value and Equate brands are calculated (Figure 5). The respondents have fairly favorable perceptions of the brand awareness, perceived quality, perceived value, and risk dimensions of both PLBs. The other dimensions are perceived close to a neutral level. In addition, the mean comparisons revealed a significant difference between Great Value and Equate for only brand awareness (p < .01). While both brands have fairly high levels of awareness, the Great Value brand of products have a significantly higher brand awareness (M=6.06) than those of the Equate brand (M=5.40). Because the other PLB equity dimensions are not significantly different (p > .05), respondents have similar perceptions of these dimensions. This could be expected because both PLBs are offered by the same retailer.

DISCUSSION

In this study, consumer purchase behaviors for PLBs in general, and for Great Value and Equate, the acceptance levels of PLBs, as well as Great Value and Equate PLBs are examined. The purchase shares of both Walmart PLBs are the highest in the 1-10% purchase category, higher than that of all PLBs purchased in the same category. The purchase shares of the two PLBs are at competitive levels with all PLBs purchased in 11-20% purchase share category. As the purchase share

Figure 5. Comparisons of brand equity dimensions by Great Value and Equate brands

74
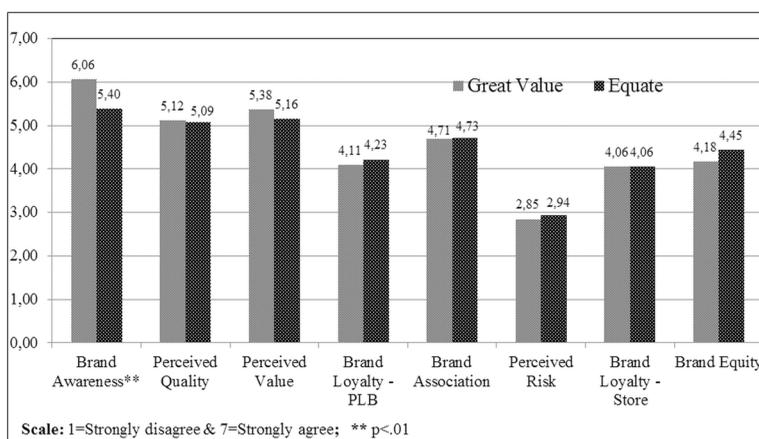
categories increase beyond 20%, the purchase shares (consumer acceptance) of the two Walmart PLBs fall behind consumer purchases of all PLBs (Figure 2), such that purchase shares of private label brands are higher than both Great Value and Equate brands. This indicates that while consumers seem to have accepted PLBs in general, Great Value and Equate have lower levels of acceptance among consumers. The High level acceptance of PLBs in general is consistent with recent Nielsen research of PLB's purchase shares across nations, especially in Europe (Nielsen, 2018; Skrovan, 2017). In fact, recent research indicates that PLBs are perceived to offer good value (Hearn, 2018b) and are expected to grow faster than the national brands, and even dominate some products categories, such as bottled water and pet foods (Research Brief, 2018).

The results of this study from the two models for Great Value and Equate provide interesting insights about the dimensions of PL-CBBE and their relationships that could be beneficial for developing strategies for PLBs. As shown in Figure 3 and Figure 4, all brand equity dimensions included in this study for two PLBs are significant and meaningfully contribute to building a strong private-label brands. Brand awareness for both PLBs is the starting point for creating a strong PLB and brand equity, which is consistent with prior branding research (e.g., Aaker, 1991, 1996; Buil et al. 2008; Keller, 1993&2013; Netemeyer et al. 2004; Tong & Hawley, 2009; Yoo & Donthu, 2001) and familiarity with retail stores' private-label brand (Richardson et al. 1996). While brand awareness influences perceived quality, the results for both PLBs show that perceived quality increases perceived value and reduces perceived risk. The study also found direct and indirect relationships between PL-CBBE dimensions that could be relevant for developing strategies for PLBs, which are consistent with branding theories found in prior studies (e.g., Aaker, 1996; Buil et al. 2008; Keller, 1993&2013; Netemeyer et al. 2004; Tong & Hawley, 2009). For example, the results of this study showed that brand loyalty for Walmart (store loyalty) increased brand loyalty for Great Value or Equate, and brand loyalty for Great Value or Equate increased the brand equity for the private-label (Great Value or Equate) brand. Again, these findings provide important insights for developing strategic directions for developing strong private-label brands to compete against national brands. For example, managers of PLBs must understand that increasing awareness (familiarity) of their brands is the starting point of creating strong store (private-label) brands.

The comparison of two models displayed similarities and a few differences in significant relationships. One possible explanation for the differences is that because the nature and inherent risks perceived of the products sold under the Great Value and Equate brands differ, the importance of some of these relationships also differ across the different PLBs of the same store. This is an important finding because it provides insights to the management of the retail stores in that they need to

assess the CBBE dimensions of each of their PLBs to pinpoint where they need improvements. For instance, the relationships between perceived quality and PLB loyalty, perceived quality and brand association, and perceived risk and perceived value were not significant for the Equate brand. For the Equate brand, the importance of the quality does not lead to increased or decreased importance of loyalty to the brand or increased importance in brand associations. Similarly, perceived risk does not necessarily influence perceptions of the value created by the Equate brand. For the Great Value brand, the relationships between brand awareness and perceived value, and perceived risk and store brand loyalty were not significant. One possible explanation is that because Walmart shoppers already know the brand, customers' perceived value is not influenced by it. Similarly, customers' risk perceptions in the Great Value brand of products do not influence their store brand loyalty.

With RO3, because both PLBs (Great Value and Equate) are offered by the same retailer (Walmart), our goal was to compare the PL-CBBE of these two PLBs in different product categories to discover if the respondents (customers) perceive the brand equity dimensions the same or different. The Great Value brand awareness was significantly higher than the Equate brand. However, customer perceptions of the quality, value, brand loyalty, associations, risk, store loyalty, and brand equity were the same for both PLBs of Walmart. Given the importance of awareness or familiarity with retail store brands (Richardson et al. 1996) and being the starting point for understanding and influencing the other brand equity dimensions (e.g., Aaker, 1991 & 1996; Keller, 1993 & 2013; Pappu et al. 2005; Yoo et al. 2000), Walmart must design strategies to increase the awareness of its Equate brand of products through advertising and in-store promotions. Increasing the brand awareness of Equate will also positively contribute to its brand equity.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Two significant limitations must be noted. This study used an online convenience sampling method, but purposefully selected target sample from purchasers of the PLBs under investigation. Thus, it is recommended that the measurement scale be tested with larger samples in future studies. In addition, as this study investigated only two PLBs offered by the same retailer, future studies may benefit from including and comparing other retailers, and PLBs in different product categories and price levels, to cross-validate the findings. Similarly, studying and comparing focused PLB retailers such as ALDI and Migros with conventional retailers (e.g., Walmart, Edeka, Tesco) would be instructive. As the findings reveal, understanding the interrelationships of the antecedent constructs could be beneficial for any PLB in developing more successful marketing and branding strategies

76

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KEY TERMS AND DEFINITIONS

Brand Awareness: The level of consumer familiarity and knowledge of a brand that ranges from unawareness to top-of-mind awareness.

Consumer-Based Brand Equity: Positive or negative consumer perceptions and knowledge of a brand that lead to strong consumer preference for and loyalty to the brand when compared to other brands.

Private Label Brand (PLB): A brand name used on products produced by another company but sold under a retailer's name.

82

Chapter 5

Evaluating the Success of the Economic and Premium Private Labels in Retailers Positioned at the Opposite Ends of the Price-Quality Axis

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ABSTRACT

The aim of this chapter is to evaluate the success of private labels positioned as economic and premium from the customer perspective in the retailers that have different positioning strategies. For this aim, two retailers that positioned themselves at the opposite ends on the price and service quality axes and a product category were identified along with a national brand. The research used between-subjects design and data were collected from customers of both retailers via a questionnaire. The success rates of economic and premium private labels were compared between the two retailers. The results indicate that both economic and premium private labels are more credible and favorable in retailers with superior service quality. On the other hand, the customers of the retailer positioned at low price have more tendencies to purchase economic private labels than the customers of the other store, whereas the customers of the retailer positioned at superior service quality have higher tendency to purchase premium private labels than the customers of the other store.

INTRODUCTION

Private labels are manufactured by retailers or by a supplier on behalf of retailers and are sold in the name of retailers or brands that are owned by retailers. In other words, private labels are owned and branded by retailers whose primary objective is distribution, not production. One of the most challenging problems that private labels are facing is to position against rival national brands (Choi & Coughlan, 2006). Private labels (PLs) are generally positioned at a lower price and lower quality alternatives to some well-known national brands (NBs). However, Sethuraman & Gielens (2014) highlight that PLs are not considered a good alternative to top national brands because of their being associated with lower quality. This makes it harder to increase the share of PLs in retailers' revenue. Although store loyalty is a significant solution for increasing the share of PLs up to a particular point (Sethuraman & Gielens, 2014), the retailer aims to make the share of PLs even bigger. This necessitates thinking of alternative positioning strategies for PLs rather than value for money (Geyskens et al. 2010).

Retailers in search of increasing the share of PLs in stores have thought of diversifying PLs in terms of quality. PLs are categorized into three groups which are economic, standard, and premium regarding quality. Categorizing PLs in terms of quality and offering alternatives together are the newest trends in retailing. Economic PLs aim to be a low-price alternative to mainstream quality NBs and their target consumers are those who can buy a product if it is cheaper without paying attention to its quality. On the contrary, Premium PLs are positioned as a good alternative to top national brands with the same quality and lower price. Premium PLs are imitations of the premium-quality NBs, and they aim to achieve delivering equal quality to customers at a lower price (Geyskens et al., 2010). Premium PLs get a noticeable place on the shelves in a retailer with the attention-grabbing package design.

PLs are evaluated as an extension of the brand names of retailers (Vahie & Paswan, 2006). Retailer image is widely used as an extrinsic cue to judge PLs (Ailawadi & Keller, 2004; Collins-dodd & Lindley, 2003; Dawar & Parker, 1994; Richardson, Dick, & Jain, 1994; Vahie & Paswan, 2006) and extrinsic cues primarily drive consumers' evaluations of PLs rather than intrinsic characteristics (Richardson et al., 1994). Furthermore, Collins-dodd & Lindley (2003) found a strong relationship between consumers' perceptions of PLs and store image. Besides, Nenycz-Thiel & Romaniuk (2012) found a positive relationship between value for money perceptions of a supermarket and value for money perceptions of its PLs. Those results indicate that perceptions and image of PLs are shaped based on the image of the retailer they

are sold. It can be inferred from those results that congruence between the price-quality position of the retail store and PLs might be effective for the success of PLs since the price and quality are two important attributes shaping retailer image and PLs' quality tier.

All retailers may utilize both economic and premium PLs; there is no theoretical or empirical evidence claiming something against this. On the other hand, it can be foreseen that economic PLs are likely to be more successful in the retailers positioning themselves on discount, cheapness, or low price, whereas premium PLs are more likely to be successful in the retailers positioning themselves on superior service quality. In other words, the aim of this research is to evaluate the success of both economic and premium PLs in two different retailers—one positioned at low price and the other positioned at superior service quality (i.e. positioned at the opposite edges of price-quality axes). This paper also aims to understand whether both types of retailers should offer economic and premium PLs together. With regard to these aims, the concept of brand position is going to be discussed and then positioning strategies for both PLs and retailers are going to be argued. In the next section, the methodology and results of the research will be explained. The results are going to be discussed and a suggestion is going be made in accordance with the results of the research in the last part of the chapter—the discussion and conclusion section.

BRAND POSITIONING

What Is Brand Positioning?

Marketing practitioners and academics have paid attention to the brand positioning concept for almost four decades. Ries & Trout (1981) are the first marketers who highlighted the importance of brand positioning. According to Ries & Trout (1981), positioning is not what you do with the product, but it is what you do on the mind of customers. This definition of brand positioning focuses on the importance of marketing communication having a distinctive position on the minds of customers and ignores other elements of the marketing mix that are part of brand positioning. According to this viewpoint, the only thing that is important in the consumer markets is perception, and advertising is the way to manage the perception of customers. In the last four decades, some other definitions emerged for positioning and had some similarities with the definition of Ries & Trout (1981) as well as some differences, parallel to evolving the concept.

Ries & Trout (1981) focused on marketing communication and advertising in the context of positioning. Attia & Hooley (2007) evaluated their definition of positioning as narrow and noted that its reason is their advertising background

on consumer mass marketing. Other definitions for brand positioning usually keynote other marketing mix elements as well. Arnott (1993) defines positioning as "management's attempt to modify the tangible characteristics and the intangible perceptions of a marketable offering in relation to the competition." Modifying tangible characteristics in the definition implies marketing mix elements of an offering. Kotler & Keller (2012) highlight in their definition that positioning is not only about marketing communication but also it covers marketing mix elements in their definition which are as follows: "the act of designing the company's offering and image to occupy a distinctive place on the minds of the target market." There are other definitions of positioning stating that positioning is a process of designing an offering to get a distinctive place on the mind of customers (Armstrong & Kotler, 2012; DeSarbo, Park, & Rao, 2011; Fill, 2009; Hooley, Broderick, & Möller, 1998; Palmer, 2012; Trout & Rivkin, 1996). On the other hand, brand positioning can be done for an organization as well (DeSarbo, Park, & Rao, 2011; Fill, 2009; Kalafatis, Tsogas, & Blankson, 2000). Based on all these definitions emphasizing different parts of it, positioning can be defined as the process of designing an offering or a brand through marketing mix to create a distinctive position on the minds of customers by associating it with some attributes that are favorable to prospective customers.

As stated in the definitions above, the aim of brand positioning is to get a distinctive position on the mind of customers among competitors through the marketing mix. Achieving this aim requires successful positioning. The success of positioning depends on choosing, firstly, right attributes and designing, secondly, marketing mix element coherently. It is expected from the chosen attribute to create a distinctive position among competitors and increase the favorability of the brand. To succeed this, customers should believe that the brand is able to deliver what chosen attribute promises. Therefore, the success of positioning is measured by how credible the promise of the brand is about the chosen attribute, how well the chosen attribute differentiated the brand among competitors, and how favorable it made the brand (Eryigit & Eryigit, 2014; Fuchs & Diamantopoulos, 2010).

Positioning Strategies for Retailers

Positioning strategy is a plan and its implication for both identifying an intended position and the way to convert an intended position into actual and perceptual positions through elements of the marketing mix for an offering. The positioning strategy consists of decisions regarding the type of attributes a firm uses to differentiate its offering and the ways and means that are used to convey those attributes to customers (Blankson & Kalafatis, 2004). Tangible or intangible attributes are those used to make a brand or an offering stand out from competitors. Those attributes on

which an offering is positioned have been classified based on their similarities and differences, and they are called positioning bases. Each positioning base consists of a set of tangible or intangible attributes similar to each other (Fuchs, 2008).

Theoretically, an offering might be associated with many different bases with an almost absolute number of associations (Blankson & Strutton, 2011). Hence, different kinds of positioning bases have been created since the beginning of brand positioning concept. The differences between those positioning bases are derived from either the characteristics of the sector they in or the perspectives of researchers which is managerial or consumer. Besides, positioning bases may also differ because of their being empirical or theoretical. For example, both Aaker & Shansby (1982) and Hooley et al. (1998) classified positioning strategies theoretically with a managerial perspective to achieve a generic positioning base. However, their bases are quite different from each other because of the different understanding of positioning. On the other hand, Blankson & Kalafatis (2004) aimed to create generic positioning bases from a customer perspective that can be used in all sectors. Nevertheless, positioning bases identified by Burton & Easingwood (2006) and Diwan & Bodla (2011) are different from the positioning bases identified by Blankson & Kalafatis (2004). Differences are very normal from one sector to another because of the fact that positioning is a customer-centered phenomenon and attributes that are favorable to customers may differ from one sector to another.

Berry (1982) who stated that positioning is one of the most critical responses in a cutthroat retail completion advised retailers to position themselves along one or more of the following dimensions: value retailing, time-efficient retailing, high-contact retailing, and sensory retailing and to coordinate all marketing elements, i.e. personal, ambience, advertising, and pricing policy to reinforce that position. White & Absher (2007) aimed to identify differences between favorability levels of attributes among two different groups of the countries in the European Union to make a positioning suggestion to retailers. Researchers concluded five different positioning bases which were quality and variety of products, customer service, bargain hunting, convenience in the shopping process, and convenient locations.

As stated previously, both position and image aim to get a place on the minds of customers with attributes that are favorable to customers. The positioning aims to create a distinctive image among competitors by using some particular attributes (DeSarbo et al., 2011; Fill, 2009; Urde & Koch, 2014). Therefore, the attributes used for the image of a retailer might be used for positioning retailers as well. Yavaş (2003) identified 24 image attributes for retailers. Carpenter and Moore (2006) used 14 of those attributes which are more important to customers in their studies. Image attributes chosen by Carpenter and Moore (2006) were price competitiveness, courtesy of personnel, cleanliness, product selection, hours of operation, atmosphere, ease of access, security, parking facilities, crowding, presence of eating places, special

events, seats/rest area, and ease of children. Yücel and Yücel (2012) highlighted five different image attributes that were tangibles, product quality, price, staff, and customers. Widely accepted attributes of retailers are a variety of products, product quality, low price, value for money, interior decoration, store atmosphere, and overall attitude (Chowdhury, Reardon, & Srivastava, 1998; Collins-dodd & Lindley, 2003; Wu et al., 2011). A retailer might attempt to position themselves on either one or various combinations of those attributes in the stormy world of retailing (Berry, 1982).

As stated previously, positioning is the essence of branding activities and its success depends on coordinating marketing elements to give similar messages coherently after choosing the right attribute. Slogans are one of the effective ways to draw attention to what the brand stands for (Keller & Lehmann, 2006). Slogans have key roles in the brand positioning process by giving messages related to the chosen attribute to position a brand (Kohli, Leuthesser, & Suri, 2007). A successful slogan should make clear the intended position of a brand. In this regard, the slogans of retailers put emphasis on the attributes that make them stand out. For example, MİGROS' slogan is "the most enjoyable shopping." This slogan emphasizes the shopping experience the customers have and superior service quality. On the other hand, CarrefourSA highlights its product variety with its slogan, "CarrefourSA whatever you need, whatever you need CarrefourSA." Although they have some differences, those two retailer chains are similar in terms of attributes of product variety, employee service, store atmosphere, and product quality. Besides, BIM, A101, and ŞOK are other retailers which spread all over Turkey. Those three retailers pursue Everyday Low Pricing (EDLP) policies (Öztürk, Kayış, Öztürk, & Okumuş, 2018), and their slogans highlight a similar point, which is the low price. BIM's slogan is "retail sales at wholesale prices" whereas ŞOK's is "low price every day." Though there are some differences between them, they have some other common features such as a limited number of products, a relatively high percentage of private labels sold at low prices, effective operational planning, and as many branches as possible to provide convenient locations for customers. Those five retailers have positioned themselves on various combinations of product variety, store atmosphere, product quality, prices, convenient location, superior service quality, and value for money.

Positioning Strategies for Private Label Brands

Private labels are those owned and distributed by retailers selectively. PLs are more profitable than NBs for retailers, aside from the fact that they are generally cheaper than them (Collins-dodd & Lindley, 2003). PLs are generally perceived as a reasonable alternative to national brands in terms of value for money and the attribute with PLs associated on the minds of customers is low price and value for money (Aydın, 2003; Baltas, Doyle, & Dyson, 1997; Choi & Coughlan, 2006).

88

This perception is created due to the fact that all retailers submit PLs as a good alternative for value for money with a low price in the beginning. This position of PLs has provided a competitive advantage against national brands, which are sold on the same store shelves. Customers, particularly those who are price-conscious, easily choose a product with a lower price without thinking of quality.

Retailers have carried on investing in PLs introducing new product groups and lines, and several price quality tiers specifically in developed countries, due to relatively higher profitability (Nenycz-Thiel & Romaniuk, 2012). Kumar & Steenkamp (2007) noted the necessity of different quality tiers for PLs. Kumar & Steenkamp (2007) suggested to retailers to offer generic PLs targeting price-conscious customers, but also standard and premium PLs targeting other customers as well, to increase the shares and success of PLs. Geyskens et al. (2010) also categorized PLs into three tiers in the UK as follows: low-quality tier (economy), mid-quality tier (standard), and high-quality tier (premium). Those tiers indicate different positions of PLs on price-quality axes. Economic PLs are positioned as low quality by using basic ingredients rather than those which are expensive to reduce costs. Standard PLs are positioned very close to mainstream-quality national brands. Premium PLs are positioned very close to the premium quality national brands at the top of the market. PLs are generally imitations of national brands in terms of quality and they are generally slightly cheaper than their competing premium NBs in the same price-quality tiers. On the other hand, Premium PLs do not necessarily compete on price. They sometimes seek to distinguish themselves on attributes such as being organic, healthy, environmentally friendly, or fair trade (Nenycz-Thiel & Romaniuk, 2012). Based on this, it can be said that Premium PLs may position themselves on different attributes to compete with the national brand in the same quality tier. Premium PLs should be far greater than traditional PLs in terms of investments in both intrinsic and extrinsic cues.

THEORETICAL BACKGROUND AND HYPOTHESES

PLs are evaluated by most customers as an extension of the retailer brand. Therefore, customers usually have an attitude to the PLs based on retailer image. There is a consensus in the literature stating positive relationship between the image of PLs and the image of the retailer (Ailawadi & Keller, 2004; Collins-dodd & Lindley, 2003; Dhar & Hoch, 1997). On the other hand, according to results of a paper by Wu at al. (2011), there is not a significant relationship between them and this result might explain the fact that researchers analyzed all image attributes together to get a mean value for the store image. But other researches (i.e. Collins-dodd & Lindley, 2003) testing this relationship empirically used particular attributes for a different

retailer. Particular attributes for different retailers that make them stand out among competitors are the attribute on which it is positioned. It can be inferred that the position of a retailer brand has significant influence on how a PLs is perceived by customers due to the literature on both extrinsic cues of PLs (Aydın, 2003; Dawar & Parker, 1994; Richardson et al., 1994) and the relationship between retailer image and customers perception of PLs (Ailawadi & Keller, 2004; Bao, Bao, & Sheng, 2011; Collins-dodd & Lindley, 2003; Cop & Türkoğlu, 2008; Dhar & Hoch, 1997).

Although the fact that PLs are positioned at value for money comparing the national brand on the same quality tier, perceived quality of PLs are positively influenced by store atmosphere and store quality (Vahie & Paswan, 2006). Wu et al. (2011) found that service quality of a store has a significant influence on the perceived image of the PLs. Nenycz-Thiel & Romaniuk (2012) also discovered a strong relationship between customers' perception of retailer value for money and PLs perception of value for money.

Cop and Türkoğlu (2008) concluded that the image of the retailer has an influence on customers' attitude towards PLs. These results display that customer perception of the different type of PLs (i.e. Economic, Standard, and Premium) might be influenced by the position of the retailer. Based on this, it can be argued that the success of PLs positioned as Economic is higher at retailers following an Everyday Low Pricing policy than those positioning themselves on the opposite edge of the price-quality axes, which is superior service quality. The success of PLs positioned as Premium is higher at retailers positioned at superior service quality than those positioned at the low price or value for money. Based on this, the following hypotheses were formulated:

H1: Customers' tendency to purchase an economic PL is higher at the retailers positioned at low price than those are at the retailers positioned at superior service quality.

H2: Customers' tendency to purchase a Premium PL is higher at the retailers positioned at superior service quality than those are at the retailers positioned at low price.

H3: The economic PLs are more successful at the retailers positioned at low price than those are at the retailers positioned at superior service quality.

H4: The premium PLs are more successful at the retailers positioned at superior service quality than those are at the retailers positioned at low price.

Another important issue is to determine how to offer premium and economic PLs on the shelves of the retailers positioned at superior quality or low prices. Both types of retailers currently offer only economic PLs in Turkey. The problem is when they intend to offer Premium PLs, whether they should offer premium PLs together

90

with economic PLs or they should offer premium PLs just with premium NBs. The literature indicates that customers tend to purchase a compromise or intermediate option in the assortment that has more than two alternatives, because of perceiving a relatively larger utility of it (Simonson, 1989). Although Premium PLs offer the same quality with the premium national brand, as expected, its price is lower than national brand in this study, owing to the of the fact that the price is one of the most important extrinsic cues of quality perception (Richardson et al., 1994) and consumers are likely to have greater trust in a premium national brand that embodies the accumulative effect of brand investments (Erdem & Swait, 2004). Premium PLs are evaluated as a compromise or intermediate option by customers when an economic PL is offered as well. On the other hand, Nenycz-Thiel & Romaniuk (2012) stated that a premium PL is perceived as a traditional one when it is the only PL in a category. Based on this information, the following hypothesis was formulated:

H5: The success of Premium PLs and the customers' tendency to purchase them are higher when two types of PLs (economic and premium) are offered together along with a premium NB than when only a premium PL is offered along with a premium NB.

METHODOLOGY

Design and Subjects

To assess the hypotheses, the research uses: (1) two position of retailers; low price and superior quality and (2) the different combinations of economic PL, premium PL, and a national brand. This was done between subject designs to reduce learning effects. Firstly two retailers, one of which is positioned at the attribute of low price and the other one is positioned at the attribute of superior service quality, were identified. BİM, ŞOK, A101, CarrefourSA, and MİGROS are widely known grocery retailers in Turkey. Although there are researches in the literature focusing on image attributes of the aforementioned retailers (Karakılıç, 2008; Külter, 2011; Yeniçeri, 2005; Yücel & Yücel, 2012), they do not include which retailer is more associated with which attributes. Hence, the retailers were chosen based on the experience of the researcher and slogans of those retailers. MİGROS and BİM are the most appropriate options in terms of the position they have; one is the lowest price promise and the other one is the most superior service quality promise. However, because of the fact that there are very limited national brands being sold in BİM, ŞOK was chosen for the research sample since it is the second lowest price store. The second element that needed to be identified before designing the survey was the product category. PLs

Figure 1. A triple combination of private and national brands for MİGROS customers

on shelves of retailers in Turkey can be categorized in eight different groups, which are: meat products, breakfast and dairy products, beverages, legumes and bakery items, snacks and sweets, fruit and vegetables, frozen food, and cleaning supplies. The beverage category is identified first because the products from this category are purchased by a wide population with different demographic characteristics. Furthermore, tea in the hot drink category was chosen in the beverage category since Turkish people have the habit of consuming tea frequently (Deveci, Özbey, Eivazzadeh, & Ünal, 2016). It is thought that choosing a product that lots of people are familiar may utilize the process of data collection.

To decide what kind of a tea and what premium national brand will be used in the questionnaire, tea brands in both ŞOK and MİGROS were evaluated. Lipton Tea was determined as a national premium brand. Both ŞOK and MİGROS have private labels for tea, however, they do not have premium ones. To make participants have extrinsic cues about premium ones as well, two packages that are very close to each other were designed as premium and used in the survey. Due to the fact that extrinsic cues of PLs tea should be close to the chosen national brand (Özdemir & Gökdemir, 2016), it is aimed to make packages of premium PLs similar to the national brands'. All visual images shown in the questionnaire are presented below. Participants for both of the retailers submitted that there were different combinations of private and national brands. The combinations were random and they include: Economic PL and the national brand (EPLxNB); Premium PL and the national brand (PPLxNB); and Economic PL, Premium PL and the national brand (EPLxPPLxNB).

Measures and Measurement

The success of positioning is evaluated by a combination of three key dimensions which are: favorability, credibility, and differentiation of a brand (Eryigit & Eryigit, 2014; Fuchs & Diamantopoulos, 2010). In other words, it is evaluated as successful

Figure 2. A triple combination of private and national brands for ŞOK customers

when positioning provides a favorable and credible brand differentiation among competitors. Thus the success of positioning PLs as economic or premium is evaluated with those three dimensions. The differentiation stands for how different or unique a brand is perceived among rivals. However, this dimension is evaluated inversely in this research since PLs generally aim to be similar with competing national brands on the same shelf of a retailer as much as possible, and influence customers with its price. Thereby, less perceived differentiation between the chosen NB and PL is evaluated as more successful in this research. Favorability means how attractive a brand is evaluated by customers or how much a brand is liked by customers. Credibility means the believability of what the brand promises in terms of favorable differentiation. In other words, credibility stands for what customers think of brand willingness and the ability to deliver what it promises. Favorability was measured by the scale developed by Holbrook & Batra (1987) and credibility was measured by the scale developed by Malär, Nyffenegger, Krohmer, & Hoyer (2012) and differentiation was measured by the scale developed by Sujan & Bettman (1989). For each item measuring the success of positioning, participants were asked to identify the level of agreements with the options: (1) strongly disagree …/…. (7) strongly agree.

Another dependent variable in the research is customers' tendency to purchase PLs. Customers' tendency to purchase a PL is measured by one question as Richardson et al. (1994) did. The question asked to a participant was: "If you were to buy one of the products above, how likely you would buy ŞOK/MİGROS Economic/Premium" with the answer options consisting of (1) never buy it …/... (5) definitely buy it.

Two retailers operating in Turkey (ŞOK and MİGROS) were chosen to compare the success of the positions (economic and premium) of PLs. To evaluate the congruence between actual and perceptual positions of these retailers, the participants were asked to compare them. To measure the perceptual positions of the two stores, a scale was used which is similar to Collins-dodd & Lindley's (2003), Ailawadi & Keller's (2004) and Wu et al.'s (2011). The scale consists of items related to price,

value for money, number of stores (accessibility), product variety, product quality, and store atmosphere. For each item comparing the two stores, participants were asked to identify the level of agreements with the options: (1) strongly disagree …/…. (7) strongly agree.

Population and Data Collection

The population of this research consists of customers of the two retailers (ŞOK and MİGROS). The data was gathered through the online questionnaire platform, Qualtrics. The questionnaires were adapted automatically for one of the two retailers that the participants chose. Participants saw one of the three different combinations of private and national brands randomly. Those combinations are Economic PL and the national brand (EPLxNB), Premium PL and the national brand (PPLxNB), and Economic PL, Premium PL and the national brand (EPLxPPLxNB). It was aimed to gather data from 30 participants at least—from each of the six groups of customers (2 retailers x 3 combinations = 6). In total, the data were collected from 275 participants by using a non-probability convenient sample. However, after evaluation of the control questions, 37 surveys were eliminated and analysis was conducted on data from only 238 participants.

RESULTS

Descriptive Statistics for the Sample

The data were collected from the customers who shop at the two grocery retailers (ŞOK and MİGROS). The participants were submitted to three different combinations of a national brand and the two different private labels (economic and premium). Each group consists of the participants in the range of 33 to 46 for one of the two retailers. Frequencies of the combinations of the two private labels and the national brand according to the two retailers are shown in Table 1.

The participants were asked about the frequency of their grocery market shopping. The results show that 55% of the participants shop at least once a week, whereas 30% of participants shop at least once a month from the retailer that they answered questions in regards to in the survey. The rest of the participants go shopping less than once a month from the store that they answered questions in regards to in the survey.

Demographic characteristics of the participants are fairly wide. 44% of the participants are female while 56% are male. 11% of the participants are younger than 26 years whereas 9% of them are older than 46 years. 80% of the participants are

94

Table 1. Frequencies of the two private labels and national brand combinations

Combinations	Retailer		Total
	MİGROS	**ŞOK**	
EPLxPPLxNB	33	46	79
PPLxNB	33	44	77
EPLxNB	43	39	82
Total	109	129	238

between the ages of 26 and 46. The participants that have relatively high education degrees were preferred, for the sake of understanding and replying to the questions in the survey properly. Just 6% of the participants had primary school degrees whereas 13% of them had high school degrees. 43% of the participants either had bachelor or associate degrees, whereas 21% percent had master degrees and 16% percent had doctorate degrees. 12% percent of the participants had low monthly incomes, about 2000 TL, whereas 14% of the participants had high monthly incomes, about 7,000 TL. 74% of the participants had monthly incomes ranging between 2,000-7,000 TL.

Validity and Reliability of the Scales

To validate the measurement model of all constructs, a confirmatory factor analysis (CFA) was used by AMOS. CFA is used for validating a measurement model that determines the relationship between latent constructs and observed indicators. The results indicate that the model, which includes 3 latent and 9 observed variables, have a good model fit. Chi-square value ($\chi2$=CMIN=71,293; P= 0.00<0.05) indicates that the measurement model is not supported by the data. However, this is very normal because of the large sample size. In this situation, the ration of CMIN/DF is evaluated to get a reliable result. The ratio for the measurement model's being smaller than 3 (CMIN/DF=71,293/24= 2,675) indicates a very good fit. Furthermore, values of comparative fit indices, NFI (0.955), IFI (0.970), CFI (0.970), and RMSEA (0.076), also indicate that the measurement model fits very well. These results indicate the dataset supports the theoretical measurement model.

Reliability of the constructs was evaluated by Composite Reliability (CR) which indicate general reliability, and Cronbach's Alfa (CA) which indicate internal consistency. As shown in the tables above, both of them are greater than the benchmark point (0.70). The results display a high reliability of the constructs. Construct validity

consists of a combination of convergent and discriminate validities. Convergent validity stands for the strong relations between the observed variables in the same latent variable or its dimensions. Convergent validity is achieved when the Average Variance Extracted (AVE) is greater than 0.50. The results shown on the table above prove convergent validity except for Differentiation. AVE for Differentiation is a little bit lower than the benchmark point but it is acceptable since it is very close to the benchmark point. Consequently, it can be stated that all items in each of the three latent variables belong to them. Discriminant validity stands for how well a latent variable is explained by its observed variables, not by observed variables of other latent variables in the model. Discriminant validity is achieved when the value of AVE is greater than the value of Maximum Shared Variance (MSV) and the square root of AVE value is greater than the correlation coefficients between latent variables. Based on the results shown in Table 2, it can be said that the discriminant validity is achieved as well (Hair, Black, Babin, & Anderson, 2014). Finally, all the results explained above indicate that the measurement model achieves adequate reliability and construct validity.

Perceptual Positions of the Two Retailers

To understand the perceptual positions of the retailers, mean values of scores of attributes given by customers are compared by an Independent Sample t-Test. As seen in Table 3, there is a significant difference between the two stores in terms of all attributes, except for just value for money. The mean values of both retailers for value for money are high. This means that customers of both retailers think that the retailing service they are taking is worth the money they pay. On the other hand, both of the stores are associated with different attributes. ŞOK is far more associated with low price whereas MİGROS is far more associated with store atmosphere, product variety, and product quality. These results indicate that perceptual positions of the two retailers are significantly different from each other.

Table 2. Reliability and validity of the constructs

Variables	Factor Loads	CR	CA	AVE	MSV	FAV	DIF	CRD
FAV	0.91-0.95	0.95	0.95	0.86	0.36	0.93		
DIF	0.57-0.83	0.72	0.70	0.47	0.12	-0.35	0.69	
CRD	0.84-0.95	0.92	0.92	0.80	0.36	0.60	-0.14	0.90
FAV: Favorability; DIF: Differentiation; CRD: Credibility								

Table 3. Comparison of attributes between the two retailers

Attributes	Retailers	Mean	Std. Deviation	Mean Difference (A-B)	Levene's Test for Equality of Variances			t-test for Equality of Means		
					Equal variances;	F	Sig.	t	df	Sig. (2-tailed)
Low Price	MİGROS (A)	3.39	2.121	-2.582	assumed	51.098	.000	-11.566	236	.000
	ŞOK (B)	5.98	1.278		not assumed			-11.118	170.80	.000
Value for money	MİGROS (A)	5.27	1.543	.080	assumed	.775	.379	.427	236	.670
	ŞOK (B)	5.19	1.345		not assumed			.422	216.01	.673
Numbers of stores	MİGROS (A)	3.82	1.930	-2.277	assumed	14.023	.000	-10.785	236	.000
	ŞOK (B)	6.09	1.308		not assumed			-10.453	184.59	.000
Product variety	MİGROS (A)	6.47	1.102	3.173	assumed	45.563	.000	15.401	236	.000
	ŞOK (B)	3.29	1.897		not assumed			16.059	210.77	.000
Product quality	MİGROS (A)	6.08	1.241	2.385	assumed	2.542	.112	13.373	236	.000
	ŞOK (B)	3.70	1.472		not assumed			13.565	235.99	.000
Store atmosphere	MİGROS (A)	6.33	1.072	3.043	assumed	29.228	.000	15.843	236	.000
	ŞOK (B)	3.29	1.746		not assumed			16.461	216.57	.000

Evaluating Customers' Tendency to Purchase PLs at the Two Retailers

Hypothesis one and two state that customers of a retailer pursuing low price as a positioning strategy have a higher tendency to buy the Economic PL products whereas the customers of a retailer pursuing superior service quality (product quality, product variety, store atmosphere) as a positioning strategy, have a higher tendency to purchase Premium PL products. The Independent Sample t-Test was used to test the hypothesis. The results shown in Table 4 indicate that customers of ŞOK are significantly more likely to purchase Economic PL than customers of MİGROS, whereas customers of MİGROS are significantly more likely to purchase Premium PL than customers of ŞOK for both combinations of Premium PL and national brand.

Evaluating Success of Economic and Premium PLs at the Two Retailers

The success of positioning is evaluated by three dimensions, which are differentiation, credibility, and favorability. As mentioned earlier, PLs are a kind of imitation of national brands, but cheaper ones. That is why less differentiation from the national brand is perceived as more successful positioning when evaluated. To evaluate the success of positions of PLs according to the position of retailers, the independent sample t-Test was administrated. The results indicate that Premium PLs of the retailer,

which positioned themselves on superior service quality, are more favorable and credible than those of the retailer which positioned themselves at low prices. However, there is no significant difference between premium PLs of retailers regarding the differentiation dimension of positioning success. On the other hand, it can be said that the Premium PL can be successful with both of the two stores based on mean values of the credibility and favorability dimensions. The results of the analysis are shown in Table 5 below.

Evaluating the Effectiveness of Offering Economic and Premium PLs Together

The last hypothesis asserts that offering an economic and a premium PLs together along with a premium national brand (EPLxPPLxNB) is more effective than offering only a premium PL along with the national brand (PPLxNB) at both types of retailers. Effectiveness is considered to be a combination of both purchase tendency of customers, and success of positioning (credibility, favorability, and differentiation). The results indicate that there is no significant difference between different combinations of Premium PL and the national brand in either of the retailers. Although the hypothesis is not supported by the dataset, these results show the necessity of offering Premium PLs in both retailers because of the fact that the participants were only asked the tendency of purchasing Premium PLs and adding an Economic PL did not decrease the customers' tendency to purchase Premium PLs.

DISCUSSION AND CONCLUSION

This chapter aims to compare the success of economic and premium PLs on retailers positioned at the opposite ends of price-quality axes (i.e. low price versus superior

Table 4. Comparing the customers' tendency to purchase PLs at the two retailers

PL	Retailers	N	Mean	Std. Deviation	Mean Difference (A-B)	Levene's Test for Equality of Variances			t-test for Equality of Means		
						Equal variances;	F	Sig.	t	df	Sig. (2-tailed)
Economic	MİGROS (A)	42	2.88	0.94	0.93	assumed	0.06	0.81	-4.37	76.00	0.00
(EPLxNB)	ŞOK (B)	36	3.81	0.92		not assumed			-4.37	74.69	0.00
Premium	MİGROS (A)	33	3.52	1.20	0.52	assumed	1.87	0.18	2.02	75.00	0.05
(PPLxNB)	ŞOK (B)	44	3.00	1.03		not assumed			1.97	62.96	0.05
Premium	MİGROS (A)	33	3.30	1.26	0.54	assumed	5.41	0.02	2.23	77.00	0.03
(EPLxPPLxNB)	ŞOK (B)	46	2.76	0.90		not assumed			2.11	54.41	0.04

Table 5. Evaluating success of premium PLS positions according to the two retailers

Dimensions	Retailers	N	Mean	Std. Deviation	Mean Difference (A-B)	Levene's Test for Equality of Variances			t-test for Equality of Means		
						Equal variances;	F	Sig.	t	df	Sig. (2-tailed)
Favorability	MİGROS (A)	65	5.30	1.53	0.24	assumed	0.38	0.54	3.14	152.00	0.00
	ŞOK (B)	89	4.55	1.40		not assumed			3.10	131.02	0.00
Differentiation	MİGROS (A)	66	3.76	1.34	0.21	assumed	0.05	0.83	-1.00	154.00	0.32
	ŞOK (B)	90	3.98	1.31		not assumed			-1.00	138.58	0.32
Credibility	MİGROS (A)	66	5.12	1.35	0.23	assumed	0.00	0.96	3.39	154.00	0.00
	ŞOK (B)	90	4.34	1.45		not assumed			3.43	145.23	0.00

quality). Firstly, the retailers positioned at the opposite axes were identified. To achieve the validity and reliability of the research, the customers were asked about the position of the two retailers. The results indicate that one of the retailers is significantly far more associated with low price whereas the other is far more associated with superior service quality (that includes store atmosphere, product quality, and product variety.) These results prove the congruence between the position inferred from their slogans and the perceptual position of the two retailers.

Customers' tendency to purchase is a critical factor representing the success of the economic and premium PLs. The results show that the customers of the retailer positioned at low price have a higher tendency to buy an economic PL than the customers of the other retailer. On the other hand, premium PL is more likely to be purchased by the customers of the retailer positioned at superior service quality more than customers of the other retailer. These results are in accordance with the study of Schnittka (2015) advocating that premium PLs are more preferred at high-priced retailers whereas economic PLs are more preferred at low-priced retailers. It also enhances the literature which highlights the influence of attributes of low price and superior service quality on PLs positioned as economic and premium. The literature review also indicates the strong relationship between value-for-money perceptions of a retailer, and value for money perceptions of its PLs (Kakkos, Trivellas, & Sdrolias, 2015; Nenycz-Thiel & Romaniuk, 2012). The value for money perception, i.e. perceived value, is the most prominent factor for a customer's tendency of purchasing (Jaafar, Lalp, & Mohamed, 2015). Customers of retailers positioned at low price generally have more price consciousness than customers of the other retailer, and low price is one of the most important factors motivating price-conscious customers while choosing a product to purchase (De & Singh, 2017; Sinha & Batra, 1999).

Table 6. Comparing the effectiveness of offering economic and premium PLs together

	Dimensions	Retailers	N	Mean	Std. Deviation	Mean Difference (A-B)	Equal variances;	F	Sig.	t	df	Sig. (2-tailed)
MİGROS	Favorability	EPLxPPLxNB	32	5.49	1.17	0.38	assumed	5.84	0.02	1.00	63.00	0.32
		PPLxNB	33	5.11	1.81		not assumed			1.00	54.99	0.32
	Differentiation	EPLxPPLxNB	33	3.61	0.91	-0.31	assumed	12.48	0.00	-0.95	64.00	0.35
		PPLxNB	33	3.92	1.66		not assumed			-0.95	49.62	0.35
	Credibility	EPLxPPLxNB	33	5.37	1.01	0.51	assumed	9.04	0.00	1.55	64.00	0.13
		PPLxNB	33	4.86	1.60		not assumed			1.55	53.97	0.13
	Purchase tendency	EPLxPPLxNB	33	3.30	1.26	-0.21	assumed	0.00	0.99	-0.70	64.00	0.49
		PPLxNB	33	3.52	1.20		not assumed			-0.70	63.85	0.49
ŞOK	Favorability	EPLxPPLxNB	45	4.51	1.19	-0.08	assumed	4.33	0.04	-0.27	87.00	0.79
		PPLxNB	44	4.59	1.61		not assumed			-0.27	79.01	0.79
	Differentiation	EPLxPPLxNB	46	4.06	0.93	0.16	assumed	9.76	0.00	0.59	88.00	0.56
		PPLxNB	44	3.89	1.63		not assumed			0.58	67.63	0.56
	Credibility	EPLxPPLxNB	46	4.41	1.21	0.13	assumed	2.13	0.15	0.41	88.00	0.68
		PPLxNB	44	4.28	1.68		not assumed			0.41	77.94	0.69
	Purchase tendency	EPLxPPLxNB	46	2.76	0.90	-0.24	assumed	1.35	0.25	-1.17	88.00	0.24
		PPLxNB	44	3.00	1.03		not assumed			-1.17	85.13	0.25

100

The success of positioning PLs as economic and premium was evaluated according to the two retailers. The success of positioning consists of three dimensions which are favorability, differentiation, and credibility. The results indicate that both economic and premium PLs are more favorable and credible in the retailer positioned at superior service quality. However, there is no significant difference between the two retailers in terms of differentiation. These results show that PLs positioned as economic and premium, are likely to be more successful in the retailers positioned at superior service quality in terms of credibility and favorability. These results partially support the literature. Vahie & Paswan (2006) found that the store atmosphere and store quality, which were two attributes of store image, significantly affect the image of its PLs. On the other hand, other researchers i.e. Ailawadi & Keller (2004), Bao, Bao, & Sheng (2011), Collins-dodd & Lindley (2003), Dawar & Parker (1994), Dhar & Hoch (1997), Calvo Porral & Levy-Mangin (2016), and Wu et al. (2011) stated that store image has a significant influence on the perception of its PLs. However, they ignore the effect of particular attributes of retailers on the different types of PLs. This research partially fills that gap by proving that both economic and premium PLs in a retailer positioned at superior service quality (product quality, product variety, and store atmosphere), is more credible and favorable than those in a retailer positioned at low price.

The results indicate that offering an economic PL along with a Premium PL and a Premium NB does not cause any significant change in customers' perceptions of and purchasing tendency of the premium PL. This result contradicts with the results of the study carried out by Nenycz-Thiel & Romaniuk (2012) which highlights that a premium is perceived as a traditional low-quality PL when it is only PL in a product category. This result might be explained by customers' trust and loyalty to the retailer. Customers' trust and loyalty to a retailer influence customers' attitudes towards its PLs and credibility of the quality promises of the PLs in the eyes of customers (Sethuraman & Gielens, 2014). In this research, the participants were chosen among customers regularly shopping from the two retailers. This might indicate customers' trust and loyalty to retailers and might explain not being perceived as a traditional low-quality PL when a Premium PL is the only PL in a product category.

Managerial Implication

Premium PLs are one of the hottest topics in grocery store retailing. Although Premium PLs are offered commonly in grocery retailers in developed countries like the UK (Geyskens et al., 2010), they are at the introduction level in developing countries like Turkey. Based on the results obtained in this research, it can be put forward that the customers of the two retailers consider premium PL as favorable and credible, and they have a tendency to purchase premium PLs. However, Economic PLs are

more likely to be purchased by the customers of retailers engaged in an Everyday Low Pricing strategy so that they are more price sensitive, whereas premium PLs are more likely to be purchased by the customers of retailers engaged in superior service quality. Furthermore, favorability and credibility of both economic and premium PLs are higher in retailers pursuing superior service quality. Based on these results, the managers of grocery retailers are strongly advised to consider the congruence between the perceived value of the retailer, and the perceived value of the PLs to be offered in the context of customers' tendency to purchase. Besides, the managers of both types of stores are advised to offer both economic and premium PLs because of the fact that customers of both stores have a less or more tendency to buy both economic and premium PLs. Taking into consideration customers' tendencies to purchase economic and premium PLs in the two stores, the managers of retailers positioned at superior service quality are advised to prioritize premium PLs, whereas the managers of retailers positioned at low price are advised to prioritize economic PLs. Managers are also advised to offer economic PLs along with the premium ones due to the fact that offering them together does not decrease customers' tendency to purchase premium PLs. Finally, it can be expressed that offering premium PLs along with the economic ones in a product category gets increased shares of the PLs in both types of retailers.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCHES

There are some limitations that need to be taken into account while evaluating the generalizability of the results in this paper. The first limitation is about the product category. Tea was chosen in the hot drink category to collect data because of Turkish people's habit of consuming tea frequently. Another important limitation is about the number of national brands as alternatives. Only one national brand that has a premium quality in the product category was used in this research. Although this is the situation in some retailers positioned at low price, the other stores, positioned superior service quality, offer more alternative as national brands in the same product category since product variety is one of the dimensions of superior service quality. The participants were asked how likely they would buy the economic or the premium PLs among the alternative they were offered in the survey. Hence the situation in the survey does not exactly reflect the situation on the shelves of the retailer positioned at superior service quality.

Researchers are advised to conduct new research on different product categories that have higher or lower perceived risks. Besides, the results of further researches conducted on different product categories by analyzing perceived risk as a control

variable would be interesting. Last but not least, further research including not only premium quality NBs, but also mainstream quality NBs along with economic and premium PLs might be conducted particularly for retailers positioned at superior service quality.

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KEY TERMS AND DEFINITIONS

Economic Private Label: Economic Private Labels are private labels with relatively low quality and low price, and they aim to be an alternative to low quality national brands in the eyes of price-conscious customers.

Positioning: Positioning is the process of designing an offering or a brand through marketing mix to create a distinctive position on the minds of customers by associating it with some attributes that are favorable to prospective customers.

Positioning Strategy: Positioning strategy is a plan and its implication for both identifying an intended position and the way to convert an intended position into actual and perceptual positions through elements of the marketing mix for an offering.

Premium Private Label: Premium private labels are private labels with relatively high quality and high price than other private labels and they aim to be an alternative to high-quality national brands by either relatively low price or attributes such as being organic, healthy, environmentally friendly, or fair trade.

Private Label: Private labels are products manufactured by retailers or by a supplier on behalf of retailers and are sold in the name of retailers or of brands that are owned by retailers.

Retail Store: Retail store is a retailing service provider which sells goods to the customers in relatively small quantities for use or consumption rather than for resale.

Chapter 6
Marketing Strategies with Private Labels During Economic Recession

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ABSTRACT

It is important for retailers to be prepared for these difficult times because economic recession periods can cause serious changes in consumer behavior. Private label product strategy is one of these strategies, since the price sensitivity of consumers is increasing during bad economic times. Therefore, retailers have to give more importance to private label products in order to both pull through these difficult times with minimum casualty and increase their market share after these periods. The main purpose of this study is to investigate the marketing strategies of retailers with private label products during an economic recession. In order to reach this aim, several research questions were asked, and the related literature and practices were examined to answer these questions. It is expected that this study will provide a different perspective by contributing to the academicians and practitioners working in this field.

INTRODUCTION

The retail sector is quite important for the economy since it makes a great contribution through providing opportunities for employment and tax revenues. Sector players should be aware of possible recession and crisis situations and should prepare their marketing strategies for these unpredictable periods since economic fluctuations can affect them very quickly as resulting crisis or recession can cause significant changes in consumer behavior. Consumers place significant restrictions on their retail purchases as a result of the deterioration in their incomes. This situation undoubtedly makes many of the retailers, especially the ones caught in the crisis unprepared, not to overcome this process. Private label (PL) products are one of the strategies used by companies in the retail sector in times of crisis or recession. PL brands are the brands that are created and controlled by retailers (Sayman et al., 2002) and where the retailers have the sole responsibility from development, purchase, and storage to marketing (Dhar & Hoch, 1997).

For a long time, the retailing industry has provided its customers with goods branded by manufacturers. Nevertheless, retailers soon realized the potential benefits of producing and carrying brands of their own – private labels. These PL products are nowadays in many ways considered to be comparable to national manufacturer brands (Parker & Kim, 1997; Hultman et al, 2008). PL products, which are frequently used in good economic times as well, help sector firms to overcome these troublesome processes with minimum damage during periods of recession and crisis. These periods, where consumers are more price sensitive than ever, require different marketing strategies and different suggestions to the consumer. A lot of research has been done due to the importance of the matter. In the past, national brands (NB) were generally perceived to deliver higher levels of product quality and consistency. However, retailers have come a long way from generic white or yellow packed products to almost similar quality with their national brand competitors. Today, it is almost impossible to distinguish them from national brands (Duckler, 2013). Since there is not much difference between national brands and private labels, especially during economic recession periods, people shift towards Private Labels and they remain loyal to their choices even when the low budget periods end.

Recession is one of the main drivers causing private label brands to flourish. It is not a surprise since consumers mostly focus on value, price and affordability during harsh economic times. Thus, economic recession is one understandable impetus behind increasing private label sales and consumers are willing to purchase lower-priced alternatives (Dimitrieska et al, 2017). Also, during the recession periods, it is seen that consumers make their choices in favor of private labeled brands. In fact, private label brands are generally considered to be useful tools to combat the effects of the economic crisis (Arslan et al, 2013).Today consumers are more price

sensitive and less brand loyal than ever before (Grundey, 2009). Thus, the economic uncertainty periods stand out as a time of opportunity for private label producers. If they manage their private label programs well, they can offer products at lower prices and ultimately increase their revenue and profitability. As said earlier, private label does not have the bad reputation of the past; consumers do not hesitate to purchase private label products while they tighten their belts to save some money aside (Eqos, 2008).While some retailers are succeeding by effectively implementing their private label strategies during difficult economic times, other retailers may benefit from this industry by using best practices of their private labels. Thus, in order to effectively compete locally or globally, retailers may take advantage of best practices to launch, or scale, their own private label strategies (Eqos, 2008).

In light of the above discussion, the main purpose of this study is to investigate the marketing strategies and practices applied with PL products during the economic recession periods. The other purposes of the study are to examine the relationship between economic recession periods and PL products and to explain the private label applications used by retailers in order to reduce the negative effects of these difficult periods. In order to achieve the objectives of the study, answers to the following research questions are sought;

- What are the marketing strategies implemented during the recession period?
- What type of relationship do private label products have with the recession period?
- Do private label products have an impact on the success of retailers in the recession period?
- What are the marketing strategies implemented with private label products during the recession period?
- What are the private label practices used by retailers to reduce the adverse effects of the recession period?

This study consists of five parts. In the first part, the concepts of retailing and private label products are included. In the second part, the periods of economic recession are discussed in general terms. In the third part, marketing strategies applied during economic recession periods are examined. In the fourth part, the relationship between economic recession periods and private label products is examined. In the last part, private label strategies and practices applied during economic recession periods are explained.

112

THE CONCEPT OF PRIVATE LABEL PRODUCT IN RETAILING, ITS DEVELOPMENT AND SUCCESS

The concept of retailing has emerged with the initiation of exchange between individuals and the development of retail as a sector has been developed as the number of women working in Europe, migration to the city and the number of nuclear families increased. As a result of this development, consumers' consumption and purchasing habits have changed as well. With the reflection of these developments, retail sales points and intermediary structures have also changed. There are some important factors contributing to the preferability of large retailers such as the change in the shopping habits of the consumers, the increase in the migration towards the big cities, the widespread use of credit cards, the promotions applied, the more limited time the consumers devote to the shopping, the increase in the number of the car owners in the consumer groups, the advantage of finding all kinds of products together, etc. With the impact of these factors, retail sector in developing countries like Turkey has made great progress in recent years. In parallel with this development, the number of enterprises operating in this field has also increased steadily (Özgüven, 2011).

With the development of the retail sector, the interest in the concept of private label products has also increased. With the expansion of retail areas into the lives of consumers, it has been possible for consumers to meet more with private label products. So, what are these private label products? Briefly, private label products can be expressed as products in which the retailers take full responsibility from the development and storage of the product to its marketing. In other words, these products are either produced or made produced by retailers and sold in the retailer's shop under their own name or their own brand.

The sale of market-branded products began during early twentieth century. In the US, some grocery chains marketed their products with or without their own names. They sold these products with lower places at the lower shelves with a limited number of product lines. Private label products were considered as an alternative to national brands (Albayrak & Dölekoğlu, 2006). Private labels have developed significantly in the European and US markets, starting from the 1970s up until today. In this context, gradual increase in private label, especially in the consumer goods marketing, causes intensity in academic and commercial interests related to these brands as well (Geçti & Zengin, 2009). Retailer brands have been gaining popularity across Europe. Private label reached an all-time high in Europe's largest retail market, Germany, with its market share, climbing to over 45% for the first time. The gains came even in countries where private label already had very high penetration. Market share for retailer brands climbed in the United Kingdom, Germany, Belgium and Portugal, where share was more than 40%. The biggest

113

market share gain was posted in Turkey, where private label climbed by 3 points to nearly 26% (PLMA International, 2018). In this context, it can be said that Turkey is one of the countries where the sales of private label products is most rapid and developing.

When the development of the private label in Turkey is studied, it is seen that private label applications commenced under the leadership of Migros-Turk in the 1950s, but there were certain setbacks to the application; the chain store format was not big enough to create a private label, lack of number and qualification in manufacturers, shortcomings in private label approaches. It is understood that these brands started to be used after the second half of the 1990s by large-scale retailers in a way they could serve dense and various strategic purposes (Özgül, 2004).

Today, such brands are used by many large-scale retailers. One of the important economic contributions of the retail sector is that the retailer sells products bearing his own brand. These products, which are called private label are introduced by retailers with their own brands, both increase and diversify. It is possible to say that retailers make significant contributions to the economy by contracting or producing themselves. Contracting gives producers the opportunity of utilizing their idle capacity. The result of the field study conducted by the Competition Authority of Turkey on the suppliers in the FMCG group, 44% of the suppliers stated that they produced private label products to retailers. Once again, the same research indicates that all types of retailers (national / international chains, discount markets, local / regional chains, cash & carry) sell private branded products. The retailer category, which has the largest sale of private label products, is discount markets. It is also among the results of this research that the share of private label products is increasing in the total sales of suppliers and especially in discount stores around 2009, the figure has reached 60%. On the other hand, retailers themselves contribute to the economy by producing themselves. This means an increasing product choice and a reasonable price for consumers (Varinli, 2013).

Private labels, which have become so important in retail, are of course successful, at the end of some policies and strategies put into practice. It is also necessary to explain what is effective in the progress and success of private brands. When the related literature and practical applications are examined, it is seen that there are various reasons. It is stated that there are five main factors in the growth and introduction of private brands. These factors are detailed as following (Dimitrieska et al., 2017:115):

- **Economic Recession:** Increasing consumer focus on value, price and affordability as a result of economic crises and recession is a major reason for the rise in private-label product sales.

114

- **Retail Landscape Consolidation:** The high degree of correlation between the sales increase of private label products and the improvement of the concentration of the retailer has been proven. Higher levels of trade intensity offer retailers the opportunity to negotiate against brand manufacturers, as well as investment in the development of more sophisticated private label products.
- **Improved Product Quality:** Private branded product quality has increased significantly since generic product days. Many consumer surveys have argued that the quality difference between national brands and private label products is reduced or eliminated. And ultimately, consumer perception has greatly improved, creating a very positive attitude towards private-label products. In a similar way, another research ascertained that the higher product quality increases the market share (Olbrich et al, 2017).
- **Enhanced Retailer Capabilities:** Over the past few years, many retailers have developed the skills and capabilities needed to develop and manage an increasingly complex private-brand product. Retailers have invested in marketing analytics, innovation and branding, and have employed brand and category managers. As a result, retailers have developed a deeper understanding of consumer needs and desires as well as segmentation and targeting techniques.
- **Renewed Strategic Approach**: The traditional approach to developing low-cost, generic alternatives to national brands is targeted at price-sensitive, brand-agnostic customers. Planning strategies play a more strategic role for private label products as part of more thoughtful customer segmentation, category management and product diversity.
- There are various reasons why PL has become permanent in the markets. Manufacturers have to understand what drives PL success in order to create a place for themselves and take part in the decisions with the retailer.

Below is a summary of factors behind private label's success (Scaff et al, 2011)

- **Private label programs have increased in sophistication and innovation:** Retailers are getting more sophisticated and innovative in positioning private label products and they are willing to make the investments in their private labels.
- **Retailers are focusing on better quality private label products:** Retailers' focus on quality has significantly influenced the growth of private labels.
- **Retailers are prioritizing Stock Keeping Unit (SKU) rationalization at retail:** SKU rationalization is considered a priority for the world's leading retailers.

Retail consolidation and international expansion have made private label more viable and cost effective for retailers: Retail consolidation is enabling private label growth. Consolidation increases economies of scale for the retailer, which allows for more efficient supply chain operations and synergies in some of the areas like R&D, packaging, and label production.

A GENERAL OUTLOOK ON ECONOMIC RECESSION PERIODS

Oxford Dictionary describes recession as a period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in GDP in two successive quarters (Oxford Dictionaries, 2019) and this period has its effects on consumer behavior. Within the global age, it may occur as a result of unfavorable developments in other countries, as well as due to internal dynamics. The crisis, which is expressed as the collapse of the economy, can be expressed as the situation that occurs when the economic recession continues. The economic recession rises as the decline in consumer demand and in the investments of enterprises, the high rate of unemployment and, therefore, the decline in living standards.

In addition to the economic recession, macro-economic imbalances brought by the lack of financial and monetary discipline brings economic contraction as well as economic crises. Crises usually begin in the banking sector, followed by a foreign exchange crisis, and finally, with the crisis of the real sector, economic contraction occurs. The crisis is generally a chaos and while some brands and firms lose in chaos, some other brands and firms can turn crises into opportunities. The brands and companies that want to take place among the winners during the crisis and want to use the crisis conditions as an opportunity for improvement must make great efforts (Turan, 2011).

When the brands and firms, which turn crises into opportunities, are examined, it is seen that they are prepared for crisis with their strategies. However, it should be acknowledged that the crisis or recession will definitely cause changes in the activities and strategies of brands and firms.

In times of economic recession periods, not only the enterprises, but also the attitudes and behaviors of consumers go through significant changes in the context of demographic characteristics (Altunışık et al. 2003). The decline in real income causes consumers to adopt a mode of shopping, which makes them to pay more attention to their expenditure and focus more on benefits and function (Yürük, 2010). Consumers must be more cautious when making a purchase decisions. In these periods, they reduce consumption and extravagance, do more research when buying goods, prefer to buy cheaper branded goods, especially private-brand goods, and buy in smaller quantities. In addition, they make their purchases in discount stores and

at sales times. Moreover, recession shows its effects more on non- food products; respectively, consumers prefer cheaper means of transportation, non-food products are replaced with cheaper equivalents, cheaper food is preferred, food consumption is decreased. A similar situation applies to consumers who use active strategies that include income-enhancing or direct saving behaviors. Therefore, it can be stated that consumers' price elasticities decreased significantly during this period (Özgül & Özgüven, 2011). Besides, during this time excessive risks, disinformation about the product or the brand, or low product quality urges consumers to withdraw from the product or brand. (Olbrich et al, 2017).

Marketing Strategies Applied During Economic Recession Periods

The marketing strategies implemented through marketing mix elements work well in normal economic situations. In particular, if consumer's demographic characteristics are known sufficiently, it is easier to decide which place or price is appropriate for a brand. Confusion in marketing strategies is the result of a good brand losing its loyal consumers in the period of economic stagnation, due to the bad personal financial situation. Brands and firms face a variety of risks every day, and marketing managers have to take smart steps to survive in these difficult times (Grundey, 2009). Even in times of prosperity, traditional methods of managing the company and achieving success in marketing has become difficult. The management and marketing functions are becoming more important in times of crisis and in times of recession, when conditions are becoming more difficult. Developing strategies in these periods is a difficult process that requires a good environmental and internal evaluation. Companies with a foreign capital partnership or holding structure are more experienced in this area, but companies need to work with professional managers in order to increase their competitiveness and profitability in the food sector, which is dominated by medium and small enterprises (Gönenç & Güldaş, 2010). Economic recession can be a serious threat to companies, but it can be turned into an opportunity. Useful strategies should be defined and implemented by firms (Polat & Nergis, 2011).

The recession environment requires marketing managers to review their marketing strategies and actions in order to retain consumers and remain profitable. This necessitates the adaptation of the marketing mix and / or the replacement of the target markets according to the recession conditions, which ultimately requires marketing managers to use strategies to stimulate consumer demand. These strategies may include narrowing product lines, offering cheaper products or quantity reductions, increasing promotions, and delivering products directly to consumers (without intermediaries). However, the response of the marketing managers to the recession

may vary depending on their perception of the impact and meaning on their businesses (Özdemir & Kılıç, 2011). In these periods of recession, it can be said that it would be more beneficial for firms to produce programs that take into account consumers' savings and price sensitivities in their marketing activities. In particular, it can be stated that it would be beneficial for enterprises operating to consumer groups using active strategies to move from abstract and sentimental marketing communication to marketing communication offering concrete price advantages and suggestions, and to increase the weight of promotional activities by reducing activities towards brand image. Similarly, during this period, it is necessary to take measures such as lowering costs, reducing prices, extending the sales organization (Özgül & Özgüven, 2011).

Table 1 shows the differences between the marketing approaches proposed when the economy is good and bad. When the table is analyzed, it is seen that marketing activities are prioritized in periods when the economy is going well; of course, this understanding needs to change. It is known that brands and firms that give importance to marketing activities in the periods when economy is good or stagnant are successful. In fact, it should be kept in mind that brands and firms that focus more on marketing and advertising activities in times of recession turn crisis periods into opportunities and increase their market shares (Quelch, 2008; Cupman, 2009).

In times of economic recession, brands and companies put into practice various strategies. In general, however, they react with at least one of the following ways. These are: maintaining normal functioning, reducing prices and lowering costs (Cupman, 2009). Maintaining normal functioning: in the recession period, some firms prefer not to react to the recession. However, an unresponsive passive approach is seen dangerous in the face of the developments caused by the stagnant economy. Because customers who are more likely to move to competitors with more attractive offerings must be offered a value to them to choose their current business. As a result of the recession, while the demand is decreasing, it would not be meaningful

Table 1. Differences in marketing understanding

Marketing in Good Times	Marketing in Bad Times
Focus on long term	Focus on short term
Maximizing profits	Minimizing cost
Marketing is seen as investment	Marketing is seen as expense
Marketing has a wide area	There is limited space for marketing
Profit oriented	Cost oriented
Opportunity oriented	Sales oriented
Proactive	Reactive

Source: (Cupman, 2009)

for the company to wait for the storm. Competitive pressures are greatly increasing in times of crisis, when sales are falling and everyone is struggling to maintain or grow their customer base. In the economic crisis or stagnation process, companies that fail to struggle adequately or are unable to take early measures will fail. Another strategy is reducing prices. Reducing prices is the easiest and shortest way to pull in sales. Reducing prices can be seen as more of a tactic than a strategy. This is because it is a short-term action, usually aimed at price increases as soon as possible. In addition, many companies that lower their prices should have a pre-perceived idea of the price elasticity of their markets. So it is important how sensitive the market is to the price. Unplanned declines in prices may lead to the end of the business. Reducing prices without plans is considered a desperate attempt by companies to increase sales and keep up with competition. However, without a commercially sound pricing strategy, reducing prices could lower profit margins to fatally low levels. Another strategy that firms implement in crisis periods is to reduce costs. Financial pressures force firms to reduce costs in a wide range of investments not only in factory closures but also in intangible assets. While the economy is in trouble, many business spending, such as R & D, education, promotion, sales and market research spending, are reduced first, as they do not show concrete and immediate results. Moreover, in a sluggish economy, companies tend to reduce areas in which short-term cuts are easy, and tend to be cash-focused in investments, regardless of their medium-term expectations.

In general, the following classification has been made regarding the strategies implemented by the firms in the economic crisis periods (Gönenç & Güldaş, 2010):

As mentioned before, crisis and recession periods cause very important changes in consumer behavior. It is inevitable for retailers to develop new strategies against these changes. As shown in Table 2, firms prefer to withdraw from their weak markets and find young consumers. It should not be forgotten that extra marketing communication expenditures should be made in the process obtaining young consumers. Therefore, it should be preferred to carry out promotional activities at lower costs on the social media channels that young consumers use intensively. Another strategy is to make effective marketing studies by making market segmentation.

With regard to product strategies, it should be the strategy of retail companies to abandon weak, non-profitable products at the first stage; at the same time, to avoid introducing new products, to target different target markets through sub-brands, and most importantly to produce private label products. Crisis or recession periods are extremely sensitive processes for companies. Therefore, companies need to manage processes with their best products without taking any risks.

With regard to the pricing strategies that firms should implement in times of crisis or economic recession, first of all, it is necessary to cut prices without compromising on quality. The reason for this is to give consumers the feeling that they are not left

Table 2. Strategies of firms during crisis period

General Strategies	• Market segmentation • Withdraw from weak markets • Strengthening markets where the brand is strong • Acquiring weak competitors • Turning young consumers
Product Strategies	• Eliminating weak products • Avoid launching new products • Go to product differentiation • Launching a second brand • Positioning adaptation • To give importance to the use of small packaging • Switch to production of private label products
Pricing Strategies	• Lowering the price by keeping the quality stable • To increase the quality by keeping the price stable • Avoiding changes in quality and price • While pricing considering the life course of the product
Promotion Strategies	• Maintain advertising budget • Decrease or cut off advertising budget • Improve the use of print media • Getting expert support, using traditionally respected figures • Use recommending approaches • Capitalize on issues of public interest • Use discounts and bonuses instead of competition or draws • Preparing programs to strengthen brand loyalty in consumers
Distribution Strategies	• Selective distribution • Enter into discount and wholesale stores • Eliminate marginal branches / sellers • Try alternative channels

Adapter from: Gönenç & Güldaş (2010)

alone during the period of crisis. Consumers will not forget this after the crisis has ended. In the studies conducted, it is seen that the purchasing decisions of consumers are mostly price oriented in times of crisis or stagnation. Therefore, companies that want to get out of the crisis without getting scarred, should not ignore the price sensitivity of the consumers in order to get stronger.

During the economic crisis, pricing is very sensitive to the brand, because people are less loyal to the brand and more price sensitive. Therefore, companies start to play at prices and even begin to enter into price wars. If a competitor lowers the price, then others will lower the prices to match. If someone drops their prices again, a new discount tour starts. In the short term, price wars are good for consumers who can benefit from low prices but are often not good for these companies. Low prices reduce firms' profit margins and threaten their survival (Grundey, 2009). By reducing prices in this way, companies encourage customers to see the price in stagnation as normal, and when the economy recovers, it is very difficult to return

120

prices to previous levels. As a result, there is an almost permanent loss of profit margin for the entire sector, not only for a company (Hollis, 2009).Companies should consider the diversity of internal and external factors in the course of pricing during crisis or stagnation periods; the selected price should be such as to permit the greatest competitive advantage in the selected target markets. In this context, even in the crisis period, firms should not forget that price arrangements are an integral part of marketing strategies and that they need to make effective pricing to benefit the company without forgetting that it is a means of making profits (Bačík & Gburová, 2012).

One of the most important issues that companies should focus on during the crisis periods is the promotion works. Firms need to protect their advertising expenses during crisis periods. However, it would be wiser to prefer digital strategies which can reach to maximum mass with minimum cost. As of this period, the use of opinion leaders in advertising, who are accepted by the general public, will increase the impact of the works. Moreover, the use of discounts and premiums instead of draws or competitions during these crisis periods will attract more attention of consumers with reduced purchasing power. In times of crisis or economic recession, it is believed that only strong companies can survive and spend money for advertising, while minors are only looking for survival options. However, small businesses also have the possibility of marketing without making a huge investment (social media, student projects, etc.) (Grundey, 2009; Gümüş & Kütahyalı, 2017). Again, it is stated that the enterprises, which continue to spend their advertising expenditures in crisis or recession periods, are more profitable than companies that decrease the advertisement expenditures after the recession. Even in periods of stagnation, companies that increase their advertising costs aggressively increase their market share after the recession (Quelch, 2008; Cupman, 2009; Devasagayam & Watroba, 2008).

With regard to advertising spending, businesses should be aware of opportunities that recession can provide. As competitors reduce their marketing efforts, it may be an opportunity to become clear in the eyes of the target market by maintaining a strong advertising campaign during the recession. It may not be a better time to advertise, since the tendency of others in times of crisis or recession is to reduce advertising spending. Therefore, by aggressively advertising in the economic downturn, it can raise awareness with a more conscious brand image and create a larger market share. In addition, the continuation of advertising expenditures in times of crisis may be a sign of how much marketers believe their brands and the brand can awaken the sense of being stronger and more reliable than others who do not advertise (Akyüz & Ercilasun, 2014).

Finally, considering the distribution strategies to be applied by firms during crisis or recession periods, it would be appropriate to selectively distribute, to focus on discount and wholesale stores and to focus on consumer-oriented alternative delivery channels. In almost all processes, it should be taken into consideration that consumers are affected by the crisis and strategies should be implemented accordingly.

If we continue with marketing strategies that can be implemented by the brand and companies during the recession period, it is important to suggest the most suitable products for the customers by using the knowledge of the existing customers and the customer lifetime value. With the studies conducted through data mining, the profitability of the enterprise can be increased by determining a specific target market. Another strategy is that companies can have financial benefits by investing in green and sustainable business practices, reducing waste and making additional sales to rigorous consumers, while at the same time providing environmental sustainability with the opportunity to achieve a market positioning and competitive advantage (Sands and Ferraro, 2010). Regarding the marketing activities in times of crisis, Quelch (2008) makes the following recommendations;

- Focus on customers
- Focus on family values.
- Maintain marketing expenses.
- Set product portfolios
- Support distributors
- Set pricing tactics.
- Manage your market share
- Highlight basic values

Undoubtedly, taking these suggestions into consideration will make significant contributions to overcome this periods, brands and firms will continue to carry out successfully against these negativities in times of economic crisis or recession, with the least damage at the end of the crisis.

The Relationship Between Economic Recession Periods and Private Label Products

Many academics have documented suggestive evidence that there is an association between economic recessions and private-label share growth (Quelch & Harding, 1996; Ang et al, 2000). Some scholars suggests that private label shares generally increase when the economy is suffering and decrease in stronger economic periods (Quelch & Harding, 1996).

122

It is commonly believed that consumers are buying national brands in times of economic growth (Corstjens & Lal, 2000), but consumers can change their perceptions of brands in times of recession. Private labels are generally considered to be useful tools to combat the effects of economic recession. The research carried out by the GFK research firm for the Private Label Manufacturers Association (PLMA) shows that consumers in the United States have lessened their shopping budgets when the country entered the economic crisis and made changes in supermarket shopping. For example, 75% of consumers stated that the recession was very effective on purchases and that more than 30% of them bought more store brands than a year before the recession (PLMA, 2009). This data supports the assumption that the sales of the private label increased more than the national brands in times of economic crisis.

Consumers who tend to minimize their consumption in times of crisis do not display these reactions equally for each sector or for each consumption group. Consumers may reduce the amount of consumption in some product groups; they may have a change in their preferred brand in some product groups; or, if possible, they may not to consume some product groups at all. The degree of need of the product group is effective on the type of reaction. Corstjens and Lal (2000) argue that consumers generally buy national brands in the periods of economic growth, but consumers can change their perceptions of brands in times of economic recession.

Private label products are an important component of the retail strategy and, as a consequence, a concern for national brand producers and have shown a significant increase over the last decade. Private label products have a significant impact on the rules of competition between retailers and producer brands. Although the data is from 2009, it is useful to look at the global market share of private label products in general: UK (46%) Switzerland (45%), Germany (37%), Spain (33%), Argentina (4.5%), Brazil (0.9%), Turkey (7.7%), Mexico (1.7%), Serbia (2.4%), Malaysia (2.6%), Taiwan (1.7%), Ukraine (% 0,3) (Cuneo et al., 2015).

Today's consumers have less brand loyalty than older generations, and perceive private label products as equal or sometimes better quality than branded products. More importantly, consumers today give importance to transparency, clean materials and values of the brand when making choices. Private label products are used intensively by retailers, especially in times of crisis or stagnation. For example, about a quarter of Canadian consumers' purchases consist of private label products. The sale of private label products in Canada has experienced a consistent market share increase over the last five years. One of the most important reasons why Canadian consumers choose private label products remains the price, while consumers say they have confidence in private label products and have positive experiences in purchasing them (Dewis, 2018).

Due to this positive experience, consumers who are accustomed to purchasing these products during stagnation periods continue to buy these products after crisis or economic stagnation as well (Lamey et al., 2007; Trang, 2016; Zare & Saghaian, 2018;). In a similar fahsion, negative experiences also cause customers not to purchase (Olbrich et al, 2017). Therefore, customer experiences should be monitored and negative feedbacks should be settled out in a short time. In a survey of 53 countries in 2010, Nielsen reported that more than half of the respondents purchased more private-label products during the economic recession, with 91% of these consumers saying that they will continue to buy these products as the economy gets better (Scaff et al., 2011). In a study conducted in Spain, it was emphasized that the economic crisis in Spain provided a significant impetus for retailers to use private label products. At the same time, consolidation of retailers strengthened and the expansion of discount types affected the growth of private label products in developed markets (Ruiz-Rea et al., 2016). Similarly, it was stated that private branded products had a great share in the USA's recovery from the recession in 2013 (Duckler, 2013).

Studies done so far indicate that consumers tend to not make purchases which are not necessary for their survival during tight budget times. Consumers also tend to shift towards cheaper equivalents. There come private label products. Economic recessions have a strong impetus on the development of private labels (Real et al, 2016).

Private Label Strategies During Economic Recession Periods

Private labels are an important component of retail strategy and correspondingly a concern for national brands. Some industry sources claimed that private label shares in the US increased by over low percent points on a base of about twenty percent during the recession (Dube et al, 2018). According to Chris Suranyi, the CEO of Lightspeed Research, the economic recession caused an increase in private label purchasing, a trend that his survey resulted show was unlikely to change after economic recovery (Frank, 2010).

In consumer goods marketing, brands often provide the key point of differentiation between competitive presentations (services) and are key to the success of retailers and manufacturers. Therefore, the management of brands (private / national) is approached strategically (Wulf et al., 2005). In order to achieve this, strategic thinking and strategic management of these brands become important.

Private label brands provide strategic opportunities for retailers and are positioned as strong competitors against national brands in Europe (Martinez & Montener, 2008). Although private label brands generally have lower prices than national brands, they offer significant advantages to retailers such as increasing store traffic and creating store loyalty (Dick et al., 1997).

Most of the studies in this area try to explain whether there is a connection between the socio-economic or demographic characteristics of the private label buyers and their purchasing tendencies or not (Baltas, 1997). Dölekoğlu et al. (2008) stated that consumers have sympathy for private label brands due to their suitability, rising alternatives, perceived value in monetary terms, guarantees provided by local stores, their loyalty, time saving, and fulfill their needs. Ailawadi et al. (2001) showed that economic / utilitarian and psychographic / hedonic benefits were caused by the purchases of private label brands.

As a business strategy, private label products offer retailers an important and sustainable growth. A good private label product program can be the basis for managing various resource-use activities for today and the future. From product design to negotiations and acquisitions, procurement processes facilitate the functions of the retailer in its organization. Private branded product programs improve margins, reduce lead times, and facilitate procurement functions across the supply chain. Thanks to private label products, retailers can be strengthened even during periods of recession, while improving margins regardless of economic forecasts, reducing costs and making more use of resource and import strategies (Eqos, 2008). Nowadays, retailers continue to develop their strategies and focus on private label products as a tool that brings together customer loyalty and differentiation in a very competitive and developing consumer environment (Dewis, 2018).

According to Global Private Label Consumer Study published by AC Nielsen, 67% of global consumers stated that private label products are a good alternative to other brands (AC Nielsen, 2005: 1). According to the studies conducted by other research companies, in particular AC Nielsen, it is revealed that private label products are sold with 10% to 50% lower prices compared to national brands. For example, it is stated that compared to national brands private labels are 18-20% in chilled and frozen foods, 32-33% in alcoholic and non-alcoholic beverages and 30% cheaper in long-shelf life foods (Albayrak & Dölekoğlu, 2006).

Most retailers make stronger investments in private-label products when the economy breaks down, making it even more difficult for national brands to catch their share of losses during contraction. For this reason, the periods of crisis or economic recession stand out as the periods when private label products are strengthened (Lamey et al., 2007). In times of economic recession, retailers need to further strengthen their marketing budget, because private brands are generally considered to be useful tools to combat the effects of the economic crisis / recession

(Geçti & Zengin, 2009). In times of crisis, while the global discount firms increase their market share, international retail firms increase the competition by entering into the markets with their strong PL products. All these strengthens the strategies to be developed for PL products during crisis periods (Cuneo et al., 2015).

Taking the following recommendations into account will benefit the retailers and help them to circumvent the process with minimum damage not only in times of crisis, but also in unproblematic times (Hultman et al, 2008):

- Investing in brand equities.
- Innovating wisely.
- Using fighting brands sparingly.
- Building trade relationships.
- Managing the price spread.
- Knowing the price elasticity.
- Exploiting sales promotion tactics.
- Managing each category.
- Using category profit tools as a performance measure.
- Taking private labels very seriously.

Economic recession times are tough for retailers, but this may also offer an opportunity. Some retailers such as Kohl's, Tesco, and Zara have turned recession into an opportunity and reported increased revenues and higher margins – while they continue to invest in expanding their businesses. Each of these companies is carrying out successful private label programs which show fruitful results in their balance sheets (Eqos, 2008).

There are several private label practices for defying the economic recession for retailers and some of them are summarized below (Eqos, 2008):

- **Design/Specifications:** During this early stage, merchants capture data such as description, target price, target margin, volume, and timeline for next season's lines. Product, component, and packaging images, along with sampling instructions, test criteria, technical, legal and quality requirements are incorporated into the final product specifications. Retailers that establish internal standards for quality validate product requirements, and set expectations with suppliers early in the sourcing process will improve the effectiveness and efficiency of the overall sourcing process. Another study revealed that the most important characteristics of private brands are price, quality, design and packaking (Dimitrieska et al, 2017).
- **RFQ & Quotation:** Product specifications are used as the basis for generating standardized RFQs (requests for quote) which are issued electronically to

prospective suppliers or agents. Interested suppliers are given the opportunity to respond by accepting, declining, or proposing an alternative via their retailer sponsored web-based portals. In turn, buyers analyze and compare specific responses, negotiate with targeted suppliers, and place an order with the supplier who will best meet the specified needs.

- **Order Visibility:** After finalizing the intent-to-purchase, a list of steps is defined to support the sourcing process; typical activities include sampling, testing, production, shipping, each with its own set of tasks and approvals. Visibility across these processes (typically spanning several weeks or months) gives merchants, buyers, and other stakeholders' insight into the overall sourcing process. Because each task can cause a delay, web-based capabilities such as real-time alerts and dashboards enable buyers and other decision makers to manage multiple import processes 'by exception'.

- **Logistics Visibility:** As the product completes critical stages in production, buyers can work with forwarders and agents to arrange for local transport, prepare for export customs, reserve vessel or air cargo space, and make similar import and transportation arrangements to move into retailer's warehouse. Supporting documentation should precede or accompany the product as delays can seriously slow progress of goods through customs, leading exceptional handling fees and late deliveries to store.

CONCLUSION

Economies are experiencing periods of recession or crisis from time to time due to both global and internal dynamics. In these periods when the economy is going bad, consumers either reduce the amount of goods and services they purchase or prefer not to buy goods and services, which they do not see as a must for a while. Consumers who are more sensitive to the price than normal periods do more research and examine the goods and services they purchase more. Consumers who change their shopping habits because of the economic recession cause retailers to change their marketing strategies as well.

Retailers have to implement various strategies in order to retain their current customers in times of crisis and even increase the number of customers. One of these strategies is to focus on private label products. Therefore, there is a significant increase in the sale of private label products during this crisis or recession periods. Private label products can take their place in shopping carts even after the recession period, as they meet the needs of consumers during periods of recession. Retailers who are aware of this situation have to implement strategies that are different from the strategies, which they apply when the economy continuous on its normal course.

Companies should change their strategies in line with the needs and demands of consumers. There may even be cooperation with different retailers. (Dimitrieska et al, 2017). The marketing strategies proposed to retailers in times of economic crisis or recession is summarized below:

- First of all, developments in the market and economy should be closely monitored by adopting the economic recession or crisis situation.
- The retailer should not interrupt advertising activities and should increase the advertising efforts that emphasize brand value and brand image.
- Competitors should be closely monitored and developed marketing campaigns (discounts, promotions, draws, etc.) should be followed and strategies should be planned accordingly.
- Various recommendation programs should be developed to identify the most valuable customer group in the retailer's customer portfolio so that these customers do not go to other retailers.
- By analyzing the shopping habits of the customers in the retailer's customer portfolio, the changes and causes of the recession period should be followed and various campaigns should be prepared in order not to miss these customers.
- Depending on the economic recession or crisis, some products should be discounted.
- Retailers should go for the production of private label products in sectors that are vital for consumers, depending on the economic recession or crisis. The sales of these products should be continuously monitored and the reasons for purchasing (quality, price, advice, brand etc.) of the consumers should be investigated and emphasized in marketing communication activities.

No one expects brand loyalty from consumers during economic recession periods. Consumers in our age have less brand loyalty than older generations and they perceive private label brands as being of equal or sometimes better quality than branded products in addition to being reasonably priced (Dewis, 2018)

After the global recession, demand for private label goods has remained strong. For a number of reasons, according to the many experts private label is here to stay and should continue to grow. Retailers are getting progressively better at developing, promoting and selling their own products. They are developing private label strategies that focus efforts on improving product quality, identifying white space at the shelf, expanding price tiers and entering multiple categories all in an effort to differentiate themselves, improve negotiating power and increase profitability (Scaff et al, 2011:1).

Studies confirm conventional wisdom that a country's private label share increases when the economy is suffering and narrows down when the economy is flourishing. However, PL – NB shift is not that simple, consumers switch more extensively to private labels during bad economic times than they switch back to NBs in a following recovery period. Besides, the switch to private label brands is faster than the opposite movement to NBs after the recession ends. Finally, not only are consumers more prone to buy private labels during economic downturns, but some keep buying them when bad economic times are long over as well, leaving permanent "scars" on national brands' performance level (Lamey et al, 2007).

Consumers tend to prefer private label more and more during a bad economy. Private labels continue to gain importance in grocery retailing. A recent study by Accenture, reports that over 60% of American shoppers fill at least half their grocery carts with private label products. In Western Europe, private label unit share reached a record high of 49% in 2013 (Keller et al, 2016:1).

In the last decades, private labels have emerged as fierce competitors of national brands in the consumer packaged goods (CPG) industry. The market share of private labels in most CPG categories has grown tremendously and private labels now account for more than 20% of global grocery sales (Lamey et al, 2012).

The increasing trend in PL creates a greater price competition between private labels and corresponding national brands, as well as among the various private labels offered by different retailers (Blattberg & Wisniewski, 1989; Olbrich & Grewe, 2013; Olbrich et al., 2017). Private label programs improve margins, decrease lead times, and streamline sourcing functions across the supply chain (Eqos, 2008) Therefore, private label retailers become more successful against NB manufacturers.

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KEY TERMS AND DEFINITIONS

Marketing Strategies: A plan of action designed to promote and sell a product or service.

National Brand: A product with a particular brand name that is available all over the country, rather than just in one area.

Private Label: Used to describe goods that are sold using the name of the store, etc. that sells them, rather than the name of the manufacturer.

Recession: A period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in GDP in two successive quarters.

Retail Sector: The part of a country's economy that is made up of businesses that sell goods through stores, on the internet, etc. to the public.

Small and Medium Enterprise: A company or companies considered as a group that are neither very small nor very large.

Chapter 7
Handling Private Label Customer Complaints to Improve Customer Satisfaction:
Qualitative Evidence from Turkish Retailers

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ABSTRACT

There have been disruptive changes in retail industry due to changing consumer expectations and hyper competition. The aim of the current study is to provide an initial attempt at addressing a less researched area: customer dissatisfaction with private label brands. Since retailers are in search of finding new sources of competitive advantage—besides cost advantage—customer intimacy, complaint management, and creating secondary customer satisfaction for private label loyalty is an essential strategy in today's retailing industry. This study covers a review on private label branding and customer complaint management literature. In order to provide support for the existing literature, in depth interview with managers of two leading retailers is included in the study. The findings reveal the need and importance of focusing on antecedents of customer complaints and developing recovery strategies for gaining secondary satisfaction.

INTRODUCTION

The conventional retail industry has gone through a significant phase of disruption since the late 1960s due to changing consumer characteristics and technology driven economy and society. In the late 1960s, retailers started investing in developing their own private label brands because of the reasons such as creating low-cost products, increasing loyalty for greater profits, keeping up with the changing shopping habits, and satisfying unmet needs of specific consumers (Blazeska, 2013).

For several decades, retailers enjoyed high profits with low cost and relatively low quality offerings. The frequency of economic recessions caused a considerable increase in the interest for private label products. The empowered retailers, because of consolidation in retail landscape, enhanced retailer power over manufacturers in terms of branding and sales. With the enhanced retailer capabilities, the gap between the quality of private labels and national brands decreased. Thus, the traditional approach to developing low cost, generic products is no longer suited to the new retailers and todays' sophisticated consumers with high expectations.

To sum up, retailers, aiming to keep up with changing consumption habits, need to concentrate on building powerful private label brands that will guarantee loyalty and enduring long term relationship. Thus, retailers need to develop their marketing muscles for not only attracting new customers but also retaining existing ones. Since failure in customer satisfaction is inevitable, retailers should learn to manage customer dissatisfaction.

To date, the extant research on customer dissatisfaction and complaint behavior was relatively silent regarding private label brands. Thus, this study aims to discuss the importance of managing customer complaints for private label brands. Besides summary of literature on customer complaint management, evolution and evaluation of private label brands is discussed. It is believed that retailers originally are less concerned with the dissatisfaction and complaints about their private labels. Accordingly, existing research on complaint management is generally based on consumer perspective. This study aims to provide evidence from retailers' perspective and employs in depth interview method. The retailer companies' managers interviewed for the current study support the need for changes in private label brand strategies towards a more customer oriented perspective.

BACKGROUND

The Evolution and Evaluation of Private Label Brands

According to Fitzell's (1982) citation form Mahoney and Sloan's 1974 book "The Great Merchant", the first private label was established by Henry Sands Brooks in New York - the store was later called Brooks Brothers. This label has been used for "conservative, well-dressed gentleman". Private label brands (PLB), also called store brands (SB), retailer brands (RB), or own brands, are retailers, wholesalers, or distributors owned or sponsored brands which are sold only in their own particular stores (De Wulf et al., 2005; Diallo, 2012; Bushman, 1993;). Kumar and Steenkamp (2007) define store brands as referring to products sold by a retailer store where the store either displays its own name or retailer created brand name. PLMA (2019) defines store brands as products that carry name of a retailer which can carry the chain's own name (e.g., Carrefour, CVS, Walgreens, and Watsons) or variety of names a retailer creates exclusively for its own stores (e.g. Migros' M, Walmart's Great Value, File's Harras, and Boyner's Assymetry). One of the objectives of SBs is to classify ''*the goods and services of a retailer and differentiate (s) them from those of competitors*'' (Ailawadi & Keller, 2004: 332).

PLBs have been showing a upward trend and growth lately, 4.4% four times of national brand (NB) with a gain of $5.5.billion, totaling up to $170 billion in PL sales in 2018 in U.S.A.(PLMA, 2019). The same drift is also visible in Europe where both volume share and value share of PLB with 17 countries above 30% market share. In Turkey, there was a three point increase to almost 26% in market share (Durham, 2018). As seen in Figure 1, in many countries the share of volume and value signify above 20 and 30 range, which indicates a great potential still existing in many countries for PLBs. PLBs are not only growing in supermarkets, drug stores and discount stores, but also in specialty chains such as Staples, Ace, and Petco with their store brands and Home Depot (with unique brands of Husky, Hampton Bay, HDX) (PLMA, 2019).

At first, PLBs were developed in order to be cheap alternatives to NBs, which could be acceptable yet low in quality; however, today PLBs are in higher comparable and in some cases better in quality (Dekimpe & Deleersnyder, 2018; ter Braak, Dekimpe, & Geyskens, 2013; Sethuraman et al. 2014). Furthermore, PLBs are generally positioned as premium, standard, or economy in order to differentiate in terms of price and quality (Kumar & Steenkamp, 2007; Hokelekli et al. 2017; Schnittka, 2015; Geyskens et al., 2018; Bodur et al. 2016). As the quality gap between NBs and PLBs are closing (Rossi, Borges and Bakpayev, 2015), consumers start using heuristics to brand's quality (DelVecchio, 2001), attractiveness, (Bodur et al., 2016) and performance (Bodur et al. 2014). Thus, investing in brand equity of PLBs has

Figure 1.
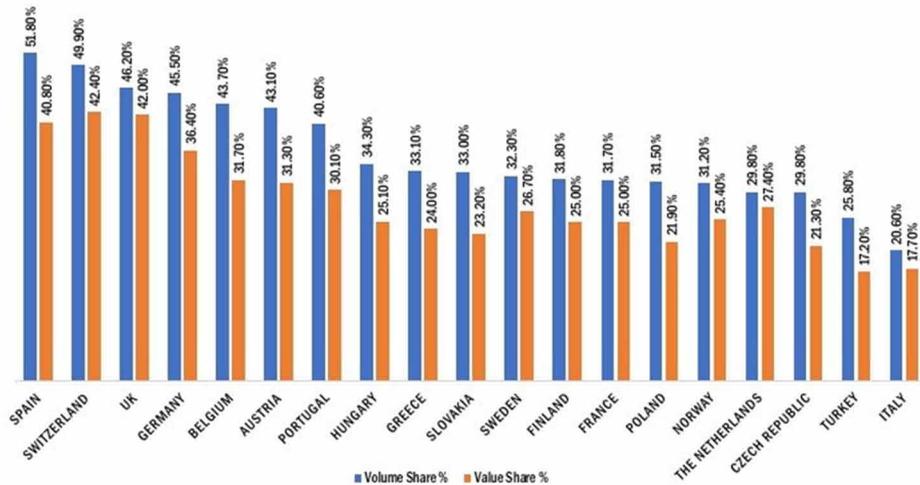
gained an important objective for retailers, stores and chains. Accordingly, PLBs need to work on brand equity shape customer perceptions, image, associations, and loyalty for strong presence in the minds of consumers (Keller, 2001; Aaker, 1996).

In the context of PLBs, customers' perception and expectations of quality is not only in line with prices (Ailawadi et al. 2001;Schnittka, 2015; Rossi et al., 2015; Bodur et al., 2016; Rubio et al. 2017; Hokelekli et al., 2017; Calvo-Porral & Levy-Mangin, 2017; Valaskova et al., 2018), but also with image (Cuneo et al., 2019; Valaskova et al., 2018); loyalty (Rubio et al., 2017; Valaskova et al., 2018), and positive or negative associations (Rubio et al., 2017). Although the relationship between price, quality, and risk dictates the consumers' attitudes to PLBs (Ashokkumar & Gopal, 2009), loyalty is built by high quality(Lin et al., 2016) along by encouraging trust to retailer for consistent price policies, respecting customers' well being, and communicating superiority of PLBs throughout the organization (Rubio et al., 2017).

Customer Complaint Management

In todays' business world, companies are struggling with challenging marketing environment due to hyper competition, more sophisticated and demanding consumers and slow growth market economies. Since customers are becoming less appreciative and are very difficult to satisfy and companies find it difficult to differentiate themselves with increasingly indifferent offers; loyalty programs, service recovery and customer retention strategies gain vital importance for the survival of the companies.

138

It is predominantly known that customer satisfaction, considered as an essential component in sustaining long-term relationship with customers, facilitates organizations to retain customers and increase profits and market share through crafting customer loyalty. Customer satisfaction is defined as a customer's overall assessment of total purchase and his/her experience of a product or service (Anderson et al., 2004). Alternatively, Chakrabarty (2006) describes customer satisfaction as how a product or service exceeds expectations of customers. Alternatively, Giese and Cote (2000) ponder customer satisfaction as having components to be identified as a response relating to a specific focus which can be determined at a particular time.

For many years, companies only focused on drivers of customer satisfaction or delight; however, today, managing and recovering from dissatisfaction is more strategic for many sectors. In other words, in order to keep current customers, customer retention programs and defensive strategies are becoming more vital than customer acquisitions and sales strategies for organizations, due to higher dissatisfaction and failure probabilities.

Since it is impossible to eliminate failure in customer satisfaction, firms need to develop strategies for recovering dissatisfaction aiming to regain customer satisfaction and loyalty (Bitner et al., 1990; Davidow, 2000). A number of researches have examined sources or antecedents of customer dissatisfaction by many scholars from different approaches (Gelbrich et al., 2015). Cavusgil & Kaynak (1982) reported that product availability, product quality, and high prices are common sources of dissatisfaction in developing economies whereas consumers in developed countries have concern about product performance and safety.

However, due to severe consequences for companies such as declining loyalty and repurchase, negative word of mouth, negative impact on brand image and reputation and even legal problems; responses of dissatisfied customers need to be examined from managerial perspective. Hirschman (1970), one of the first scholars who focused on dissatisfaction, there are three alternative customer responses when they are dissatisfied; exit, voice, and stay. According to Huefner & Hunt (2000), cost or loss, vandalism, trashing, stealing, negative word of mouth, and personal attack are alternative customer responses to service failure.

Among these responses to dissatisfaction, complaint to service provider is the most constructive one that provides opportunity for recovery and improvement for companies (Ferguson and Johnston, 2011). Thus, companies need to have systems and procedures to encourage dissatisfied customers voice their complaints. However, many dissatisfied customers, unfortunately, do not complain. According to Zeelenberg & Pieters (2004), only 5-10% of dissatisfied customers actually voice their dissatisfaction and complain. Although successful recovery does pay off in

the short run, the recovery's excellence diminishes in time (Norvell et al, 2018). Since complaining is an indicator for a willingness to continue the relationship and a chance for recovery, managers should not become debilitated by service failures or dissatisfaction incidents. On the contrary, they should have strategies in advance to turn dissatisfaction to a company advantage.

After Barlow and Moller's seminal book published in 1996, the concept of "*complaint is a gift*" started to be emphasized by many scholars. Since complaints are inevitable in todays' customer oriented world, complaint situation needs to be defined in a metaphorical manner as "*moment of truth*" so that the marketer can respond and manage the phenomenon properly.

There are two different approaches in complaint literature. Some scholars examine customer complaint behavior as a response to dissatisfaction which is heavily influenced by situational contextual and individual factors (Bearden and Oliver, 1985; Keng & Liu, 1997; Richins, 1987; Liu & McClure, 2001; Day et al, 1981; Singh, 1990; Stephens & Gwinner, 1998). Although there are various studies examining the antecedents of complaint behavior, scholars have found limited support for common demographic variables and underlying personality traits that explain differences in customer complaint behavior. Among demographic variables gender has been one of the most studied variables in literature and many found that women complain more (Keng et al., 1995; Heung & Lam, 2003; Kolodinsky, 1995). In his study, Singh (1990) suggest that complainers are more assertive, self-confident relative to non-complainers. Moreover, Singh (1990) state that tendency to complain is highly and positively related to customers' education level, occupation, income and age. Cultural differences are also studied with regards to complaining behavior throughout literature (Mooij, 2004; Chelminski, 2001; Chelminski & Coulter, 2007; Henthorne, Williams, & George, 2018; Costers, Van Vaerenbergh, & Van den Broeck, 2019). In East Asian cultures, consumers are more reluctant for complaining directly; thus, firms need to find ways to encourage consumers. Otherwise, they would start negative word of mouth or boycott the company. With regards to collectivism and individualism dimensions, it is stated in literature that consumers from collectivist cultures complain less due to their harmony needs. Moreover, consumers from individualist and masculine cultures prefer dealing with third parties and taking legal action (Mooij, 2004).

Other scholars take managerial perspective investigating post complaint behavior and propose effective and efficient strategies for service recovery management (Davidow. 2003; Gilly, 1987; McCole, 2004; Huppertz & Mower, 2003). Although conventional customer relationship management (CRM) strategies mainly concentrate on customer acquisition, the core of modern CRM focus on managing dissatisfied

customers, complaint management and service recovery strategies offering solutions to possible problems (Stauss & Siedel, 2004). Scholars agree that customer complaints need to be interpreted as second chances to companies, but managing complaints is not easy, it is like a double-edged sword (Voorhees et al. 2006). Secondary satisfaction from complaint management can result in a greater return in terms of customer value and retention on the other hand failure in complaint management can threaten even the survival of the company because of lost customers and the possible negative word of mouth created. Not only to satisfy and retain customers, complaint management is also very critical to collect valuable insights from dissatisfied customers. Thus complaints can be seen as a potential source of wealth for companies (Jeppesen, 2005; Lagrosen, 2005).

Customer complaining behavior has been one of the most popular concerns for manufacturing and service firms for the last 30 years. However, due to the changes in consumers' perceptions and expectations about private labels, retailers also need to focus on complaints and dissatisfaction.

Lassoued & Hobbs (2015) indicated that customer satisfaction with PLBs and trust in the retailer may develop into positive experiences. The trust will be built by offering consistent price policies, quality, and variety; and product assortment (Rubio et al., 2017). PLBs which were originally positioned as low cost and relatively low quality products, can no longer guarantee profitability from low budget customer market. Because of the increasing competition in retailing industry, private labels need to be managed as not only low cost fighters anymore but also value creators (Pradhan, 2009). Customer retention, loyalty, the need for feedback from customers to improve better offerings became new concerns for private labels like national brands. In other words, traditional retail industry gaining advantage over low cost private labels has gone through a significant phase of disruption. More retailers are benchmarking from national brands in terms of applying CRM strategies including customer complaint and service recovery management.

Despite growing attention from researchers in academia for private labels, there is still lack of interest regarding consumers' retention rates, service recovery efforts, and complaining

This chapter is primarily aimed at discussing the challenge for private label owner retailers and how to deal with this challenge, and, moreover, get advantage from customer complaints. To provide insight for supporting the increasing importance of managing customer complaints evidence from two leading retailers will presented in the next section.

METHODOLOGY

An interpretive, qualitative methodology, using semi-structured in-depth interviews with CRM managers from two major Turkish retailer companies operating in grocery and cosmetic sectors are employed in the current study. This methodology is appropriate as it will provide an alternative approach to the existing literature where quantitative studies are dominated. As the purpose of the study is to develop an understanding of a relatively new phenomenon for retailing industry, in-depth investigation is expected to provide valuable and deep insight.

Since private label goods and services are offered in a wide range of industries from food to cosmetic; the two chosen cases are from a leading grocery and a cosmetic retailer in Turkey. Among all private label products, highest growth trend can be observed in the food sector followed by detergent or cleaning products (Oraman & Yorgancılar, 2015). The diffusion of private label products in Turkish market is not realized before 1990s due to the limited size of chain stores, low quality and problems in production capacity. Parallel to the foreign origin hypermarkets' introduction to Turkish market, retail industry became more competitive. Today, according to a recent study by Nielsen (2018), Turkey is among the six major countries where the market share of private labels is increasing to highest levels of all times.

The first retailer (company A) chosen for the current study is the pioneer company which first introduced private label concept in Turkey back in the late 1950s. Today, the chain covers 73 out of 81 cities in Turkey and 22 percent of the products offered by the company are private label products.

The second retailer (company B) chosen for this study is an award winning multinational cosmetic chain founded in the late 1960s is appreciated on a global scale with around 2000 shops around the world. Along with its own private label, company B offers more than 200 luxury cosmetic brands and has around 40 shops in Turkey.

CRM managers of both companies are interviewed and asked to answer same questions in detail (see Appendix 1).

FINDINGS AND DISCUSSION

Considering the importance of customer loyalty and patronage today, retailers were asked to evaluate the emphasis on complaint management. Company B's manager indicated that they have three different product types: Company B (PL), exclusive and only in Company B (like benefit) and luxury brands. Manager B specified that complaint management is a crucial part of customer experience and that customer patronage, satisfaction and loyalty cannot be maintained by only offering sales

142

promotions. It is mentioned that customer experience is very important for customer retention and total shopping experience is a crucial part of for user experience and shopping journey. Company B utilizes some conventional promotions to attract and retain customers such as giving incentives like make-up samples, birthday gifts, or informing customers for the coming up sales in advance. However, today these conventional promotions are not adequate for creating delightful in store experience and gain loyalty.

Manager B mentioned that Amazon's success depends heavily on creating delightful customer experience rather that providing successful products. In Turkey, Trendyol is an online retailer who invests in creating customer experience and succeeds in gaining market share and customer appreciation. According to him, besides satisfaction, dissatisfaction managements is has a vital role and importance in creating customer experience since dissatisfaction causes the end of user patronage. On the other hand, manager of company A stated that they highly value feedback from their customers in order to guide their corporate strategies. Measuring customer expectations is very important for this chain and they invest heavily for data management. This chain plans everything from product mixes, store location selection, to private label product segment variety campaigns according to customer expectations.

CRM manager from Company A stated:

The better you listen to your customers and measure this, the more difference you can create. Inevitably, it is vital to make a difference for someone in the retail sector. From this perspective, our service consideration has a differentiated structure in our industry. We build our business and rules in order to bring customer satisfaction to the maximum level.

Regarding second question about increasing loyalty and recovering from dissatisfaction, manager from company B indicated that complaints should be handled as an opportunity and solved with great care and promptly. If the source of dissatisfaction is the product's malfunctioning, company advices its managers to accept the mistake and give a quick response to the customer. Store managers have the authority to provide a new product along with a complementary gift.

On the other hand, company A's manager indicated that they care for close-to-customer service understanding and fast and effective communication. Gathering information from all channels in a pool using high-technologies and analyzing them to serve a better shopping experience for their customers is vital for this company A. All comments, complaints and recommendations are forwarded to the corresponding departments and 96% of these are instantly solved or provided as feedback. The comments or complaints that need to be revised for further analysis are investigated

143

and can be answered at most in 48 hours. All responses are deliberated in the lines of confidentiality and fair and objective solutions are offered. They believe that 60% of new implementations of executions and recoveries are based on all customer feedbacks.

Revenue from PLBs in overall revenue was asked to be evaluated. For the company B, quantity-wise, he indicated that it is 50%. In terms of revenue, it is 16%. PLBs are more profitable for this B retailer. In contrast, the supermarket retailer confirmed that in their product mix, in basic needs products, private labels are more successful. Especially, customers tend to be easily reliant to prefer affordable- priced products when there is little differentiation in the product category. At this chain, they care to allow customers to have the selection options by supporting and shelving national brand labels in the categories that they provide their private labels.

Evaluation of customer satisfaction in the company B is not a separate research area for PLBs; however, they do conduct research to understand satisfaction and then they classify. On the other hand, the company A has different practices of utilizing customers' experiences and opinions before they contact the chain. They reach customers who have given them the permission to communicate and contact along the lines of customers' personal data protection rights. They also conduct corporate research with different methods and contexts. Data gathered provides them useful insights to their customers' shopping habits and expectations. Along with these processes, they track Chain's Consumer Panel of 350 individuals who invest, check and supervise our private label products.

Company B did not elaborate on whether the number, intensity or the behavior of complaint towards private brands and national brands differ; however, company A indicated that it depends on the campaigns and product sales quantities, feedback numbers vary, yet the contexts of complaints from both PLBs and NBs are similar.

Telephone, social media, and email are the ways that customers get in touch with the company B when they complain, Instagram posts comments are also a way that some of their customers may prefer. On the contrary, company A's customers use all channels as a communication mean to provide feedback, demand information and seek advice and the chain feed its big data from digital to traditional from all channels. Their stores are the main channel for receiving new/different product and service demands. She indicated that a customer service is the channel where all their customers reach them for all extents of information. In addition to social media accounts, they also added WhatsApp application by understanding the changing customer habits and the needs of the new generation customers.

In terms of differentiating the complaint handling for PLBs and NBs, company B indicated that returns are limited in company B. They do reply on behalf of NBs, but they send products back to the NBs' companies for specific assessments. Call center replies to 85-90% of all complaints. On the other hand, feedback from all sources of

144

our communication channels are recorded in customer communication management system and a call number is assigned to the call in the company A. These calls are sorted and classified according to the topics and forwarded automatically to the responsible department or the person. Their goal is to get back to all calls within 48 hours. Those messages that exceed 48 hours are forwarded to a higher department.

The two companies differ in terms of the responsible departments handling complaints. Company B's CRM department is responsible for managing complaints. However, complaint management is defined as a responsibility for the whole company. Company B does not have a separate department for PLBs' complaint management; however, at the company A, they have a separate group of employees for PL products in both marketing and quality and product safety departments. Basis for their PL product strategy is their precision and sensitivity on high quality. Company A's manager state that

If we place a product on the selves, we have to meet the high expectations of our customers. That is how we are going to ensure/show that the trust for our brand is not for nothing. We have the most potent and equipped quality management team in the sector which ensures high quality standards' sustainability.

Regarding employee training, company B's manager indicated that internalizing store values including concerns about customer complaints is one of the key performance indicators. They have certain criteria in terms of complaint management performance and it is an important part of employee assessments. On the other hand, company A's manager affirmed that all their employees are trained for better customer communication and they have customer-centered approach in class-room environment. Their inside trainers visit stores and go over these issues regularly. Also, all their employees must go through an online education on customer communication management every year and they are monitored on the process.

Considering the importance of Internet and social media in customer complaining, both managers were asked to evaluate whether they see social media as a threat or an opportunity. Manager from company B mentioned that social media is an inevitable and indispensable part todays' marketing environment. He pointed out the cost and measurability advantage of social media. On the contrary, company A's strategy is based on being where ever the customer or potential customers are. The secret in communication success is to create the right content and projects for the target market of each medium for this chain. Facebook, Twitter, and Instagram are the main channels for their social media communications. They continue to communicate through various accounts created for different functions by formulating daily contents

appropriate for the functions. Along with this, they also have seasonal projects in order to create interactive viral effect to maximize reach and access. They utilize social media to create strong and enduring relationship with their customers. They do not only send messages but they also use social media to listen their customers and point out their unmet needs or complaints.

Some companies may regard social media as a threat because of negative customer comments. Manager of Company B mentioned that customers usually write negative comments about the content of the specific post. In this sense, he mentioned that the company does not delete negative comments. The manager stated, "*No comment is worse than negative comments. If there is no question in it, we ignore negative comments.*" On the other hand, the company A inferred that they appraise the feedbacks as a way of improvement.

Dwelling on the increasing importance of private brands in the world, retailers were asked to evaluate how they see the future of private brand market and what kind of innovative approaches they are taking for improving customer satisfaction. Company B's manager implied that private brands are growing, and the most important trend is digitalization. He believes that integration of channel management both online and offline along with omnichannel experience is crucial. He stated that, "*customers, who search the Internet but buy from a store, should have the same perception of price, value and experience. Online retailing is increasing, however not in terms of purchasing. Cosmetics are still purchased from brick stores*". He also insinuated that young customers are questioning more; they have less patience with high expectations and have a greater tendency to complain. On the other hand, he believes that elder customers are more tolerant; however, youngsters are more emotional and have a high reaction. Alternatively, company A expressed that their high standards start with finding and selecting the high-quality producer who can produce their private label products. They evaluate the suppliers according to a control system that corresponds to fitting the international standards. They work with only and only trustworthy suppliers who correspond and fit with their criteria of sustainable high-quality. After that, they continuously monitor and control these suppliers making sure that they maintain the sustainability of their high quality standards. Not only the suppliers, but also the products on their shelves are also controlled. Company A's products are analyzed regularly with a number of physical, chemical and microbiological parameters. They do not find it sufficient for products to only have high quality standards. Along with these processes, they also have their Chain's Consumer Panel of 350 customers to control and monitor the products. They improve their products along the lines of consumers' comments and needs. Moreover, they increased the variety of their products, and they work on new

146

lines continuously. They believe that this interest will progress increasingly in the near future. However, it is important to indicate that they concentrate on not only private label products' progress, but also on the total growth of branded product for the contribution to the sector in the long run. They provide a wide range of brand availability along with their private label products. They do not position PLBs as a rival to national brands, on the contrary, as a supplementary option in order to prevent cannibalization.

CONCLUSION

In recent years PLBs which are no longer viewed as low-quality substitutes of national brands experienced great achievements in many countries including Turkey. Retailers need to develop specific strategies to get advantage of PLB that enhances store traffic and loyalty. PLBs are important for the retailers who want to target millennials that are the largest demographic for retailers. It is known that this younger generation's perception of value is different from their parents and they don't want to buy the same products their parents did. Thus, retailers as all other industries should start developing strategies for the hypercompetitive digitally connected environment and sophisticated customers with high expectations and low tendencies for loyalty.

Today, consumers expect exceptional satisfactory products and shopping experiences, regardless of the brand. Thus, attracting new customers is becoming more costly than ever. Moreover, retailers need to find ways to retain their existing customers and delight them not only with their products but also with experiences during dissatisfaction incidents. Satisfactory dissatisfaction management is important for identifying innovative solutions and new product ideas and it is a second chance for achieving greater increases in satisfaction and gain evangelist customers who are delighted more than non-complainers (Nyer, 2000).

In order to create a valuable brand in retail industry, key stages in consumer journey or experience needs through examination. Designing a satisfactory customer journey is becoming more challenging due to the complex touchpoints with customers. Fragmentation and proliferation of touch points, makes it more difficult for retailers to manage dissatisfaction.

In this study, the changing landscape of retail industry and private label category are examined. Amidst all this change, private label branding deserves special focus on the recovery and complaint management strategies. As it is stated by two retailers interviewed, producers of private labels should create and deliver delightful

experiences not only at the first touch but also even after failure incidents. As both retailers indicate, it is essential to understand the needs of customers and continuously evaluate the feedbacks, comments, and complaints of customers. Managing this process is at most importance to these retailers.

One other issue, mentioned by the retailer managers, was the importance of in-store employees' communication, in the lines with the literature (Rubio et al. 2017). Not only after sales but also purchase environment creates a great platform to handle complaints and resolve service recovery. Thus, training and educating employees, as indicated by the managers, becomes an important process in terms or customer satisfaction. Especially, with the increased use of social media, as indicated by both managers, it is becoming essential platforms to instantaneously communicate with customers and potential customers, recover services, manage complaints, and use all those comments as a way of improvement in order to foster satisfaction and loyalty.

Moreover, comprehensive understanding regarding private label complainers will provide important competitive advantage for retailers. Since the consumer experience is crisscrossing online and physical worlds, retailers should develop consistent experiences and recovery strategies on both channels. Otherwise, customer dissatisfaction on one channel may have negative impact on the equity of the whole private label brand or even the retailer.

Considering the limitations of the study, first of all current study involve qualitative evidence from two retail companies. Given findings are driven from in depth interviews which need to be supported with quantitative data for further generalizability. Moreover, this study is limited to managerial perspective, primary data collected from complainers and/or content analysis from social media would have important contribution to the subject. Future studies comparing complaints about national brands and private label brands could drive contributive findings to the existing literature.

In conclusion, private label branding is a potent and disruptive force for retailers. Any retailer interested in building or strengthening retailer brand equity needs to look beyond being a low cost leader and try to understand and manage consumer experience even after purchase decision.

148

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154

KEY TERMS AND DEFINITIONS

Complaining Behavior: Response to dissatisfaction which is heavily influenced by situational contextual and individual factors.

Consumer Complaint: A person's dissatisfaction or unacceptable state with a company, brand, product, or service.

Dissatisfaction: Lack of gratifying needs, wants, or expectations from a company, brand, product, or service.

National Brand (NB): Brand owned by a manufacturer or producer.

Private Label (PL): Products sold by a retailer store where the store either displays its own name or retailer created brand name.

Satisfaction: An overall evaluation of a customer's total purchase and experience of a product or service.

Service Recovery: Process of turning a dissatisfied customer into a satisfied one with a company, brand, product, or service.

APPENDIX

Interview Questions

1. Considering the importance of customer loyalty and patronage today, do you believe complaint management should be emphasized more?
2. What could be done to increase loyalty and turn dissatisfaction into satisfaction?
3. What is the revenue of your private brands in your overall revenue?
4. Do you conduct research on the customer satisfaction about private label products?
5. Does the number, intensity or the behavior of customer complaint differ among private brands and national brands? For example, are complaint subjects for brand x and your private brand different or similar? What is the percentage of private brand complaints in the overall complaints?
6. How are you informed about the complaints? How do get informed about customer complaints?
7. How do you solve complaints about your private brands or national brands?
8. According to you, who should be handling complaints? Which department should take corrective actions?
9. Do you have a specific department that handles private brand's complaints?
10. Do you provide training or educational programs to your employees for complaint management?
11. Considering the importance of Internet and social media in customer complaining, do you see social media as a threat or an opportunity?
12. What is your take on unpleasant or negative customer comments? How do you manage the process?
13. We are aware of the increasing importance of private brands in the world. Key brands like yours, how do you see the future of private brand market and what kind of innovative approaches are there for improving customer satisfaction?

Section 2

Marketing Strategies to Create Positive Perceptions of Private Label Products

Chapter 8

Package Communication:
An Investigation on the Premiumness of Private Label Product Packages in Turkey

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ABSTRACT

Today's private label products are not as in the past and trying to compete with the national brands. They generate a significant threat through the premiumness packaging for them. In this context, eight food products from the brand Harras, which belongs to File Market, have been analyzed in terms of premiumness perception. To this end, a premiumness filter has been generated through the literature and these products selected based on it. After conducting a focus group, the findings show that the factors such as black and gold colors, thin, upright and minimalistic design, durable and soft materials, differentiation and authenticity via reflecting the intrinsic value of the products generate a premiumness perception. Moreover, other factors such as bright red color of tea, transparent window, and the usability of the package after the consumption under the new dimension "culture" are also found the factors that evoke a premium image.

INTRODUCTION

Packaging is a broad concept that has some functions such as preservation, protection, identification and containment as well as communication and promotion the products (Emblem, 2012). In today's increasingly competitive milieu, packaging is used by companies as a communication tool to attract consumers (Ares & Deliza,

2010). They try to generate a purchase intention via effective packaging designs to take advantage in the market. It is a powerful communication tool to persuade consumers even with a single gaze and also without trying, touching or tasting the products. Thus, packaging has great importance for designers, marketers and also brand managers to differentiate and position the products (Choi & Coughlan, 2006; Simmonds & Spence, 2017).

The packaging is a non-verbal communication tool that motivates consumers to buy products. As Pilditch (1973) said "*it is the salesman on the shelf*" which means sales efforts and volumes of companies are substantially associated with the packaging design (Favier et al, 2019). The effect of packaging design on consumers' purchase intention has been studied by researchers from different aspects such as color, shape, labels and typography (Ares & Deliza, 2010; Velasco et al., 2014; Machiels & Orth, 2017). All these elements that generate the visual aspect of packaging also develop a perception about the quality and value of the products. An effective design helps consumers to develop positive attitudes towards products (Underwood & Ozanne, 1998). Aesthetically designed packages generate a 'premium' signal enhancing the chance to be preferred and sold (Del Buono, 2016).

Revealing the premiumness of the products with the shape, color, typography and other attributes motivates consumers to purchase (Lyons & Wien, 2018) as well as generating a willingness to pay a premium price especially for food products (Nielsen Company, 2015). Thus, generating a premium perception through aesthetically designing is on the radar of all brand managers because of the previously aforementioned benefits of the packaging concept. In Fast Moving Consumer Good (FCMG) sector, the managers of national brands (NB) attach a particular importance to the premium packaging to represent an impression of exclusiveness, excellent and luxury as a high quality indicator (Mugge et al., 2014). This sense of premiumness results in higher preference when compared to casual packages and it also provides an advantage for national brands to compete with cheaper ones (Skaczkowski et al., 2018).

On the contrary, cheaper brands also show greater efforts to compete with powerful national brands to take a position in the market. One of these cheaper brand alternatives is called as private label (PL) branding. PL branding is a technique that represents the company's own branding while the products and services are manufactured or provided by other suppliers (Boon et al., 2018). The quality of private label products was so low in the past which means they couldn't compete with the NB as they were required to (Steiner, 2004). However, today's market reports show that PL products are now significant threats to NB products. The report prepared by Daymon (2018) reveals that 81% of the US consumers are buying PL products

almost on every shopping experience and this growth is three times faster than NB (Nielsen Company, 2018). As things stand, the competition between the PL and NB products will be harder and the gap will be closer in the near future especially with the use of the premium packaging strategy more and more by brand managers.

In this context, the focus of this study is to evaluate the premiumness perceptions of the PL products' packages in the FMCG industry in Turkey. It is seen considerably important for Turkey where the PL penetration rate is 17% of FMCG sector by 2017 (retailler.net). It is low when compared to Europe, which means the PL market has a significant attractiveness for growth. Therefore, the brand managers undertake an enterprise to fill this gap and to make the PL penetration of Turkey close to the developed countries such as Switzerland, the UK, Germany etc. where the penetration rates are considerably high (mcbride.co.uk, 2019). Moving from the power of premium packaging, the brand managers firstly attempt via File Market in this section. The results represent the current condition of the PL products of File Market whether it really reflects the premiumness, and gives insights to marketers and brand managers about what to do and not do. This research is regarded worthy because the results provide a comprehensive view in terms of improving packaging strategies of PL products. Especially in developing countries where the competition between PL and NB is not as tough as it should be, the results have the chance to give some clues to PL brand managers to make the gap closer.

BACKGROUND

Package Communication

In the past, people used different tools such as animal skins, hollowed-out fruit husks, baskets and etc. to carry or preserve their foods, water and other things (Emblem, 2012). This kind of packaging has a simple meaning which is just about protecting the vital things from detrimental effects. However, today's packaging has a broader meaning beyond this thought. It is an interconnected system including transportation, distribution, storage, retailing and delivering of the products for end-users by decreasing the costs while increasing the sales (Coles et al., 2003). Actually, all these elements represent the functions of the packaging which are preservation, protection, identification, containment and communication. It helps manufacturers to protect the inner products from containment and other harmful effects, store and deliver the products in a convenient way, generate standardization and promote the products (Robertson, 2006).

160

Package Communication

All aforementioned functions can be successfully performed almost in every product except for the communication function. In other words, nearly all manufacturers try to standardize their packaging in terms of protecting, storing or delivering. But, communication function has a greater importance than the others because of easy availability (Underwood & Klein, 2002); especially in today's increasingly competitive market. Unless the packaging succeeds to sell the product, then it makes no sense what there is in it (Pilditch, 1973). From this point of view, the communication function of packaging helps manufacturers, marketers and brand managers to promote the products (Farmer, 2012). Moreover, consumers can easily identify the products through distinctive packaging including branding and labeling (Robertson, 2006). As understood, successfully designed packages attract consumers and help them to make a purchase decision easily where plain and standardized packaging fails.

As a communication tool, packaging is used to generate consumer attention by breaking through the competitive confusion among products and brands. Packaging communication is a multidimensional concept that includes shape, graphic design, logo, size, color, illustration, label, material, texture and etc. (Underwood et al., 2001). Marketers deliver messages encoded by designers via these tools to generate visual effects on consumers (Crilly et al., 2004) and try to persuade them to buy the items (Favier et al, 2019). Highly depending on the product category, they use unusual and certain package shapes, light colors such as white and yellow and/or vertically positioned labels to create a sensory expectation on consumers (Ares & Deliza, 2010; Machiels & Orth, 2017) to purchase the products. Unless this expectation and impression occur, consumers cannot evaluate products, especially food items which are not in their final form (Underwood & Klein, 2002). This causes confusion on consumers' minds also resulting with indecision in their purchase process.

To overcome this confusion, packaging communication helps marketers and brand managers to differentiate and position their products (Choi & Coughlan, 2006). Some of them use packaging to position products as part of price competition, and others use to represent the quality (Ampuero & Vila, 2006). As understood, packaging communication is also used as a competition tool among NB and PL products. To take a step forward in the competition, today's marketers and brand managers focus on premium packaging. They try to generate positive attitudes for consumers through aesthetically designed packaging by creating a 'premium' perception which enhances the chance to be preferred and sold (Del Buono, 2016). Especially, NB managers are aware of the power of premium packaging in FCMG sector; therefore, they attach a particular importance to the premium packaging to represent an impression of exclusiveness, excellent and luxury (Mugge et al., 2014) and to compete with PL products as well (Skaczkowski et al., 2018).

Private Label Branding and Premium Packaging

Private label branding, also known as own-branding, is a technique that represents a company's own branding while products and services are manufactured or provided by other suppliers (Boon et al., 2018). These brands are sold under the name of retailers or wholesalers instead of the brand name of national manufacturers (Boone & Kurtz, 1995). PL products were primarily released by low quality and low cost in the past (Doyle & Murgatroyd, 2011). The managers of PL brands positioned the products to compete with NB products to take the attention of consumers, especially price-sensitive ones. However, by the 1990's, PL products started to gain a significant market share and became a real threat to NB (Menon, 2017).

As shown in Figure 1, the growth ($) of PL is negative until the end of Q1-2017 when the NB growth is positive. However, with the beginning of Q2-2017, PL products started to show a significant progress by improving the quality. This spurt of PL has also started to change the market equilibrium. When compared to NB, the rise of PL products from -0,4% to +3,2% almost in one year is signaling the heightened competition among them. As shown in Figure 2, although PL is far behind the NB products, the growth rate is three times faster than NB. Nowadays consumers trust in PL products more, they perceive them as better quality and valuable with offering a broad product variety, and purchase them more compared to the last two years (Daymon, 2018).

This spurt of PL products is associated with quality improvement. Over the last decade, the image of PL products changed significantly including the enhanced quality through the focus on design and packaging phenomenon (Valaskova et al., 2018). Although the managers of PL brands benefit from the design of NB products, they aim

Figure 1.
Source: Nielsen Company Total Consumer Report March, 2018
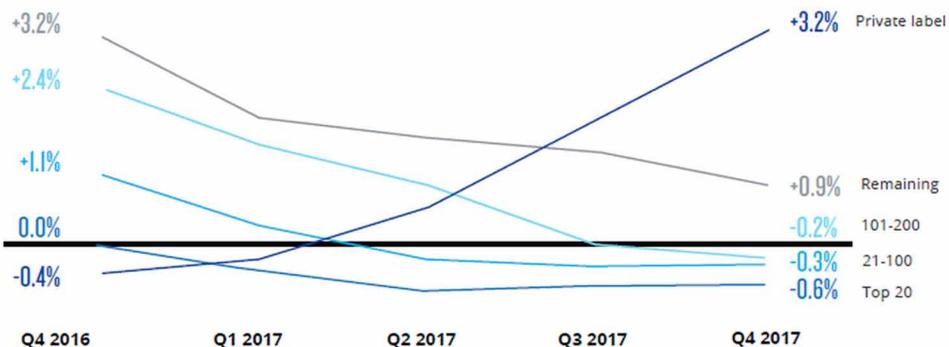
Figure 2.
Source: Nielsen Company Total Consumer Report March, 2018
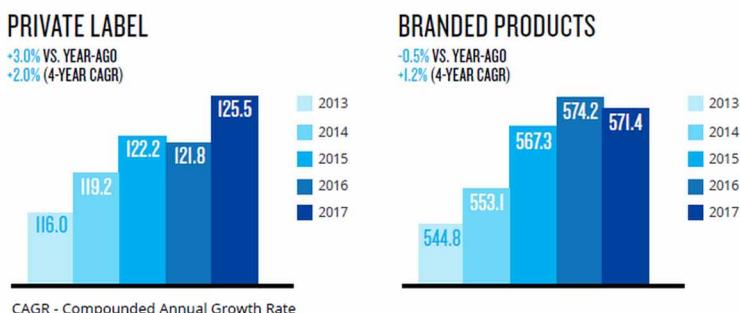
to generate an impression on consumers with the help of colorful and effective designs when compared to past (Özdemir & Gökdemir, 2016). This improving packaging strategy is used for generating a quality perception of consumers (Garretson et al., 2002). According to another study conducted by Gökgöz (2018), color, brightness and attractiveness are powerful factors that influence the consumer preferences for PL products. Although the design of NB products generates an impression on consumers more and it takes time to improve the image of PL packages (Olsen et al., 2011), the effect of PL products is chasing too close in the increasingly competitive market.

Even though Jaafar et al. (2012) cannot find a relationship between PL packaging and purchase intention, the brand managers of PL are aware of the power of packaging design. Attractively packaged items are associated with consumers' esteem and evoke the perception of excellence and value for the paid money (Beneke, 2010). To achieve a purchasing, they add more color or modify their packages of PL products to appear more like competing NB products (Halstead & Ward, 1995). Although the brand managers of PL tend to copycat them (Vale & Matos, 2015) to benefit from the same impression of NB, some of them are not satisfied only with this. They try to develop a better quality perception via aesthetically designed PL product packages. Moreover, they make innovations on PL product packages to distinguish their products from NB to steal sales from NB (Nenycz-Thiel & Romaniuk, 2016).

The emphasis on aesthetically designed packaging, as aforementioned before, helps to gain a better market share for PL products. It generates a 'premium' signal which enhances the chance to be preferred and sold against NB products (Del Buono, 2016). Considering this, the brand managers of PL products aim to generate a premium perception via visual tools of packaging such as shape, color, typography and other attributes (Lyons & Wien, 2018) on consumers to attract and motivate them to purchase as Kim et al. (2019) stated. According to them, premium

163

PL products have a positive impact on the perceived luxuriousness resulting with tendency to purchase. Moreover, premiumness perception improves the image of the retailer (Jonas & Roosen, 2005) and generates a willingness to pay a premium price, especially for food products (Nielsen Company, 2015). Additionally, revealing the 'premiumness' perception of the packages of PL products not only attracts consumers but also helps them to make a better buying decision, especially when they are irresolute between the similar products, have psychological, performance or financial risks about the PL products, and have tendency to buy impulsively (Wells et al., 2007; Arslan, et al., 2013).

In the light of all this information, premium packaging is a good tactic for PL products to compete with NB as Rossi et al. stated (2015). However, brand managers have to consider to develop and deliver the premiumness perception successfully. According to Nenycz-Thiel & Romaniuk (2010), consumers perceive PL products as premium when they have high quality ingredients, good taste and indulgence. However these factors can only be evaluated after buying and testing the products. Here, the most important thing is to persuade consumers with the help of premium packaging designs at the point of sale. To this end, Mugge et al. (2014) have some guidelines for designers and marketers to generate the premiumness perception. According to them, this can be achieved via extrinsic cues such as extraordinary differentiation, high quality of packaging materials, minimalistic design and authenticity. Concordantly, dark and gold colors, shiny and smooth materials and the pictures used on the PL packages (Ampuero & Vila, 2006; Immonen, 2010), innovative design, material, convenience, and sustainability also deliver the premiumness perception (Ferrante, 2016).

On the other hand, marketers should not exaggerate while doing this (Immonen, 2010) because of the different perception thresholds of consumers and cultural structure as well. According to a study carried out by Nenycz-Thiel (2011), perceptions towards premiumness of the PL products may vary on the basis of the principle strategies of the retailers. For example, UK retailers focus on enhancing the image of PL (e.g. via packaging) while Australian retailers are aiming to inform the consumers about PL products and varieties. Considering the PL penetrations of these two countries as shown in Figure 3, the applications performed by UK retailers to increase the brand image via premium packaging is thought to be significantly effective although this makes some PL products more expensive (Nenycz-Thiel, 2011).

According to Figure 3, by the year 2015, the UK has the second position where Australia is in the 8th row in terms of PL penetration by value. As stated above, the emphasis of UK retailers on advertising (Nenycz-Thiel, 2011) via aesthetic packaging may lead to this success, noting that it is not the only factor. Starting

Figure 3.
Source: mcbride.co.uk

	2010f	2015f
Switzerland	46	47
UK	41	43
Germany	33	35
Spain	32	35
Netherlands	32	34
France	30	32
Belgium	29	31
Australia	24	27
Denmark	24	25
Global average	22	24
Canada	22	24
USA	21	23
Sweden	18	19
Czech Republic	15	18
Poland	13	16
Italy	13	14
India	11	14
Turkey	9	12
Japan	9	11
Brazil	7	9
China	4	5
Russia	3	4

■ 2010f   ■ 2015f   f = forecast
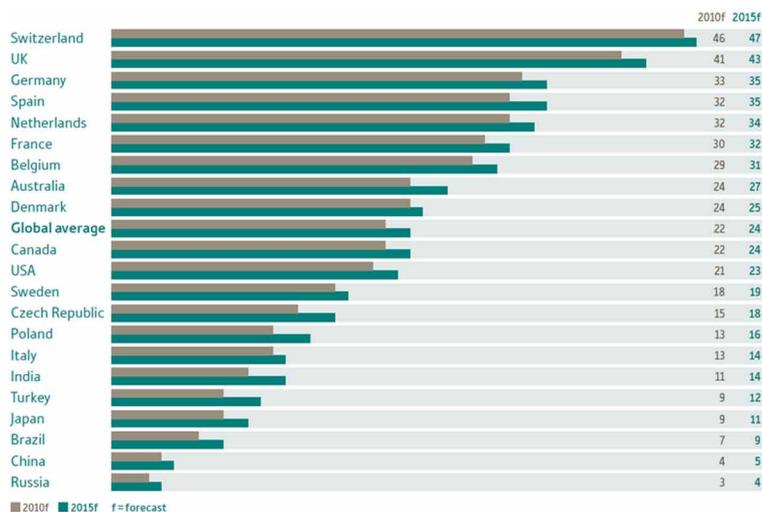
from here, Turkey, where the penetration rate is still low when compared to the UK and Australia as well, is found to be worth to investigate in terms of PL packaging. Drawing the current condition of PL product packages in terms of 'premiumness' and revealing the consumer perceptions may guide to brand managers and marketers to improve the market share as the UK has done.

Successful examples of premium packaging are shown in Figure 4. The package of traditional biscuits belongs to Cartwright & Butler, and the juice is manufactured by Sainsbury's. These two PL brands belong to the retailers of the UK. Moreover, other products are manufactured by Eroski (salmon with a black package) is from Spain, Hema (half sausage) is from the Netherlands and Melatta (chocolate blanco with a small glass) is from the USA. Although Russia is at the end of the list, the retailers are most probably aiming the similar strategy of the successful ones. One of the chain store of Russia which is Euroopt manufactures some kinds of products (e.g. coffee) under the name of 'Our Product' (Наш продукт). Starting from this point, a tendency to enhance the product quality via premium packaging is one of the aims of marketers and brand managers, because today's PL products have no longer poor quality. To this end, the PL managers of Turkey where the PL penetration rate is 17% of FMCG sector by 2017 (was only 5% ten years ago) (retailler.net) is also aiming this strategy in this promising market. Accordingly, BİM which is the biggest retailing brand and also the biggest hard discount market in Turkey (Deloitte,

Figure 4.
Source: Packaging Diva, pinterest.com

2019) released a new sales approach with File Market in 2015. The aim of File Market is to satisfy the customers' needs with high quality and highly standardized products by considering low prices continuously beyond performing short-term hard discounts (file.com.tr).

MAIN FOCUS OF THE CHAPTER

Research Method

The main aim of this study is to test Turkish consumers' premiumness perception through PL product packages based on the factors from the literature. In addition to this, the other aims of the current study can be listed as follows: to understand whether these factors are valid in the Turkish PL market, to reveal any differences from other markets and to uncover the possible additional factors to contribute to the literature. In this study, the focus group technique from the qualitative research methods was administrated as the research strategy. Focus group approach was used by the researches to reveal new ideas, to understand the perceptions and attitudes of consumers towards anything, and to provide a basis for quantitative research methods (Nakip, 2013). Thus, focus group technique is one of the best alternatives in order to understand the perception of consumers deeply.

166

In order to reveal the consumers' premium perceptions towards PL products, File Market was determined as the main focus of this research. The reason behind choosing File Market was that this brand was released by BİM to generate a higher quality perception among consumers. In other words, File Market can be considered as the first premium market attempt among the PL brands in Turkey. It has a couple of own brands which are Harras, Actisoft and Daycare for different product categories. Daycare is used for personal care products and cosmetics while Actisoft is used for cleaning products and paper products such as toilet papers, napkin and etc. Besides, Harras is used only for food products (file.com.tr). Due to the fact that consumers cannot evaluate the intrinsic value of the products, especially the food items which are not in their final form (Underwood & Klein, 2002), only Harras products were included in the scope of the study in order to investigate the packages of food products. Moving from here, possible confusions on consumers' minds about the food products can be solved via the power of premium packaging. Further, they can be motivated to purchase by paying price premium for food products (Nielsen Company, 2015).

After determining the concept, the PL products of File were observed based on their premiumness perception. For that purpose, first of all, a 'premiumness filter' was generated based on the studies of Ampuero & Vila (2006), Immonen (2010), Mugge et al. (2014) and Ferrante (2016). This premiumness filter has some guidelines expressed below to decide whether the product packages have the premiumness perception. As seen in Table 1, product packages can be evaluated in terms of premiumness based on five main categories, which are: differentiation, packaging material, appearance, design and authenticity. These main categories and their codes were determined from the literature to evaluate all Harras products observed in File. All these items constitute the thematic classification of the content analysis. The reason behind using thematic coding is that it helps the authors to create patterns through the data in detail (Braun & Clarke, 2006). Due to the conceptual tools in the study, deductive strategy was used in the content analysis, and the pre-codes and themes illustrated above in Table 1 were taken into account. Furthermore, inductive strategy was also used as building new codes and themes in the analysis process, owing to the open coding method (in-vivo coding). Moving from here, the category which is called 'culture' was created.

After the observation, eight Harras products were considered through the premiumness filter to analyze. These products are tea, black mulberry jam, olive oil, soft brown sugar, olive paste, raw nuts, cookies and chocolate dragees. During the observation process, it was emphasized the product packages must have three premiumness components at least. These components were considered as criteria to decide whether the packages of PL products evoke the premiumness perception.

Table 1. The premiumness filter

Categories	Codes
Differentiation	> Innovative > Differentiable > Out of the ordinary
Packaging Material	> Quality material as appearance > Quality material as touching (smooth and soft) > Cardboard > Glass (especially heavy ones) > Ceramic > Stand-up-pouch > Sustainability
Appearance	> Typography (embossed, vertical and symmetrical) > Dark colors (especially black) > Cold colors > Bright gold (especially on black) > Illustrations (artless)
Design	> Convenience (easy to use) > Minimalism (shape, typography and illustrations) > Harmony of the elements > Symmetrical > Simplicity > Thin and tall
Authenticity	> Craft production (through perception) > Traditionalism > Realness (expressing the intrinsic) > Country of origin > Moderation
Culture	> Flavor of being steeped > Bright red > Transparent window > Usage after consumption

Source: Ampuero and Vila (2006), Immonen (2010), Mugge et al. (2014) and Ferrante (2016)

The products are shown in Figure 5 and Figure 6. These products were selected because their packages have different premiumness image. For example, tea has a smooth and soft package, olive oil has a thin and tall design, chocolate dragees and olive paste were designed under the minimalistic perspective, whereas soft brown sugar is out of the ordinary design and etc. As seen from the figures, the black color is used on half of the products, and especially with the bright golden on the packages of tea and olive oil. The package of cookies is a canister with a cold color, and has a mutual attribute that reflects the intrinsic (realness) with the black mulberry jam. Besides, the package of the raw nuts is a stand-up-pouch which also evokes a premium image. The retail price range of these products is between 2.95 and 17.90 Turkish Liras (TL).

168

Thereafter, a focus group was designed to reveal the consumers' in-depth insights towards eight Harras product packages which evoke a premium image. Hence, one focus group was conducted with eight (four males and four females, ages from 22 to 25) Turkish consumers who are university students. According to the studies conducted by Carlsen & Glenton (2011) and Coenen et al. (2012) one focus group that contains eight interviewees at least is enough for saturation. At the same time, while selecting the consumers, it was regarded to select the ones who do not know the brand, which means the homogeneity strategy from the purposeful sampling methods was used. This technique is often used in focus groups to select the participants and helps to simplify analysis and facilitate group interviewing (Palinkas et al. 2015). In addition to this, the reason behind selecting the university students as participants is that they are consumers who demand quality products in cheaper prices; because they mostly do not have a salary. With reference to here, this is consistent with the aim of PL products in general which is providing affordable ones (Boon et al., 2018) and also consistent with the aim of File Market which is to satisfy the customers' needs with high quality and highly standardized products by considering low prices continuously (file.com.tr).

The focus group session had several parts. First of all, they gathered around the same table and they were asked how they perceive the packages of eight Harras products. The products were put on the table one by one and the interviewees were allowed to touch and observe closely. They were not told that these product packages have the premiumness image in order not to affect their perceptions and canalize them. Secondly, they discussed the attributes of each package. At this point, they were not canalized to the premiumness perception; in other words, it was tried the perceptions come to light automatically by the discussions. Finally, the participants were asked to rate the premiumness of the eight Harras products from low (1) to high (5) and how much they were willing to pay for them (by giving them the real retail prices).

Findings

The transcript of the interviewees' responses was analyzed in order to reveal the in-depth insights towards the premiumness of the eight Harras product packages. In the following, each product has been evaluated in the context of premiumness filter.

Firstly, considering the package of tea, the black color and the golden typing on it are the most prominent points that evoke a premium image. The participants found the black color so attractive and bright golden typing on it shows the package better quality. Additionally, it is more durable than ordinary paper tea packages, and its soft and smooth texture also evoke a premium image to consumers. Other

important elements of the premiumness perception are the harmony of the colors, matt appearance of the package and its stand. These premiumness elements are consistent with the literature. In addition to the literature, interviewees matched the black color of the package and bright red of the tea in the glass figure with being steeped. In Turkey where the most tea drinkers (3.16 kg per capita tea consumption by 2016) live in the world (worldatlas.com), tea is the most popular hot drink that linked with the culture. Besides, one of the participants perceived the cup figure negatively; because most of the Turkish people love drinking tea from the slim waisted glass. In this sense, some sample statements are given below:

P(participant)1: I love drinking tea with being steeped much. I think this black color of the package represents it. This highly being steeped tea with bright red color figure is so attractive.

P2: I think the brand should use slim waisted glass. This cup figure reminds me not tea but coffee. If Harras used that figure, the package could look more quality.

Considering the package of black mulberry jam, the most prominent points were '65% fruit content' and 'sugar free' expressions on the package that represent the intrinsic value of the product. These kinds of elements that are linked with the authenticity according to the literature generate a premium perception on consumers. Additionally, the gingham pattern was also found so attractive that the design reminded the childhood of one of the participants. The gingham pattern also provides a handmade image that evokes the premiumness perception. Besides, the thin and upright design enhances the quality appearance of the jam; however, this design generates a problem which can be evaluated under the cultural values. Taking the jam with a spoon from the thin jar cannot be easy which means the package cannot also be used for different purposes after consumption. In this context, some sample statements are provided below:

P5: The colors on it are awesome. The gingham pattern reminds me my childhood. We would eat our meal on the floor table in our village. The authentic look also generated an emotional tie with me.

P7: The design of the jar is so good and looks quality. However, the most important thing here is the expressions which are '65% fruit content' and 'sugar free'. I think they should be highlighted more.

170

P8: The thin and upright design is so attractive, but if I was the brand manager, I would design a wide-mouth jar. Almost every Turkish people take the jam from the jar with a spoon. However, this shape of the jar makes it difficult.

P1: The most important thing is the expiration date of a product for me. When I look at this jar, I cannot read the date easily.

Considering the package of olive oil, black and gold colors, figure of olive oil tree, heavy glass material, thin and upright design, and the authenticity via 0.5 acidity and 'organic' statements were the prominent points that evoke the premiumness perception. The interviewees perceive the olive oil bottle highly quality and over-identify it to the wine bottle which also means an expensive product. The figure of olive oil tree helps the design to differ from others. In addition, the bright gold color of this figure on the black ground was found to be highly premium. Besides, the 'organic' expression makes it expensive and the 0.5 acidity shows how transparent the brand is. Concordantly, some sample statements about the package of olive oil are given below:

P2: The italic 'organic' expression attracts attention. The thin and upright design reminds me the wine. Using gold and black colors on the bottle is also for a quality looking. The bottle has a charming design that cannot be resisted.

P3: The glass looks heavy and so durable which represents the quality perception. This design exactly suits to the table especially when special guests come for dinner.

To comment on the package of soft brown sugar, the most prominent points were the different shape, the cardboard material, harmony of colors and the expressions reflecting the intrinsic values such as '100% natural' and 'made from sugar cane'. The participants liked the differentiation via shape from other brands. The design is not stereotyped like an ordinary plastic bag, and this concept generated a premiumness perception towards the product. In addition to this, material of the package which is cardboard also looks durable. Besides, the '100% natural' and 'made from sugar cane' expressions also represent the intrinsic value of the product that can be evaluated under the quality perception. Nowadays consumers are so conscious about the food additives, especially harmful ones; therefore, the brand managers use these kinds of expressions to enhance the quality perception of the package by uncovering the ingredients. In the meantime, as a negative factor, the participants needed a transparent window on the package to be sure what is available inside. This perception is also thought to be linked with Turkish culture which has a high risk perception. In this sense, some sample statements can be found below:

P6: There is a no stereotyped looking. I love the cardboard material, its stand and also open and close perforation which provides convenience. Most of the sugar packages are made from plastic bag and they can be holed at the slightest stroke.

P5: I love the expressions 'made from sugar cane' and '100% natural'. Besides, harmony of the colors and the figure of sugar particles on the package resemble a farm like my village. The molded design provides attractiveness.

P8: The package says 'I am here' with the minimalistic and simplicity design. Additionally, it has a charming and pretentious design that creates a quality perception. However, if I was the brand manager, I would put a transparent window to see the soft brown sugar particles to be sure.

Related to the package of olive paste, the most prominent points were the minimalistic design, glass material, harmony of black and green colors and the shape that make the serving practical. The participants found the design of the olive paste package so minimalistic and elegant. Furthermore, the glass material and black metallic cap were associated with the quality perception. In this context, some sample statements are provided below:

P8: The shape is so good; I can easily take the olive paste with a spoon from the jar when I want to eat. Additionally, harmony of the black and green colors is so attractive.

P6: I went ape over the minimalistic design with a black metallic cap and glass material. I have never seen such a minimalistic olive paste packaging design before.

Considering the package of raw nuts, the smooth and quality texture, open and close zip lock feature, stand-up-pouch design, the expression '100% natural' and transparent window were the most prominent points. When the participants touch the package of raw nuts, they linked the smoothness with the quality perception directly. Moreover, the stand-up-pouch design was also found to be a good move to generate a premium perception. The zip lock feature provides convenience for consumers and also prevents the nuts not to become stale. The expression '100% natural' which is linked with the intrinsic value of the product reveals the quality as well. Last, the transparent window which has been hashed out when considering the package of soft brown sugar was found to be successful by the participants. When they see the intrinsic, their risk perceptions decrease while quality perceptions increase. In this regard, some sample statements related to the topic can be found below:

P3: The smooth texture reveals a quality perception. Additionally, using plain colors on the package recalls the naturality.

P1: The stand-up-pouch design looks attractive. It also prevents the nuts spilled out of the package. Additionally, we can see what we buy via the transparent window. This is so important for me especially when I do not know the brand.

In consideration of the package of cookies, the most prominent points were the metallic material, figure of the cookies, authenticity perception via 20% butter content and also usability for different purposes after consumption. The interviewees liked the blue color and the metallic material of the package. The metallic cap with a rounded shape has a quality image. It prevents the cookies from the outer strikes and spillover inside the cap. The 'handmade' and '20% butter content' expressions on the package emphasize the naturality that evokes the quality perception. As discussed before, Turkish consumers want to use some kinds of packages for different purposes after consuming the product inside. Thus, this package was found to be successful from that point of view. Within this context, some sample statements are given below:

P8: The 'handmade' expression recalls the perception of 'home made' which also generates an emotional tie. Also, the butter content represents the quality which reveals the intrinsic.

P3: The packages of cookies are made from plastic or paper generally. Conversely, this brand has made a successful move by using a metallic cap; especially blue one. It has a quality image. Furthermore, I really like using some packages after consuming the products. This package of cookies can be a good example for a jewelry box.

Lastly, considering the package of chocolate dragees, differentiation via pyramid design, quality material, black color, minimalistic design, expressions such as 'no glucose syrup' and 'made from sugar beet', and also transparent design were the obvious points. Especially the different design and benefiting from the minimalism and rigid plastic were found as quality images. The black color creates an expensive looking that evokes a premium perception via the transparent design as well. In addition, consumers attach much importance to the expressions which are about the authenticity on the package. Emphasizing the no glucose syrup inside and made from sugar beet was found to be successful applications and suggested to make bigger these expressions to realize easily. All participants were like minded about this; because almost a few brands use healthy ingredients nowadays. Thus, this move was also perceived as a quality perception. On the other hand, according to the literature (Mugge et al., 2014), although consumers perceive the plastic material

as the factor decreasing the premiumness perception, this rigid plastic that looks like perspex was found so quality. In this regard, some sample statements of the participants are given below:

P2: Its blackness is so attractive and I also love the transparent design. Additionally, the minimalistic design steps forward which is pretty much better.

P4: It is plastic but a different one. It looks like perspex material and its stand is also good. It has a unique style which reflects the quality image.

P5: It has a pretty and also expensive looking. Besides, the expressions which are 'no glucose syrup' and 'made from sugar beet' must be exactly highlighted more to enhance the premiumness perception.

As can be seen from Table 2, the codes of premiumness perception gathered from the findings have been placed into the main five categories for each product packages. The findings show that the premiumness filter that was generated through the literature (Ampuero & Vila, 2006; Immonen, 2010; Mugge et al., 2014; Ferrante, 2016) is also working on the Turkish PL market. Black and dark colors, quality texture such as smoothness, out of the ordinary designs, representing the content especially via naturality, thin, upright and minimalistic designs, durability, convenience and others in Table 2 generate a premiumness perception towards the PL product packages.

In addition to this, different premiumness factors on some products have been revealed in the context of Turkey. These codes were compiled under the name of a new dimension which is called 'culture'. As can be seen at the bottom of Table 2, it has been illustrated via dotted lines. Considering the package of tea, the black color of the package and the bright red color of the tea figure were matched with being steeped. Tea is a cultural value in Turkey with 3.16 kg per capita tea consumption (worldatlas.com); therefore, Turkish society attaches much importance to it. These factors make the package of tea look more premium. On the other hand, the figure of cup was not found successful, which is also associated with the culture. Almost all of Turkish drinkers prefer to drink tea from the slim-waisted glass.

Related to the package of black mulberry jam, the gingham pattern was perceived as the factor which enhances the premiumness image. This pattern reflects the naturality and being handmade especially like village or farm products. On the other hand, although its thin and upright design was approved, the narrow embouchure of the jar makes taking the jam from the jar difficult. Additionally, the expiration date was not readable on the package. This factor is also very important for Turkish society which has high uncertainty avoidance with an 85% ratio (hofstede-insights.

174

Table 2. *Prominent premiumness attributes of the product packages*

Categories	Tea	Black Mulberry Jam	Olive Oil	Soft Brown Sugar	Olive Paste	Raw Nuts	Cookies	Chocolate Dragees
Differentiation	> Out of the ordinary	> Different looking	> Differentiation with olive tree (not olive itself or branch used)	> Out of the ordinary > Not stereotyped	> Differentiation with size	-no response-	-no response-	> Different look with a pyramid design
Packaging Material	> Quality texture > Softness > Smooth > Durable > Ageless	> Glass > Quality glass	> Thick and heavy glass > Quality glass > Metallic cap > Seal	> Cardboard > Durable and quality material	> Glass > Metallic cap	> Quality texture > Smooth	> Durable > Conservative	> Rigid plastic > Durable > Quality material
Appearance	> Black color > Green color > Gold color > Attractive appearance > Matt > Noble	> Charming appearance > Expensive look	> Italic typography > Readability > Resembling wine > Olive tree > Black color > Matt > Attractive appearance > Gold color > Dark green > Different fonts > Organic	> Readability > Harmony of colors > Attractive appearance > Illustration of brown soft sugar particles > Pretentious	> Black color > Harmony of green and black colors > Olive figures > Pretty appearance	> Pretty color > Matt	> Metallic > Quality image > Blue color > Cookies figures	> Black color > Attractive appearance > Not ordinary > Dark colors > Expensive look
Design	> Harmony of package and typography > Readability > Easy to open, close and spill > Stand	> Thin > Upright > Elegant > Minimalistic	> Thin > Upright > Practical > Elegant	> Open and close perforation > Upright stand > Minimalistic > Harmony of package and typography > Simplicity	> Minimalistic > Practical	> Zip lock > Stand-up-pouch > Simplicity	> Easy to service (without any plates)	> Minimalistic > Stand > Good size > Elegant
Authenticity	-no response-	> Traditionalism > 65% fruit content > Sugar free > Authentic look > Emotional tie > Handmade (+ 100% natural)	> 0.5% acidity > Organic	> 100% natural > Sugar cane > Resembling farm	-no response-	> 100% natural	> Handmade > 20% butter content > Emotional tie	> No glucose syrup > Sugar beet
Culture	> Flavor of being steeped > Bright red *Slim waisted glass (not cup)*	> Gingham pattern *Not easy to take the jam out with a spoon (upright design)* *Expiration date is not readable* *Usage after consumption*	-no response-	*Transparent window*	-no response-	> Transparent window	> Usage after consumption	> Transparent (easy to see the intrinsic)

*Italic expressions in the 'Culture' show the suggestions of the interviewees to improve the premiumness of the packages.

com). Concordantly, almost all participants paid attention to this factor on every product. Last, Turkish consumers, especially housewives, do not generally throw away the jars for the purpose of using them for different purposes after consuming the products. That is why packaging designers have to pay attention to this cultural effect. By the way, the package of cookies was found very successful in terms of providing a usage after consumption; for example for a jewelry box.

The last factor associated with culture is the transparent window. As stated before, Turkish society has high uncertainty avoidance which is also associated with high risk perception. Because of this reason, Turkish consumers want to see the inside of the package. They want to be sure about the intrinsic what has been typed or illustrated on the package. This additional demand has been revealed on the package of soft brown sugar severely; then, proved via the presence on the packages of raw nuts and chocolate dragees. Consumers perceive these kinds of packages which have a transparent window more quality and premium.

Table 3 shows the perceived scores, and perceived and real retail prices of eight Harras products. In this context, the package that has the most premiumness perception is olive oil with a score of 4.83. In parallel, the highest average perceived price was assigned to the package of olive oil with 31.25 TL that generates a gap of +13.35 TL. In the second position, the package of chocolate dragees comes with the score of 4.50; but it generates a minimum price gap. Then, the packages of tea and soft brown sugar come with the same score, which is 4.38. However, the package of tea generates a higher price gap with 9.5 TL than soft brown sugar. The lowest score was assigned to the package of raw nuts with 3.25 reflecting a less premium image. As can be seen from Table 3, the package of raw nuts cannot generate a positive price gap.

Table 3. The perceived scores and prices of the products

	Average Perceived Premiumness Score	Average Perceived Price	Real Retail Price	Gap
Tea	4.38	19.25 TL	9.75 TL	9.5
Black Mulberry Jam	4.13	10.50 TL	7.95 TL	2.55
Olive Oil	4.83	31.25 TL	17.90 TL	13.35
Soft Brown Sugar	4.38	10.75 TL	5.95 TL	4.8
Olive Paste	3.75	7.88 TL	2.95 TL	4.93
Raw Nuts	3.25	11.75 TL	12.90 TL	-1.15
Cookies	3.88	15.25 TL	12.50 TL	2.75
Chocolate Dragees	4.50	9.25 TL	8.45 TL	0.8

Figure 5.

Figure 6.

CONCLUSION

This research aims to re-test the factors which evoke the premiumness image of the PL product packages. To this end, eight products from the food product range of the brand 'Harras' have been selected through the premiumness filter. The findings gained from the interviewees' responses are mostly consistent with the literature (Ampuero & Vila, 2006; Immonen 2010; Mugge et al., 2014; Ferrante, 2016). In this context, the strategy of black coloring and bright gold typing is found as the most successful attempt by the participants to generate a premiumness perception. This premiumness strategy has been used together in two of the Harras product packages which are tea and olive oil. In addition to this, the black coloring strategy

is also used in olive paste and chocolate dragees. These factors generate an attractive appearance which shows the products more quality and more expensive as well.

Considering the differentiation dimension, out of the ordinary design of the soft brown sugar and chocolate dragees is perceived as premium. Although going beyond the stereotype designing requires much effort for brand managers, this differentiation strategy makes the product package more selective. This strategy comes into prominence especially in the package of soft brown sugar that is mostly sold with an ordinary plastic bag in Turkey. The packaging materials that provide durability and quality feeling are also perceived as premium. These subcomponents which are glass, soft and smooth texture and cardboard material are almost used in all product packages. Furthermore, thin, upright, minimalistic design strategies and the designing that provides ease of use also support the premiumnes image of the PL product packages. Minimalistic design comes into prominence especially in the package of olive paste. It also provides consumers to consume it in a short period before the corruption. When it comes to the authenticity dimension, the premiumness perception comes to the forefront through the expressions showing the intrinsic of the package. Besides, the statements which are natural, sugar free, handmade and no glucose syrup show the product more quality. This strategy is also found more successful in terms of reflecting what is used in the product. This strategy also brings out an emotional tie with the product.

In addition to these, the new dimension 'culture' also generates a premiumness perception in the context of some products. The black coloring strategy used in the package of tea is linked with the tea culture in Turkey. Additionally, bright red of the tea in the glass figure is also perceived as being steeped which is mostly loved by most of the tea drinkers in Turkey. However, the glass figure is perceived negatively because most of the tea drinkers love drinking tea from the slim waisted glass. The other cultural factors that reflect the premiumness perception are the readability of the expiration date, presence of transparent window and the usability of the package after the consumption. The expiration date and presence of a transparent window can be linked with the highness of uncertainty avoidance and risk perceptions of Turkish society. When product packages have these kinds of attributes such as raw nuts, cookies and chocolate dragees, they have been perceived as more premium. On the other hand, although thin and upright designing is found successful in terms of raising a premiumness perception, these strategies can make taking the product from the package more difficult encountered in the package of black mulberry jam.

As a conclusion, as Valaskova et al. (2018) stated, the image of PL products has changed significantly including the enhanced quality through the focus on design and packaging. Today's PL products are not as in the past. They are as successful as NB products and sometimes can be perceived as much better than them. The findings of the research also support this approach. File Market which operates

178

the first premium attempt via the brand 'Harras' in Turkey is also noteworthy to mention. Although only eight food products are found to be successful in terms of premiumness designing for now, the range can be extended in the future. Moreover, this premiumness strategy is a real success for a new brand which was released in 2015. In the near future, it has the potential to be a significant threat for other powerful PL brands which are Migros and Carrefour who have the most of the market share.

The study has also some limitations. First of all, this study considers only the food products as its scope. As mentioned before, Harras has other PL brands which are Actisoft and Daycare. From this point of view, the packages of the products of these brands can also be investigated whether they evoke a premiumness perception. The second thing is about selecting File Market as frame of research. Although File Market is the first attempt in terms of premiumness image in Turkey, a comparison can be made with other PL brands especially the brands belonging to NB such as Migros, Carrefour etc. The last limitation is the number of the conducted focus group. There is only one focus group in this research due to the lack of time and effort. Although conducting one focus group is found to be enough, the number of focus group can be increased up to two or three to enrich the results.

MANAGERIAL IMPLICATIONS

In the past, PL products were found as a solution to compete with the NB products by positioning the products in low quality. However, they are not as in the past, today. They are moving away from their main focus which is providing low quality and cheaper products to consumers, especially the price sensitive ones. The brand managers of PL are now trying to compete with NB via enhanced quality. They develop the intrinsic quality of the products and extrinsic values as well to attract the consumers.

One of the best ways to improve the extrinsic values of the products is to design the packages through the premiumness perception. As illustrated in Figure 3 and Figure 4, the successful examples of premium packaging have potential to lead to a higher PL penetration by value. Accordingly, Turkey which has a low value can crank its position up a notch via premium packaging strategy. As concluded in the research, the factors which evoke a premium image are used by Harras, and this attempt can be evaluated as a successful move but not enough to reach the developed economies. In addition to this, Harras conducts the premium packaging in only eight food products, which also means to be developed. On the other hand, this move is released at the PL market for the first time in Turkey. Thus, other PL brand managers have to pay attention to the power of premium packaging. As mentioned before, today's consumers not only demand cheaper products but also want them in a high

179

quality in terms of intrinsic and extrinsic values. Indeed the successful applications of Harras can also be evaluated as an indication as they said: "Our purpose is to sell high standardized and best quality products with low prices" (file.com.tr). This motto has to be considered by all the brand managers of PL products in Turkey to improve the PL market value among the other successful countries altogether.

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KEY TERMS AND DEFINITIONS

Appearance: The visible factors that generate a premiumness perception.

Authenticity: The factors that reflect the intrinsic values of the products.

Culture: One of the premiumness categories including codes such as readability of the expiration date, presence of transparent window, etc. that are linked with Turkish culture.

Differentiation: Going beyond the ordinary packaging design.

Package Communication: The attributes that talk to consumers via no words.

Premiumness Filter: The unified factor generated via dimensions that evoke the premium image of a product.

Transparent Window: The premiumness attribute that show what there is inside the package.

Usage After Consumption: The usability of the package for different purposes after consuming the product.

Chapter 9
The Effects of Private Label Brand Strategies on Consumer Perception

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ABSTRACT

The increasingly globalized economy has many effects on consumer everyday lives. The rapid changes in technological, social, and economic aspects have impacted the people's buying and consumption patterns. Even the traditional roles in value chain have started to disappear. Manufacturers have started to be taken over retailing functions whereas retailers began with the creation of their own brands. This increasing trend towards the retailer's brands is indeed one of the key changes in the retail industry. As per the reports of FMI and IRI's consumer research, 97% of households consume private label products. This chapter will give insight on different perspective and strategies that effect the consumer perception.

INTRODUCTION

Private Label Brand Development

Perspective of Retailer

Since 1970 private label brand has grown exceptionally. Private label brands (PLB) or store brands as they are alternatively called, are products sold at the retail chain that is often produced by big national manufacture which is sold under a national brand name, but rather under the retailers own label (Burton, et al., 1998).

According to Hayman et al., 2010, it is estimated that around 50% of manufacturers of branded consumer packaged goods also produce private label brands mostly in an attempt to utilize excess capacity effectively. The reasons for the growth of private label brands are that they offer two or three times higher margins compared to manufacturer brands because they reduced costs in packaging, product design and promotion (Klie, 2005).

Perspective of Consumers

Store brands receive high attention during difficult economic times and "attract income-constraint consumers" (Hyman et al., 2010), who cannot afford most national brands, but still want decent quality in their grocery products. Simultaneously many "smart shoppers", who have the financial background to purchase national brands, increasingly buy store brands, as they perceive the price value ratio of private label brands as better than the ratio of most national brands. According to Batra & Sinha (2000) consumers tend to the offer of private label brands very well, as "over 44% of grocery shoppers regularly buy store brands". In fact, due to the "improved quality of many private label brands" (Quelch & Harding, 1996 p.100), and the accompanying emergence of premium store brands, which make it clear that recently retailers emphasize quality over price in store brands (Hoch & Banerji, 1993), many consumers nowadays simply prefer the taste of store brands and purchase these brands purely out of heuristic reasons (Baltas et al., 1997).

Package Design

The role of packaging has become more important from protecting and containing the product to communicating about the product and creating attention as well as a source of uniqueness. The product package is an important attribute in building and

188

creating a brand image of the product. An intelligent package design, following the brand's expected message, is of most extreme significance for a brand, to pass on similar importance and message crosswise over various shoppers.

As the brand plays an important role in consumer perception of a product, it becomes crucial for private label brands to bank upon this into their package design. Brand value perceptions are evoked during the brand exposure to a brand package and the brand values delivered by the package have a significant influence on purchase intention (Limon et al., 2009). The package is not only designed to store and protect the product but also has visual and aesthetic value. In this setting it must be expressed that private marks experience the ill effects of a general hindrance in contrast with national brands: They are typically not promoted through mass communications and along these lines, their first contact with the customer is either through a retailer pamphlet or in the shelf of the store. To get in a considerable set of consumers, private label brand packages needs to be noticed by consumers, just like the manufacturer brand. Packaging of a product communicates brand personality through visual elements such as logo, color fonts and so on. Because packaging acts as extrinsic cues, it plays a major role in consumer judgement of quality and it becomes of utmost importance for store brands to showcase a clear message of their design.

Therefore, the role of a marketing manager is to develop self-image/product image congruity, to convince a customer that a product fits consumer needs. In the case of private label brand, this can be effectively done by improving the packaging of the product and signaling the improved quality of the private label brands.

The communication power of packages is magnified by the idea that consumers buy products that match their image. The greater the attractiveness, the better its perceived quality. Contrasted with national brands, private label brand package perform more awful on a few key measurements, for example, quality, shading, claim, bundle fascination and package influence (Limon et al., 2009).

The imagery on the package also has a significant effect on the actual product experience. As Underwood (2003) stated, for example, a decent reviving image on the face of a beverage prompts the customers feeling progressively refreshed because of devouring the beverage and subsequently has an impact on purchaser re-buy conduct. As the apparent changeability in product quality is higher, and the general nature of the product is normally seen as sub-par for store brands contrasted with national brand products, an all-around planned bundle can persuade the client that the product nature of the private label is adequately high. As potato chips is product class, where impulse purchasing is likely, it ought to be critical for retailers to initiate unconstrained obtaining conduct by attempting to impact the in-store basic leadership of shoppers and making an appealing package.

Retailers have two options of creating private label strategy. According to Orth and Malkewitz (2010, p.76) "clusters of similar alternatives increases the choice of alternatives of this type", this is known as a house of brand strategy in case of private label strategy. Whereas when brands try to differentiate themselves from manufacturer brand competitors and deliver a completely independent package design across many product categories is known as branded house strategy in case of a private label brand. This "positive lone-alternative effect" is additionally fruitful in directing purchasers towards a brand, as long as they see the substantive components of the product equivalent to its competitors.

Benefit Perspective and Collaborative Category Management

"Demonstrate to me the cash," the well-known exchange from the Tom Cruise starrer Jerry Maguire, has dependably been the mantra for the retailers whether on the web or disconnected behind their "look toward private names" methodology. As manufacturer brands have extensive promotion expenses corporates with their cost, a private labeler can purchase similar merchandise at a lower cost and subsequently move them at a lower cost as well as at a superior overall revenue.

Also, private labelers have more authority overestimating and can beneficially show their own brands for the most extreme effect. Henceforth, it turns out to be all the more fascinating to put resources into PLB because, amid deals or markdown period, PLBs can explore different avenues regarding new ranges as the footfalls would convert into more customers seeking after it at the stores.

For instance, a market can rapidly decrease the cost of its own PLB with the end goal to meet or beat a competitor cost. Or then again, the market can make extraordinary POP promotions well as give its image dominating shelf space with the end goal to promote offers.

Big Bazaar presently runs more than 1600 stores (Economic Times) which additionally suggests that its purchasing volumes have gone up. So, while estimating will practically remain the equivalent, Big Bazaar intends to get higher edges from its providers, legitimized by mass purchasing. As indicated by an insider having direct learning of the improvement, Big Bazaar's net revenues from its in-house brands are higher now and around 20.3%of Big Bazaar's aggregate deals originate from its PLBs, as per reports of Economic Times.

In this approach for considering, the retailer and exchange organization turn out to be more about participation and less about the retailer consulting with the producer or provider on cost and postings.

So defeating the difficulties and guaranteeing long haul sustenance in the matter of PLB is essentially reliant upon precisely contrived methodologies in the zone, for example, product plan life, labeling, marketing, cost control, and the evaluating

esteem condition. The nonstop and ceaseless enhancement of the PLB portfolio causes the retailers to guarantee the business center and speculation are consummately lined up to keep up an all-around separated and consequently a productive brand.

Situation Perspective

Shelf space is a place that is allotted to various stock things on the shelf. Shelf space is a profitable resource for any retailer, and it is a testing assignment for the retailer to designate suitable space to the stock things of various brands. Choudhary, (2014), shelf space portion specifically impacts the retailer's benefit, and they frequently will, in general, apportion more space and additionally prime spots to those brands that accumulate higher benefits for them.

It is additionally frequently affirmed by national players that retailers offer more space or potentially dispense prime spaces to their PLBs and subsequently will, in general, give one-sided treatment to the national brands. PLBs possess more space disproportioned to their piece of the pie. It can be asserted the case that the retailer replaces the national brands from the prime spots when the new in-house brands are presented as per Economic Times report.

Shelf situation isn't just a basic asset for the retailers yet additionally a choice to surrender in arrangement with national brands. The retailer shows a wide range of brands on the shelf (e.g., private, national, and worldwide) yet regularly needs to dispense prime spots for its PLB as the PLBs are more "space delicate" than their national partners. This makes the distribution of shelf space a more basic errand for the retailer as the national and universal brands additionally guarantee for the prime arrangements.

In some cases, it is likewise seen that the retailer wants to show the PLBs at prime spaces for increasing higher edges, and the reason for setting national and worldwide brands is to improve the brand picture of the retailer as well as the brand picture of its own mark.

At the point when the outer brands increment the cost of their stock without a reason or guarantee control on limited time methodologies and strategies, retailers can use their control on shelf space assignment and the quality of their PLB offering to rival national brands. A retailer can support store brands against national brands since it can set the retail advertising blend (value, shelf space situation, and advancement) for its in-house marks.

So for powerful class the board, there ought to be a coordinated effort in understanding and choosing how to streamline the groupings and SKUs that will fortify the classification definition in general and set up planograms and shelving situations to accomplish the most astounding conceivable level of classification intrigue and fervor from purchasers.

For instance, Big Bazaar began lodging costly brands close by its in-house names. So buyers saw an Rs.1,299 Lee Cooper pants showed close to the Rs. 499 Big Bazaar one. It was discovered that while its own names were moving, the purchasers were additionally purchasing the more costly brand too. Likewise, Big Bazaar played around in different classes. In the long run, the retailer found that individuals are searching for brands at the two finishes of the range.

Recommendation and Differentiation Perspective

The "claim" mark guarantee ought to be characterized as an all-encompassing portrayal of thunderous useful and enthusiastic characteristics and advantages. The "private label guarantee" is an all-out portrayal of the practical advantages of the product (stock) and passionate characteristics of the brand.

This guarantee considers the expressed needs of the focused on purchasers and offers a purpose of differentiation from different players in the classification. Consequently, it winds up important for the retailers to comprehend the striking shopper needs, for making compelling private-label brand recommendation as per report of Retail Touch Points (2018).

When the brand recommendation is set, the brand design technique empowers promoters to advance this offers at the retail location level with the end goal to incite a feeling of commonality, acknowledgment, and trust. Private-label bundling has turned out to be more lovely and useful. While prior, PLBs use to shout "I'm poor" from the truck, now they say "I'm clever."

The significant favorable position accompanying a PLB to a retailer is that is the factor of separation that a retailer can have with PLBs. E-rears are likewise increasing current standards on their separation to get around the cost problem. Yet, with the end goal to make such separation, the retailer ought to be effective in situating the PLB against the national brand so that a PLB ought to be considered as comparable as or superior to the national brand.

The dominant part of retailers in India has presented their very own PLBs driven by expanding buyer acknowledgment and related monetary advantages. Retailers, for example, Spencer's, Future Group, Reliance Retail, and Bharti Walmart have been working ceaselessly to make a range of private brands with the end goal to rebuild their product portfolios in coming years.

Customers Stop offers Kashish, Haute Curry, Vettorio Fratini, and Elliza Donatein PLBs in its products contributions. Life' offers T-shirts for men, while "Stop" as women western wear. This new advancement might be viewed as another vital move to have an operational edge over rivalry, and in addition to holding their client base.

US retailer Kroger Company trusts that solid in-house name projects can effectively separate their stores and concrete customer's devotion, in this way fortifying their situations as to national players, which this way expands the productivity.

With mold and way of life rapidly turning into the biggest classification in India's quickly developing on the web retail industry, Myntra and it is opponent Jabong are progressively concentrating on worldwide brand organizations and planner drove in-house brands to pull in and hold clients and to make worldwide standard PLBs in design array and embellishments space. Myntra tied up with Italian form house Parabellum, driven by well known Italian planner VanniLenci, to make a unique line for its Roadster private brand.

Jabong(dot)com has set up a structure cum-marking office in London to take its private brands to the following dimension and contracted worldwide gifts from Asos, River Island, and Zara's parent Inditex. The reason for setting up this structure office isn't simply to build up the plans yet additionally to position itself as a savvy and contemporary form mark, with the assistance of individuals who have worked with the best of old houses.

These workplaces are likewise appointed with the activity to lead the associations of the form e-posterior with brands in the UK and Europe, liaise with European structure studios, spot worldwide design slants, and produce mold content.

Private brands are a major key play for any retailer, regardless of whether it is on the web or disconnected. These online players are not taking a gander at it as a business for filling classification holes through their very own stable; however, it is a design mark business for them that presents an appealing chance to make an incentive.

The two driving design online gateways first sold their own privately made brands; at that point they went substantial on worldwide brands, for example, Mango, Dorothy Perkins, and Steve Maddens; and now, they are endeavoring to make worldwide standard lines of form and assistants to tap the developing business sector for such products in the nation.

Promise Perspective

By taking shape a separated incentive, a successful "label" brand considers the methodology that national brands use to touch base at a comprehensive advantage recommendation instead of the explicit situating they utilize. Many store brands are currently intended to lift the brand guarantee and offer a sound POD from other class players (Retail Touch Points).

In the present retailing situation, it is exceptionally fundamental to strike the correct parity of similitude's and contrasts with brand informing and portfolio contributions. Brand design is a basic thought for "possess" brand showcasing as

it is winding up increasingly imperative to separate a "claim" brand's traits and advantages. Brand engineering and plan articulation can enable the purchaser to explore the expansiveness of the "claim" brand portfolio and comprehend its profundity of aptitude in various regions of the store.

To raise its helpful remainder, retailers make an identity for PLBs, and there should be an unmistakable style of VM and brand envoys. Presently Shoppers Stop and Lifestyle, two national grapple store chains, are sprucing up their PLBs with the intensity of stars.

Way of life, having a place with Dubai-based retail and cordiality combination Landmark Group, as of late joined the performing artist Deepika Padukone to display for its print promotions. Customers Stop had before joined on-screen character Soha Ali Khan for its ethnic wear Kashish, and as of late joined Shruti Haasan for its mold wear Haute Curry.

For instance, Melange is a private-label brand of Lifestyle International (P) Limited which is one of the main retail establishments and is a piece of Dubai based Landmark Group. Melange from Lifestyle is a contemporary ethnic wear brand for people. Its wide variety incorporates kurtas, salwars/churidars, dupattas, and Kurtis for women that can be generously blended and coordinated.

The gathering at Melange has plans enlivened by conventional Indian specialties; for example, square printing and fragile hand weavings on cotton, silk, and other fine textures. The gathering is ethnic yet it offers innovation through the structures and style.

These products and brands include effectively connects Melange with the cutting edge of Indian Woman. Melange likewise has a wonderful scope of sarees. Melange for men offers shirts and kurtas in cotton, mixed silks, and silk jacquards, ideal for the easygoing look or an event.

By creating important store situations, in-store informing like signage, marketing frameworks, and bundling and also outer informing like media news/stories, online networking postings, inventories and promoting, and other PR vehicles in a consistent way, the retailer can make a continuing impression in-store, a shelf, at the season of procurement and amid utilization.

Repositioning endeavors frequently run as an inseparable unit with bundling upgrade and sub-marking activities. These are basic apparatuses that assistance to imagine and verbalize what the "possess" brand represents and show its aptitude and PODs in different product classes. These brand executions are the vehicles through which "claim" brands convey on classification commanded useful and enthusiastic ideas, prodding shoppers to choose the retailer's image over others.

Give us a chance to consider the case of Bollywood on-screen character Hrithik Roshan-advanced HRX adventures. The brand is a blend of his preeminent style and energy and is being sold only on Myntra.com. The brand of wellness wear is a blend of his incomparable style and enthusiasm and was propelled in 2013 only on the online mold entrance Myntra. The brand persona of HRX uses this relationship with Hrithik Roshan by mirroring his energy for wellness, his hard-working attitudes, and his picture as a standout amongst the slickest performing artists in Bollywood.

At the point when the idea of making and building up the brand HRX was begun in 2010, the organizer spent the following over two to three years in researching what are the identity tributes and characteristics that group of onlookers identifies with Hrithik Roshan. This market detecting was extremely significant for getting contributions on what classifications they can investigate and in the end how the brand can be situated.

The examination featured that things like wellness, move, and design reverberates with Roshan in the gathering of people's brain and along these lines, wellness and way of life brand appeared well and good. Therefore, the range incorporates outrageous casuals and simple actives in attire alongside game footwear for men. These outfits are lightweight and made of premium textures structured with a trendy thin fit and accessible in energetic hues.

The brand has been worked with the motivation behind making a stage that embraces the rationality of rousing individuals to draw out their best and to never surrender. The immense fan base of the star is a noteworthy favorable position for the brand. The brand picture of HRX is in a state of harmony with the brand logic of Myntra and is one of the appealing suggestions in its PLB portfolio.

Support Perspective

A powerful private-label can enable a retailer to make a truly novel offer for customers. This inescapable nearness of national brands wipes out the "reliance" of customers on a specific brick and mortar or online store foundation. Shoppers can without much of stretch access these (national) brands through different retailers. So it is just the PLBs that are only present at an explicit retailer's store that creates them (CGSINC).

Other than this, the PLBs commonly enable retailers to settle the holes in their stock collections that have been disregarded by the national players. They additionally utilize PLBs for fortifying the store picture and to get an unmistakable offer of the brain. This, in the long run, encourages the retailer to make a sort of restrictiveness that in the long run outcomes in augmentation of dependability from the brand to the store. Subsequently, the retailers frequently utilize their in-house marks as a pivotal device to drive customer support steadfastness.

They have perceived that they can't just depend on national brands and the stock offered by them to maneuver shoppers into their stores. They have taken awareness of the way that they have to offer something solely to accomplish practical reliability. This is because of the way that national brands frequently can rise above geological limits, appropriation channels, or retailers.

A strong in-house brand actually can have the shopper association and builds client commitment with the private label. If it is extensively characterized, it can inspire an emotional response with buyers in different stock classifications. In contrast to national brand products, PLBs are only accessible with an explicit retailer and can frequently rise above explicit product classifications since they are high on purchaser introduction as opposed to simply product engaged as far as their image establishment.

In the present retailing situation, customer needs are changing and desires are expanding more than ever. Buyers have turned out to be more whimsical, defiant, and request and the "general customer" of today is far less brand faithful and is prepared to purchase from various sources (e.g., a couple of Gap pants with a Prada satchel and different adornments from a web-based shopping entry).

Subsequently, the consideration of solid PLB over different classes offered empowers the retailers to enhance its edges with no tremendous venture on showcasing and promoting exercises. Other than this, the PLBs additionally empower retailers to pick up purchaser unwaveringness, which can be credited to the selective nearness of these brands in that retailer's store. Consequently, they have the correct potential to go about as magnets to pull in clients into the individual retailer's store and develop a solid support faithfulness.

Give us a chance to think about the case of Macy's. It is one of America's biggest retailers with offers of over US$25 billion, through more than 850 Macy's and Bloomingdale's stores. Macy's is perceived as a retail industry pioneer in creating PLBB stock that separates its groupings and conveys an excellent incentive to the client. Every private brand, accessible "Just at Macy's," is produced to speak to a specific client way of life and is upheld with promoting programs that make a characterized picture.

Macy's likewise creates private-label products to meet explicit client needs and to fill holes in the combination. Offers of private-name attire, adornments, and different things have beaten other stock classes for quite a long time and now represent over 20% of offers.

The organization expresses the reason they are solid is that "we create and advertise them simply like branded merchandise," and brings up that PLBs developed when the economy was powerless or solid. Truth be told, Macy's determines 35% of its yearly deals from its private-name products and fashioner things select to Macy's by superstars, for example, Martha Stewart and Tommy Hilfiger.

196

Walmart acknowledges the job of its selective brands like Ol' Roy for canine nourishment or ReliOn for diabetes for its accomplishment in the matter of retailing. These brands guarantee such reliability and adherence from their dependable customers that Walmart is their expected retail source whether they are running low on puppy sustenance or diabetes drug.

The selective brands might be the reason that buyers are at first drawn into the store, however, once they are there, retailers additionally have the chance to urge them to spend more on accidental or drive buys.

At the point when the in-house brands are properly created and worked, they can achieve their apex of progress. In doing as such, they make a consistent enticing association with shoppers, drawing them into a retail location, be that as it may, all the more critically.

In this manner, a likeness through in-house brands not just fortify persisting steadfastness and positive affections for the overall retail brand yet additionally regularly empower the retailer to catch a critical offer of the customers' wallet, heart, brain, and way of life.

PRIVATE LABEL BRAND STRATEGY

The private label brands (PLBs) follow a "house of brands" or a "branded house" strategy, has an effect on consumer behaviour.

House of Brands

The house of brands approach implies that all store brands of a retailer have their package design which is regularly firmly similar to the shape and package components of the national brand showcase pioneer in the class. As retailers settle on the correct situating of store brands, which incorporates among different factors the size, shape, shading, lettering, and craft of the package, the retailer can at last "mirror the main national brand in specific classes". A comparable package imparts to the purchaser, that the store brand attempts to be of indistinguishable quality from the manufacturer brand. For example, Indian retailers following this strategy include Reliance, Grofers.

The difference in consumer perception about the quality of store brands and national brands that do not bank on price. The perceived quality of the national brands packages better on several dimensions, the goal for the private label brand should be, close the package quality gap to the national brand. It can be said that the

private label brand could develop into a close substitute for leading national brand. The purpose is to position the private brand in the same segment as the national brand this can be done by imitating the well-known and likely heavily advertised national brand package.

It also should be mentioned that national brands are likely positioned at a customer "sweet spot", which means that "many consumers simply like a particular combination of characteristics", which are presented on the package. By imitating the leading national brand the retailer can vertically discriminate, selling the store brand to consumers who prefer the characteristics of the national brand, but have a higher marginal utility of income."

The psychological proximity to national brands appeals to certain consumers. As Coe (1971) points out particularly lower educated groups are afraid to buy something wrong, so they buy national brands. This concept is related to the idea of social risk explained later in this literature review, but can likely be overcome by adapting the private label brand package to the national brand package to be better identifiable as a viable alternative. Additionally, a house of brands strategy gives the store brand manufacturer the possibility to develop an individual logo, which subconsciously already influences the consumer and triggers certain emotions according to the product characteristics that shall be emphasized.

As Henderson et al. (2004) report, something on the first look remotely important such as a serif typeface design of the logo already elicits a response in the consumer mind; in this case that a product is innovative. This adaptation of a logo or brand name on product design is much easier to achieve in a "house of brands strategy", as each product brand could have a typeface fitting the product characteristics.

A house of brands strategy could be especially helpful in a big and diverse retail market as in the US. As regional differences can play a major role in store brand consumption, the private label brand could be customized to a great extent, to appeal to the segmented customer groups (Putsis Jr. & Cotterill, 1999). Private label brands that have no direct connection to other categories or the retailer might also eventually be confused with a national brand, or at least consumers might think that a retailer has "special expertise in particular categories" (Dhar & Hoch, 1997 p. 212). Having a particular brand name, "which is only shared by a few products within a competitive line, gives a very specific signal to the market" (Dawar & Parker, 1994 p.84). The house of the brand approach is also the typical strategy of a hard discounter like Reliance in India. Because the vast majority of the assortment is composed of private labels, such retailers need the house of brand strategy to show variety and choice to their shoppers.

Because consumers desire varying product attributes and performance dimensions across different private label product categories, a branded house strategy facilitates the communication of these specific product attributes, as the logo can be adapted according to the desired response. Next to allowing brands to "position them clearly on functional benefits" a house of brands strategy also avoids brand associations that would be incompatible with other product category offerings (Aaker & Joachimsthaler, 2000 p. 11), as there are no direct connections among different private label brand categories. As Orth & Malkewitz (2010) state, sincere brands should have a natural package design; competent brands a delicate design and exciting brand contrasting design. As a detergent for example usually should communicate to be a competent product, this design should differ from that of a potato chips brand, which should be more exciting and therefore have a more contrasting design, to be in the consumer choice set.

By following a house of brands strategy, retailers can change the design of certain product categories quicker. As this packaging can be changed at a low cost, it is unlikely to stay constant over a long time as it often has to be adapted, as many national brands periodically change their design as well. (Morton & Zettelmeyer, 2004) It seems obvious that the emotional attachment and purchase intentions are much easier generated if a colorful, individually designed package is used, as these stimuli should appeal more to the consumer than a simple looking package, which stretches across many categories. One negative aspect that should be kept in mind is the reduction of synergies, such as economies of scale in advertising that comes with a house of brands strategy (Aaker & Joachimsthaler, 2000).

The basic advantages of the house of brand approach from the packaging point of view can be summarized as follows:

- Close position to national leading brands
- Good quality perception
- Clear category-specific positioning
- Guidance and direction to certain shopper types
- Upgrade of retailers overall competence
- Flexibility for eventually necessary changes in certain categories

Branded House

If a retailer follows the opposite approach that all store brands have a standard package design, under one brand name across multiple product categories, this is called a branded house strategy.

According to Aaker and Joachimsthaler (2000, p.15), a branded house strategy should be the default brand architecture option for new brands, as it offers several advantages such as more "clarity, synergy and leverage". This implies that the categories do not have an individual design and are not adapted to the style of the respective leading national brand. Typical examples of this strategy are private labels:

Another example of a retail chain, which follows a branded house strategy, is Public Super Markets Inc, a US-based retailer, which recently redesigned its package. All private label categories, such as diapers, diced peaches, and popcorn shrimps now have uniform packaging, which consists of a clean looking package, filled with white space and high-quality photographs (Levy, 2009).

These usually very simple looking packages have several advantages. On the one hand, even uneducated customers can clearly distinguish the private label brand from the sophisticated package of a national brand and the product can be targeted as a low price alternative in the choice set immediately. The consumers, when searching for low-priced alternatives, prefer the guarantee of a familiar store name. This concept could be extended to the private label brand, as a common design across categories creates familiarity with the brand.

Richardson et al. (1996/1) found out, that greater knowledge and familiarity with a private label brand increases cross-category usage, which is much easier to achieve in case of a branded house strategy than through a house of brands strategy. Similarly, Nenycz-Thiel & Romaniuk (2009) discovered that the trial of store brands in one category lowers the risk of trying private labels in other categories, as the perceived risk associated with the brand decreases. Therefore consistent branding is crucial, to spread associations across all categories.

Dhar & Hoch (1997) got to the conclusion that if the store brand has the same name as the retailer, this enhances the performance of the private label across categories. Economies of scale and scope, for example in advertising, are also facilitated. An easily identifiable private label package also allows consumers to better synchronize price expectations with actual prices to minimize "expectation-disconfirmation" effects, which have a negative influence on the shopper (Orth et al., 2010). If the retailer's name is at the same time the private label brand name, the package is associated with the retail chain. As "own labels tend to not receive any advertising support other than corporate" (Baltas, 1997 p.315), it could be in the interest of the retailer to associate the private label brand with the retailer. Baltas(1997 p.316) states that "Consumers may prefer the guarantee offered by a familiar store name on a cheap product than the uncertainty and risk of an unfamiliar minor national brand." This preference for a certain private label brand can lead to increased store loyalty, as proposed by Richardson et al. (1996/2).

As Goldsmith et al. (2010) explain, private label brands that are identified as store brands, take on the personality of the store. A common package design across many product categories likely enhances the identification ability of store brands. A single common design could benefit the private label brands performance especially if the store has a good reputation and is known for excellent quality. This idea corresponds with research done by Hyman et al. (2010 p. 380), as they state that "extending a private label brand into various product categories signals expertise, trustworthiness, and commitment to the market" and therefore creates a positive brand image.

Other reasons to have a corporate private label brand are mentioned by Rao et al. (2004). While their academic research focused on national brand manufacturers, the results are also applicable to the brand building of private label brands. The reasons to focus on a branded house strategy include the lower cost of creating brand equity, economies of scale in marketing and the fact that new product introductions are less expensive and therefore the extension of brands is easier (Rao et al., 2004). At the same time, it should be mentioned that the logo creation can cost thousands of dollars and important manager time, which enhances the idea to create only one logo and package design across many product categories and follow a branded house strategy. A single brand name across different private label categories also helps, as previously mentioned, the recognition of the brand, as the increased exposure to a single look, picture style, and typeface, also helps to evoke positive emotions and elicit a consensually held meaning about the private label brand in the target market. As a consequence financial reasons can also play a major role when deciding between a house of brands and a branded house strategy.

A negative aspect of such an umbrella private label brand is the spill-over effect (Semeijn et al., 2004) in case of bad product performance, which can erode the confidence in the whole private label as well as in the retail chain. Stretching a store brand name across too many product categories also muddies the image of the brand as "consumers' believe it's hard to deliver the same great quality across different products" (Quelch & Harding, 1996 p.103).

Additionally, it is much more difficult in a "branded house strategy" to adopt the brand name and use impression management to create differentiated perceptions for each product category, as barely any modifications of the logo are possible, to not confuse the consumer (Henderson et al., 2004). Consumers also have certain colors in mind for distinct product categories. If the colors of a standardized package do not fit to a certain product; or if the brand image is particularly poor, the product is not likely to enter the consumer's consideration set (Underwood, 2003). With this the main advantages of a branded house approach out of the literature analysis can be summarized as follows:

- Clear private label identification and guidance across categories
- Increase of cross-category usage
- Cross-fertilization between store and store brand when using the store name
- Economies of scale when enlarging the product portfolio

As Burton et al. (1998) mention, the price-quality tradeoff of products is clear to consumers. Nevertheless price perceptions, such as price consciousness and value consciousness have a substantial influence on the attitudes consumers have towards store brands and the purchase of private label products. Especially the price consciousness of consumers is a reason for the private label brand growth of the past decades (Sinha & Batra, 1999). As mentioned previously the perceived value is a major factor when determining the success likelihood of store brands. The perceived value influences the intention to buy private label brands and is, according to Walsh &Mitchell (2010) a construct that combines quality value, emotional value, price value and social value. As value seekers rely less on extrinsic product attributes and are more rational, they are not swayed as much by an attractive design as regular consumers. Therefore it may be assumed that value-conscious consumers favor the clearly identifiable package of products under a branded house strategy.

CONCLUSION

Private label brands have turned into a fundamental part of internet business space around the world. Prior, just specialty PLBs ruled the market, yet now even standard online business players have presented their in-house brands for example Mother's Choice (Grofers), Vedaka (Amazon) etc. Much like its disconnected partners, e-retailers additionally taste the sweet water of PLB and experience the enchantment of subsequent high edges. PLBs are overwhelming sections that are topping off a need whole.

As per the reports of Indian Brand Equity Foundation (2018) it is estimated that by 2020, food and grocery market will grow by 66 percent of total revenue of retail sector. Therefore the rising income and demand for quality products can increase the consumer expenditure can expand the market share of PLBs in India.

A large portion of private label brands still values worriers wanting to benefit from the buyer's high penchant to analyze on the web. In any case, that is just the starting; clutching these clients is a greater undertaking. To play out this errand, there must be an engaged brand building, and vital endeavors must be toward the path to manufacture these brands outside the biological community of the stage with a higher level of separation.

202

As per the reports of Indian Brand Equity Foundation (2018) it is estimated that by 2020, food and grocery market will grow by 66 percent of total revenue of retail sector. Therefore the rising income and demand for quality products can increase the consumer expenditure can expand the market share of PLBs in India.

"Private label has been mass retail's success story in its bid to lure consumers away from specialty stores," indicated Katie Smith, retail analysis and insights director at Edited, a retail analytics firm. The retail sector comprise of 10-12 percent of PLBs and their share is likely to grow in the current scenario as per the global consultancy firm KPMG. The growth of private labels is likely to continue in the current financial environment as "cash-strapped consumers' perception of the products as a 'cheaper option' changes," the KPMG report added.

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204

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KEY TERMS AND DEFINITIONS

Branded House: All store brands having standard packaging.
Consumer: The one who consumes the product or service.
Differentiation: The strategy to distinguish one product with the competitor's product.
House of Brands: All store brands have individual package design.
National Brands: The brand manufactured and owned by manufacturers.
Packaging: The tool used by marketers to promote the product.
Positioning: The image of brand in the minds of consumer.
Private Label Brands: The brand owned and managed by retailers.

Chapter 10

Examination of the Relationship Between Perceived Risk for Private Label Products and Consumers' Personality Traits

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ABSTRACT

This chapter aims at demonstrating the relationship between perceived risk for private label products and consumer's personality traits. Because of that reason, the data was collected from 462 respondents who bought and used a private label food product at least one time in Bilecik between 15 March and 01 April 2019. This data was collected via convenience sampling methods. According to the findings, perceived risk for private label products and consumer's personality traits are statistically significant. There is a statistically significant relationship between perceived risk for private label products and consumer's personality traits.

INTRODUCTION

Private labels market which is also called store brands have grown day by day. The private label products in both developed and developing countries have rapidly increased around the world. One of the most important reason is undoubtedly that the growing power of retailers in consumer markets and the other important reason

is providing high profitability. The share of private label products in the turnover of the total supermarket market is between 18% and 42% in Europe with an average of 31.5%. In Turkey, it reaches 19.9% (Nielsen Retail Panel, 2018).

In Turkey, consumers prefer private labels because of their price-quality performance. According to last three years of data (respectively 49%, 62% and 66%), consumers prefer private labels because they are cheaper than normal brands (Nielsen Shopper Trends, 2018).

According to Nielsen Retail Panel (2018), private labels are categorized into four parts. One of them is called *"strong"* private labels for example; softeners, frozen foods, house cleaners, bleaches, white cheese. - This category grows more rapidly than normal brands and has more private label average than the general average.

The second of the private label category is called *"opportunity"* private labels -for example; baby foods, dishwashes detergents, ice-creams, shampoos, deodorants and soap and shower gels. These have more growth than normal brands but their private label average is below than general average. The third one is called *"under threat"* private labels -for example; oil, packaged breads, canned foods, dried nuts and butter. This category has less growth than normal brands but their private label average is more than the general average, and the last category is called *"weakness"* private labels -for example; sanitary pads, hair dyes, processed meats, chocolates, nuts and teas-. This category both has less growth than normal brands and their private label average is below than the general average. In other words, it is a SWOT analysis for private label products in Turkey.

According to Mitchell (1998), effecting factors of perceived risk are related with personal factors (gender, age, psychological traits, socio-economic class, inter-country differences), retailing factors (distribution channels, generic branding products, product usage time, product/service mix, country of origin) and statuational factors (group discussion, consumer involvement). In this study, the effects of the perceived risk on personality traits were emphasized.

The aim of this paper is to demonstrate the relationship between perceived risks for private labels and consumer's personality traits. Therefore, the factor analysis was conducted on both big five personality inventory and perceived risk for private labels. Later, canonical correlation analysis has been conducted in order to indicate the relationship between consumers' personality traits and perceived risk for private labels.

BACKGROUND

Perceived Risk

Perceived risk is frequently used in marketing literature because of its importance for consumers' buying process. It is related with not only before buying process but also after buying process (Larson,2001 as cited in Deniz, 2007:36). This concept is used to explain shopping style, payment pereferences, perceived brand and image, information gathering about products and services, brand loyalty, store choice and evaluting services (Kim, 2001 as cited in Deniz, 2007:36) and and this risk is also related with the differences between generic brands, private labels and manifacturer brand (Dunn et al.,1986). The concept of perceived risk was firstly used in marketing literature by Raymond Bauer in 1960. He wrote for the concept that (1967: 14);

Consumer behaviour involves risk in the sense that any action of a consumer will produce consequences which he cannot anticipate with anytihng aproximating certanity, and some of which are likely to be unpleasant.

Roselius (1971) suggested four different types of perceived risk which were called as financial, physical, psychological and time risk. Then, in 1972 Jacoby & Kaplan suggested five different types of perceived risk. These were additional to Roselius' (1971) social, and performans risks but they didn't suggest the time risk. Although there has been no consensus on the types of the perceived risk, it is generally possible to say that there are six different dimensions. These are; physical risk, financial risk, social risk, psychological risk, time risk and performance risk (Conchar et al., 2004; Stone & Grønhaug, 1993; Cases, 2002; Chen & Chang, 2005; Zhao et. al., 2008).

1.   Unknown brand's products are thought to be unreliable and harmful to health and this is called physical risk (Jacoby & Kaplan, 1972: 382). Therefore, it was defined in many researches as being harmful to people and environment in terms of health and security (Simpson & Siguaw, 2008; Kim et al. 2009). Additionally, it was defined by Lim (2003: 2019) as not being as good as expected in terms of the product's appearance.
2.   Financial risk is the probability of loss of money as a result of any purchase and subsequently a maintenance cost of the product for some products (Lee, 2009:131). It is about consumers spending on the product according to their income and overpaying the product (Kinnear et al., 1995). In low perceived risk products, as consumer price awareness increases (Miquel et al., 2002: 7), perceived financial risk also increases.

208

3. Sociological risk is the potential loss of status in one's social group as a result of adopting a product or service, looking foolish or untrendy (Lee, 2009:131).
4. Psychological risk is a disorder which makes consumers feel regret or worry after the buying process (Perjugini &Bagozzi, 2001).
5. Time risk is that if a product does not meet consumer expectations, as a result of this, consumers will consider the purchase of the product is a time loss (Mumel, 1999). Time risk was first defined by Roselius in 1971. This type of risk emerges in three levels of buying process: before buying, at the time of buying and after buying- as the feeling of dissatisfaction after using that product, the lack of product performance and wrong decision making about products and services (Gökçe, 2012).
6. Performance (Functional) risk is the product malfunctioning and not performing as it was designed and advertised and therefore failing to deliver the desired benefits (Lee, 2009: 131) and, it was defined as the loss incurred when a brand or product does not perform as expected (Horton, 1976).

Private Labels and Perceived Risk for Private Labels

Private labels first emerged as the first retailer branded products which were manufactured by Pacific Tea Company in early nineteen centuries. And then, they became widespread in 1950s (Erden, 2006: 19).

Private label is a type of branding strategy that is sold by its own retailer but not produced. In other words, it is branded and distributed by its own firm but this firm doesn't produce it (Albayrak et al., 2008: 109). Therefore, manifacturers have no effect on its price.

A number of consumers perceive private labels are of low quality, thus they think that buying the private label product is a financial risk (Dick et al., 1995). Although private labels have low price, they have high quality (Fettahoğlu, 2008: 72).

Private labels are more advantageous for consumers, retailers and manifacturers. There are wide variety of benefits of private labels for consumers such as being cheaper than other brands, feeling of quality confidence during the purchase process because of manufacturer's name on the on private label products package, having a decrease on the total amount spent in the shopping cart and being widespread and having a wide variety, etc. the benefits of private labels for manufacturers are that they evaluate unutilised capacity, minimize the costs, block the competitors, preserve the market share and it is easy for these private labels to get into markets. And its final benefit is to have a high profitability and long-term customer retention for retailers, etc. (Benedict, 1997: 920; Arslan, 2012: 59). Therefore, developing private labels have become an important strategy for distributors (Wu et al., 2011: 30).

There are many studies associated with private labels and perceived risk. According to Batra and Sinha, (2000) customers prefer private labels product in product categories where the results of an error in the brand selection are perceived the risk to be lower and they found that while private labels are preferred in the products where financial risk and performance risk is perceived to be lower.

Another study reveals that the performance and time risk have a significant negative effect on consumers' private labels purchase intention, but financial, physical, psychological and sociolgical risks do not significantly effect on buying on private labels (Beneke et al., 2012).

In another study in which 28 product category both private labels and national brands were compared, it revealed that consumers perceived serious risks for private labels (Richardson et al., 1996).

The other study were examined the dimensions of the perceived risk towards private labels. It revealed that three type of risk for private labels: financial, physical and social risks and these risks had a negative effect on attitutes towards private labels (Arslan et al., 2013: 158).

Perceived risk differs to person, product, situation and culture (Mitchell, 1998: 176). Some perceive a high level of risk; some perceive a low level of risk while they buy any product. The reason for this difference in perception results from consumers' personalities, lifestyles, and levels of income to be different. (Deniz, 2007: 42).

It is also possible to come across studies that statistically reveal the perceived risk of private labels in the purchase between those who buy and those who do not buy these brands (Dick et al., 1995; Batra & Sinha, 2000). Consumers, who buy fewer to private labels, think that they are with lower quality and they have financial risk. Moreover, these consumers tend to believe when they buy these brands, they qualified as "cheap peoples" (Dick et al., 1995). Batra & Sinha (2000) revealed that consumers prefer private labels when they perceive the product category with low risk.

Personality and Big Five Personality Theory

Personality is one of the variables used frequently in the marketing literature as all social science literature and its impact on the buying behavior importance on both business and academics cannot be undeniable. Because, it is one of the variables which has effects on consumer's buying process. Although the concept of personality is embraced by different disciplines and it is not possible to talk about a common consensus.

Personality is the different emotions, thoughts and behaviors that differentiate one's habits, perceptions, and other perspectives such as events and environment. Personality traits are self-confidence, self-esteem, authority and irritability that arise when determining personal differences (Sheth & Howard, 1969: 350).

According to another definition, personality is relatively permanent set of features that distinguishes the individual from other individuals (Veccohio, 1988: 85). The concept of personality has been tried to be explained with various theories by so many researchers. One of these theories is Big Five Theory. Big Five Theory was built on 16PF which was suggested by Raymond Cattell in 1949. Then, this theory was developed by so many researchers. Nowadays, it is frequently used in personality researches. According to the big five theory, personality consists of five traits such as extroversion, agreeableness, conscientiousness, neuroticism and openness to experiences.

Each trait is described below:

- Extroversion is the personality trait of seeking fulfillment from sources outside the self or in community (ipip.ori.org). Extroversion people are full of energy and think positive all times (Costa & McCrea, 2008).
- Agreeableness reflects much individuals adjust their behavior to suit others (ipip.ori.org). Agreeableness people believe that people are honest, polite and reliable and they care about being with other people (Deniz, 2007: 25).
- Conscientiousness is the personality trait of being honest and hardworking (ipip.ori.org).
- Neuroticism is the personality trait of being emotional (ipip.ori.org).
- Openness to experience is the personality trait of seeking new experience and intellectual pursuits (ipip.ori.org).

MAIN FOCUS OF THE CHAPTER

The Aim, Model and Hypothesis

The aim of this paper is to demonstrate the relationship between perceived risks for private labels and consumer's personality traits. For this reason, the research model and the main hypothesis are below:

The main hypothesis of the study is:

H_1: There is a significant relationship between personality traits and perceived risk for private label products.

Methodology

The relationship between perceived risk for private labels and consumer's personality traits was measured by a questionnaire which covers a data collected method. This

Figure 1. The research model
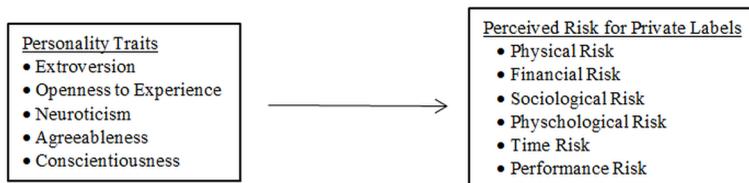
survey consists of three parts. The first part which measures the percevied risk for private label products was measured by a perceived risk scale that was devised by Stone & Gronhaug's (1993) that consist of 18 statements. The second part which measures the consumer's personality traits were measured by the big five personality scale that was devised by Costa & McCrae (1985) that consists of 50 statements.

These two scales are 5 point Likert type scale (1: Strongly Disagree, 2: Disagree, 3: Neither agree nor diasagree, 4: Agree and 5: Strongly Agree). The last part measures demographic traits of the respondents. The universe of research was consumers who lived in Bilecik. In this study, the data was collected via convenience sampling method which was non-probabilistically sampling methods from 462 respondents who bought at least one time a private label food product between 15 March and 01 April 2019. The language of the two scales mentioned above was originally English. Because the data were collected from Turkish respondents, first the scales were translated into Turkish and then conducted.In this research, the private labels of food products have been chosen. This is because private label sector was firstly emerged in food product sector.

SOLUTIONS AND RECOMMENDATIONS

Findings related to research are given below. First, the demographic traits of the respondents have been demonstrated. Secondly, the outputs of the factor analysis which was applied with both big five personality inventory and perceived risk for private labels have been demonstrated. Last, the outputs of the canonical correlation analysis have been shown in order to indicate the relationship between consumers' personality traits and perceived risk for private labels.

The results of demographic traits of respondents are given in the Table 1. There are 53,5% female and 46,5% male participants among the 462 respondents. 59,3% of repondents are married, the others are single (40,7%). According to the age, the highest consumers are in 31-40 age groups with 38,1% and the following one is between 21-30 age groups with 23,4% and the other is between 41-50 age groups

Table 1. Demographic traits of respondents

Traits	Options	f	%	Traits	Options	f	%
Gender	Female	247	53,5	**Educational Level**	Primary School	16	3,5
	Male	215	46,5		High School	139	30,1
Marital Status	Single	188	40,7		Vocational High School	78	16,9
	Married	274	59,3		Undergratuated	183	39,6
Age	18 and below	24	5,2		Postgratuated	46	9,9
	21-30	108	23,4	**Occupation**	Employee	45	9,7
	31-40	176	38,1		Officer	67	14,5
	41-50	103	22,3		Tradesman	31	6,7
	51 and above	51	11,0		Self-Employment	54	11,7
Monthly Income	2000 TL and below	35	7,6		Student	138	29,9
	2001 – 2500 TL	61	13,2		Housewife	101	21,9
	2501 – 3000 TL	84	18,2		Other	26	5,6
	3001 – 3500 TL	87	18,8				
	3501 – 4000 TL	91	19,7	n= 462 respondents			
	4001 TL and above	104	22,5				

with 22,3%. According to educational level, most respondents have an undergratuated degree with 39,6% and the following one has a high school degree with 30,1%. According to monthly income, the most respondents earn 4001 Turkish Liras and above with 22,5% and finally, occupation of the respondents, were respectively, students (about 30%), housewives (about 22%), officers (14,5%), self- employments (11,7%), employees (9,7%), tradesmans (6,7%), and the others (5,6%).

In order to test hypothesis according to the relationship between perceived risk for private labels and consumer personality traits, firstly, factor analysis was conducted for each scales which were compatible with literature and then reliability of the scales were measured. Firstly, factor analysis was conducted for perceived risk for private label products. Because Kaiser- Meyer- Olkin value was 0,733 and bigger than 0,7, this meant that this data was suitable for factor analysis. Bartlett's Test of Sphericity test value was suitable and Chi-square value was 1691,645 which is significant ($p < 0,001$). Total explained variance was %69,623. In order to continue factor analysis, respondent's answers to perceived risk for private labels were subjected to Varimax rotation. According to the results, a five-factor structure that resembles the perceived risk scale items which were proposed by Stone & Gronhaug (1993) in the literature was gathered and the physical risk was eliminated according to this

Table 2. Factor analysis of perceived risk for private labels

1. Factor: Financial Risk	Explained Variance	Cronbach's Alpha=0,861
	%18,359	Factor Loadings
When I buy a private label food product, I think I spent my money by the best way.	0,895	
When I buy private label food product, I would be concerned that I really would not get my money's worth from this product	0,848	
When I buy private label food product, I would be concerned that I would be concerned that would not be wise.	0,829	
2. Factor: Time Risk	Explained Variance	Cronbach's Alpha=0,745
	%15,883	Factor Loadings
When I buy a private label food product with have a problem, it makes me concern that I will have spend too much time.	0,854	
When I buy a private label food product, I afraid of spend too much time.	0,834	
When I buy a private label food product, I feel too much time presure on me.	0,694	
3. Factor: Psychological Risk	Explained Variance	Cronbach's Alpha=0,704
	%13,789	Factor Loadings
When I buy a private label food product, it gives me a feeling of unwanted anxiety.	0,770	
When I buy a private label food product, it makes me feel psychologically uncomfortable.	0,764	
When I buy a private label food product, it causes me experience unnecessary tention.	0,751	
4. Factor: Perform Risk	Explained Variance	Cronbach's Alpha=0,714
	%11,392	Factor Loadings
When I buy a private label food product, I am concerned with how really dependable and reliable that product will be.	0,863	
When I buy a private label food product, I worry about whether the product will really taste as well as it is supposed to.	0,796	
5. Factor: Sociological Risk	Explained Variance	Cronbach's Alpha=0,760
	%10,200	Factor Loadings
When I buy a private label food product, I get the feeling that people around me will think that I do wisely shopping.	0,814	
When I buy a private label food product, I would be held in higher esteem by people around me.	0,778	
Total Variance Explanation Rate	%69,623	
KMO=0,733; X²=1691,645; df=7; Sig.<0,000; Cronbach Alpha (13 statements)=0,890		

sample. Because the factor loading of physical risk statements were smaller than 0,5 and one of the statements of performance risk factor and sociological risk factor were loaded to the same factor, they were removed from the analysis. As a result of these, the scale with 6 factors and 18 statements which was proposed by Stone & Gronhaug (1993) emerged as a scale with 5 factors and 13 statements in this study.

The Cronbach Alpha which is the indicator of reliability of these factors are respectively 0,861 (financial risk), 0,760 sociological risk. 0,745 (time risk), 0,714 (perform risk) and 0,704 (psychological risk) and the total reliability of the scale is 0,890.

In Table 3, factor analysis was performed for personality traits. Original scale has 5 factors structure with 50 statements, but in this study, it has 5 factors structure with 38 statements. Because the factor loading of some statements are smaller than 0,5 and some of the statements were loaded to the same factor, they were removed from the analysis. According to the factor analysis results, a five-factor structure that appears similar to the personality traits scale items in the literature was gathered. KMO is 0,908 which means that this data is suitable for factor analysis and Bartlett's Test of Sphericity test value is suitable for this sample, Chi-square value is 17641,706 and it is significant (p<0,001). Total explained variance is %71,904 with five factors. The Cronbach Alpha which is the indicator of the reliability of these factors are respectively 0,959 "conscientiousness", 0,951 "agreeableness", 0,928 "extroversion", 0,920 "neuroticism", and 0,913 "openness to experience" and the total reliability of the scale is 0,942. After that, in order to measure the relationship between perceived risk for private labels and consumers' personality traits, the canonical correlation analysis was conducted.

Canonical correlation analysis was examined by typing syntax command in SPSS. The results of the canonical correlation analysis are above:

The square of the canonical correlation coefficients (Rc^2) indicates the common variance between the independent (personality traits) and dependent variables (perceived risk for private label). Table 4 have shown that correlation of first canonical correlation cluster is 0,86; the second is 0,698. In other words, first cluster composes 74 percentage of shared variance and the second cluster composes 48,7 percentage of shared variance. The others are insufficient to explain the shared variance (respectively 9,3%; 4,7%; 0,4%). The Wilks' Lambda and Chi-square values of first and second clusters are significant (p<0,000). The other Wilks' Lambda and Chi-square values are not significant (respectively p>0,840; p>0,910; p>0,939).

According to the Table 5, when the relationship between consumers' personality traits variables and their canonical variables was analysed, in the first cluster the highest contributer variable was "agreeableness", in the second cluster, it was "neuroticism", in the third cluster, it was "conscientiousness", in the fourth cluster, it was "extroversion" and in the last cluster, it was "openness to experiences".

215

Table 3. Factor analysis of big five personality traits

1. Factor: Conscientiousness	Explained Variance	Cronbach's Alpha=0,959
	%21,436	Factor Loadings
I am exacting in my work.		0,869
I shirk my duties.		0,864
I get chores done right away.		0,859
I make a mess of things.		0,855
I follow a schedule.		0,821
I like order.		0,818
I seldom feel blue.		0,811
I am quiet around strangers.		0,799
I change my mood a lot.		0,779
I often forget to put things back in their proper place.		0,769
I am always prepared.		0,743
2. Factor: Agreeableness	**Explained Variance**	**Cronbach's Alpha=0,951**
	%17,680	Factor Loadings
I am interested in people.		0,892
I sympathize with others' feelings.		0,857
I am not interested in other people's problems.		0,846
I feel little concern for others.		0,822
I have a soft heart.		0,818
I insult people		0,785
I do not have a good imagination.		0,758
I am quick to understand things.		0,726
I use difficult words.		0,677
I spend time reflecting on things.		0,558
3. Factor: Extroversion	**Explained Variance**	**Cronbach's Alpha=0,928**
	%14,611	Factor Loadings
I am the life of party.		0,842
I keep in the background.		0,816
I start conversations.		0,812
I feel comfortable around people		0,799
I have little to say.		0,794
I talk to a lot of different people at parties.		0,698
I don't like to draw attention to myself		0,692
I don't talk a lot.		0,542
4. Factor: Neuroticism	**Explained Variance**	**Cronbach's Alpha=0,920**
	%12,970	Factor Loadings
I often feel blue.		0,898
I take time out for others		0,891

Table 3. Continued

1. Factor: Conscientiousness	Explained Variance	Cronbach's Alpha=0,959
	%21,436	Factor Loadings
I feel others' emotions.		0,864
I have a rich vocabulary.		0,862
I get irritated easily.		0,726
I have frequent mood swings.		0,616
5. Factor: Openness to Experince	Explained Variance	Cronbach's Alpha=0,913
	%5,207	Factor Loadings
I have a vivid imagination.		0,757
I am not interested in abstract ideas.		0,717
I have difficulty understanding abstract ideas.		0,630
Total Variance Explanation Rate	%71,904	
KMO=0,908; X²=17641,706; df=703; Sig.<0,000; Cronbach Alpha (38 statements)=0,942		

Table 4. Correlation coefficients, wilks' lambda and significance levels of canonical variables

Canonical Function	Canonical Correlation (Rc)	Canonical Rc²	Wilks' Lambda	Chi-Square	DF	Sig.
1	**0,860**	**0,740**	**0,132**	**919,127**	**25**	**0,000**
2	**0,698**	**0,487**	**0,507**	**307,783**	**16**	**0,000**
3	0,093	0,009	0,989	4,933	9	0,840
4	0,047	0,002	0,998	1,002	4	0,910
5	0,004	0,000	1,000	0,006	1	0,939

Table 5. Standardized canonical correlation coefficients for Set-1 (Consumers' Personality Traits)

	Standardized Canonical Correlation Coefficents Set-1				
	1	2	3	4	5
Conscientiousness	0,003	-0,179	**0,786**	-0,305	-0,862
Agreeableness	**-1,256**	0,133	0,104	-0,131	0,119
Extroversion	-0,062	0,071	-0,612	**0,823**	-0,777
Neuroticism	0,891	**0,963**	-0,146	0,034	0,180
Openness to Experience	0,048	-0,124	0,623	0,382	**1,148**

According to the Table 6, the analysis of the relationship between perceived risk for private label product variables and their canonical variables, in the first cluster, the highest contributer variable is financial risk, in the second cluster, it is time risk, in the third cluster, it is sociological risk, in the fourth cluster; performance risk and in the the last cluster; physchological risk.

The correlations of each canonical variable and the variables in the set should be greater than 0.30 (Tabachnick and Fidell, 2015). For that reason, in the first cluster of the first canonical set is "aggreableness", the second cluster is "neuroticism", the third cluster is "conscientiousness", the fourth cluster is "extroversion", and the fifth cluster is "openness to experience" and they are the parts of the set 1 (Table 7).

According to the canonical loadings for Set-2 in Table 8, in the first cluster of the second canonical set is the financial risk, the second cluster is the time risk, the third cluster is the sociological risk, the fourth cluster is the performance risk, and the fifth cluster is the physchological risk and these are the parts of the set 2.

Stewart and Love (1968) suggested that redundancy index which determines the extent to which any variable explains the variance of the other (Kalaycı, 2010:252).

Table 6. Standardized canonical correlation coefficients for Set-2 (Perceived Risk for Private Labels Product)

	Standardized Canonical Correlation Coeffients Set-2				
	1	2	3	4	5
Financial Risk	**-1,034**	0,311	0,000	-0,275	0,045
Time Risk	0,692	**0,825**	0,117	-0,177	0,111
Physchological Risk	-0,022	-0,077	0,523	0,562	**-0,728**
Performance Risk	0,023	0,129	-0,534	**0,794**	0,410
Sociological Risk	0,019	-0,081	**0,828**	0,030	0,589

Table 7. Canonical loadings for Set-1 (Consumers' Personality Traits)

	Canonical Loadings Set-1				
	1	2	3	4	5
Conscientiousness	0,028	0,187	**0,839**	0,151	-0,487
Agreeableness	**-0,711**	0,682	0,170	0,019	0,004
Extroversion	-0,109	0,134	0,046	**0,932**	-0,316
Neuroticism	0,112	**0,970**	0,208	0,051	-0,030
Openness to Experience	0,003	0,009	0,612	0,734	**0,496**

Table 8. Canonical loadings for Set-2(Perceived Risk For Private Labels Product)

	Canonical Loadings Set-2				
	1	**2**	**3**	**4**	**5**
Financial Risk	**-0,771**	0,631	0,082	-0,024	-0,003
Time Risk	0,294	**0,944**	0,127	-0,048	-0,055
Physchological Risk	-0,111	0,239	0,447	0,586	**-0,662**
Performance Risk	-0,121	0,264	-0,287	**0,819**	0,402
Sociological Risk	-0,050	-0,114	**0,722**	0,165	0,660

Table 9. Redundancy analysis results

Personality Traits	Own Canonical Variance	Opposite Canonical Variance	Cumulative Opp. Can. Var.	Perceived Risk	Own Canonical Variance	Opposite Canonical Variance	Cumulative Opp. Can. Var.
CV1-1	0,106	0,105	0,105	CV2-1	0,142	0,079	0,079
CV1-2	**0,292**	**0,139**	0,244	**CV2-2**	**0,286**	**0,142**	0,221
CV1-3	0,231	0,001	0,245	CV2-3	0,165	0,002	0,223
CV1-4	0,286	0,000	0,245	CV2-4	0,209	0,001	0,224
CV1-5	0,085	0,000	**0,245**	CV2-5	0,198	0,000	**0,224**

According to redundancy index, the variance of perceived risk for private label products (dependent variable) can be explained as 22,4% and variance of personality traits (independent variable) can be explained as 24,5%.

CONCLUSION

In this study, the relationship between perceived risks for private labels and consumer's personality traits is examined with canonical correlation analysis.

First, factor analysis was conducted on both personality traits and perceived risk for private label products. According to personality traits factor analysis, five dimensions emerged which took part in a same way in literature. However, some statements were removed due to the low factor loadings or same factor loadings to different dimensions at the same time. On the other hand, the perceived risk for private label factor analysis emerged a bit different from literature. This difference was the removal of physical risk from factor analysis. Therefore, five dimensions were emerged. Dimensions which were emerged as a result of factor analysis were analysed by canonical correlation analysis. Consumer personality traits were arranged

in Set-1 and perceived risk for private labels was arranged in Set-2 of canonical correlation analysis. Canonical correlation analysis findings above suggested that Set-1 could be explained as 24,5% for Set-2 and Set-2 could be explained as 22,4% for Set-1. Most of these sets, approximately 91,4% (0,224/0,245), were belong to first pair of canonical variate. The average explanation share of second canonical correlation variate was higher than the average explanation share of first canonical correlation variate. It was possible to say that second canonical variate in perceived risk for private labels (Set-2) was more effective than the first canonical variate (Keskin and Ozsoy; 2004: 71).

According to the standardized correlation coefficient of personality traits, the priorities of variate were agreeableness, openness to experience, neuroticism, extroversion, and conscientiousness and standardized correlation coefficient of perceived risk for private labels, the priorities of variate were financial, sociological, time, performance and psychological risks. Consequently, it can be said that there is a statistically significant relationship between consumers' personality traits and perceived risk for private labels (Rc=0,86; p<0,000 and Rc=0,698; p<0,000) and this relationship is strong and in the same direction.

FUTURE RESEARCH DIRECTIONS

In future studies, first of all, perceived risk for private labels product can be related to different personality traits such as type of A and B personality traits.

Secondly, by making a comparison between A and B personality traits and perceived risk for private labels product, new researches should be done about which of these personality traits will be dominant than the other one.

Last, perceived risk for private labels can be measured in different product categories, for example cleaning products, personal care products, etc… Then, in order to understand the emerge of the differences, their results can be compared.

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223

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KEY TERMS AND DEFINITIONS

Big Five Personality Theory: A personality theory that is frequently used in social science literature and has five dimensions (extroversion, openness to experience, neuroticism, agreeableness, and conscientiousness).

Canonical Correlation Analysis: Canonical correlation is a multivariate analysis that analyzes latent variables that represent multiple variables.

Perceived Risk: The consumer's negative perception towards uncertainties or negative consequences when buying a product.

Personality: Behavioral characteristics that differ from individual to individual.

Private Label: A brand category which is priced, promoted, distributed and sold but isn't produced by its retailer.

Section 3

Marketing Strategies to Increase Private Label Preferences

Chapter 11

Customer Segmentation and Factors Affecting Willingness to Order Private Label Brands:
An E-Grocery Shopper's Perspective

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ABSTRACT

E-grocery as a retail service of delivering grocers to consumer's door step is a new phenomenon for Indian consumers. Private label brands of e-grocery retail creates a new level of complication for consumers. As consumers are familiar with private label brands of popular supermarkets through past experience, they are not aware about private label brands of e-grocery retailer and therefore have not developed a level of trust with the private label brands making them reluctant to purchase private label brands from e-grocery retailers. However, there is lack of research done to understand the consumer attitude towards private label brands available on the e-grocery platform. Therefore, the purpose of the present study is to focus on two key areas: first, on types of private label brand buyers on e-grocery sites based on consumer reaction towards private label brands; and second, situations where consumers show their willingness-to-purchase private label brands on e-grocery site.

INTRODUCTION

The retail industry has emerged as one of the most fast-paced and dynamic industries in India. Total Indian retail consumption expenditure is expected to grow from current US$ 1824 billion in 2017 to US$ 3600 billion by the end of 2020. It currently accounts for over 10% of India's total GDP (Gross Domestic Product) and around 8% of total employment. At present Indian retail is 5th largest destination in retail space globally. The market size of Indian retail sector is expected to increase by 60% to reach US$ 1.1 trillion by 2020. Factors affecting the growth is increasing annual incomes, digital connectivity and changes in lifestyles. Whereas online retail is expected to grow at the rate of 31% CAGR (IBEF, 2019). Retail globally has been divided into two forms, first, traditional brick and mortar retail stores and second, digitally designed e-commerce stores. Advent of internet has transformed the format of purchasing of not only lifestyle and fashion productions but also everyday grocery (McKinsey Report, 2019). Grocery otherwise purchased by going to a retail store, can now be purchased online through e-commerce sites that specialize in grocery items. Electronic grocery shopping also known as e-grocery as a service offering has been in India since the early 2011 (Deloitte Report, 2017).

Grocery retail has faced more challenges than any other online retail since the birth of e-grocery in the early 2000s. Factors that obstruct consumer preference of e-grocery over traditional brick and mortar retail, include issues such as, due to the tangible nature of grocery consumers prefer to select products themselves, there is a major issue of perishability, consumers also do not get the opportunity to check quality as per their requirements, and finally availability of specific brands and products as per consumer preference (Canedy, 1999; Baker, 2000). However, inspite of all the challenges, consumers have also benefited from online grocery shopping. According to Aylott & Mitchell (1998), grocery shopping is perceived to be highly stressful due to aspects such as over crowding and queuing. For consumers buying of grocery is a regular chore that they highly dislike (Corral, 1999). Such consumers therefore prefer to purchase their grocery online due to the primary factor of convenience provided by e-grocery. Simplicity and rapidity of shopping grocery online provides consumers with yet another benefit (Anckar, et al., 2002).

Indian e-commerce has entered in every category starting from apparel to electronics to cosmetics and in the last 5 years it has penetrated the grocery segment as well. Most popular online supermarkets in India are Amazon Pantry, Big Basket, and Groffers (Motilal Oswal Report, 2019). Like any other online shopping site, a consumer can place an order for their grocery either on the e-retailer's website or mobile application, pay for their cart, and their grocery items are delivered to their door step in, as early as 90 minutes of ordering and as late as a day, based on the date and time selected by consumer at the time of check out (Motilal Oswal Report, 2019).

228

Indian consumers are highly price sensitive and value driven. In several grocery categories such as sauces, pickles, Indian spices, flours, food grains, and bakery items, consumer tend to select store brand over national brand for two key reasons. First, price of private label brand is significantly lower than that of a national brand. And second, product that the consumer is looking for is only available in private label brand at that point in time. And therefore if the risk of trial of private label brand is not too high then the consumer is willing-to-purchase the private label brand over national brand (Mostafa & Elseidi, 2018). Prior experiences with the private label is a good factor for their future consideration of the e-store brand however it might not be the only factor causing their selection of store brand over the national brand. E-retailers have also introduced 2 tiered private label brands with different pricing, this further impact the consumer selection (Yang & Wang, 2010).

Private labels (PL) also known as store brands, are brands created and managed by a retailer, in contrast to national brands (NB), which are owned by a manufacturer. Private brand have seen phenomenal growth globally (Arce-Urriza & Cebollada, 2012). There are several factors that have influenced this drive for growth, namely, positive consumer attitude towards quality of private label brands, increased retailer concentration with their own brand, and significantly lower price of private label brands over national brands (AC Nielsen, 2011; Carsana & Jolibert, 2018).

Prior literature on private label has discussed several issues such as, impact of store image on acceptance of private label (Semeijn et al., 2004; Konuk, 2018); consumer behavior of private label brands (Bonfrer & Chintagunta, 2004); market determinants impacting success of private label (Sethuraman, 2000); negotiation power to retailer (Scott Morton & Zettelmeyer, 2004); and impact of private label on store loyalty (Gonzalez-Benito & Martos-Partal, 2012). However, there is lacuna of research conducted to understand consumer's motivation for purchasing private label brands and segmentation of private label brand buyers on e-grocery site. Therefore, purpose of the present study is to focus on two key areas, first, on types of private label brand buyers on e-grocery sites based on consumer reaction towards private label brands and second, situations where consumers show their willingness-to-purchase private label brands on e-grocery site. A qualitative research was conducted and data was collected using in-depth interviews and netnography in order to understand what types of private label brand buyers on e-grocery site and consumer willingness-to-purchase private label brands situations. The research designed different scenarios and choices for the consumer to observe their selection criteria. Along with in-depth interviews, purchase data of last one year from all the respondents was also taken.

LITERATURE REVIEW

Private Label Brands

In less than a decade private label brands have completely penetrated the retail market. Schutte, (1969), first defined private label brands as, "store brand grocery items owned and branded by organizations whose primary economic commitment is distribution rather than production." However, Dhar & Hoch (1996) re-defined private label brands as, "the only brands for which the retailers must take responsibility from development, sourcing and warehousing to merchandising and marketing." Throughout the literature private label brand has also been referred as retail brands and store brands (Jin & Suh, 2005). Private label brands, are essentially those product that are produced, owned and sometimes branded by retailers, they are those products that generate high profit margin, due to greater bargaining power in the distribution channel. Consumers of private label brands are considered as highly price sensitive (Bellizzi et al., 1981), deal-prone (Rao, 1969), quality seeker, and brand loyal (Burger & Schott, 1972).

Retailer are attempting to move from the perception of private label of low price (Boyle et al., 2018), and are shifting from single price point for their private label to two tier and three tiered private label programs by introducing premium private label brand, standard private label brand and economic private label brand for the same product category (Keller, et al., 2016). Through premium private label brands retailers intend to demonstrate high quality and compete with national brands (Konuk, 2018). The prices of the premium private label brands are at times even higher than that of the national brands (Kumar & Steenkamp, 2007; Langlois et al., 2019) and standard private label brands. Standard private label brands are vertically different from national brands in terms of quality, and horizontally different in terms of features such as flavors, ingredients, and packaging (Ter Braak et al., 2014). Economy private label brands differ in quality and have lowest price (Geyskens, et al., 2010).

In the 1960s first time private label brands where studied extensively by eminent authors such as Myers (1967), Rothe & Lamount (1973) and Cuningham et al., (1982) on consumer attitude and perception towards private label brands. Later in the 1990s and 2000s empirical research by Dhar & Hoch, (1996), Narasimhan & Wilcox, (1998); Batra & Sinha, (2000) and Chaniotakis et al., (2010) further extended research in the area of private label brands. Prior research has been focused on factors affecting purchase of private label brands such as product quality (Baker, et al, 1994; Konuk, 2018), brand power and prestige, brand distrust (Konuk, 2018), store image, product value, purchase risk (Erdem, et al., 2004), price consciousness (Gauri, 2013), service quality, private label brand image, perceived risk, private label purchase intention (Chaniotakis, et al., 2010), shopping value, store brand

230

loyalty (Corstjens & Lal, 2000), brand confusion (Kapferer, 1995) and satisfaction (Baltas, 1997). Further, Gooner & Nadler, (2012), have studied private label brands on six parameters, namely, retailer characteristics, product characteristics, product category characteristics, competitive environment of private label brands, consumer buying behavior, and strategic normative issues and choices.

According to DelVecchio, (2001), retailers could make private label brands more viable primarily by reducing the price and improving the quality. The utilitarian and hedonic consumers primarily do grocery shopping for economic value and purchase pleasure. However, there are several other parameters that influence the consumers such as quality, value, price, appearance, label information, advertising, reliability, and number of options to choose from (Sethuraman & Mittelstaedt, 1992). And finally, consumer's purchase grocery items with a value-driven attitude as individuals prefer to be value-oriented (Hansen & Singh, 2008). According to Kumar and Steenkamp (2007), private label brands provide several key benefits for retailers, namely, margins 25 to 30% higher than national brands, better negotiation power for the retailer, opportunity to launch innovative products, and control over supply chain.

Comparing Private Label Brands with National Brands

Prior literature have extensively compare private label brands with national brands. Literature on private label brands and national brands have discussed several issues such as, increase in acceptance of private label would cause decline in national brand loyalty (Dekimpe et al., 1997); relation between store loyalty and private label brand (Ailawadi et al., 2008); competitive strategies of private label brand and national brand (Chan Choi & Coughlan, 2006); benefits of competition between private label brand and national brand (Steiner, 2004); and cross category effect of private label brand on national brand (Hansen et al., 2006).

Private label brands sales in online grocery has seen significant growth in e-grocery retail as online channel does not affect competition between private label and national brands across categories. However, loyalty for private label was observed to be lower for food and beverages category, but higher for sensory products that had high level of market concentration. Prior study also found that price has a significant role to play when choosing between private label and national brands (Arce-Urriza & Cebollada, 2012).

The ever-increasing acceptance of private label brands is resulting in competition between private label brands and national brands in online retail market as well as offline retail market. Since the inception in 1960s, private label brands have competed

aggressively on price front with lower quality. However, since then private label products have significantly improved their quality and price to bring it very close to that of national brands, especially in the minds of its customers (AC Nielsen, 2011). This debate between acceptance and success of private label over national brands has largely been studied in the offline retail context. In the online grocery retail context little research has been done comparing private label with national brands (Amrouche & Yan, 2011).

To succeed in the battle between retailers private label brand and manufacturers' national brand, both adopt varied strategies to gain competitive advantage. Retailers through economies of scale and store promotion are able to offer low priced and good quality private label products to their customers. Manufacturers on the other hand are known to give offers and discounts on their products, provide superior quality products and invest heavily in marketing and advertising (Ailawadi & Keller, 2004). Despite all the differences between private label brand and national brands, both rely on two critical factors, namely price and quality. From price perspective, private label brands sell 30% less than national brands, as national brands tend to offer 20-30% discount (Ailawadi et al., 2001). In terms of quality of product, national brands is still perceived to have superior quality than private label brands (Steenkamp & Dekimpe, 1997). According to Sethuraman (2000), perceived quality is the most critical factor that impacts a consumer's intention to purchase a private label brand.

Inspite of a phenomenal amount of literature discussing consumer behavior in competition between private label brand and national brand, there still is a lacuna of research that has attempted to understand the phenomenon in the online context, as most of prior literature is primarily in the offline context. The literature in online context also primarily discusses issues keeping price and quality at center. However, the online grocery retailers have taken a whole different route and in several categories attempted to completely remove the competition between national brand and private label brand, by not providing option at all. Therefore, the question for online grocery buyers is no more which brand to choose, private label or national brand? Rather the question now is that in several categories products are available only in private label, so in that case whether to trust the e-grocery retailer and purchase the private label brand or not purchase the product at all (Konuk, 2018)?

Ordering Grocery Online

Internet globally has emerged as a biggest change-maker with regards to distribution, communication and growth of e-commerce. Online retail, also known as online grocery store on the other hand has seen a new area of research that has emerged

232

in India in the last decade. Online grocery retailing, also known as e-grocery is a b2c (business to consumer) e-commerce that has high potential of over shadowing the traditional brick and mortar retail store (Mortimer et al., 2016). Much of the research on the online grocery retail has been concentration on customer value, shopping convenience, customer service (Bill et al., 2002, Lam, et al., 2008), customer expectations and dissatisfaction (Cho, 2009; Cho, 2010), and consumer willingness to purchase (Cho & Ha, 2008; Carsana & Jolibert, 2018). When comparing physical retail stores with e-grocery platforms, there are several primary differences. Offline retail stores differ from online grocery sites, in terms of access, convenience, and ease of procurement (Jiang, et al., 2013). According to Melis et al., (2016), the consumers that have started to buy groceries online have shifted only part of their purchases from offline retail store to online store for their unique value.

Customer value has been created by e-grocery retailers in four ways, firstly by providing competitive value, second by giving options with specialized assortment, third by providing superior shopping convenience, and finally by providing superior customer services (Anckar, et al., 2002). E-grocery consumers seek for more value than just monetary benefits over that of traditional grocers. E-grocery offers its consumers several primary benefits such as home delivery, saving time spent on grocery shopping, help consumers who are unable to go to a retail store, access to multiple retailers at the comfort of your home and finally making it tolerable for those consumers who dislike to shop for groceries (Smaros & Holmstrom, 2000). For Indian consumers, e-grocery platforms provide yet another advantage in-terms of Cash on Delivery. Indian e-grocery retailers offer several unique services along with Cash on Delivery, such as every day delivery of fresh products such as milk, fruits and vegetables early in the morning, no question asked instant refund in case of damaged goods, fast customer service and live chat with customer support (Kumar & Chandra, 2018).

With all the benefits and services provided by e-grocery retailers, there are several critical factors affecting the consumer choice of e-grocery retailer. The factors affecting consumer decision making include, first, ordering interface and product information (Boyer & Hult, 2006); second, range of product (Anckar et al., 2002); third, delivery options (Wang et al., 2016) and finally advertisement and promotions with relation to its services offered (Breugelmans & Campo, 2016). According to Tanskanen et al., (2002) it is critical to have a user friendly, easy to use and a well designed online shopping mobile application and website. The consumers should be able to find the product variety and information supported by accurate pictorial description and customer review. Consumers also expect to have easy checkout and

payment system (Khan et al., 2017). Zott et al., (2000) states that it is important to have SKUs (stock keeping units) that are similar if not more than the SKUs of physical retail store. Fresh and non-packed products presents a unique challenge for both the retailer as well as the consumer as most consumers prefer to visually and physically check the fresh products before purchasing, which is logistically not possible in case of online grocery delivery (Colla & Lapoule, 2012). It creates a major delivery and logistical issues for retailers' as they have to deliver products to the customer's doorstep. Retailers also need to design subscription models, and its cost (Anu et al., 2012).

However, there is lacuna of research conducted to understand consumer's motivation for purchasing private label brands and segmentation of private label brand buyers on e-grocery site. The present study will focus on two key research questions, first, what are the types of private label brand buyers on e-grocery sites based on consumer reaction towards private label brands and second, in which situations are consumer's willingness-to-purchase private label brands on e-grocery site?

METHODOLOGY

The research questions focus on type of private label buyers based on consumer reaction towards private label brands on e-grocery site and situations where consumers show their willingness-to-purchase private label brands on e-grocery site. Therefore, it was decided to undertake a qualitative, interpretive approach to develop a framework that represents various types of buyers and situations motivating consumers to purchase private label brands on e-grocery site. Qualitative research concentrates on formulating guideline and exploring answers, however not on hypothesis testing (Mason, 2002). The present research approach has been inspired by grounded theory and is inductive in nature. Through empirical study data is collected and through data analysis theory has been developed (Strauss & Corbin, 1990). For the purpose of the present study, in-depth interviews were conducted with those consumers who have ordered their grocery from e-grocery platforms, either through mobile applications or through e-grocery website. According to Creswell, (2002) exploratory interviews help in developing theory and concepts. Along with in-depth interviews with e-grocery shoppers, Netnograhpy was conducted and customer feedback, reviews and social media posts were analyzed. Transcripts of in-depth interview and data from customer feedback and social media posts were analyzed using thematic analysis (Owen, 1984).

234

DATA COLLECTION

In-Depth Interviews and Projective Technique

For the purpose of this paper it was decided to first conduct in-depth interviews with e-grocery shoppers. Those consumers who have placed an order on any of the e-grocery mobile application or website in the last one year were considered for interviews. In-depth interviews primarily helped in answering the research question on the situations and reasons for e-grocery shoppers' willingness-to-purchase private label brands offered by e-grocery site. A semi-structured in-depth interview guideline was designed for conducting interviews with e-grocery shoppers. A total of 20 in-depth interviews were conducted by the authors.

Netnography

Netnograhpy was the second method employed by the authors for the study. Netnograhpy is ethnography on the internet, conducted to study communities and cultures through their digital communications (Kozinets et al., (2017). Netnography is an extension of ethnography, and according to Kozinets (2002), "Netnography or ethnography on the internet is a new qualitative research methodology that adapts ethnographic research techniques to study the cultures and communities that are emerging through computer media communications." In the present study, data was collected utilizing netnography over a 14 month period of immersions and 4 months of data collection by the authors. In order to conduct netnography three major e-grocery apps and their private label brands were taken into consideration (Table 1). The authors analyzed the consumer reviews of private label brands of the e-grocery site and also analyzed the comments on the social media page of major e-grocery sites such as Grofers, Big Basket and Amazon Pantry. Subsequently the data was analyzed using thematic analysis. Through netnography the authors were able to answer the research question on type of private label brand buyers on e-grocery sites. A total of 31000 private label brand product reviews and social media posts & comments were analyzed. Table 1 represents the three leading e-grocery retailers and their private label brands in India considered for netnography.

Thematic Analysis

In-depth interviews were transcribed and then analyzed using thematic analysis. For Netnography the social media posts and customer reviews were first mined, and analyzed using thematic analysis. Thematic analysis of both the In-depth interviews and Netnography were done separately. Owen (1984) defines themes

Table 1. Leading e-Grocery retailers and their private labels in India

E-Grocery Retailer	Private Label Brands
Big Basket	BB Royal, Fresho, HappyChef Gourmet, BB Organic, Tasties, Fresho Signature, BB Popular, Lindberg
Amazon Pantry	Vedaka, Solimo, Presto,
Grofers	Grofers Mother's Choice, Grofers Happy Day, Grofers Happy Home

as, "a limited range of interpretations that are used to conceptualize and constitute certain phenomena and allow sense-making at different rates and in various forms fitting specific current concern of the participants." Contrary of it, Holloway (1997) defines themes as, "a cluster of linked categories conveying similar meanings and forming a unit." Thematic analysis provides a systematic approach to identify patterns and reoccurring themes within qualitative data (Boyatzis, 1998). Boyatzis, (1998) discusses three methods for applying thematic analysis. The first is theory-driven approach which is deductive in nature; the second is prior-research-driven approach which is also deductive in nature; and lastly data-driven approach which is inductive in nature. The present study has used an inductive data-driven approach. The present study has followed thematic analysis steps as suggested by Braun & Clark (2006). According to Braun & Clark (2006), there are a total of six major steps for conducting thematic analysis: first is to become familiar with the data, second is to generate initial codes, third is to identify themes, fourth is to review themes, fifth is to defining and naming themes, and finally sixth is to produce the report.

FINDINGS

Data collection conducted through in-depth interviews and netnography was then analyzed using Thematic Analysis. For conducting data analysis the authors have used NVIVO 12. The study found eight types of e-grocery private label brand buyers. The types of e-grocery private label brand users are namely, Brand Devotees, Brand Loyalist, Brand Families, Brand Antagonist, Brand Advocates, Brand Storytellers, Brand Hypocrites and Offer Seekers. The study also found seven purchase situations due to which the e-grocery shoppers showed their willingness-to-purchase e-grocery retailer's private label brands. The purchase situations are, Private Label Brand Packaging, Absence of Substitute, Product Uniqueness, Trust on E-retailer, Private Label Brand Popularity, Product Range, and Product Bundling.

236

Type of Private Label Brand Users on E-Grocery Site

Classification or types of private label brand users on e-grocery sites are categorized in eight formats. Table 2 summaries the eight types of private label users.

Brand Devotees

The brand devotees are largely loyal towards corporate brand of the retailer rather than retailer's private label brand and therefore they appreciate any and all products owned and sold by that particular retailer. This type of users were not concerned about the origin of the brand, so whether the brand they purchase was a national brand or a private label brand made little difference to them. They had faith and trust in the corporate brand and therefore trusted that all the products sold will be according to their expectations. A consumer on a social media page wrote, "All the products of Big Basket is of great quality and I have never had any bad experience with any product that I have ordered, whether I was familiar to that brand or not, and so I believe I can buy anything on Big Basket without worry."

Table 2. Types of private label users

Classification	Meaning
1. Brand Devotees	Loyal towards corporate brand. Trust in all the brands sold by the retailer, both national and private label
2. Brand Loyalist	Loyal towards private label brands. Believes that all the products sold under the private label brands are as per their expectations
3. Brand Families	Well-wishers private label brand, even if they critic the brand, the intention behind it will be for the good of the brand
4. Brand Antagonist	They will try to push negativity towards the private label brand
5. Brand Advocates	Hard-core brand loyalist, whether they are product consumers or not, the brand advocate will always speak in favor of the private label brand
6. Brand Storytellers	Will shared their entire story and experience with the brand so that the others could relate to it
7. Brand Hypocrites	These type of consumers are even not the users of the brand, they just make a judgement either good or bad, about the private label brand on the basis of some little information given by someone else
8. Offer Seekers	They are not loyal to national or private label brand. Price is most important to them, and so will choose the brand that gives best offer

Brand Loyalist

These types of users are highly satisfied with the private label and post a review parsing the brand without anyone asking for it and without any self-interest. A consumer in their review wrote, "Love all the products of Vedaka". The consumers were not just loyal to a particular product category but due to a positive and satisfactory past experience with the private label brand, they were also willing to purchase and experiment with other product categories under the private label brand. A consumer wrote in their review, "They have pure and organic original hygienic products of their private brand too and so I buy it regularly." Consumer also showcased their loyalty towards private label brand by comparing it with the products available in the physical retail store. An Amazon Pantry private label consumer wrote in their review, "Amazon Vedaka product and quality are very nice. Vedaka all product are awesome. Never ever got this type of quality in local market. Vedaka is rocking."

Brand Families

These users are the well-wishers for the brand, even if they critic the brand, the intention behind it will be for the good of the brand. They will try to correct the brand and give an honest opinion. A particular consumer wrote in their review, "Products are very good. But we need more of grocery items in amazon pantry. The packed quantity should be of 1 kg or 2 kg, so that people can try it for the first time. The packaging was superb." In the similar context another consumer wrote, "Every product in Amazon Pantry store is genuine and good quality, but still they should offer in small sizes."

Brand Antagonist

No matter about what, the feature or the experience, these types of users will try to push negativity towards the brand and also influences others to do the same. A consumer wrote in their review, "Average quality tool dal, but not obnoxious. Definitely expect much better than this from an Amazon private label. It is just convenience or urgency that drives me to buy this, or to get the pantry parcel filled." Consumer also advised other consumers not to purchase a particular product by sharing their own highly dissatisfactory experience. The consumers not only warned against a particular product but went as far was saying not to purchase any of the other private label products too. A consumer wrote in their review, "The product smelled horrible. Chemical type foul odor. The smell does not go away even after repeated washing, and cooking. I wish to return it but since I had thrown away the packaging, I could not do so. Never order non-branded products."

238

Brand Advocates

Brand Advocates are the hard-core brand loyalist, whether they are the product consumers or not, the brand advocate will always speak in favor of the brand and will also promote it. A consumer wrote in their review, "Vedaka brand is very good. All their products maintain a very good standard but their toor daal is at the top of the charts." Consumer also highly recommended the private label brands that they had used and have experienced highly satisfactory results from it. A consumer wrote in their review, "The quality is good and I can easily recommend it. I have tried all their private branded products and they have proved to be good thus far." Several consumers went as far as defending the private label brand, and have argued with another reviewer who has written negative about the private label brand, at times reacting even before the retailer has a chance to respond to the review. A consumer wrote, "Amazon pantry is yet another innovative creation of amazon to meet our daily needs and essentials, and products under Amazon Pantry ar cheap in price yet awesome in quality. The products of Vedaka is really amazing in quality, I have never had any bad experience and I have been purchasing it from a long time. If you had any issue, instead of complaining in your review just write to customer support and they will exchange the damaged product."

Brand Storyteller

These types of consumers shared their entire story and experience with the brand so that the others could relate to it and understand the context of their review. A particular consumer wrote in their review, "We Indians usually prefer purchasing our Dal's and daily groceries from the local chakki or trusted brands like mangat ram when it comes to packaged purchasing and I too fall in the above category but lately I saw that the local market price of arhar dal is Rs. 90 per kg and packaged ones is Rs. 100-110 and Amazon's Vedaka brand is at a price of approximately Rs. 67 per kg. So I just tried it and I am purchasing these Dals regularly from the past 3 months. They come well packaged, at a super low price with amazingly good quality. The end result which is the main of taste is also hands down good. Why buy from outside when one is getting home delivered at a lower price."

Brand Hypocrites

These types of consumers are even not the users of the brand, they just make a judgement either good or bad, about the brand on the basis of some little information given by someone else. One particular consumer wrote a review, "I have never used this product as after reading the bad review I never ordered it." Several consumers

239

based on their perception about a private label brand and prior experience with private label brand of other retailers make a judgement call even before trying a particular product. A consumer in their review wrote, "The products seem to be of ok-ok quality. I hope they are able to maintain it. Most of the stuff in this brand does not look to be of my standards, but packaging wise and cleanliness wise it seems good but quality wise I doubt if they are of best quality." Consumers are at times not even a direct user of the brand, they have interacted with the brand on behalf of someone else. They write reviews such as, "bought the product for my mother and she said they are of good quality, but I have my doubts about it."

Offer Seekers

At the time of launch, Amazon pantry offered its private label brand under a special launch offer and charged only Re. 1, whereas the market price of the same product is somewhere between Rs. 80 to Rs. 120. This encouraged consumers to order the private label brand as they did not have any monetary risk for purchasing the product, and only had a risk of trial, which given the brand name of Amazon itself, they were willing to take. A respondent in this context wrote in their review, "One should try this brand because it has really good quality. I bought toor dal for Rs. 1/- during super value day just to try it and it turned out to be of good quality. And moong dal is also really good in quality and taste." The offer seekers are those type of consumers who will try the private label brands only when there is some major offer and discount on it, and as soon as the offer expires they shift back to purchasing national brand. A consumer wrote in their review, "Competitive price compared to what many nearby businesses charge here in Bangalore, which is even better with cashback offers. But if the offer is not there then there is not much price difference, in that case it is better to buy popular brand rather than some non-branded product." Certain consumers compare the private label brand with national brand, other private label brands and with the e-grocery's private label brand, according to their prior interaction with the brand. A particular consumer wrote, "I bought it for Rs. 26 previously, but now its Rs. 35, quality is good but the price is increasing rapidly." Yet another respondent in the same context wrote, "Previous month bought at Rs. 28 for average quality, but now the price has increased at Rs. 34, not worth it, so will go to a near-by store and buy at market price of just Rs. 23 for same quality."

Private Label Brand Purchase Situations

Situations or conditions due to which an online grocery consumer shows willingness to purchase private label brand are categorized in seven categories. Table 3 summaries the seven situations for purchase of private label brands.

240

Table 3. Purchase situation of private label users

Situations	Meaning
1 Private Label Brand Packaging	Willing-to-purchase private label brands of smaller size packages
2. Absence of Substitute	Willing-to-purchase private label brands when no other option or choice is available on the e-grocery site for the product they need to buy
3. Product Uniqueness	Willing-to-buy private label brands, when presented with unique products that is not available in any national brand
4. Trust on E-retailer	Willingness-to-purchase private label brand of those e-retailers whose services they had used and trust.
5. Private Label Brand Popularity	Private label brands that have been in the market for a long time and gained popularity
6. Product Range	Willing-to-purchase private label brands when exposed to a wide variety of product range and assortment
7. Product Bundling	Private label brands on e-grocery site have cross selling offers such as buy a particular product and get another product in a different category at 50% to 75% discount.

Private Label Brand Packaging

Consumers were willing-to-purchase private label brands when they were presented with the option of small size packages than regular, as both monetary and psychological risk reduces if they are able to experiment with small size packs. They also mentioned that if their experience with the trial pack is positive then they are willing to re-purchase the product. A female respondent said, "I am willing to purchase private label brands, so if certain products are available in small packages then I might try and see how it is, so that I can purchase if I liked the trial." In the same context another e-grocery shopper mentioned, "In private label brands they usually have only 1 kg or 500 grams quantity pack, and they need to have smaller packs otherwise I do not want to buy a 1 kg item to only see it going to waste." Consumers were particularly open to try smaller packs when they were priced lower than the national brands. A consumer in this context mentioned, "With private label brands if smaller packs whose price is lower than that of national brand, then I am willing to experiment." The quality, design, aesthetic and appearance of the private label brand packaging also played a crucial role in whether a consumer was willing to buy a private label brand or not. A respondent mentioned, "Packaging of private label brand is usually very bad, that plays a role in creating trust, if I see a transparent shabby looking product, I'll be reluctant to buy it, because I don't know what I'll get inside, all I think is if the outside looks so bad, who knows what will be inside the pack."

Absence of Substitute

Respondents in their interviews mentioned that they purchase private label brand especially when there is no other option or choice available on the e-grocery site that they are ordering their grocery from. In this context a particular respondent mentioned that, "If I have no choice and its urgent then I'll buy that private label brands as it's convenient to just get the delivery at your door step." They also mentioned that if a product is not available in national brand but is only available on the private label brand then they will purchase the private label brand from that e-grocery retailer, instead of trying to find it on other e-grocery retailer sites, as delivery is free only after the cart size reaches a particular amount. A respondent mentioned that, "I'll purchase private label brand if I have no other option available, and not go to other e-retailer as there have to be a minimum shopping cart amount for free delivery, also I'll not be always available for accepting multiple deliveries at home, so I'll not order from multiple sites."

Product Uniqueness

Consumers are willing to buy private label brands, when they are presented with unique products that are otherwise not available in any national brand. A respondent mentioned, "I buy private label brand when I see any unique product offered by private label brand, which is not found in national brand, I come across while browsing the e-grocery app." Yet another consumer in the same context mentioned that they tried a product available in private label brand in an Indian flavor, as the product category was otherwise not available in Indian flavor. A respondent mentioned, "I either purchase unique and new products or buy generic products like dals of e-grocery retailers private label brand. E.g. I tried big basket sandwich spread, because they had a very unique Indian flavor spread, which you don't get otherwise." In the same context another respondent mentioned, "They have unique stuff like gluten free salted caramel bar which is very good, and I couldn't find it in any other brands."

Trust on e-retailer

Consumers showed willingness-to- purchase private label brand of those e-retailers whose services they had used and whom they trusted. A respondent mentioned, "I am so much habitual of buying things from e-retailer that I trust them completely and so I know I can trust their own brand also." Consumer experience with other private label brand and their overall trust on private label brand also play a crucial role in whether they are willing to purchase it or not. A respondent mentioned, "Prior

242

experience with private label brand is important, till now I have purchased private brands many times and have never had any bad experiences. More over there are only minor quality difference, which I am sure is not even noticeable by most, so it really does not matter." Authenticity of the product was also found to be crucial in creating trust for the private label brands. A respondent mentioned, "If I think the brand is authentic, I'll buy it, even if it's a new brand or a retailer's brand. It does not matter to me, but it has to be genuine and authentic."

Private Label Brand Popularity

Private label brands that have been in the market for a long time have gained some popularity through product trial, repeat usage and word of mouth. Consumers who have either tried a private label brand previously or are familiar with it through other sources such as advertisements, family and peer are likely to trust private label brand and purchase it for their usage. A respondent in their interview mentioned, "Bb owned brands BB Royal and BB Popular are widely used and people know about it and so I have also started to trust it."

Product Range

Consumers were willing to purchase private label brand when they were exposed to a wide variety of product range and assortment under the private label brand portfolio. According to consumers, a wide variety of products meant that the private label knew what they were doing and that if there are so many products than it must be worth buying. As per a respondent, "First I was reluctant to buy BB brands, but then I saw it in many product categories and so I thought if they have so many products then it must of some value and would not be a complete waste, so I just purchased it out of curiosity, and it turned out to be a good experience."

Product Bundling

Private label brands on e-grocery site have cross selling offers such as buy a particular product and get another product in a different category at 50% to 75% discount. Such product bundling was a lucrative offer for consumers. Consumers showed there willingness-to-purchase private label brands especially in categories such as poultry, bakery items, jams, and fresh produce, when presented with such product bundling offers. In this context a respondent mentioned, "BB has several offers of buying e.g. buy a jam, which is either a retailers brand or a popular national brand, and with it you can order a BB bread at 50% discount, so I tend to buy it because as it is I was going to need bread." Product bundling within the same product category

243

also impacted consumer willingness to buy of private label brand. A respondent mentioned, "I have purchased big basket's own products when they have super discounts or buy one get one offer, e.g. I buy BB tissue papers which they mostly have in 1 + 1 offer."

CONCLUSION AND DISCUSSION

Globally, number of SKUs under the umbrella of private label brands is increasing at an exponential rate. In the context of e-grocery, the consumer who order their everyday groceries from online retailers are not only familiar with private label brands but also trust its product quality. It is a crucial time for online retailers to specifically aim at their target users. The study found eight types of e-grocery private label brand buyers. The types of e-grocery private label brand users are namely, Brand Devotees, Brand Loyalist, Brand Families, Brand Antagonist, Brand Advocates, Brand Storytellers, Brand Hypocrites and Offer Seekers. The study also found seven purchase situations due to which the e-grocery shoppers showed their willingness-to-purchase e-grocery retailer's private label brands. The purchase situations are, Private Label Brand Packaging, Absence of Substitute, Product Uniqueness, Trust on E-retailer, Private Label Brand Popularity, Product Range, and Product Bundling.

Zott et al., (2000) mentions that it is important to have a variety of merchandize and SKUs (stock keeping units) which are similar if not more to the physical retail store. The present study also found that consumers were particularly willing to buy private label brands of e-grocery retailer when they observed a wide product range and variety of retailer's private label brand. While prior literature mentioned that consumers of private label brands are considered as highly price sensitive (Bellizzi et al., 1981) and deal-prone (Rao, 1969), value seeker and brand loyal (Burger & Schott, 1972). The same found to be consistent with the findings of the present study. While consumers mentioned that they found little difference in the quality of private label brands and national brands, they also showed a great level of willingness to purchase a private label brand when they were given offers and discounts on private label brands. It was also found in the present study that those consumers who tried private label brands were largely satisfied with their experience and showed their willingness to repurchase the private label brands that they had previously purchased and also try other products of private label brand.

According to Del Vecchio, (2001), retailers could make private label brands more viable primarily by reducing the price and improving the quality. The present study found that according to consumers there was little difference between the price of national brand and private label brands on e-grocery sites, except for those situations where e-grocery retailer gave mega offers and discounts. However, it

244

is crucial to notice the consumers largely became unaffected by minor change in price, especially then they found no alternative substitute to the product in terms of any national brand.

The present study has two key implications. First, the findings of the study adds to the current knowledge on private label brands in e-grocery retail with regards to types of e-grocery private label brand buyers and purchase situations when a consumer is willing to buy a private label brand while shopping on a e-grocery platform. Second, the findings have major implications for e-grocery retailers as classification of e-grocery private label buyers help them in focusing on the characteristics of each type of buyer and designing specific solutions to meet their demands, such that the unsatisfied customer can be converted into a satisfied customer and the satisfied customer could be continued to serve according to their expectations. Also the private label brand purchase situations, gives the retailers an insight into the minds of the e-grocery shopper and would help in creating specific situations where the consumers could be further pushed in the direction of private label brand purchase.

The findings of the study will help in evaluating circumstances under which the consumers are willing to buy private label brands. Private label brand buyers have high expectations especially in terms of discounts, bundling and packaging. This means that online retailers will have to design product packaging at par with national brands, provide attractive offers and discounts which could be successfully done through cross-bundling of products from different product categories that complement each other. Private label brand has largely limited itself to replication of product type and quality from popular national brands. However, the findings of the present study suggests that consumers also expect private label brands to introduce innovative and new products which are not available in national brands. Wide product range and popularity of the private label products is most important for the consumers. Therefore, in order to create long term sustainable trust, online retailers will have to provide a wide range of product that is accepted and used by larger mass of consumers to gain positive word of mouth.

The findings of the study will also help online retailers in better categorization and segmentation of private label brand users. There are several unique types of consumers of private label brand and each have its own perspective and opinion about the private label brands. While brand loyalist, brand families and brand advocates are highly loyal towards private label brands, it is crucial to maintain their trust by constantly satisfying their expectations so that they do not get converted from users to non-users. Brand antagonist on the other hand are most difficult to convert, as they are not just non-users but also those that promote negative word of mouth without trial. Such consumers can be provided with free samples and bundle offers in order to convert them to users so that they can provide their perspective post-trial rather than on mere perception of private label brands in general. Offer seekers as

245

a segment are a high risk consumers, as they are willing-to-purchase private label brands only when presented with attractive offers, however they will not remain loyal if a competing national brand give better offer. To maintain repeat purchase from such customers the retailer can provide bundling offers along with cash back offers at the time of checkout.

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250

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KEY TERMS AND DEFINITIONS

E-Grocery Retail: E-grocery is a business to consumer e-commerce for the primary purpose of selling groceries online. It concentrates on customer value, shopping convenience, quick door step delivery.

E-Shoppers: E-shoppers are those consumers that order their groceries online, to be delivered at home.

In-Depth Interviews: In-depth interviews are unstructured or semi-structured intensive individual interviews to explore their perspective on a particular idea, program, or situation.

National Brands: National brand is brand of a product owned by a producer or distributor. A national brand is distributed through several retailers, are widely advertised and branded.

Netnography: Netnography is ethnography on the internet, conducted to study communities and cultures through their digital communities.

Private Label Brands: Private label brands are brands created, manufactured, sold and branded by a grocery retailer.

Willingness-to-Order: Willingness-to-order is likelihood of a consumer seeking out and ordering groceries through online retailer.

Chapter 12
The Impact of Private Label Brand Personality Perception on Consumers' Buying Intentions

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ABSTRACT

The aim of this research is to demonstrate the impact of private label brand personality perception on consumers' buying intentions. For that reason, it has been made in order to reveal which type of brand personality dimension is more effective on purchasing of private label product. For this purpose, the research has been carried out between October 2018 and January 2019 in Istanbul and 516 respondents have been interviewed by using convenience sampling method. In this context, it is concluded that there is no statistically significant difference was found between perceived brand sincerity, perceived brand excitement and buying intention of private label product. On the other hand, it has been found that there is a statistically significant relationship with perceived brand competence, perceived brand sophistication, and perceived brand ruggedness and buying intention of private label product.

INTRODUCTION

Nowadays, experienced changes and developments have affected all sectors as well as the retail sector. In time, small grocery stores have turned into supermarkets and hypermarkets. With the impact of globalization, many foreign-owned companies also have become active in the local retail sector. This situation has further increased the competition in the sector. Local firms in the retail sector struggling against both national companies and global scale companies. Therefore, this situation has increased the competitive environment of the sector and competitive pressure on firms.

In addition, there have been some changes in the expectations, needs, and wishes of consumers towards products and services. Especially, this change has accelerated after the industrial revolution. Today, in the face of these changes, manufacturers of products and services face a variety of challenges in responding to the rapidly changing expectations, demands and needs of consumers and have had to enter into different quests. Due to the increasing competition conditions, companies have had to develop different strategies in both national and international markets in order to provide the competitive advantage in the retail sector, to maintain their assets and to increase their market share (Albayrak,2006). One of the strategies developed by the producers in response to the changing expectations, needs and demands of the consumers has been the private label branded product strategy.

The phenomenon of globalization, the development of technology and the spread of communication bring to reduce or eliminate the differences between private label products that meet similar needs. For this reason, the brand concept has become one of the most effective power for enterprises in order to achieve competitive advantage. In other words, businesses have had to bring their private label brands to the forefront in order to stimulate consumers' interest, desire and buying behaviors (Özgül, 2005). However, with the increasing number of brands, it is understood that the differentiation of the private label brands from only functional aspects is not enough. For this reason, in addition to the utilitarian functions of private label brands, marketing practitioners have also added a symbolic value to their private label brands. Therefore, differentiation and positioning strategies are now structured based on symbols, emotions or other meanings. This situation has led to the identification and differentiation of the private label brands by the consumers.

While brand represents product or service, it also provides information about the business through the eyes of the consumer. In addition to this, the brand reflects a certain personality and image about the product and the company. It is understood that the brand should have a meaning that is unique, the only choice for target consumers (Türkmendağ, 2015). For this reason, it has been important to be the only brand with the widest field in the product group. The brand personality that consumers perceive as brand oriented is an important competitive tool that businesses

255

use to differentiate from other businesses and brands in the market. The brand personality also reflects the functional and physical characteristics of the product or service to the consumer. Nowadays, even when creating a new brand, the brand personality of the brand has started to be given special importance. Consumers link their own personality with the brand personality that they perceive for products or services. They try to portray themselves to the outside world by using the products or services of the brands that have the brand personality they see close to them. In this respect, the satisfaction or dissatisfaction that the person perceives because of consuming the product or service of the brand with which he has an emotional connection with the brand personality becomes stronger (Çetin, 2009). In line with this information, companies make a great effort to be the only brand that comes to mind in the purchasing decisions of consumers. One of the factors that will make a difference at this point is to load personality traits into brands like people.

Brand personality is very important in marketing activities both in terms of businesses and customer preferences. The importance of the concept is increasing especially in the retail sector. One of the most important types of retail is supermarket chains. Customers' interest in supermarket chains shows that investments in this area have further increased. At the same location, there are even five minutes away from the side where supermarket chains are built. Although they are so close, they can still be demanded because the brand personalities perceived by the customers are different. Identifying the attitudes of the consumers towards the private label products that are becoming increasingly important for the retailer and the consumers and to determine the purchasing behavior of consumers for private label products correctly have loomed large in terms of marketing strategies developed by retailers for the future.

This study, which aims to determine the impact of private label brand personality perception on consumers' buying intentions, has been made in order to reveal which type of brand personality is more effective on purchasing. For this purpose, the research has been carried out between October 2018 and January 2019 in Istanbul and 516 respondents have been interviewed by using convenience sampling method. In addition, private label brand products of a supermarket in Turkey was chosen as the subject of the study. When the relevant literature is examined; it has been determined that many studies related to both private label products and branding personality have been done. However, it couldn't be found any study encountered in which private label product and brand personality are examined together. This situation reveals the study original and important. In this study, a research model has been created in line with the aforementioned information and the factors that constitute the brand personality have been examined one by one. Then, the effects of these factors on buying intentions have been analyzed. It is thought that the results of the research will contribute both to the literature and the application.

256

BACKGROUND

Brand Personality

Brand personality characteristics relate to both human characteristics that are directly associated with a brand or people, and indirectly related to the product, such as the brand name, logo, type of communication, price, and distribution (Rathnayake, 2008). Brand personality is evaluated with different perspectives. The first is the evaluation made from the advertisers' point of view. According to this; brand personality is an important element of brand identity. The second is the evaluation made from the consumers' point of view. According to this, brand personality is seen as the components of brand image such as attitudes of mind and consumers' perceptions. Consumers evaluate the brand personality with the experience they get from the brand and what they feel themselves with the brand. The third assessment is related to the brand managers' point of view. According to this, brand personality is assessed within brand and product strategies or brand identity (Smit et al., 2003).

Brand personality has symbolic, functional and emotional benefits (Çetin, 2009). The symbolic aspect of brand personality refers to move the human-specific attributes such as; young, contemporary, intellectual, conservative, elderly to brands. In this context, while the product serves a utilitarian function for consumers, the personality has a symbolic function. Through the symbolic benefits that brands provide to people, people can express various situations about themselves (like emotions, positions). Consumers spend time and effort for a brand, almost as if they had chosen a friend. In this case, consumers personalize the brands. When looking at the symbolic values of the brand, they look for brands that are clearly personalized, and eventually select the brands that fit their current and desired selves. On the other hand, functional benefit is the auxiliary, utilitarian or physical properties of a product. These values are the concrete properties of a product. This function has features such as protection, problem solving and a concrete situation. The last benefit is the emotional benefit, which is a product's ability to stimulate emotions and influence the person's mood. Brands based on emotional closeness communicate with the customer through personality traits such as excitement, fun, enthusiasm, friendship and passion. The success of such brands is obvious. They are designed to make us feel better. If emotions are used as emotional benefits, the strategic use of emotions can be mentioned here. What is happening here is to direct the consumer to consumption with the emotion loaded on the brand (Türkmendağ, 2015).

With the contributions of various researchers, the concept of brand personality has been developed in the marketing literature since 1950s. In the 1950s, Gardner and Levy noted for the first time that the communication process between consumers and brands should be scientifically examined and explained (Gardner & Levy, 1955).

Then, Levy's work was published in 1959. According to Levy (1959), the products are symbolic and, therefore, they are sold for not only to meet people's needs, but also for the symbolic and cultural meanings they carry. In the study conducted by Kassarjian (1971), it was stated that the first examples of brand personality scales were taken from human personality psychology and the structural validity of these scales, which were developed only by simple adaptation techniques, were probably not high. The idea of developing personality for the comparison of a number of enterprises was first put forward by Markham (1972). In the study by Plummer (1984), it is revealed that the brand personality is not only formed by the elements determined by the company, but also by the consumers' perceptions of that brand and it is claimed that the formation process of the brand personality is bidirectional. According to Plummer (1984), brand personality acts as a very important tool to differentiate the brand and to announce the brand to international markets.

Aaker has formed the theoretical framework of brand personality by defining five main dimensions (Nilsson et al., 1999). The brand personality scale consisting of 42 reliable and valid items has enabled the construction and measurement of the five brand dimensions. According to this, dimensions of the brand personality are sincerity, excitement, competence, sophistication and ruggedness. These five dimensions explain almost all of the observed differences between brands (Low and Lamb Jr, 2000). Azoulay & Kapferer (2003), in their conceptual study on the formation of brand personality, stated that brand personality actually constitutes a dimension of brand identity, Jennifer L. Aaker's brand personality definition is too large in terms of content and the scale used in the Aaker's research measures multiple dimensions of brand identity rather than brand personality.

Brand personality is very important in advertising and direct marketing sectors where psychological activities have a significant impact on profit creation (Magin et al., 2003). Kim et al., (2001) showed that the brand personality has a direct positive impact on word of mouth advertising and has an indirect effect on brand loyalty (Kim et al., 2001). Brand personality also has an impact on brand awareness, belief in brand, brand associations, relationship between brand and consumer, and brand belonging (Florence et al., 2011). The most important role of the brand personality plays in the final stage of the purchasing decision process. At this stage, brand personality makes the brand more advantageous than its competitors. When the premises and results of the brand personality concept are examined, it is seen that many variables are used in the literature. Marketing communication, the firm's image, the celebrities used in advertisements and the experiences of consumers come to the fore as the premises (Clemenz et al., 2012). Culture can also be considered as one of the pioneers of brand personality. In 2001, Aaker et al. compared USA, Spain and Japan in their study to reveal differences in brand personality between the three cultures. Five dimensions of brand personality again emerged in their study but there are some

258

differences in this scale. The dimensions of sincerity, excitement and sophistication were included in the brand personality of all three countries. On the other hand, new dimensions have emerged which are mastery, passion, exclusivity and peace. While the personality dimensions are grouped under a single heading in the Spain, these dimensions are divided into two headings as competence and ruggedness in the USA. According to their study, passion has emerged as a personality characteristic of the Spain. On the other hand, the peace dimension has come to the fore in the Japan. In the study, differences have also emerged in the sub-elements related to the common personality dimensions among the countries. For example, while the sophistication dimension of the brand personality scale applied to the US is defined by the upper class (charming, good looking, impressive) and attractive (feminine, gentle smooth) sub-elements, the sophistication dimension of the Spain-based brand personality scale consists of sub-elements of style (good-looking, impressive, fashion) and self-confidence (self-confident, leader, stubborn). In another study, Sung and Tinkham (2005) have compared America and Korea in order to examine the effect of factors arising from cultural characteristics in the structure of brand personality. They measured the differences between American and Korean cultures (niceness, fashionableness, competence, sophistication, traditionalism, ruggedness). and based on the values assigned to the dimensions, they have proved that American and Korean cultures have different brand personality values. In the study, which determined six dimensions compatible with both cultures, sweetness and superiority dimensions for Korea and white collar and suitability of both genders dimensions for America has been identified. They proposed the suitability of both genders as the case of the brand being metrosexual in cases where the brand cannot be defined as either male or female.

At the same time, brand personality is a concept that directs consumers' decisions in the purchasing process and produces many positive results. These results can be summarized as; positive consumer attitude, trust, relationship quality, preferences, satisfaction and commitment (Aaker et al., 2004; Clemenz et al., 2012). In addition, there are studies suggesting that the brand personality has an impact on the financial performance of the companies (Das, 2015). Considering the relationship between personality and purchasing behavior, it is possible to say that consumers prefer to buy brands that are more representative of their personalities. It is known that brand personality has a positive effect on product evaluations. At the same time, the brand personality concept contributes to the formation of high quality and strong brand relations (Freling & Forbes, 2005). Especially, it has been demonstrated that there is a very strong correlation between successful, fascinating, vivid and current personality characteristics and purchase intention (Boudreaux and Palmer 2007). Brand personality significantly affects consumers' emotions about brand. It has been also put forward that products with sincerity and excitement brand personality

259

have significant positive effects on consumers' emotions of warmth, excitement, security and social acceptance. At the same time, it is suggested that the dimensions of competence and sophistication brand personality create self-esteem, social acceptance and security feelings (Rathnayake, 2008).

Private Label Brand

Private label brands are referred to as brands of products that produced by manufacturers to be sold by intermediaries and offered for sale by means of intermediaries' own brand name. Here are expressed as intermediaries are wholesalers, sales agents or retailers. Distribution and promotion of private label products made by these intermediaries are generally considered cheaper than manufacturer brands (Bennet, 1988). There are different types of private label branded products in terms of their developmental stages and their position in the market. In the literature, it is possible to talk about four different types of private label brands in relation to development processes. These can be expressed as follows (Albayrak & Dölekoglu, 2006);

- *Anonymous Products*: These products, which can also be referred to as generic products, are products that haven't any name or branding, are located on the bottom of the shelves and sold at a relatively low price and consisting of basic foodstuffs that usually require low technology. Such products are produced by national but not specialized manufacturers. These products are usually monochrome and have a label with important explanations that are deemed necessary (Ehrnreich & Ackrill, 1998, cited in Özgül,2005).
- *Customer Branded Products*: They are products that have price advantage and located in a category of nameless products with national brand products. They have medium quality or image. Compared to anonymous products, such products are manufactured by manufacturers who have more advanced technology and are partly specialized in private brands. These products types are national branded. They are also used in large volume product lines. They are included as cheap products on shelves. Legumes and nuts are examples of such products. These special brand types, sometimes referred to as private label products in a number of studies, do not usually bear the name of the retailer (Özgül, 2005).
- *Private Label Products*: They are situated close to the price advantage to national brands and are located in the upper row on the shelves. Quality guarantee is equivalent to national brands. These products are manufactured by manufacturers specialized in the production of national and private label products. Promotional activities are being implemented intensively to create brand addiction and gain customer loyalty. Food (especially flour, milk and

milk products), cleaning and personal care-cosmetic products can be given as examples of this group. Due to bear the name of the retailer, more investments are made in the quality of the products in this group than in the other groups.

- *Premium Branded Products*: They are advanced version of private label products. These products have an image and have innovations in both technology and product lines. These are the products that can compete with national brands, are situated in the first row on the shelves and completed the brand formation. These products, which create a motivation for purchasing with better product characteristics, are produced by international and specialized manufacturers. The brand of this product group may be the same as the name of the store or may be different. Although it is able to compete with national branded products in terms of quality, the prices of these products are lower than those of national branded products.

In terms of the marketing strategies used, the development of private label products can be analyzed in two parts. While the first two generations consider the price as the sole competitive advantage in private label products, retailers have turned to different strategic objectives because of the drawbacks in application (inadequate profit margin, image problems). As a result, price competition is replaced by marketing strategies in line with the concept of brand development such as product and brand diversification, high quality image. As a result of this development, price and quality have increased. Chronologically, development of private label products in Turkey goes back to the 1950s when modern retailing began. Private label brand applications, which started in 1957 under the leadership of Migros, could not play an active role in the market for a long time due to the lack of a large-scale chain store format, lack of producer numbers and quality and lack of approach on private brands. Therefore, the use of private brands by large-scale retailers began after the second half of the 1990s in Turkey (Aksulu, 2000). Thus, the economic assets of private label products in Turkey and the effectiveness of this concept in the retail sector covers approximately 20 years.

Private label products offer many benefits for both retailers and consumers. When it is evaluated in terms of retailers, they tend to private label products as they think that private label brand can increase their store loyalty and can provide their shelf space control. Private label branded products provide retailers with competitive advantage (Batra & Sinha, 2000). Especially in recent years, there are many reasons why retailers prefer private label products. The most important of these is that the private label branded products for retailers are more profitable. Retailers are looking primarily at low-cost manufacturers to produce their products in order to present their products with their own name. In this case, retailers do not have to bear a high cost. In addition, the advertising and promotion costs of private label products are

not very high. Due to the all these costs are low, private label products can be sold at lower prices. Thus, retailers' profit margin from the sale of private label products is increasing (Kotler & Keller,2006). Retailers prefer to keep private label products on their shelves to differentiate themselves from their competitors. While retailers offer a low-price advantage, they do not ignore the quality factor in order not to damage their store image. Thus, the combination of high quality but low-price combination of private label products on shelves reinforces the advantage of retailers against their rivals. Another factor that has an impact on the importance of private label brands in terms of retailers is that private label brands increase the store loyalty. it is known that private label products have an effect of increasing the store loyalty due to the fact that they are sold only in name of the markets and not sold in other markets (Dick et al., 1997). The studies on this subject show that the consumer has a positive attitude towards the markets that bear the name of the product when he/she prefers the private label brands of certain markets for a particular product and is satisfied after the use of the product. However, in some other studies, confidence in the private label brand has been found to be unrelated in increasing the store loyalty.

From the point of view of consumers; Richardson et al. (1994) collected the factors affecting the preference of private label products in four groups. The first is the demographic variables, the second is individual differences factors, including the level of consumer confidence in the external characteristics and the level of tolerance to uncertainty, the third is the perception of consumer about product group including differences in quality perception and the level of risk and monetary value perception and the latter is the level of knowledge of the consumer about a particular product group. Sethuraman & Cole, (1997) found that there were significant variables between consumers paying more to private label brands and buying this kind of products. According to this, product group level factors such as quality perception, frequency of purchase, satisfaction of product consumption (hedonic products) and perceptual difference factors such as belief in price-quality relationship, bargaining tendency and recognition of private label brand effect to pay more the private label brands and to buy this kind of products. In another study, it was found that the consumer's level of price orientation, the necessity of having experience or research in determining the quality characteristics of the product, the importance given to the purchase and the quality difference factors were the determinant of the perceived risk at the level of the product group (Batra& Sinha, 2000).

One of the most important reasons for preferring private label products is the price advantage (Batra & Sinha, 2000). Burton et al. (1998) have revealed that consumers' price perceptions associated with their private label brand buying attitudes. Accordingly, price conscious and value conscious consumers are more inclined to buy private label products, while consumers who consider quality-price perceptions are less likely to buy private label products. Also, marketing responses

262

of consumers such as brand loyalty, risk avoidance and unplanned shopping activity and thirdly predisposition to general promotional activities were expressed as other factors affecting the attitudes of consumers to purchase private label products. According to the study, consumers' tendencies towards promotional efforts increase their tendency to buy private label products. Another issue that consumers take into consideration when buying private label products is the manufacturers of products. Today, who owns the brand for many products that are not much important for the consumer. Consumers are more interested in the product manufacturer. Consumers generally do not think retailers can also be producers of private label products. For this reason, consumers who prefer to use private label products, pay attention to the name of the manufacturer on the packaging. In addition, consumer attitudes towards private label products also affect the packaging of the product. When private label products are examined in general, it is seen that unexceptional packages are not used in order to minimize costs. Although this situation is an advantage for consumers because it reduces the cost of packaging, the packaging of private label products can create a disadvantage in terms of consumers' purchases because the consumer needs to be attracted to the product.

When the studies on the subject are examined, private branded products are mostly used for middle- and low-income level individuals or young students. Therefore, it is observed that consumers who are concerned about a specific status are afraid of using these products. In the research conducted in the Colonials stores in 1963, family shopping basket were examined in 35 product categories for 8 weeks. In the study, it was determined that there was a negative relationship between total family income level and purchasing behavior for private label branded products. The study also found that male consumers tend to purchase more private label branded products than female consumers. Frank and Boyd (1965) reported that consumers who have low-income level buy more private-label products. In the study, low income was associated with increased price trend (Shannon & Mandhachitara, 2005). Burger & Schott (1972) found that consumers who purchase private label branded products are more sensitive to prices and less satisfied than existing brands and are reluctant to spend more time shopping. Burton et al. (1998) were found that the participants with higher education level purchased more private label products than other participants.

Psychographic characteristics of consumers are also used in determining the characters of consumers using private label products. The psychographic profiles of the consumers are formed within a very wide area. Therefore, researchers working on the characteristics of private branded product users worked with very different psychographic variables. Ailawadi et al. (2001) have developed a possible scale based on these many variables in their study. According to the researchers, psychographic

features of consumers who buy private label products are similar to those who buy promotional products. They therefore claimed that the features used in the tendency to purchase promotional products could be used to estimate the tendency to purchase a private label product.

There is a positive relationship between the purchase of private brand products and those seeking diversity. Diversity seekers usually make their purchase decisions from different brands depending on the alternatives offered to them in the store. If the private label products make the best choice, they can buy from private label products without hesitation. Diversity seekers are consumers who are also sensitive to price. Burton et al. (1998) reported that there is a negative relationship between unplanned buying behavior and private-label product buying behavior. Although it is stated that the purchase behavior of private-brand product is unplanned, attitudes towards these brands are generally not unplanned (Martinez & Montaner, 2008). Buying private label products also includes social risk for consumers. Therefore, directing consumers to buy private label products has a deterrent effect for consumers who do not want to carry a risk. This situation indicates the existence of a negative relationship between social risks with private label products (Martinez & Montaner, 2008)

Regarding the related literature, although there are many studies about brand value, it is seen that there are a smaller number of studies related to private label brand value. Swoboda et al., (2016); examined the effects of the perceived retail properties on the private label brand value and the effects of the private label brand value on the causal commitment. Data were collected from 2112 consumers in this study that conducted in four different retail sectors. As a result of the study, it was found that the importance of the characteristics of the private label brand value varied from sector to sector, however a stable and strong link was found between the private label brand value and the consumer engagement. Allaway et al., (2011) measure the brand value in the supermarket sector and aim to identify the strategic factors associated with the brand value levels of the supermarkets where consumers are regulated. For this purpose, the brand value levels of 22 national, regional and featured supermarket brands were calculated by surveys conducted for consumers. As a result of the findings of the study, it is revealed that the majority of consumers have strong feelings about the supermarkets where they consistently went. In addition, the level of service, product quality and product diversity has emerged as the basic requirements that must be in order to achieve a high level of brand value. Finally, it has found that supermarket brands that officially implement loyalty programs have a low-level brand value. Beristain & Zorrilla (2011) have proposed two theoretical models that show that the store image affects the private label brand value. The

264

basis of the analysis used in their work is both to define the brand value through its components, using the model of Aaker (1991), and to include the institutional components (including social and strategic dimensions) in the calculation of the store image. The results show that the store image can be used by retailers to influence all dimensions of private label brand value. Calvo-Porral et al. (2013) have aimed to analyze the variables that have impact on the private label brand value from the point of view of consumers. In the study, 362 Spanish consumers were reached via online survey. The results show that the advertising image of the store has an impact on both the perceived quality of the private label brand and the awareness of the retail store. In addition to this, it has been found that private label brand recognition has an effect on private label brand value.

METHODOLOGY

With the objective to determine the impact of private label brand personality on consumers' buying intentions, a questionnaire method was used in this study. Since the original language of the questions was in English, the questions were translated into Turkish and re-adapted and then back translation was done. The total number of questions in the survey is 53 which consist of three parts. Demographic questions were asked to the participants in the first part. In the second part, questions were asked to reveal brand personality dimensions of private label products. For this, it was benefited from the scale developed by Jennifer L. Aaker (1997). The factors discussed in this scale are; sincerity, excitement, competence, sophistication and ruggedness. In the third part, questions were asked to measure the buying intentions of consumers for private label products. For this, it was benefited from items in the scales developed by Kuo et al. (2009) and Bian & Forsythe (2012). The answers in the questionnaire were classified with 5-point Likert scale (1: Strongly agree, 2: Agree, 3: Undecided, 4: Disagree and 5: Strongly disagree). 516 participants over the age of 18 who were residing in Istanbul were chosen as the sample of the research. In addition, convenience sampling method was chosen in the study.

The Research Model and Hypotheses

The main purpose of this study is to reveal which type of brand personality will be more effective on purchasing intention of the private label product. For this purpose, one of the most preferred retail chain stores in Turkey discussed. The model created for these purposes is given below.

The following hypotheses were taken into consideration as a result of the model created for the purposes of the research:

Figure 1. Research model
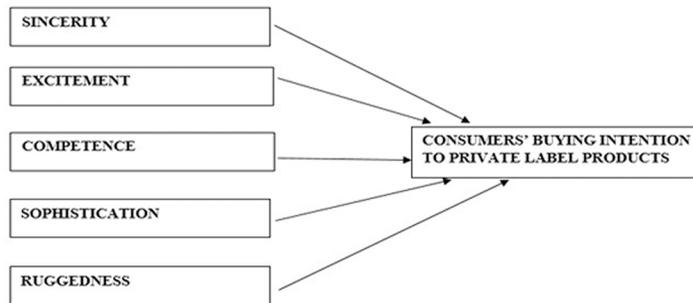
H1: Perceived brand sincerity positively affects the consumers' buying intention towards PL products.

H2: Perceived brand excitement positively affects the consumers' buying intention towards PL products.

H3: Perceived brand competence positively affects the consumers' buying intention towards PL products.

H4: Perceived brand sophistication positively affects the consumers' buying intention towards PL products.

H5: Perceived brand ruggedness positively affects the consumers' buying intention towards PL products.

Analysis of the Research Data

The "SPSS 16.0" package program was used for the analysis of the data obtained as a result of the research. Validity and reliability analysis, descriptive statistics, One Way Anova Test and multiple linear regression analysis were performed via this program.

Frequency Distributions of Demographic Variables

According to the results obtained by frequency analysis, the majority of the participants are 18-25 years old, male, single, a monthly income of between TL 2001 and TL 3000, and undergrate education. In addition, sometimes and often were found as the frequency value of the majority of the participants to buy products from the online site which is the subject of research. The results of frequency analysis are given in the table below.

266

Table 1. Descriptive statistics on demographic characteristics of the participants

Measure	Items	Frequency	%
Age	18-25	230	44,6
	26-30	140	27,1
	31-40	106	20,5
	>40	40	7,8
Gender	Female	240	46,5
	Male	276	53,5
Marital Status	Married	137	26,6
	Single	379	73,4
Monthly Income	<TL 1000	86	16,7
	TL 1000- TL 2000	101	19,6
	TL 2001- TL 3000	142	27,5
	TL 3001- TL 4000	100	19,4
	TL 4001- TL 5000	39	7,6
	>TL 5001	48	9,3
Education Level	High School and Below	20	3,9
	College	72	14,0
	Undergraduate	341	66,1
	Postgraduate	83	16,1

Reliability and Validity Analysis of the Scales

Firstly, internal consistency test was performed in order to find out whether the scales were reliable or not. Dimensions of private label products are sincerity, excitement, competence, sophistication and ruggedness in the study conducted by Aaker (1997). The reliability ratio of this scale was found as 0,890. In addition, the items about the buying tendency which are located in the two scales were used in order to measure the tendency of consumers to buy private label products. These items are developed by Kuo et al. (2009) and Bian & Forsythe (2012). The reliability rate of the scales was respectively found to be 0,950 and 0,952. As a result of internal consistency analysis, it can be said that the scale is reliable since the alpha coefficients of the factors constituting both scales are greater than 0.70 (Leech et al., 2005)

Then, explanatory factor analysis was performed in order to determine the variables that are high in the study as factors with high explanatory variables, to identify those who are unrelated or weak in the variables and finally to determine the prominent

ones in the variable. In the study conducted by Aaker (1997), the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value was 0,884 and the value of Bartlett's Test of Sphericity was <0,001. In the study conducted by Kuo et al. (2009), the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value was 0,768 and the value of Bartlett's Test of Sphericity was <0,001. Finally, in the study conducted by Bian & Forsythe (2012) the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value was 0,744 and the value of Bartlett's Test of Sphericity was <,001.

For the 42 items constituting a total of 5 factors on the Aaker's scale, it was determined that there were 5 components with eigenvalues over one, and the total contribution of these factors to the variance was 64,88%. On the other hand, the 3 items constituting a total of 1 factor on the Kuo et al.'s (2009) scale, it was determined that there was 1 component with eigenvalue over one, and the total contribution of this factor to the variance was 90,947%. Finally, the 4 items constituting a total of 1 factor on the Bian & Forsythe's (2012). scale, it was determined that there was 1 component with eigenvalue over one, and the total contribution of this factor to the variance was 87,675%. In all scales, the KMO value is higher than 0.60, indicating that the sample size is appropriate. In addition, a p value in the Bartlett Sphericity Test for both scales less than 0.05 indicates that the expressions on the scale are related to each other. The reliability and validity results of the factors included in the aforementioned studies are summarized in the table below.

After the reliability and validity analysis of the scales, multiple linear regression analysis was performed to test the hypotheses. The findings obtained from the analysis are given in the table three and four below.

Table 2. The reliability and the validity analysis of factors used

Factors	Cronbach's Alpha	Eigenvalue	Total Variance Explanation Rate
Sincerity	0,856	13,658	32,520
Excitement	0,838	7,305	17,393
Competence	0,891	2,794	6,653
Sophistication	0,947	1,856	4,419
Ruggedness	0,948	1,640	3,905
Kaiser-Meyer-Olkin Measure of Sampling Adequacy Bartlett's Test of Sphericity Approx. Chi-Square: df: sig.:	,884 1993.88 861 <,001		

Table 3. ANOVA test results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	527,241	5	105,448	331,058	<,001
	Residual	162,444	510	,319		
	Total	689,685	515			
a. Predictors: (Constant), RUGGEDNESS, COMPETENCE, EXCITEMENT, SINCERITY, SOPHISTICATION						
b. Dependent Variable: BUYINGINTENTION						

RESULTS AND RECOMMENDATIONS

In the next step, the results of the Anova test for each model were examined. As a result of the Anova test, the p value of the model was $p < 0.001$. Therefore, it can be said that the multiple linear regression model can be considered as a whole. Then, the coefficients and the significance value of multiple linear regression model was analyzed. According to this, p value of constant term coefficient for the model was found as <0,001. In this case, it can be said that the constant term is meaningful. As can be seen from the table above, it can be stated that the significance level of each factor, other than the excitement factor, is significant as it is less than 0.05. Therefore, all hypotheses, aside from the H1 and H2, were accepted in the study.

Adjusted R^2 value of each model discussed in the table four was investigated by multiple linear regression analysis. The Adjusted R^2 value was taken into account because the research model was built in the form of multiple linear regressions. This value is calculated as 0,762 for the model. In other words, five independent variables (sincerity, excitement, competence, sophistication and ruggedness) can explain 76.2% of the change in the dependent variable (buying intention for private label product).

Then, regression coefficient of the model was examined in the study. Accordingly, it can be stated that there is a direct proportion between dependent and three independent variables in the model. According to this; as the level of competence, sophistication and ruggedness increases, buying intentions for the private label products also can be increased. Finally, the rates of Collinearity statistics were analyzed for the model in the analysis. Accordingly, it can be stated that there is no correlation between the independent variables because VIF ratio is not 5 or higher in any model. In this case, it can be stated that it would be appropriate to keep the variables in the models.

Table 4. Hypothesis testing according to the results of multiple linear regression analysis

Model	Unstandardized Coefficients		T	Sig	Tolerance	VIF	Ad. R²	Hypothesis Results
	B	Std. Error						
Buying Intention for Private Label Product = Sincerity+ Excitement+ Competence+ Sophistication + Ruggedness + ε	-,171	,061	-2,810	,005	,391	2,556	,762	H1 was rejected
	,041	,054	,761	,447	,500	2,001		H2 was rejected
	,281	,054	5,187	<,001	,403	2,480		H3 was supported
	,226	,045	5,029	<,001	,262	3,823		H4 was supported
	,693	,043	16,237	<,001	,271	3,696		H5 was supported

CONCLUSION

In our constantly changing and developing world, the demands and expectations of the consumers are changing and developing. With the impact of globalization, innovations in technologically advanced countries are spreading rapidly and this situation changes the expectations of all consumers. Retailers who have to keep up with the market and have to keep up with intense competition have developed their own brands in order to better meet all these consumer expectations and get more share from the market. Regarding the related literature, private label branded products provide retailers with competitive advantage (Batra & Sinha, 2000), increase the store loyalty (Dick et al., 1997), increase the buying intention (Burton et al., 1998) and also increase the consumer engagement (Swoboda et al., 2016).

To respond to more selective and knowledgeable consumers, to achieve competitive advantage in intense competition conditions, to increase sales and profits and to strengthen their relations with consumers pushes the retailers to develop alternative strategies. Undoubtedly, one of these strategies is to create a brand personality that creates a positive perception on the consumer. When the literature on the subject is examined, it has been seen that brand personality has a significant impact on profit creation (Magin et al., 2003), brand loyalty (Kim et al., 2001), brand awareness, belief in brand, brand associations and brand belonging (Florence et al., 2011). At the same time, brand personality is a concept that directs consumers' decisions in the purchasing process and produces many positive results. These results can be summarized as; positive consumer attitude, trust, relationship quality, preferences,

satisfaction and commitment. (Aaker et al., 2004; Clemenz et al., 2012). Thus, a successful brand personality developed in brand management provides the brand confidence and value in the brand through the increase in its choice and use, and through the creation of high emotional ties. The brand personality enables the brand to be preferred by influencing the emotional decisions of consumers when they have difficulty in making decisions.

This study, which is conducted in order to examine the importance of brand personality in choosing the private label product, is important both for contributing to the literature and giving a new idea to the practitioners. For this purpose, the research has been carried out between October 2018 and January 2019 in Istanbul and 516 respondents have been interviewed by using easy sampling method. In addition, private label brand products of a supermarket in Turkey was chosen as the subject of study. As a result of the study, no statistically significant difference was found between perceived brand sincerity and buying intention of private label product. There is also no statistically significant relationship between perceived brand excitement and consumers' buying intention to private label products. On the other hand, it has been found that there is a statistically significant relationship with perceived brand competence, perceived brand sophistication and perceived brand ruggedness and. buying intention of private label product. Accordingly, it can be stated that retailers should focus on perceived brand competence, perceived brand sophistication and perceived brand ruggedness to increase the tendency to buy their own brands. In order to improve perceived brand competence, the retailer may need to be positioning its products as reliable, intelligent and successful in the eyes of the consumer. On the other hand, the upper class and charming positioning can provide a more sophisticated perception of the private label brand in the consumer eye. Finally, it can be said that private label goods that are perceived as outdoorsy and tough personality can lead to more purchasing tendencies in the consumer. Because these personalities can make the consumer perceive the brand as ruggedness.

FUTURE RESEARCH DIRECTIONS

In future studies, brand personality dimensions for private label products can be compared by product categories. Then, through this comparison, it can be examined whether there is a significant difference between the consumer's buying intentions towards the different private label product categories

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272

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KEY TERMS AND DEFINITIONS

Brand Personality: It is transferred to the brand's unique properties owned by individuals.

Buying Intention: It is used to voluntariness of a customer to purchase a specific product.

Private Label Product: It is used to produce a product group on behalf of the company from another company's copyright or trademark name.

Chapter 13

The Effect of Consumers' Individual Factors and Perceptions on Private Label Purchase Behavior

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ABSTRACT

The aim of this chapter was to examine the effect of individual factors (price consciousness, quality consciousness, value consciousness, frugality, and risk aversion) and consumer perceptions regarding store characteristics on the attitude and purchase intention towards private label products. The data acquired from consumers shopping from two supermarkets providing private label products in the province of Yalova in Turkey via face-to-face questionnaire method were tested by way of structural equation modeling. It was observed as a result of the analysis that quality consciousness, value consciousness, price image, and product variety image have an effect on the attitude towards private label products. It was also determined that the attitude towards private label products has an effect on purchase intention and that the private label product purchase intention is effective on actual purchasing. Based on the aforementioned findings, strategies were taken into consideration that should be adopted by private label product retailers in their stores.

INTRODUCTION

As is the case in all sectors, globalization has brought about certain changes and advancements in the retail sector as well. One of the important developments for the retail sector is the private label products marketed under the respective labels of the retailers. Retail businesses adopt the private label product policy for raising awareness in the global market and for meeting the demands and expectations of the consumers by way of more suitable methods while also trying to establish a competitive edge in the retail sector with their own branded products. Since consumers have a higher loyalty to the store than the brands, private label products are becoming more and more popular. The private label products manufactured by the businesses under their own labels or manufactured by third parties in their own labels to be sold only at their own stores are becoming more and more important for both the consumers and the intermediaries.

Retailers are able to limit the superiorities of the manufacturers by using their own brands while also inspecting their marketing activities more easily. In addition, they are able to increase their store traffic thanks to their private labels as well as strengthening their relations with the consumers by improving their images in the minds of consumers. Private label products also have many advantages for consumers. Low price is the most important advantage provided by private labels. Moreover, consumers prefer using the private label brands of the retail stores they know and recognize instead of using products by brands of small scale manufacturers they do not know and consider risky thereby they perceive this as aversion from risk and purchasing value. Thus, the perceptions regarding the quality of these products increase as well.

The aim of this chapter is to investigate the effects of individual characteristics of consumers (price consciousness, quality consciousness, value consciousness, frugality, risk aversion) and their perception of store characteristics on attitude towards private label products, purchase intention and actual purchase of private label products. In this chapter, emphasis was placed first on perceptions related with private label products, individual factors and store image after which the methodology of the study was explained; followed by detailed results and finally discussion and suggestions for future studies.

THEORETICAL FRAMEWORK AND THE HYPOTHESES

Following the increase in competition in the retail sector starting with the 2000's, it is observed that retail businesses started marketing their own private label products in order to differentiate from their competitors and to establish customer loyalty

278

towards their stores and hence their private labels (Yeniceri, 2004). Own label, market brand, distributor brand and store brand are also frequently used in place of private label (Fernie & Pierrel, 1996). Private label products are defined as consumer goods manufactured by retailers or third party manufacturers under the name of the retail stores which are sold at their own stores with their own names or their own commercial brands (Baltas, 1997).

Recently, there has been a significant increase in the market share of private label products that emerged as a result not only of the search for a cheaper product but also the ability of the sellers to implement national brand strategies. Private label products have important contributions to rebalancing of the retailer image, differentiation, increasing competitive edge and strengthening customer loyalty (Valaskova et al., 2018).

At the end of the 1970s, the product range of the leading manufacturers consisted of three tier structures - high quality and high price alternative (premium), medium quality and medium price alternative (standard products), and generic, offering low price and acceptable quality. These three alternatives were in line with the basic market segmentation principles according to consumers who purchased products at the top, middle and low prices in the market (Burt, 2000). Generic products are those that the retailer store positions at a lower quality and price with a different brand. Standard products are those with qualities that are similar to the products of leading manufacturers but positioned at a lower price for which retailers generally use their own labels. Whereas premium products are those that are those with superior quality which are sometimes positioned at higher prices than the products of leading brands (Rubio et al., 2015).

Retailer brands that first emerged with the development of chain stores were put on sale in 1863 in the US by the Great Atlantic and Pacific Tea Company. The company was renamed as A&P after which its own products started to be marketed under the label of American's Choice (Savasci, 2003). Retailers started to manufacture low cost generic products with standard quality and simple packaging as a result of the oil shocks and the following worldwide recession that occurred during the 1970s. Consumers returned back to nationally advertising brands in the 1980s with the end of the recession. As a reaction to this, retailers started to improve their quality and to increase the variety of their private label products (Aksulu, 2000). Migros is the first retail chain that started using private label products in Turkey in 1957. The company that is putting out over 1500 product groups with Migros and other private label products is continuing to sell its private label products in non-food categories such as paper, baby products, textile, toys, glassware and small home appliances (www.migroskurumsal.com).

Private label products were initially marketed by retailers as low cost alternatives to manufacturer brands which is a generic product providing price value to the consumers. Low priced store retail brands generally had a low quality appearance and were thus considered by the consumers as less safe (Dea & Ajay, 2017). The retail sector underwent radical changes in recent years due to the advances in technology. The importance of retailers increased with increasing competition especially in the consumer market while the development of new business strategies had an impact on the retail system as well (Aldousari et al., 2017). In this context, stores improved the quality of their own labels, repositioned their products thereby establishing a unique identity for themselves in the market by putting forth that their perceived images far exceeds that of a simple copy of the well-known national brands (Mieres et al., 2006).

Today, the goal of retailers is to provide better alternatives to the consumers thereby receiving their appreciation. However, providing quality products at low prices is not sufficient to win the appreciation of consumers. In order to create a difference and to establish customer loyalty, retailers prefer to provide retail brand products that will be beneficial for themselves, their customers and manufacturer companies. The reasons that direct consumers to different retail store preferences should be examined first in order to be able to market retail brand products and to ensure that they are preferred by the consumers. The studies carried out set forth that the process related with the presentation of products and services is also important for the consumers. Retail sector has a quite complex structure involving many different direct and/or indirect factors such as product price and quality, service quality as well as staff and atmosphere (Kulter, 2011). It is observed when a literature survey is carried out that only product related characteristics (price, quality, variety, packaging, etc.) are taken into consideration as factors that have an impact on private label preference and that all other factors are neglected. However, contemporary consumers with constantly varying preferences are not only affected by the product characteristics but also by the properties of the store as well. The image, atmosphere, personnel or location of the store affects the purchasing preferences of consumers and it is most likely that private label products will receive their share of this impact.

The increase in the total share of private label products in Turkey is in parallel to the corporatization of the retail sector. Recent economic crises that emerged in our country force consumers to purchase cheaper products. This increases the importance of private label products while leading retailers to allocate more space to their own products.

Individual Factors

Various individual factors have been determined in previous studies which affect the purchasing of private label products. Baltas & Argouslidis (2007) emphasized the importance of socio-demographic factors such as household income, number of children in the household, gender, age etc., while Burton, Lichtenstein, Netemeyer & Garretson (1998) and Jin & Suh (2005) accepted the importance of psychographic factors such as value consciousness, risk consciousness, price-quality interactions. Martinez & Montaner (2008) concluded in their studies that socio-demographic properties are not strong enough for defining the private label consumers and that psychographic factors are more important. Individual factors determined in the present study s those with an impact on private label attitude have been outlined below.

Price Consciousness

The relatively lower prices of private label products seems as the most important reason they are purchased and thus, price consciousness as an individual factor is the first factor that is studied with regard to its impact on the purchasing of private label products. Lichtenstein et al. (1993) defines price consciousness as the degree to which the consumer focuses exclusively on paying a low price. Batra & Sinha (2000) carried out studies focusing on the purchasing behavior of private label products in twelve different categories as a result of which they determined that price consciousness is effective in the purchasing of private label products. Ailawadi et al. (2001) carried out a study in which it was presented that private label use is related especially with price consciousness, low quality consciousness and store loyalty. Baltas & Argouslidis (2007) carried out studies as a result of which it was concluded that price consciousness has a positive and statistically significant relationship with private label tendency.

Based on these studies, it was considered that price consciousness will lead consumers to focus on paying a lower price thereby leading to positive attitudes towards private label products since they have lower prices and thus the following hypothesis was developed.

H1: Price consciousness of consumers has a significant effect on their attitudes towards private label products.

Quality Consciousness

Quality is an important factor with an impact the decision to purchase private label products. Ailawadi et al. (2001) put forth in their studies that private label use is especially related with price consciousness, low quality consciousness and store loyalty. Thus, private label product users do not transfer their store loyalty into cash savings even for the sake of quality. It is thought that the quality of private label brands is lower than those of national and international brands (Ghose & Lowengart, 2001). Martinez & Montaner (2008) carried out a study on the characterization of Spanish private label consumers as a result of which it was determined that quality consciousness has a negative relationship with private label use tendency. It was observed that the consumers who are of the opinion that private label products have lower quality than the products of manufacturer brands are in majority despite the perception over the years that the quality of private label products has increased. Therefore, the following hypothesis was developed based on the opinion that the quality consciousness of consumers will have a positive impact on their attitudes towards private label brands.

H2: Quality consciousness of consumers has a significant effect on their attitudes towards private label brands.

Frugality

Frugality is another individual factor with an impact on the attitude towards private label brands which has been studied the least in literature with regard to its impact on purchasing behavior. Lastovicka et al. (1999) defines frugality as a unidimensional consumer lifestyle trait characterised by the degree to which consumers are both restrained in acquiring and in resourcefully using economic goods and services to achieve longer term goals. Understanding and measuring frugality is important for at least two reasons. First of all, it has an impact on the user stage of consumer behavior. The second reason is the special interest of the field in especially measurement and life style measurement (Lastovicka et al., 1999). It was foreseen that the frugality factor will have an impact on the attitude towards private label brands and thus the following hypothesis was developed.

H3: Frugality of consumers has a significant effect on their attitudes towards private label products.

Value Consciousness

It can be observed when a literature survey is made that the value definition of consumers can be classified in four groups (Zeithaml, 1988):

- Value, is low price.
- Value, is what I want in a product.
- Value, is the quality I get for the price I paid.
- Value, is what I got for what I gave.

Jin & Suh (2005) carried out a study in which it was expressed that value consciousness corresponds to the evaluation of quality not in an absolute sense but in relation to the price of a certain brand as a result of which it was determined that value consciousness has a positive impact on the attitudes towards private label products with a stronger impact than that of price consciousness. Burton et al. (1998) reported in their studies that private label attitude has a positive relationship with value consciousness. It was put forth in the studies by Diallo et al. (2013) that value consciousness and private label attitude have positive and statistically significant impacts on private label purchasing behavior. Based on these findings in literature, it was observed that value consciousness is an important driving force for private label purchasing and thus the following hypothesis was developed:

H4: Value consciousness of consumers has a significant effect on their attitudes towards private label products.

Risk Aversion

Bao et al. (2011) define risk aversion as "preference for a guaranteed outcome over a probabilistic one having an equal expected value". This indicates that the higher the certainty of a consumer is, his/her unwillingness for risk should be that much higher or his/her risk tolerance should be that much lower. Burton et al. (1998) stated that risk aversion is not related with private label attitude. Mieres et al. (2006) put forth in their studies that consumers perceive private label brands as more risky purchasing alternatives in comparison with national brands despite the efforts of retailers to improve the positioning of their own brands. The following hypothesis was developed based on the results of these studies in literature:

H5: Risk aversion of consumers has a significant effect on their attitudes towards private label products.

STORE IMAGE

The concept of retail store image was first put forth by Martineau (1958) as a result of studies on "the personality of the retail store". The author defined this concept as "the way in which the store is defined in the shoppers mind, partly by its functional qualities and partly by an aura of psychological attributes" (Arslan, 2015). According to Hartman & Spiro (2005), store image is the total perception represented as a gestalt (perception of the parts in an order as a whole) of the dependent and independent characteristics related with the store perceived in the memory of the consumer exposed to current and past stimulants, whereas according to Bloemer (1998) it is the combination of the perceptions of the consumer related with the store subject to different (distinct) characteristics. A retailer should make sure that it provides the products that the customer expects. In addition, the other non-functional elements should also be in accordance with customer expectations to ensure customer loyalty (Bloemer, 1998). Store image plays a vital role in increasing customer satisfaction and loyalty (Nikhashemia et al., 2016).

Private label products are closely related with store image since they are found only in those specific stores. This relationship can be likened to the "Halo Effect". Accordingly, if a consumer perceives a certain store as luxurious, he/she also perceives the brand of that store as luxurious as well and takes on a positive attitude towards those products (Vahie & Paswan, 2006).

The brand in private label products is generally the title of the chain stores or the retailer or a whole new brand name is used. If the retailer title is used as the brand name, the trust to the retail store is reflected directly on the product. The product will be considered as successful as the success of the underlying retail management activities. Negative opinions about the store will have direct impact on the products. Similarly, issues related with the products may also have negative impacts on store image. Hence, the production technology of the manufacturer, storage conditions of the products at the store and the way they are presented on the shelf will not only have an impact on product success but also on the retailer as well (Savasci, 2003). If the title of the retailer does not have the required characteristics that a brand name should have, a different brand name should be selected carefully to be used as the product name of the private label products. Similarly, if the retailer does not have a positive image among consumers, a different brand name should be used (Tuzcuoglu, 1999).

Park et al. (2011) carried out a study on private label foods and private label clothing material in which it was observed similar to the Halo Effect that the store image perceived by consumers without sufficient knowledge on private label products makes an impact on their attitudes towards those products. Konuk (2018)

284

carried out a study on organic private label products in which it was concluded that store image has a positive impact on perceived quality. It was put forth as a result of a study carried out on 297 undergraduate students enrolled at a marketing course in a state university that store environment and social factors are effective on the perceived store image (Baker et al., 1994).

Price Image of the Store

Price image of the store can be defined as a global representation of the store brand product prices for a certain retailer (Diallo, 2012). Nyström (1970) defined price image as the consumer attitude towards product prices.

The most distinctive advantage of private label products for consumers is low price. The price of private label products is about 10-30% lower in comparison with other brands in the national product classes. This is due to the fact that retailers procure private label products at lower costs and the differences in advertising costs and quality. This means that retailers are able to provide a higher profit margin with a very low price (Baltas, 1997).

Price indicates the amount of sacrifice required for purchasing a product while at the same time it can also be an indication of the level of quality. Higher prices may lead to higher perceived quality and thus greater willingness to purchase the product while on the other hand it may also result in a decrease in the desire to purchase the product since it represents what should be sacrificed for purchasing that specific product (Dodds et al., 1991).

Diallo (2012) carried out a study on 379 consumers aged 18 and above shopping from two different hypermarkets in Brazil with an objective of examining the impact of store image and store price image on the tendency of purchasing private label products as a result of which it was concluded that price image has a positive and direct impact on the tendency to purchase private label products.

Baltas (1997) carried out a study in which the impact of various attitudinal and behavioral consumer characteristics on purchasing private label products was evaluated. The dataset was comprised of 750 British consumers, national representative panel interview data and purchasing records provided by a leading market research company. It was determined as a result of the study that low price and consumer preference from the aforementioned properties have an impact on the purchasing decisions of consumers. Despite the popular assumption that private label products are purchased only due to their low prices, it was observed that some consumers purchase private label products only as a preference. This conclusion is a reflection of the significant quality improvements made by English retailers in recent years. Chang & Wang (2014) carried out a study on 659 consumers purchasing discounted

285

clothes at shopping malls with an objective of measuring the impact of store price image on repurchasing. It was concluded that store price image has a positive impact on repurchasing. The following hypothesis was developed based on the findings of these studies:

H6: The price perceptions of consumers have a significant effect on their attitudes towards private label products.

Atmosphere Image

The physical characteristics of stores are generally designed for establishing a purchasing environment yielding certain emotional impacts that will increase the purchasing probability of the consumers. Both the functional characteristics of stores (such as product variety) and the emotional impacts generated in the consumers' minds (such as pleasure) determine the identity of the store (Kumar & Karande, 2000). According to Aldousari et al. (2017) citing from Bellizi, store atmosphere has an impact on the store image of consumers as well as their spending.

The stimulation induced by the store environment increases the time and money spent in pleasant environments while decreasing the time and money spent in unpleasant environments thereby leading to pleasure or displeasure (Donovan, 1994). Stores can use the order in the store or the methods of displaying products in a creative manner for changing the perceptions of consumers related with atmosphere. Alternatively, visual communication (signs and graphics), colors and even scents may improve the atmosphere of the store (Grewal et al., 2003). Moreover, it is also very important with regard to physical characteristics to have good lighting. Good lighting provides an added value for the store atmosphere since it emphasizes the products and the space while also creating a positive mood and emotion related with store image. Because it has been proven that quality lighting has a positive impact on the shopping behaviors of consumers (Aldousari et al., 2017).

Grewal et al. (2003) examined whether perceptions related with the store atmosphere differ with regard to consumer gender or not as a result of which it was concluded that males evaluate store atmosphere less positively in comparison with females. Francioni et al. (2018) examined the impact of store atmosphere on store satisfaction and store loyalty as a result of which it was determined that atmosphere has a direct and positive impact on store loyalty. Polat & Kulter (2007) carried out a study for determining the properties that consumers shopping at markets and supermarkets in the city center of the Niğde province look for in these stores as well as determining the level of significance they attribute to these properties in which it was concluded that store atmosphere is an important factor for the retail store selection of consumers. Altunisik & Mert (2001) carried out a study on 264

286

consumers at two different shopping centers in Kocaeli with a purpose of evaluating the levels of significance related with the factors that have an impact on shopping mall preference determined during a previous pilot study. It was determined based on the study results that store atmosphere plays an important role in shopping center selection. Selvi et al. (2007) carried out a study with an objective of examining the concepts of store image, store attitude, store satisfaction and store loyalty which have an impact on the purchasing behavior of consumers and determining the relations between these concepts. It was concluded as a result of the study carried out on 441 consumers shopping from a total of 5 stores in Düzce that atmosphere image from among the properties that express store image has a direct impact on store attitude. Based on these findings, the following hypothesis was developed;

H7: The store atmosphere perceptions of consumers have a significant effect on their attitudes towards private label products.

Personnel Image

Retailers should devise strategies for improving customer loyalty. It is stated that the cost of reaching out to new customers is five times greater than holding on to the already existing customers. Thus, store personnel have critical importance for the relationship between consumers and retailers. Retailers and store personnel should have a command of the decision making process of consumers and should adjust their behaviors to meet the demands of the consumers (Sharma, 2001).

When an individual understands that a source is more reliable than others, he/she will be more sensitive to the messages from that source. It is also indicated that store personnel reliability has direct impact on the product evaluations and purchasing intentions of consumers in the store. It is much easier for consumers to be persuaded by positive store personnel showing empathy than negative and unempathetic personnel. Consumers will believe that they probably could not attract the attention of the employee when they come across negative and unempathetic personnel (Sharma, 2001). This will also influence the purchasing decisions of consumers.

It was determined as a result of a study carried out on 1651 consumers in India for measuring the impact of store properties on customer loyalty that employee competence and reliability have a positive impact on customer satisfaction (Grosso et al., 2018). A study was carried out at the Muğla city center for determining the opinions of 250 individuals on purchasing and using private label products and for putting forth related factors as a result of which it was determined that genial and attentive employees are among the important factors with an impact on market selection (Gavcar & Didin, 2007). Polat & Kulter (2007) carried out a study as a

result of which it was concluded that the attention and attitudes of store personnel are important factors for retail store selection. The following hypothesis was developed based on these findings:

H8: The perceptions of consumers on personnel image have a significant effect their attitudes towards private label products.

Product Variety Image

It was assumed in accordance with classical economic theory that consumers evaluate product benefits or values based on their properties and that they are effective on the purchasing decisions of consumers. For example, a consumer can appraise a computer when information is provided on its memory size, speed, monitor type and other properties thereby easily determining the value of other alternatives thus following up by selecting the product with the highest total value (Simonson, 1999).

Storing of only a certain brand of product can be a determining factor for store selection of consumers. Product variety has an impact on the quality dimension of the value perceived by consumers which in turn determines customer satisfaction (Grosso et al., 2018).

Fox et al. (2004) carried out a study for determining the level of impact of promotion applications and product variety on store selection as a result of which it was put forth that product variety has a positive impact on store selection and expenses. A total of 87 female consumers participated in the study by Diehl et al. (2015). The purpose was to measure the impact of product variety attractiveness on store selection. It was determined based on the study findings that product variety attractiveness has a strong and positive impact on store selection. Altunisik & Mert (2001) carried out a study in which it was observed that product variety is the most important factor with an impact on shopping mall visits. It was reported in the study by Okumus & Bulduk (2003) on 600 consumers shopping from one hypermarket and two supermarkets in Konya that product variety is effective on market selection. Contrary to other studies, the hypothesis indicating that product variety has a positive impact on customer satisfaction was rejected based on the findings of a study carried out in India and the hypothesis indicating that product variety has a positive impact on perceived value was accepted (Grosso et al., 2018). The following hypothesis was developed based on the aforementioned results:

H9: The perceptions of consumers with regard to product variety have a significant effect on their attitudes towards private label products.

288

Location Image

It is an undisputable fact that certain changes are observed in consumer behavior parallel to the economic and socio-cultural developments in the world and in our country. Global competition, technological developments, increase in education and culture levels, urban and regional improvements have affected and changed the perspectives of consumers on shopping. The consumers of today are not content with only having access to a certain product and experiencing the expected physiological satisfaction from a product but they also wish to carry out the shopping experience in the most positive way. The success of retail stores in our day changes subject to their levels of understanding the consumers and responding to the expectations of the consumers (Koksal, 2011). The location is among the important factors that has an impact on the purchasing preferences of consumers. It is possible that the selection of the wrong place will have a negative impact on the store selection of consumers for shopping and thus the profitability of retailers.

Majority of stores positioned on the street are located in district centers. There is a high population of humans in district centers who are possible consumers. Vehicle traffic is also always active along the streets. This provides advantages for the recognition and popularity of stores (Koksal, 2011). On the other hand, criteria such as car parks, playgrounds for children, security services are among important factors that affect the shopping decisions of consumers.

A study carried out on eleven retail chains operating in Denmark put forth that location is among the important factors with an impact on retail store selection (Hansen & Solgaard, 2004). Another study carried out on Greek retail sector put forth location as one of the fundamental factors that affects the retail store preference of consumers (Baltas & Papastathopoulou, 2003). The following hypothesis was developed in the light of the findings of these studies:

H10: Perceptions of consumers related with location have a significant effect on their attitudes towards private label products.

In addition, it was also considered in the study based on previous studies in literature that the attitude towards private label products will be effective on purchasing intention (Garretson et al., 2002; Jin & Suh, 2005) and behavior (Burton et al., 1998); while purchasing intention will have an impact on purchasing behavior (Diallo et al., 2013) and thus the following hypotheses were developed:

H11: The attitudes of consumers towards private label products have a significant effect on private label purchase intention.

H12: The attitudes of consumers towards private label products have a significant effect on private label purchase behavior.

H13: The private label product purchase intention of consumers has a significant effect on private label purchase behaviors.

In conclusion, the assumed relationships between the dependent and independent variables of the study have been presented in Figure 1.

Figure 1 illustrates the research model showing that five individual factors (price consciousness, quality consciousness, value consciousness, frugality, risk aversion) and perceptions of the store characteristics influences the attitude towards private label products. The model anticipates that attitudes to private labels will affect their purchase intention and consequently will affect the actual buying behavior of private label products.

METHODOLOGY

The target population of the study was comprised of consumers living in the Yalova province of Turkey. Yalova is located in the Marmara Region of Turkey. Marmara Region was preferred because it is the region with the highest population density, while Yalova was preferred since it is one of the provinces that receive the highest amount of migration (migration rate 12,8% according to TUIK 2018 data). The data were collected from the consumers shopping at two major retailers in the Yalova province between the periods 01-15 March 2019 via a questionnaire. Within this framework, the questionnaire was applied on 398 people and the total number of data

Figure 1. Conceptual model of the study
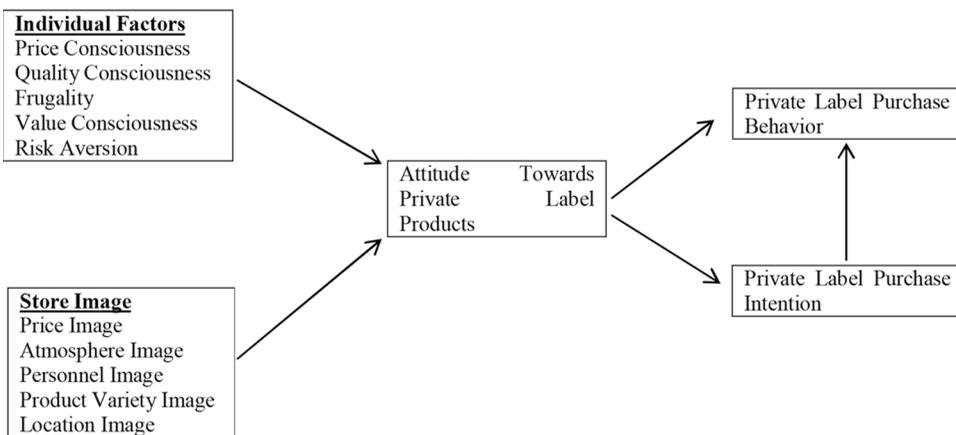
was 280 after eliminating the questionnaries with missing data. The demographic characteristics of the respondents are reported in Table 1.

It can be observed upon examining Table 1 that majority of the participants are male, in the age interval of 18-28, high school graduates with a monthly family income of 2500-5000 TRY.

MEASURES AND ANALYSIS

The scale developed by Ailawadi et al. (2001) was used for measuring price and quality consciousness, the scale developed by Lastovicka et al. (1999) was used for measuring frugality, the scale developed by Diallo et al. (2013) was used for measuring value consciousness, attitude towards private label brands and private label purchasing intention, the scale developed by Mandrik & Bao (2005) was used for measuring risk aversion and the scale developed by Martinez & Montaner (2008) was used for measuring private label purchasing behavior. Price, product variety, atmosphere, personnel and foundation place image dimensions of store image were measured via scales developed by Kulter (2011). In the research, firstly, language validity studies of foreign scales were conducted. Translation by the researchers was translated from English to Turkish by a bilingual lecturer. After

Table 1. Demographic characteristics of the respondents

Gender	f	%	Age	f	%
Female	133	47,5	18-28	84	30,0
Male	147	52,5	29-39	69	24,7
Level of Education	**f**	**%**	40-50	67	24,0
Primary	30	10,7	51-61	28	10,0
Secondary	54	19,3	62+	32	11,3
High school	61	21,8	**Monthly Household Income**	**f**	**%**
Upper secondary/associate degree	54	19,3	2500 TRY <	92	32,9
Bachelor's degree	43	15,4	2501-5000 TRY	91	32,5
Master's degree	30	10,7	5001-7500 TRY	49	17,4
Doctorate	8	2,8	7501-10000 TRY	25	9,0
			10001-12500 TRY	17	6,1
			12501 TRY >	6	2,1
Number of participants				280	100
Note: 1 Turkish Lira (TRY) currently= US$ 0,18					

the most appropriate expressions were selected and the necessary corrections were made, the questionnaire form was examined by the researchers in terms of content validity and final forms were given to the scales. All expressions that make up the scales were arranged according to five-point Likert type scale. Expressions related with individual factors, price and product image, attitude, purchasing intention and behavior were prepared as 1= I do not agree at all, 5= I completely agree, whereas expressions related with atmosphere, personnel and foundation place were prepared as 1= Very Bad, 5= Very Good.

Structural equation modelling using maximum likelihood estimation was employed to test the causal links specified in the conceptual model of the study. SEM is a statistical technique for testing and estimating causal relationships amongst variables, some of which may be latent using a combination of statistical data and qualitative causal assumptions. Latent variables are variables that are not directly observed but are inferred from other variables that are observed and directly measurable. SEM is most commonly used for confirmatory rather than exploratory modelling and thus, it is applied more to theory testing than theory development. (Toma et al., 2011). Statistical Package for the Social Sciences (SPSS) version 17 and Analysis of Moment Structures version 24 software packages were used to analyse the data.

FINDINGS

Exploratory factor analysis (EFA) was first carried out in the study. It was observed as a result of the exploratory factor analysis that the expressions in the scales were accumulated in thirteen factors (factor loads > 0,50) corresponding to the study variables. Confirmatory factor analysis (CFA) for a thirteen factor model followed EFA thus reaching the findings in Table 2 and Table 3.

The findings in Table 2 present the standardized regression coefficients (λ), Average Variance Extracted (AVE), Composite Reliability (CR) and Cronbach α values indicating the relationship of each item with the related structure (factor). Standardized regression coefficients can be accepted as quite high since they represent the correlation coefficients. As can be seen from Table 2, the Cronbach α and CR values of all factors are above the critical value of 0,70, while the AVE values are above 0,50 and at acceptable levels (Hair et al., 2012).

Table 3 shows the fit indices of the model. It can be stated based on the findings that the model fits the acquired data in a satisfactory manner. Therefore, it is possible to put forth that the factor structures are good at representing the items in Table 2 . The structural model is given in Figure 2. The results of our hypotheses testing are summarized in Table 4.

292

Table 2. Results of confirmatory factor analysis

Constructs	Standardized Loading
Price Consciousness (AVE= 0,647; CR= 0,846; α= 0,844)	
I compare prices of at least a few brands before I choose one.	0,821
I find myself checking the prices even for small items.	0,795
It is important to me to get the best price for the products I buy.	0,797
Quality Consciousness (AVE= 0,682; CR= 0,865; α= 0,858)	
I will not give up high quality for a lower price.	0,809
I always buy the best.	0,845
It is important to me to buy high quality products.	0,823
Frugality (AVE= 0,531; CR= 0,900; α= 0,895)	
If you take good care of your possessions, you will definitely save money in the long run.	0,790
There are many things that are normally thrown away that are still quite useful.	0,743
Making better use of my resources makes me feel good.	0,752
If you can re-use an item you already have, there's no sense in buying something new.	0,754
I believe in being careful in how I spend my money.	0,767
I discipline myself to get the most from my money.	0,720
I am willing to wait on a purchase I want so that I can save money.	0,652
There are things I resist buying today so I can save for tomorrow.	0,636
Value consciousness (AVE= 0,621; CR= 0,831; α= 0,829)	
I am very concerned about low prices, but I am equally concerned about product quality.	0,798
When grocery shopping, I compare the prices of different brands to be sure I get the best value for the money.	0,789
When purchasing a product, I always try to maximise the quality I get for the money I spend.	0,777
Risk Aversion (AVE= 0,597; CR= 0,879; α= 0,865)	
I do not feel comfortable about taking chances.	0,714
I prefer situations that have foreseeable outcomes.	0,865
Before I make a decision, I like to be absolutely sure how things will turn out.	0,859
I avoid situations that have uncertain outcomes.	0,795
I feel nervous when I have to make decisions in uncertain situations.	0,598
Price Image (AVE= 0,766; CR= 0,951; α= 0,952)	
This store is generally a cheap store.	0,859
It is possible to find (very) cheap products in this store.	0,869
Discounts are made in this store.	0,874
I can purchase products cheaper in this store (in comparison with other stores).	0,891
I can purchase quality products at reasonable prices in this store.	0,893
The prices in this store are generally okay for me.	0,863
Atmosphere image (AVE= 0,670; CR= 0,934; α= 0,932)	
Cleanness of the store	0,815
Modern appearance of the store	0,789
Spaciousness of the store	0,793

293

Table 2. Continued

Constructs	Standardized Loading
Lighting of the store	0,856
Ease of shopping due to the store interior	0,845
Sufficiency of the signs and directions inside the store	0,850
Product display of the store	0,780
Personnel image (AVE= 0,709; CR= 0,944; α= 0,938)	
Geniality of store personnel	0,852
Willingness of the store personnel to help customers	0,833
Interest of store personnel towards customers	0,885
Sensitivity of store personnel	0,882
Sincerity of store personnel	0,875
Behavior of store personnel increasing trust in the store	0,837
Product knowledge of store personnel	0,718
Product variety image (AVE= 0,750; CR= 0,947; α= 0,942)	
I can find many different products in this store.	0,860
I can find several different brands (types/varieties/models) for each product in this store.	0,893
I can find products from many different brands in this store.	0,888
The products I am looking for are generally present on the shelf in this store.	0,858
I can find all products I need in this store (without the need for any other store)	0,861
This store has well-known brands.	0,834
Foundation place image (AVE= 0,825; CR= 0,934; α= 0,931)	
Suitability of store location	0,892
Ease of access to the store	0,905
Practicality of access to the store	0,927
Attitude towards PLs (AVE=0,791; CR=0,938; α= 0,931)	
For most product categories, the best buy is usually the SB	0,893
I love it when SBs are available for the product categories I purchase	0,892
When I buy a SB, I always feel that I am getting a good deal	0,892
In general, SBs are good quality products	0,880
PL purchase intention (AVE=0,789; CR=0,937; α= 0,938)	
The probability that I would consider buying SBs is high	0,894
I would purchase SBs next time	0,903
I would consider buying SBs	0,874
I have decided to buy SBs whenever possible	0,882
PL purchase behavior(AVE=0,766; CR=0,907; α= 0,911)	
I buy store brands	0,874
I look for store brands when I go shopping	0,877
My shopping cart contains store brand for several products	0,874

294

Table 3. Fit indexes for the study model

| Model Fit Indexes	Results	Suggested Value	References
χ^2/df	1,684	≤ 3	Bagozzi & Yi (1988)
CFI	0,927	$\geq 0,9$	Bagozzi & Yi (1988)
TLI	0,921	$\geq 0,9$	Bentler & Bonett (1980)
IFI	0,928	$\geq 0,9$	Bentler & Bonett (1980)
RMSEA	0,051	$\leq 0,08$	Jarvenpaa, Tractinsky & Vitale (2000)

Figure 2. Structural model
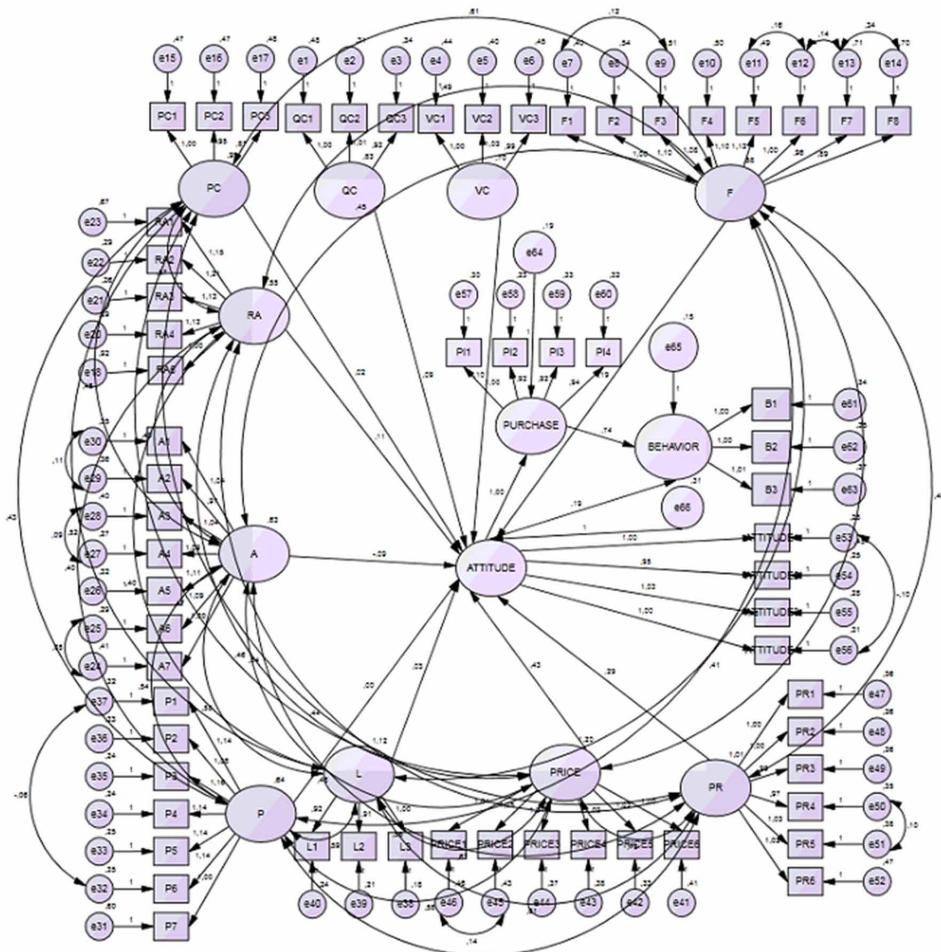
Table 4. Structural equation model results

Hypotheses	Relationships	Estimates	CR	Sig. (p<0.05)
H1	Price consciousness→ attitude towards PLs	0,017	0,195	0,845
H2	Quality consciousness→ attitude towards PLs	0,095	2,145	**0,032**
H3	Frugality→ attitude towards PLs	0,189	1,046	0,296
H4	Value consciousness→ attitude towards PLs	-0,099	-2,006	**0,045**
H5	Risk aversion→ attitude towards PLs	0,106	0,686	0,493
H6	Price image→ attitude towards PLs	0,429	6,590	***
H7	Atmosphere image→ attitude towards PLs	-0,086	-0,635	0,525
H8	Personnel image→ attitude towards PLs	0,005	0,039	0,969
H9	Product variety image→ attitude towards PLs	0,286	3,989	***
H10	Location image→ attitude towards PLs	0,034	0,577	0,564
H11	Attitude towards PLs→ PL purchase intention	1,004	18,820	***
H12	Attitude towards PLs→ PL purchase behavior	0,187	1,635	0,102
H13	PL purchase intention→ PL purchase behavior	0,736	6,712	***

Notes: PC= Price consciousness QC= Quality consciousness VC= Value consciousness F=Frugality RA= Risk aversion A= Atmosphere image P= Personnel image L= Location PRICE= Price image PR= Product variety image.

The study findings indicate that price consciousness, frugality and risk aversion from among individual factors have a strong effect on the attitude towards private label brands. Hence, H1 (β=0.017; p >.05), H3 (β=0.189; p >.05) and H5 (β=0.106; p >.05) are supported. The results show that the impacts of quality consciousness and value consciousness have a statistically significant effect on the attitude towards private label brands. Therefore, H2 (β=0.095; p <.05) and H4 (β= -0.099; p <.05) are supported.

It was assumed in the study that store image dimensions, price image (H6), atmosphere image (H7), personnel image (H8), product variety image (H9) and location image (H10) have statistically significant effects on the attitude towards private label brands. The findings put forth that price image and product variety image have a statistically significant effect on the attitude towards private label brands, while it is also indicated that atmosphere image, personnel image and foundation place image do not have a statistically significant effect. Price image was the variable with the strongest effect on the attitude towards private label brands. Hence, H6 (β=0.429; p <.05) and H9 (β=0.286; p <.05) are supported, but H7 (β= -0.086; p> .05), H8 (β=0.005; p >.05) and H10 (β=0.034; p >.05) are not supported.

It was assumed that the attitude towards private label brands has a statistically significant effect on private label purchase intention (H11) and private label purchase behavior (H12). Based on the findings, it can be observed that the effects of the attitude towards private label brands are statistically significant, while the effects of private label purchase behavior are not statistically significant. Thus, H11 (β=1.004; p <.05) is supported, but H12 (β=0.187; p> .05) is not supported.

H13 indicates that private label purchase intention will have an effect on the private label purchasing behaviors of consumers. It was put forth as a result of the study that private label purchase intention has a strong effect on private label purchase behavior (β=0.736; p <.05). Therefore, H13 is supported.

DISCUSSION AND CONCLUSION

The purpose of this study was to examine the effects of the individual factors of consumers and perceptions related with store image on the attitude, purchase intention and behavior related with private label products. The responses acquired from participants shopping from two large retailers in the province of Yalova in Turkey were analyzed via structural equation modeling.

It was determined in many studies in literature (Ailawadi et al., 2001; Martinez & Montaner, 2008) that quality consciousness has a negative relationship with the tendency to use private label products. Based on the study findings, it was determined that quality consciousness has a positive effect on the attitude towards private label brands. This finding can be interpreted such that consumers are of the opinion that the product quality of private label brands has increased as private label brands developed over the years. It was also observed in the study contrary to expectations that frugality does not have a statistically significant effect on the attitude towards private label products. Conversely, it is suggested to carry out further studies on the effects of frugality on purchase decisions, because it was observed that the number of studies on this individual factor is not sufficient in literature. Parallel to the findings of Jin & Suh (2005), it was determined in the study that price consciousness does not have an effect on the attitude towards private label brands.

It was determined as a result of the study that value consciousness has a negative effect on the attitude towards private label brands. It has been observed in many studies in literature (Burton et al., 1998; Garretson et al., 2002; Jin & Suh, 2005; Diallo et al., 2013; Arslan, 2015) that value consciousness has a positive effect on the attitude towards private label brands. The negative effect observed in the present study may be due to the fact that the participants are not satisfied from the quality they received in exchange of the price they paid. It was also observed that risk aversion does not have an effect on the attitude towards private label brands.

297

Price image was determined in this study as the variable with the strongest effect on the attitude towards private label brands. This finding is in accordance with the results of many other studies in literature (Diallo, 2012; Baltas, 1997; Chang & Wang, 2014). The impact of low price as the most distinctive advantage provided to the consumers by private label products on the attitude towards private label brands was also put forth in the study. Even though there are findings in literature indicating that store atmosphere (Francioni et al., 2018; Polat & Kulter, 2007; Altunisik & Mert, 2001; Selvi et al., 2007), personnel (Grosso et al., 2018; Gavcar & Didin, 2007; Polat & Kulter, 2007) and location (Hansen & Solgaard, 2004; Baltas & Papastathopoulou, 2003) have an effect on the attitude and preference towards the store, no statistically significant effect of personnel image and location image was determined on the attitude towards private label brands in this study. Another variable with an effect on the attitude towards private label brands in the study was product variety image in accordance with literature (Fox et al., 2004; Diehl et al., 2015; Altunisik & Mert, 2001; Okumuş & Bulduk, 2003; Grosso et al., 2018). This study finding indicates that product variety image has an effect on the attitude of consumers towards private label brands.

The study findings also point out in accordance with the findings of Garretson et al. (2002), Jin & Suh (2005) that the attitude towards private label brands may contribute to the private label product purchase intention and that it may not have a direct and sufficient effect on purchase behavior. Contrary to the findings by Burton et al. (1998), the finding that the attitude towards private label brands does not have an effect on purchase behavior is an indication that a positive attitude towards private label brands is not sufficient for purchase private label products. On the contrary, it was observed in accordance with studies by Diallo et al. (2013) that private label purchase intention is a variable with effect on purchase behavior.

MANAGERIAL IMPLICATIONS

The study results are quite interesting for retailers. Retailers should know consumers well and they should also follow market developments closely. In the past, private label brands were accepted as limited, simple and cheap products consumed only by consumers with a certain level of price consciousness. However, these brands have been developing strongly in recent years thereby providing much more than just economic benefits. Today, private label brands have expanded their portfolio and now have a wide range of products. They are also suggested not only by consumers with a price consciousness but also by consumers who are looking to get their money's worth. As put forth by the study findings, while price consciousness does not have an effect on the attitude towards PLBs, price image that is the perception

of the consumers with regard to price was observed as the variable with the highest effect on attitude.

Despite the fact that frugality was expected to be the variable with the highest effect on the attitude towards PLB's, it was put forth in the study that frugality is not a strong predictor. Therefore, it will not be right for retailers to focus on frugal consumers with price consciousness in order to improve their private label brands. The study also put forth that different from the findings of previous studies, consumers with quality consciousness have positive perceptions related with PLBs. Thus, the retailers may improve the quality of their PLBs thereby reinforcing these positive attitudes and thus increasing their profitability. Apart from the individual factors, product variety image is observed as one of the most effective variables on attitude and thus, the importance of product variety is emphasized; this may bring about the necessity to market a large variety of PLBs.

LIMITATIONS AND FURTHER RESEARCH

Some of the limitations of this study may be opportunities for potential future studies. First of all, the data of the study were acquired from consumers residing in the Yalova province of Turkey by way of convenience sampling method; thus, the study findings cannot be generalized. This study focuses generally on PLB purchasing behavior. It will be more beneficial to examine PLB purchasing behaviors from the perspective of different product categories. It may also be interesting to examine whether the familiarity of consumers with the product category, product and the store has an impact on PLB purchasing decision or not. Similarly, intercultural comparison of the model developed in the study may increase the validity of the model.

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KEY TERMS AND DEFINITIONS

Frugality: Using resources such as money, products and services in the most efficiently.

Price Consciousness: It is the level of consumers having information about the prices of the products they will purchase and the prices of substitution products and focusing on the best price for the products they will buy.

Private Label Product: Products manufactured or manufactured by retailers and sold at the retailer's point of sale under their own name or brand.

Quality Consciousness: Consumers put emphasis on and have information about the quality of the products they will buy.

Risk Aversion: No activity that may carry risks.

Store Image: This is the sum of the perceptions of the shoppers about the different features of the store during shopping time.

Value Consciousness: Consumers based on their purchase decisions to product characteristics, quality and perceived value.

Chapter 14
The Relationship Between Sales Promotion Activities, Private Label Attitudes, and Purchase Intention

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ABSTRACT

This chapter examines the effect of sales promotion activities for PLs on consumers attitudes toward PLs and how these attitudes influence their purchase intentions. Regarding this objective, three hard-discount retail stores that have the highest number of branches around Turkey were included in the study. In addition to this, the PLs of dairy product category from each of the retail stores were examined, since is frequently consumed and dairy PLs have high market shares in most of the countries. In the scope of the study, 756 surveys were gathered and analyzed. Regarding the results, it was seen that the effect of sales promotion activities on consumers' attitudes toward PLs is 0.30. Moreover, the effect of consumers' attitudes toward PLs on their purchase intentions is 0.48, which means that if consumers' attitudes toward PLs can be developed in a positive way, it will increase their intention to purchase these products or brands by 48%. The findings of the study provide important implications to the practitioners and scholars in marketing and retailing fields.

INTRODUCTION

Private labels are retailers' own brands which are produced by another manufacturer. These products can only be found in specific retailers (Hsu & Hsu, 2015). Although PLs are called differently in the existing literature, they are often used by the retailers to convince consumers to prefer their stores because these products are manufactured exclusively for them (Lymperopoulos et al., 2010). Moreover, retailers can increase the number of private label alternatives with lower prices comparing the national brands for the consumers. By this means retailers have the possibility to address more consumers with different incomes.

There are different factors (such as price, brand name, past experiences, product performance and word-of-mouth activities) that have effects on consumers' perception of quality, and therefore purchase decisions (Odabaşı, 2000). The priority of these factors may differ from consumer to consumer. For example, some consumers primarily look at the brand name before deciding which product to buy, where others pay attention to the price first. This fact also causes consumers to behave differently. Early researchers, who conducted the very first studies on social psychology and personality, had been unable to reveal empirical findings that show the consistent cause and effect relations between personality traits, attitudes, and behaviors. Logical consistency has great importance in understanding consumer behavior and as a result, predicting possible future behavioral choices (Koç, 2016).

In order to persuade consumers to choose certain products or brands, companies use various tools such as promotional activities. Especially by using sales promotion activities, companies try to influence their target markets and boost their sales for the short term (Horchover, 2002). While doing this, developing positive consumer attitudes toward the products or brands is also possible via sales promotion activities. It is a higher possibility that consumers intend to purchase a brand or a product if there is an extra-value offered (Kotler & Armstrong, 2016).

With this study, it is aimed to reveal the relation between sales promotion activities, consumers' attitude toward PLs, and their intention to purchase them. The main purpose of the study is to emphasize the importance of sales promotion for consumers' attitudes toward PL products. According to the literature review, it was seen that there is no study which focuses specifically on this main purpose. In this context three hard-discount retail stores, which offer consumers more advantageous prices comparing other retailers, were examined. These stores were chosen because they are widely spread around Turkey.

BACKGROUND

Sales Promotion

Sales promotion is one of the components of the promotional mix along with advertising, personal selling, public relations, and direct marketing (Horchover, 2002; Mullin, 2010; Kaser, 2012). Sales promotion activities are planned for a short period of time to accomplish specific marketing and sales goals and should offer extra value for the products or services in order to persuade consumers to purchase them (Kotler & Armstrong, 2016; Kerin & Hartley, 2016).

According to "The Institute of Sales Promotion" (ISP) sales promotion covers various activities that will help the company to accomplish certain sales and marketing goals by adding value to its products and services. In addition to this description, sales promotion can be defined as "the practice of offering additional value for a brand or a product in order to reach specific marketing objectives" (Horchover, 2002). De Pelsmacker et al. (2010) grouped these activities under three categories which are "monetary incentives" (such as price discounts on the shelf, coupons, cash refunds, savings cards, etc.), "chance to win a prize" (such as contests, sweepstakes, lotteries, etc.), and "product promotions" (such as sampling, free in mail, premiums, self liquidators, savings cards, etc.). Another categorization can be made regarding the target group of the sales promotion activities. These activities can be designed as consumer promotions, trade promotions, business promotions, and sales force promotions (McCarthy & Perreault, 1993; Kotler & Armstrong, 2016).

What companies should remember by implementing sales promotion activities is that if these activities are applied well, they will have an effect on consumers' demands, consequently on the sales in the short-term (Banerjee, 2009) because they provide extra value or incentives for the customers (Kaser, 2012).

The main goals to achieve by implementing sales promotion activities is the same as the goals of promotional activities, which are informing, persuading and reminding the consumer (Kerin & Hartley, 2016). Aside from these goals, increasing the store visitation frequency and the purchase of products, changing consumers' behaviors in a profitable way, leading consumers to buy new products (Ogden-Barnes & Minahan, 2015), encouraging consumers to switch brands and retaining them, and introducing new products to consumers can be counted as other aims of sales promotion activities (Mittal & Sethi, 2011).

Moreover, by sales promotion activities, it will also be possible to attract potential customers to try the promoted product or service. which will lead to encouraging new customers to try. In addition, these activities will make the existing customers more loyal and they can be rewarded for showing such loyalty. As a result, it is quite likely for a company to increase its market size (De Pelsmacker et al. 2010).

Private Label Attitude

Private label brands (PLBs) are offered by a retailer or a wholesaler with their own label on the product (Boone & Kurtz, 2011). Even though different scholars used various terms instead of the term "private label" such as "store brands/labels" (Dick et al. 1996; Parker & Kim, 1997; Steenkamp & Dekimpe, 1997), "own label brands or products" (Simmons & Meredith, 1983; Martell, 1986; Laaksonen & Reynolds, 1994), or "retailer brands" (Davies, 1998; Burt & Davis, 1999), the common ground they meet is that these brands are exclusive for the retailers. On the other hand, national brands (NBs), which are also described as manufacturers' brands, refer to brands that are owned by the manufacturer company. Well-known brands such as Coca-Cola, Apple, Oreo, etc. are some examples of national brands. NBs have an advantage over PLs because consumers are more familiar with them (Hultman et al. 2008).

PL products allow retailers to increase their margins, expand control on their shelf space, strengthen their bargaining ability regarding their distribution channel (Jin & Suh, 2005), gain negotiating advantage with national brand manufacturers and lead consumers to become more loyal to the store (Ailawadi et al. 2008). Moreover, PLs are also efficient assets to increase retailers' competitiveness with NBs (Nenycz-Thiel & Romaniuk, 2009) since most people start to consider PLs as a strong alternative in certain categories (ACNielsen, 2005). Inevitably, rising costs caused increases on prices, which also strengthens retailers' position with PL products against the national brands in most product categories (Hollensen, 2010).

With PLs, retailers can offer consumers the goods that they are not able to find in other retail stores because these products are produced specifically and exclusively for the retailers and marketed under their own name (Lymperopoulos et al. 2010). It is generally seen that PL prices are lower than their NB alternatives in almost every category even though they are comparable (Anchor & Kourilová, 2009); yet, some consumers may perceive that PL qualities are not up to the mark (DelVecchio, 2001). However, when consumers have a cheaper alternative, their price elasticity tends to increase (Altunışık et al. 2004). With the increasing number of PLs, consumers start to have many replacement product choices. Although consumers' perception of quality for PLs may be lower comparing to NBs, they may be likely to consider choosing PLs, especially if the products are in fast-moving consumer products (FMCG) categories, since these products are being purchased frequently and the risk perceptions are relatively low.

According to Richardson et al. (1994), quality perception plays an important role in consumers' use of PLs. When all of the alternatives in a certain product category have similar qualities or when the difference in quality is low (Batra & Sinha, 2000), consumers' use of PLs tends to increase. Retailers can shape consumers'

perceptions by in-store positioning of PL products close to their NB alternatives. Thus, consumers will be able to compare PLs with NBs and probe their ingredients and manufacturers. Some PLs are produced by the manufacturers, whose products are also being sold in the same store. This provides consumers with the opportunity to compare PLs with NBs in terms of price and quality, let them see that there is not much difference between the products' quality but the price.

Bruton et al. (1998) defined the attitude towards PL products as a consumer's own evaluation of the PL products and/or purchasing them. Consumers will be able to develop positive attitudes towards PLs if their perception of quality towards these products increase. As explained before, consumers have different priorities when they define the quality of a product or a brand. Since PL product prices are lower than the NBs in general, it is more likely that they will be perceived as low-quality products (Peterson & Wilson, 1985; Lichtenstein & Burton, 1989; Walsh & Mitchell, 2010). Some consumers, on the other hand, focus on the ingredients and the manufacturer company in order to have a better idea about the product's quality (Richardson et al. 1994), which may lead them to develop positive attitudes towards PLs.

NBs try to use promotional activities, such as personal selling, advertising, direct marketing, public relations, and sales promotion, in an effective way so that they can compete with PLs (Manzur et al. 2011). Since retailers have lower advertising costs and have their own distribution channels, they can offer up to 40% lower prices than national brands (Cunningham et al. 1982).

Retailers use sales promotion activities on their PLs to overcome the disadvantage of low-quality perception. For example, by using sampling activities, it is aimed to persuade potential consumers to try PLs. Price discounts are an effective way to encourage them to purchase and try PLs. Distributing flyers and placing banners around the store is a good way to inform them about the PLs. These activities can be used effectively to provide retailers with a competitive advantage over NBs.

Purchase Intention

Fishbein & Ajzen (2010) described intention as being ready to engage in a behavior. Howard & Sheth (2001) on the other hand, stated that purchase intention tries to explain which brands/products that the consumer is inclined to buy. Regarding these definitions, a purchase intention can be described as a consumer's readiness to purchase a specific brand or product. In order for consumers to be ready to exhibit such behavior, they need to have the correct motivation to form it (Thanajaro, 2016).

Purchase intention has been named in various ways such as "likelihood of purchase" (Infosino, 1986), "willingness to buy" (Dodds et al. 1991; Sweeney et al. 1999), "intention to buy" (Levy & Ofir, 1986; Chung & Pysarchik, 2000; Hajli, 2015), "purchase intent" (Cornwell & Coote, 2005), "intention to purchase"

310

(Wee et al. 1995), etc. by scholars. Although it is called differently, the reason why consumers tend to choose a particular brand or product is being tried to understand by examining purchase intention (Shah et al. 2012).

Purchase intention is a key point and a complicated process since consumers put certain products and/or brands into an evaluation. This process also in relation to consumers' behaviors, perceptions, and attitudes (Mirabi et al. 2015). Moreover, it can be influenced by some demographic factors such as gender, age, education, income, etc. (Akhter, 2003).

Purchase intention towards FMCG generally becomes a routine for consumers since products under this category are being purchased based on previous information and experiences. Perceived risk of FMCG for consumers is not high because these kind of products' prices are relatively low (Koç, 2016). Although these are low-cost products, they can be categorized based on their prices. As stated above, PLs' prices are usually lower than their NB alternatives and this gives a strong competitive advantage to retailers, especially for the consumers whose financial status are weaker. In general, the most preferred brands are the most expensive ones and even though the financial risk for this product category is low, consumers still may tend to prefer the cheaper alternative because of the income constraint (Howard & Sheth, 2001).

MAIN FOCUS OF THE CHAPTER

PL products gain more and more importance every day and consumers' attitudes toward these products have an influence on their willingness to buy them. These attitudes can be developed positively by using sales promotion activities. The main focus of this study is to examine how the sales promotion activities for PLs affect consumer attitudes towards them. Moreover, if such an effect exists, their attitudes towards PLs will influence their purchase intentions. The conceptual model is shown in Figure 1. The following hypotheses were developed:

Figure 1. Conceptual Model
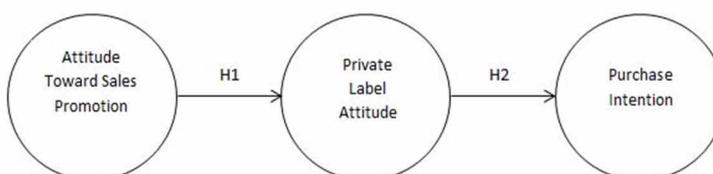
H$_1$: Sales promotion activities have a significant positive effect on consumer attitudes towards PLs.

H$_2$: Consumer attitudes towards PLs have a significant positive effect on their purchase intention.

METHODOLOGY

In order to accomplish the stated objectives and to test the suggested hypothesizes, a quantitative method is employed. A survey consisted of three measures and demographic questions were used. "Sales Promotion" scale was adapted from (Yılmaz, 2019), "Private Label Attitude" scale was adapted from Bruton et al. (1998), and "Purchase Intention" scale was adapted from Dodds et al. (1991). The items were measured on a five-point Likert scale ranging from "1=Strongly disagree" to "5=Strongly agree". The demographic questions included gender, marital status, monthly income, the population of the household, age, profession, and education.

The survey was employed to the participants who are located in Sakarya, Kocaeli, and İstanbul. These three cities were selected because they have a heterogeneous population that represents the demographics of other metropolitan areas in Turkey in general. Moreover, it is considered that such a regional selection would be the best option since the survey could not be conducted in other parts of the country because of the economic constraints of the research. Three hard-discount retail stores, which have the highest number of branches and are the widest spread in the country were selected within the context of the study. Moreover, dairy product category was chosen in this study because this is a category which has one of the highest market shares within PLs (KARGEM, 2015). Another reason why this product category was chosen is that these products are in the FMCG category, in which consumers have lower perceived risk compared to other categories, which makes consumers to purchase PLs more likely.

In the scope of this study, the quota sampling method was applied in order to create a sample that is parallel to the population of Turkey. This sampling method is chosen because it is believed that this method will increase the sample's ability to represent the population under study. Moreover, it has been aimed to reach the same number of participants for each retail stores that were included in the study. A total of 900 surveys were distributed and it was aimed to reach an equal number of surveys for each retail store. Out of which, 144 surveys were either not returned or incomplete, were not included in the analysis. As a result, the study was conducted with 756 surveys. Detailed numbers are presented in the results section.

312

In the context of the study, first, the reliabilities of the used measures were examined. Then primarily exploratory factor analysis and secondarily confirmatory factor analysis were applied for each of the measures. Analyzes were implemented by using SPSS 20 and AMOS 20 statistics programs. All findings are shown in the results section.

RESULTS

The distributed and collected surveys regarding Turkish Statistical Institute data on Turkey's population are shown in Table 1. As stated above, the quota sampling method was applied in order to create a sample that is parallel to the population of Turkey. In order to accomplish this goal, the surveys were distributed according to gender – age share of Turkey's population. As can be seen in Table 1, participants of the survey are approximately similar to the Turkish Statistical Institute population data of Turkey (2019).

Demographic profile of the participants by retailers is shown in Table 2. Percentage of the male (50,4%) and female (49,6%) participants are close to each other as well

Table 1. Turkish Statistical Institute population distribution, distributed and collected survey numbers

Gender and Age	Population	Share Within the Population (%)	Distributed Surveys	Collected Surveys	Collected Survey Numbers (%)
Male 15 - 19	3.299.449	5,66%	51	43	5,69%
Male 20 - 29	6.537.320	11,22%	101	85	11,24%
Male 30 - 39	6.521.808	11,20%	101	84	11,11%
Male 40 - 49	5.623.512	9,65%	87	73	9,66%
Male 50 - 59	4.449.064	7,64%	69	58	7,67%
Male 60 and above	2.938.109	5,04%	45	38	5,03%
Female 15 - 19	3.124.818	5,36%	48	41	5,42%
Female 20 - 29	6.286.278	10,79%	98	81	10,71%
Female 30 - 39	6.387.417	10,97%	99	83	10,98%
Female 40 - 49	5.533.221	9,50%	85	72	9,52%
Female 50 - 59	4.424.601	7,60%	68	57	7,54%
Female 60 and above	3.119.959	5,36%	48	41	5,42%
Total	**58.245.556**	**100,00%**	**900**	**756**	**100,00%**

Table 2. Demographic profile of the participants by retailers

		All Respondensts		Retailer X		Retailer Y		Retailer Z	
		n	%	n	%	n	%	n	%
Gender	Male	381	50,4%	124	51,2%	148	49,0%	109	51,4%
	Female	375	49,6%	118	48,8%	154	51,0%	103	48,6%
Marital Status	Single	326	43,1%	104	43,0%	122	40,4%	100	47,2%
	Married	430	56,9%	138	57,0%	180	59,6%	112	52,8%
Age	Under 20	84	11,1%	16	6,6%	31	10,3%	37	17,5%
	20 - 29	166	22,0%	62	25,6%	60	19,9%	44	20,8%
	30 - 39	167	22,1%	50	20,7%	69	22,8%	48	22,6%
	40 - 49	145	19,2%	53	21,9%	49	16,2%	43	20,3%
	50 - 59	115	15,2%	36	14,9%	57	18,9%	22	10,4%
	60 and over	79	10,4%	25	10,3%	36	11,9%	18	8,5%
Income	<= 2.000 TL	191	25,3%	63	26,0%	82	27,2%	46	21,7%
	2.001 - 3.000 TL	237	31,3%	75	31,0%	93	30,8%	69	32,5%
	3.001 - 4.000 TL	168	22,2%	52	21,5%	63	20,9%	53	25,0%
	4.001 - 5.000 TL	78	10,3%	29	12,0%	28	9,3%	21	9,9%
	>= 5.001 TL	82	10,8%	23	9,5%	36	11,9%	23	10,8%
Household Size	1	58	7,7%	24	9,9%	18	6,0%	16	7,5%
	2	108	14,3%	37	15,3%	37	12,3%	34	16,0%
	3	190	25,1%	73	30,2%	62	20,5%	55	25,9%
	4	253	33,5%	62	25,6%	118	39,1%	73	34,4%
	5	109	14,4%	34	14,0%	52	17,2%	23	10,8%
	6 and over	38	5,0%	12	5,0%	15	5,0%	11	5,2%
Education	Primary School	93	12,3%	23	9,5%	51	16,9%	19	9,0%
	Secondary School	115	15,2%	35	14,5%	50	16,6%	30	14,2%
	High School	301	39,8%	90	37,2%	116	38,4%	95	44,8%
	Associate Degree	101	13,4%	34	14,0%	39	12,9%	28	13,2%
	Undergraduate	119	15,7%	46	19,0%	38	12,6%	35	16,5%
	Graduate	27	3,6%	14	5,8%	8	2,6%	5	2,4%
Occupation	Unemployed	55	7,3%	21	8,7%	27	8,9%	7	3,3%
	Housewife	151	20,0%	42	17,4%	74	24,5%	35	16,5%
	Labourer	156	20,6%	49	20,2%	66	21,9%	41	19,3%
	Officer	88	11,6%	35	14,5%	30	9,9%	23	10,8%
	Student	184	24,3%	57	23,6%	67	22,2%	60	28,3%
	Teacher	27	3,6%	11	4,5%	8	2,6%	8	3,8%
	Manager	39	5,2%	13	5,4%	12	4,0%	14	6,6%
	Other	56	7,4%	14	5,8%	18	6,0%	24	11,3%
Total		756	100%	242	100%	302	100%	212	100%

314

as single (43,1%) and married (56,9%) participants. The majority of the participants are clustered in the age intervals of "20-29" (22%), "30-39" (22,1%), and "40-49" (19,2%) similar to the distribution of Turkish population shown in Table 1. The majority of the participants have "2001-3000 TRY" (31,3%) of monthly income, high school graduates (39,8%) and occupied as students (24,3%).

As presented in Table 3, the exploratory factor and reliability analyses were applied to all three measures. Regarding the reliability analysis, the Cronbach Alpha value for "Sales Promotion" scale is 0,93, for "Private Label Attitude" scale it is 0,83 and finally for "Purchase Intention" scale, it is 0,96. These values for the studies that the measurements were adapted from were 0,87 (Yılmaz, 2019), 0,87 (Bruton et al., 1998) and 0,85 (Dodds et al., 1991) respectively. Regarding Altunışık et al. (2004),

Table 3. Exploratory factor analysis and reliability results

		Factor Loadings	Explained Variance	KMO	Cronbach Alpha
	Sales Promotion				
SP2	I like buying promoted products.	0,90	71,4	0,89	0,93
SP4	I can save money thanks to promotions.	0,90			
SP3	Among similar products, I choose the promoted ones.	0,89			
SP1	I feel happy when I buy a promoted product.	0,88			
SP6	Buying a promoted product is wise.	0,88			
SP7	Promotions change my brand preference.	0,78			
SP5	I check on promotions before going shopping.	0,66			
	Private Label Attitude				
PLA2	I love it when private label brands are available for the product categories I purchase.	0,85	60,2	0,76	0,83
PLA1	Buying private label brands make me feel good.	0,83			
PLA3	For most product categories, the best buy is usually the private label brand.	0,80			
PLA6	When I buy a private label brand, I always feel that I am getting a good deal.	0,72			
PLA5	Considering value for the money, I prefer private label brands to national brands.	0,67			
	Purchase Intention				
PI3	If I were to buy a PL product, I would prefer to buy this retailer's products.	0,95	84,2	0,85	0,94
PI2	If I were to buy a PL product, it is a better chance that I would buy this retailer's product.	0,94			
PI4	The probability I would consider buying a PL product of this retailer is high.	0,93			
PI1	If I were going to purchase a product, I would consider buying PLs.	0,85			

these values are all above the desired level and it can be said that all three measures are well understood and also highly reliable (Kalaycı, 2014; Karagöz, 2017).

The explained variances of each measure are also presented in Table 3 that are in order of 71,4% for "Sales Promotion", 60,2% for "Private Label Attitude", and 84,2% for "Purchase Intention". Higher explained variance values lead to stronger factor structure. These values are desired to be above 0,50 for social sciences (Özdamar, 2016; Karagöz, 2017). As can be seen in Table 3, the explained variance values are all above this interval.

KMO test is applied in order to detect the sufficiency of the data gathered from the sample. It is stated that the KMO value is perfect if it is close to "1" and unacceptable if it is below "0,50" (0,90 – perfect, 0,80 – very good, 0,70 to 0,60 – mediocre and 0,50 - unacceptable) (Tavşancıl, 2014; Karagöz, 2017; Aksu et al. 2017). As shown in Table 3, the Kaiser-Meyer-Olkin (KMO) values for the used measures are respectively 0,89 for "Sales Promotion" scale, 0,76 for "Private Label Attitude" scale and 0,85 for "Purchase Intention" scale. As stated above, these values meet the desired levels.

The factor loadings of the statements are presented in Table 3. All of the statements' factor loadings of "Sales Promotion" and "Purchase Intention" scales are above 0,30, which means that the statements are suitable for further analyses (Hair et al. 2014; Karaman et al. 2017). On the other hand, one statement from "Private Label Attitude" scale was removed since it was extracted into two different factors and the analysis was applied again. After the second time the analysis was run, it was seen that the factor loadings of the remaining statements of the scale were all above 0,30, which means that the statements are suitable for further analyses.

Confirmatory factor analysis (CFA) is a model in which the relationships between structures are discussed instead of relationships between variables (DeVellis, 2003). In addition, CFA tests confirm how the analytical structure of the factor and the data fit the hypothesized model (Bayram, 2013) and are applied in order to test the following situations (Özdamar, 2016):

- Factor structures that were obtained through exploratory factor analysis,
- Factor structures that were determined via the existing literature,
- Factor structures that were described within the original scales, and/or
- Factor structures that were predicted.

The standardized regression weights (λ), which represent the relationship between each statement and factors, were presented in Table 4.

The model fit indices are shown in Table 5 as well as the good and acceptable fit indices (Karagöz, 2017). Regarding the results presented in Table 5, all values

316

Table 4. Confirmatory factor analysis (CFA) results (standardized regression weights)

Dimensions	Statements	Standardized Regression Weights (λ)	Coefficient of Error ($e=1-\lambda^2$)
Sales Promotion	SP4 - I can save money thanks to promotions.	0,901	0,188
	SP6 - Buying a promoted product is wise.	0,868	0,247
	SP2 - I like buying promoted products.	0,862	0,257
	SP3 - Amongst similar products, I choose the promoted ones.	0,859	0,262
	SP1 - I feel happy when I buy a promoted product.	0,830	0,311
	SP7 - Promotions change my brand preference.	0,715	0,489
	SP5 - I check on promotions before going shopping.	0,595	0,646
Private Label Attitude	PLA2 - I love it when private label brands are available for the product categories I purchase.	0,910	0,172
	PLA1 - Buying private label brands make me feel good.	0,885	0,217
	PLA3 - For most product categories, the best buy is usually the private label brand.	0,62	0,616
	PLA6 - When I buy a private label brand, I always feel that I am getting a good deal.	0,483	0,767
	PLA5 - Considering value for the money, I prefer private label brands to national brands.	0,477	0,772
Purchase Intention	PI3 - If I were to buy a PL product, I would prefer to buy this retailer's products.	0,945	0,107
	PI2 - If I were to buy a PL product, it is a better chance that I would buy this retailer's product.	0,929	0,137
	PI4 - The probability I would consider buying a PL product of this retailer is high.	0,911	0,170
	PI1 - If I were going to purchase a product, I would consider buying PLs.	0,773	0,402

are above acceptable fit indices values and some of them are suitable with good fit indices criteria.

Notes: SP= Sales Promotion, PLA= Private Label Attitude, PI= Purchase Intention

Figure 2. Structural Model
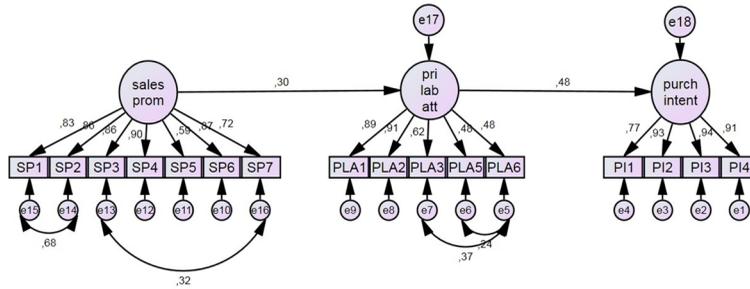
Table 5. Model fit indices and results

Model Fit Indices	Results	Good Fit Indices	Acceptable Fit Indices
χ^2/df	4,156	≤ 3	**≤ 5**
RMSEA	0,065	$\leq 0,05$	**$\leq 0,08$**
GFI	0,935	**$\geq 0,90$**	$\geq 0,85$
AGFI	0,909	**$\geq 0,90$**	$\geq 0,85$
CFI	0,968	$\geq 0,97$	**$\geq 0,95$**
TLI	0,961	**$\geq 0,95$**	$\geq 0,90$

The hypotheses developed in the context of the study have been tested and they are supported with statistically significant regression coefficients. As it is shown in Figure 2, sales promotion has the ability to explain consumers' attitudes toward PLs with the ratio of 0,30, which means that every 1 unit spent on sales promotion activities for PLs will return 30% in a positive way. Similarly, consumers' attitudes toward PLs has the ability to explain consumers' intention to purchase PLs with the ratio of 0,48. This finding also means that every 1 unit of improvement on consumers' attitudes toward PLs will increase their intention to purchase PLs by 48%. Therefore, both H_1 (p<0,001) and H_2 (p<0,001) are supported.

Table 6 shows the discriminant validity of the model. Regarding Fornell and Larcker (1981), the AVE values should be higher than each of the variables' squared correlation with other variables. Discriminant validity is ensured since this criterion is met for each variable.

Table 7 shows the convergent validity of the model. According to this analysis, the CR value should be above 0,70 (Hair et al. 2014) and AVE value should be above 0,50. In addition, the CR value of each variable should be higher than AVE value. However, if all the criterion is met, the AVE value can be accepted when it is below 0,50 (Fornell & Larcker, 1981). As presented in Table 7, the composite

318

Table 6. Discriminant validity for the model

Variables of The Model	Sales Promotion	Private Label Attitude	Purchase Intention	AVE
Sales Promotion	1	0,080	0,150	0,662
Private Label Attitude	0,080	1	0,222	0,492
Purchase Intention	0,150	0,222	1	0,796

Table 7. Convergent validity for the model

Variables of The Model	CR	AVE
Sales Promotion	0,931	0,662
Private Label Attitude	0,818	0,492
Purchase Intention	0,939	0,796

reliability (CR) values of each variable in the model are higher than the AVE values. AVE value of the "Private Label Attitude" variable is 0,492, which is lower than 0,50 yet still very close. The remaining two variables' AVE values are above 0,50. These values are acceptable in terms of convergent validity.

DISCUSSION AND CONCLUSION

The main goal of this study was to examine the effect of sales promotion activities on consumers' attitudes toward PL product and how these attitudes influence their intention to purchase PLs. In order to accomplish this goal, PL brands of three hard-discount retail stores were observed. Commonly consumed dairy products from these retail stores were determined as the product category. The data were gathered from the participants who reside in Sakarya, Kocaeli, and İstanbul then analyzed via structural equation modeling (AMOS-SEM). While determining the sample, the quota sampling method was used. Moreover, age and gender criterion were used as the basis to check for sample representation to the population under study.

Sales promotion activities also referred to as marketing communication activities (Kerin et al. 2015), are used by companies in order to inform, persuade and remind the consumers (Kerin et al. 2015). Moreover, via these activities, it can be possible for companies to shape consumers' attitudes in a positive way as well as their behaviors (Familmaleki et al. 2015). Laroche et al. (2003) have suggested that if consumers' evaluations of sales promotion activities are positive they are more likely to develop positive attitudes.

The results indicate that sales promotion has a significant effect on consumers' attitudes toward PLs. Since one of the aims of sales promotion is to persuade consumers to purchase the product, it can be said that these results can be interpreted as significant for both academicians and marketing practitioners. The most encountered obstacle in regards to PL products by retailers is consumers' negative attitudes. That is because PLs prices are lower than NBs in general (Cunningham et al. 1982) and, the price can be an important factor that may lead consumers to evaluate a brand or a product as high or low quality (Odabaşı, 2000). This finding can be interpreted as implementing sales promotion activities in an effective way may help, in this case, retailers to develop positive attitudes toward PL products on consumers' side.

Creating positive consumer attitudes toward PLs will have an effect on their purchase intentions. Regarding our results, it can be observed that changing consumers' attitudes positively toward PLs will have an effect of 0,48 on their purchase intentions. As explained earlier, consumers tend to hesitate when it comes to the idea of purchasing PL products since the PLs are cheaper. This situation leads them to think that these products are low-quality products (Peterson & Wilson, 1985; Lichtenstein & Burton, 1989; Walsh & Mitchell, 2010). Convincing a consumer to try these products is the real challenge for the retailers. If consumers intend to purchase, then there is a possibility that the consumer will perform the actual purchasing behavior. In order to do this, consumers' attitudes should be changed in a positive direction via sales promotion activities. Afterward, it will be easier to effect their purchase intention.

MANAGERIAL IMPLICATIONS

Regarding our results, the average of the participants' answers for the private label attitude scale is 3,19 within the scope of this study. This value shows that their attitude is slightly above the neutral point yet there is a long way to go. As explained above, as consumers' attitude toward PLs increase, their intention to purchase these products increase as well. Therefore, retailers and marketing practitioners are suggested to try developing consumers' attitudes positively. Our results also indicate that sales promotion activities have a significant effect (30%) on consumers' private label attitudes, which means that focusing on these activities and using them effectively will help them achieve this objective. With a positive attitude, which is developed on consumers, their intention to purchase PLs will increase.

According to the Nielsen report (2014), the share of PLs, which continue to develop, within the total market in Turkey is less than one-third when compared to some of the developing countries. For example, PL share within the total market in Switzerland is 45% where this rate is only 14% in Turkey. On the other hand, PLs

320

market share has increased in Europe, specifically in Turkey (26%) (The Private Label Manufacturers Association (PLMA)). This fact shows that awareness of Turkish consumers toward PLs can be improved. It will also have an effect on changing their perception of "low price, low quality".

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Economic limitations are the main limitations of this study. As a result of this situation, the study was only conducted in limited parts of Turkey which are Sakarya, Kocaeli, and İstanbul. Although these three cities have higher ability to represent Turkey as explained above, the study could have had more solid results if it could have been conducted within the rest of country instead of implementing it in certain regions. Moreover, only three hard-discount retail stores, which are widespread in Turkey, were included in the study and the rest of them were excluded because of the economic constraints. Another limitation is that only one product category, which is a dairy product category, was examined in the context of this study.

Researchers are advised to take other possible antecedents of PL attitude and purchase intention toward PLs into consideration in order to contribute to the literature with various perspectives. Moreover, attitude toward the national brands (NBs) aside from PLs, store and brand images, brand loyalty, etc. should also be examined to gain a better understanding of consumers' behaviors. Implementing studies such as this in different product categories will also lead researchers to obtain more qualified results, contribute to the literature, and benefit marketing practitioners, and academicians who study in this area.

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326

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KEY TERMS AND DEFINITIONS

Attitude: It is one of the factors that are effective in transforming thoughts into behavior.

FMCG (Fast-Moving Consumer Goods): Products that consumers frequently buy, require low involvement, and also have relatively low prices.

Hard-Discount Retail Store: Stores that offer products at more affordable prices to consumers by reducing marketing and merchandising costs.

National Brand: Known and recognized brands by consumers.

Private Label Product: Retailer products with a competitive advantage over other brands.

Promotional Mix: These elements are the heart of the elements of the marketing mix. With these applications, consumers are informed, convinced and reminded.

Purchase Intention: Consumer's intention to take a purchase action for a product.

Sales Promotion: Short-term applications that encourage consumers to buy, one of the most effective weapons used to gain competitive advantage.

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342

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374

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Index