CONSUMER-LEVEL DETERMINANTS OF PRIVATE BRAND ATTITUDE:

AN EMPIRICAL STUDY IN TURKEY
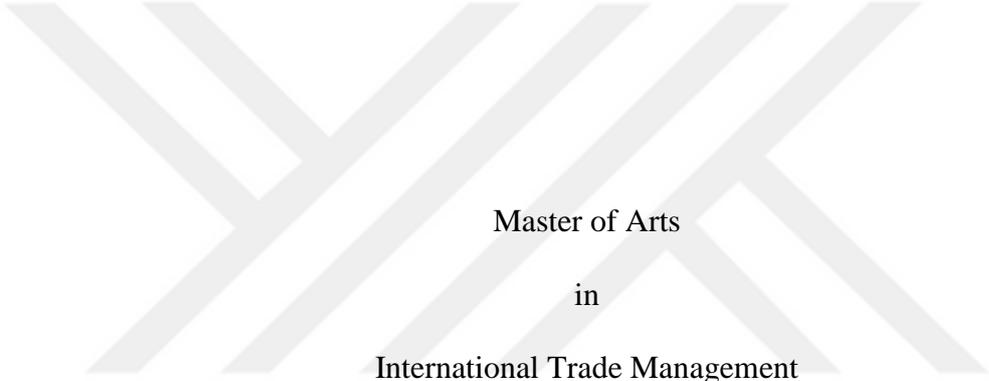
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CONSUMER-LEVEL DETERMINANTS OF PRIVATE BRAND ATTITUDE:

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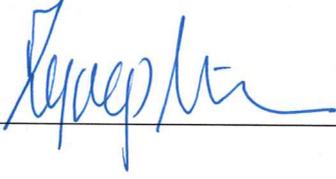Damla İnci

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Consumer-Level Determinants of Private Brand Attitude:

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The thesis of Damla İnci
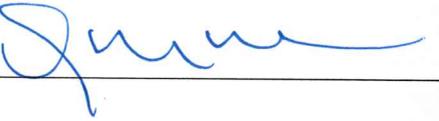
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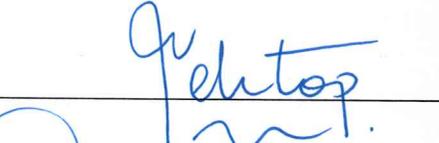
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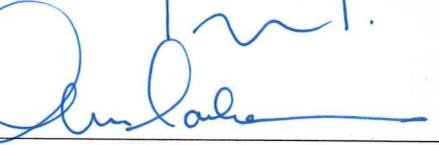Prof. Nisan Selekler Gökşen
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ABSTRACT

Consumer Level Determinants of Private Brand Attitude:

An Empirical Study in Turkey

Private brands, which are offered only in certain retailer as a lower price alternative, are a global phenomenon with a continuous spending growth in the world, as well as in Turkey, especially in grocery products. They were perceived inferior to their counterparts, which has been declining in time due to increasing familiarity with private brands resulting in a positive attitude development. The literature articulates that attitude toward brands is very crucial since it has an impact on consumer purchase behavior. This study aims to explore the consumers' attitudes to private brands in fast-moving consumer goods (FMCG) in Turkey context and proposes a model that investigates the relationship between private brand attitude and the following consumer level determinants: deal proneness, risk aversion, impulse buying and reliance on word-of-mouth activities. A paper-based questionnaire was conducted with 7292 and 6367 Turkish females at the age of 18 or above in 2013 and 2015, respectively. To test the hypothesis, multiple regression analyses were employed. The findings reveal that Turkish female consumers have a favorable disposition toward private brands, which also increased between two periods of study significantly. Besides, a positive relationship is found between private brand attitude and the following determinants: deal proneness, risk aversion, impulse buying and word-of-mouth within private brand context. These four determinants explain 50% of variance chance in private brand attitude.

ÖZET

Tüketici Düzeyi Faktörlerin Market Markalı Ürün Tutumuna Etkisi Üzerine Ampirik Bir Çalışma: Türkiye Örneği

Perakendelerin düşük fiyat alternatifi olarak sadece kendi mağazalarında sundukları market markalı ürünler özellikle hızlı tüketim ürünlerinde artış gösteren harcamasıyla dünyada olduğu gibi Türkiye'de de bir fenomen haline geldi. Başta diğer markalara göre daha düşük kalitede algılansalar da zaman içerisinde bu algı giderek yok olmakta ve bu ürünlere karşı daha pozitif bir tutum oluşmaktadır. Sayısız akademik çalışma markalara karşı oluşan tutumun satın alımda etkisi olması sebebiyle çok önemli olduğunu ortaya koymuştur. Bu çalışma, Türkiye'deki tüketicilerin hızlı tüketim ürünleri sektöründeki market markalı ürünlere karşı tutumlarını ölçümlemeyi ve avantajlı alışveriş eğilimi, riskten sakınma, plansız alışveriş ve kulaktan kulağa iletişim faktörleri ile market markalı ürünlere karşı tutum ilişkisini incelemeyi amaçlar. Bu amaç doğrultusunda 2013 ve 2015 yıllarında 18 yaş üstü kadın tüketiciler ile anket çalışması yapılmıştır. Çok değişkenli regresyon analizi ile hipotezler test edilmiştir. Sonuçlar, Türk tüketicilerinin bu ürünlere karşı olumlu tutum sergilediklerini, bu tutumun çalışmanın 2 dönemi kıyaslandığında anlamlı bir şekilde olumlu yönde arttığını göstermektedir. Avantajlı alışveriş eğilimi, riskten sakınma, plansız alışveriş ve market markalı ürünlerde kulaktan kulağa faktörlerinin market markalı ürünlere karşı oluşan tutum ile pozitif ilişkisi olduğu ve market markalı ürünlere karşı oluşan tutumudaki değişimin %50'sini açıklayıcı olduğu sonucu çıkmıştır.

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CHAPTER 1

INTRODUCTION

Manufacturer brands have witnessed increasing competition with private label products globally in different sectors with varying degrees. Thus, private label products have been a global phenomenon that has been a widely discussed both in business and academic context with an increasing interest over the years. They are considered as a game changer when it comes to fast moving consumer goods (Veloutsou, Gioulistanis, and Moutinho, 2004).

According to The Private Label Manufacturers Association (PLMA), "Private labels are manufactured and brought to market in much the same way as the familiar national brands sitting next to them on store shelves. That label can be the chain's own name, or a brand name created exclusively by the retailer for their stores".

Private label product global spending share within total FMCG spending of households increased from 12.6% in 2010 to 13.9% in 2014 (FMCG Global Barometer Q4 2014 Report). It has been developed most in Western Europe region by 35.5% spending share among which UK is most established market with 47.6% share followed by Netherland, Spain, France, Germany and Italy.

Contrary to Europe markets with aggregated private brand products spending share, Turkey is an immature market with a 13.8% spending share within total FMCG household spending in 2014 (Ipsos Turkey Household Purchase Panel) but a promising market with a rapid and continuous growth since 2010 by at least 10% growth rate.

Previously, private brands were perceived as having inferior quality and they were cheaper alternatives for low income households. However, this perception has

started to disappear since consumers have become more familiar to these products. Thus, attitude toward private brands have been under development in a favorable manner (Baltas and Argouslidis, 2007). Therefore, tracking attitude development toward private label products and understanding its determinants are crucial especially for marketing professionals of manufacturer brands to take actions in-time.

In the literature, plenty of factors are studied that have an impact of private brand attitude from consumer level factors to product and market related factors. This study attempts to determine relationship between private brand attitude and four-consumer level determinants, which are deal proneness (DP), risk averseness (RA), impulse buying behavior (IMP), and reliance on word of mouth (WOM).

The organization of the thesis is as follow: Chapter I presents the introduction. In Chapter II, literature review along with a hypothesis development and theoretical framework of the study is presented. The main objective of Chapter III is to describe context of the study, private label products in FMCG sector and its position in Turkey. In accordance with research design and methodology, Chapter IV portrays scale development, sampling procedure and field study. In Chapter V, goodness of measure and data is discussed followed by results of the analysis along with a discussion. In Chapter VI, findings are concluded with a contribution of the study. Managerial implications are presented. Suggestions for further research and the limitations of the study are also presented in this section.

CHAPTER 2

LITERATURE REVIEW

Attitude holds a central role in many theories in consumer research. Even though it is scarcely questioned and studied empirically, a common assumption is that consumers' actual behavior is determined by attitudes toward available options such as brands in a way that the most favorable overall attitude toward a brand among alternatives results in the selection of this brand (Hauggtvedt, Herr, & Kardes, 2008).

The focus of this study is attitude toward private brands and its determinants. This chapter is organized as follow: first attitude is defined, and various denomination of private branded products is presented. Secondly, private brand attitude and its differentiation in demographics is discussed with findings from the literature. Following that, relationship between private brand attitude and purchase behavior is presented. Finally, four consumer level determinants of private brand attitude are discussed, deal proneness, risk aversion, impulse buying behavior, and reliance on word of mouth.

Findings are mainly from studies conducted in USA and European context and a little is presented in Turkey context due to scarcity of studies and lack of validity and reliability of existing ones. In addition, research hypotheses are presented, and conceptual model of this study is built in this chapter.

2.1 Definition of attitude

In practical terms, the notion of attitude is used to refer varying meanings such as feelings, opinions, and beliefs. In Table 1, varying definitions from literature is presented:

Table 1. Selected Definitions of Private Brands from Literature

Definitions	Study
Attitudes refer to the stands the individual upholds and cherishes about objects, issues, persons, groups, or institutions	Sherif et al., 1965
Attitudes are learned predispositions to respond. Attitudes … are learned and relatively enduring organizations of beliefs about an object or situation disposing a person toward some favored response	Rokeach, 1968
"…a summary evaluation of an object or thought".	Malhotra (2005)
"… an attitude is a learned predisposition to behave in consistently favorable or unfavorable way with respect to a given object."	Schiffman and Kanuk, 2007

As Markin (1974) remarked all definitions of attitude are varying; however, they are emphasizing common nature of attitude. Attitudes exist between a person and an object or a given situation; hence they are perceptual as being positive or negative. In consumer-oriented approach toward attitude, a product, category, service, brand, price, retailer can be considered as an object. Attitudes are learned; that is, they can be developed throughout life and this might be via usage experience or word-of-mouth information (Schiffman and Kanuk, 2007; Walley et al.,2009).

Attitude models have three components named cognition, affect, and conation, so called tri-component model. Cognition refers to beliefs about an object, resulting from knowledge and perception through direct experience and other sources. Affect refers to feelings about the object. Conation refers to tendency to behave in a certain way with respect to attitude toward the object. The theory of reasoned action model is an extended version of this tri-component model with an addition of subjective norms, which has influence on intention (conative component). Subjective norms depend on beliefs about other references' (friend, family) evaluation and motivation to comply it (Schiffman and Kanuk, 2007).

The importance of these components is different for each consumer. Thus, three different hierarchies of these components are suggested and illustrated in Figure 1.

The first one is the standard learning hierarchy in which a consumer first gathers information and forms a belief and then a feeling, resulting in behaving in a particular way. The Second one is low-involvement hierarchy in which a consumer forms a belief with limited knowledge and evaluation appears after purchase through direct experience. The third one is the experiential hierarchy in which hedonic motivation and intangible stimulus (such as brand name) is the driver of purchase behavior followed by forming beliefs (Solomon, Bamossy, Askegaard, and Hogg, 2006).
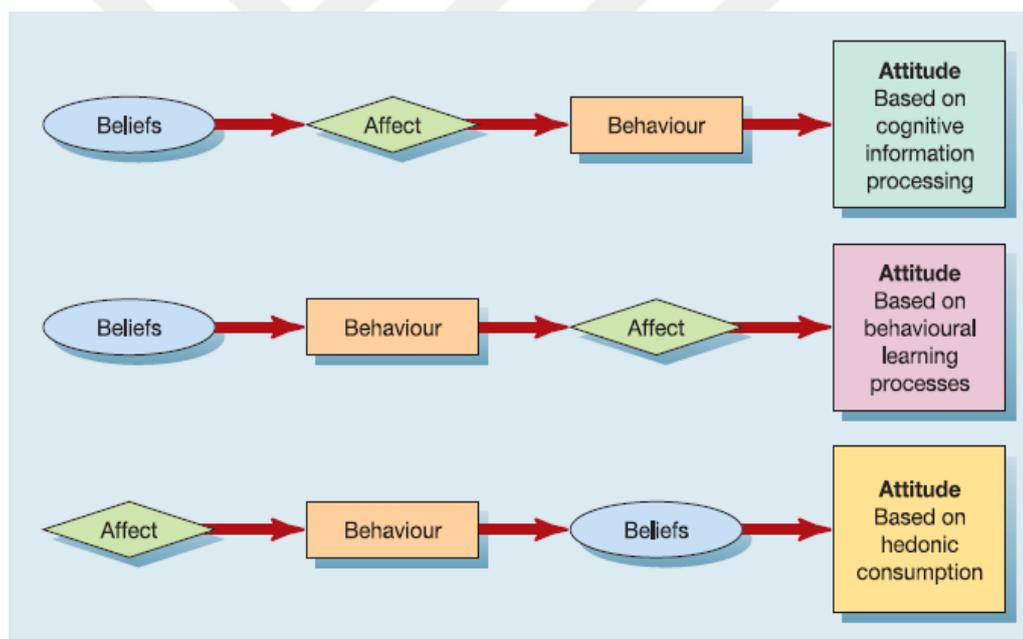
Figure 1. Hierarchy of components of attitude models
Source: (Schiffman and Kanuk, 2007).

Attitudes are generally parallel with behavior because they have motivational features. In other words, they may cause a certain behavior of consumers such as purchasing a product; likewise, they may prevent consumer from purchasing a product. However, this parallel relationship does not necessarily mean that an

attitude causes an expected behavior all the time. There might be factors, which can change the consistency between attitude and behavior of a consumer. For example, a consumer might have a favorable attitude toward brand A; however, same consumer may choose to buy brand B due to affordability (Schiffman and Kanuk, 2007).

Direct observation of an attitude is not possible; however, attitude can be deduced from people's behavior or statements (Schiffman and Kanuk, 2007).

There are several structural models to explain the relationship between attitude and behavior. Most popular among research professionals is multi-attribute models (Solomon, Bamossy, Askegaard, and Hogg, 2006). The three basic dimensions of these models are beliefs, attributes, and importance of these attributes. Fishbein model is considered as most influential multi-attribute attitude model, which is an empirical formula that computes overall attitude toward an object. Three components of the formula are as follows: consumer belief toward an object, attributes of the object, and importance of the attributes (Solomon, 2009).

$A_{ijk} = \sum \beta_{ijk} I_{ik}$

i: attribute

j: brand

k: consumer

I: the importance of weight given attributes i by consumer k

β: consumer k's belief regarding the extent to which brand j possesses attribute i

A= a particular consumer's (k's) attitude score for brand j

2.2 Private brand attitude

Myer in 1967 argued that attitude toward private brand is unrealistic; however, consumers deal with private brands and national brands differently even though there

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is no disclosure on its label showing that it is a private brand. Similar beliefs are still valid. A recent study classified consumer groups as user and non-user of private brands and demonstrated that both groups of consumers perceive private brands and national brands as different, independent from the favorable or unfavorable attitude they have (Nenycz-Thiel and Romaniuk, 2009). Thus, private brand attitude is defined as "a predisposition to respond in a favorable or unfavorable manner due to product evaluations, purchase evaluations, and/or self-evaluations associated with private label grocery products" (Burton, Lichtenstein, Netemeyer, and Garretson, 1998, p.298).

Perception of a private brand is formed mainly relative to national brands by consumers since private branded products are considered as a substitute for national brands (Akbay and Jones, 2005). Predominantly, private brands have been offered at a lower price than national brands (Sethuraman, 2000). Not only the shelf price but also the promoted price of private brand is lower than national brand price offers. It has been emphasized in a recent study of Volpe (2011) that price differential of private brands and promoted national brands varies from 17 to 33% in USA food retailing. Besides, it is founded that cross price-elasticities between private brand and national brand is asymmetric in favor of private brand: 1% price increase of national brand makes 2% increase in purchase quantity of private brand in cereal category. However; 1% price increase of private brand makes only 0.4% increase in purchase of national brand (Akbay and Jones, 2005). Thus, traditionally, private brands are perceived by consumers as having inferior quality (e.g. Gonzales Mieres, Diaz Martin, & Trespalacios Gutierrez, 2006; Richardson, Jane and Dick, 1996; Sheau-Fen et al., 2012). Throughout the years, quality of private brand has been developed continuously in European and USA markets and inferior perception has been

disappearing in time. In other words, private brands are not considered as inferior alternatives anymore to national brands (Baltas and Argouslidis, 2007; Volpe, 2011). Thus, changing private brand attitude in a favorable manner with the quality evolution started to contribute to purchase increase of private brands. This is supported by the finding of Lamey, Deleersnyder, Dekimpe, and Steenkamp, (2007) that even though periods with bad economic conditions increases share of private brands in USA and Europe, recovering of these conditions did not yield in decrease in share at the same amount. Instead, some part of private brand share remained same.

Socio-demographic factors were mentioned as either having less explanatory power (Myers, 1967) or mentioned as important factors but not explained clearly and consistently in any sections of studies (Shukla, Banerjee, and Adidam, 2013). Besides, findings about socio-demographic factors are sometimes conflicting and inconclusive (Baltas and Argouslidis, 2007). Gooner and Nadler (2012) generalized the empirical findings of private brand related studies in the literature and argued that demographic factors give a limited explanation of private brand attitude. In another study, socio-demographic factors are underlined as not having a direct effect on private brand attitude; rather they are emphasized as having an important effect but indirectly through psychographic construct (Ailiwadi, Neslin and Gedenk., 2001). Socio-demographics are also included in the conceptualization in many studies but rarely empirically tested (Shukla et al., 2013). Findings about the relationship between socio-demographics and determinants of private brand attitude are even scarce, contradictory or remained unexplained in many studies. In some early studies, demographic factors are mentioned as having a weak relationship with private brand attitude (e.g. Szymanski and Bush, 1987) whereas they are found as

showing significant moderating effect on private brand proneness in a recent study (Shukla et al., 2013). Both their direct (e.g. Richardson et al., 1996; e.g. Baltas, 2003) and indirect impact through psychographic factors are also studied (Ailiwadi et al, 2001).Despite the scarcity of studies of demographics in academic context, it is known that socio-demographics facts are the most available data in business life, and are the primary or only source of business professionals (as cited in Shukla et al., 2013) and may express at least some part of private brand demand of consumers (Baltas and Argouslidis, 2007).

Most studied factor is income level (e.g. Frank and Boyd, 1965). Education, age, number of household member (e.g.; Richardson et al., 1996) and working status of woman (i.e.; Myers, 1967) are also studied in private brand context in many studies.

Income was found as a poor predictor for private brand attitude (Myers, 1967). In early studies, there is a general acceptance that higher income consumers have fewer propensities to purchase private brands (e.g. Richardson et al., 1996) and this is explained mainly due to financial constraint (Frank and Boyd, 1965). However, in a recent study, findings have been suggesting that higher-income consumers also are private brand prone, which supports the real market trends, namely, changing attitude toward private brands of wealthy consumers over the years (Shukla et al., 2013) due to continuous quality development, hence change of perception of private brands in European markets (Baltas and Argouslidis, 2007).

In addition to income, Richardson et al. (1996) found that when a consumer's family is getting larger, his/her private brand proneness is increasing. Besides, Myers (1967) also demonstrated that housewives are more prone to private brands than working women. A common explanation is that working people have more

disposable income so that they are more flexible to purchase national brands with a higher priced is. However, Myers (1967) confuted these findings in his study and explained it by lack of spare time of working women so that purchasing a well-known brand is more practical in terms of losing time with brand comparison.

Age and educational level of consumer are another studied demographic dimension, but related studies are scarce, and relationship is not well-explained. Burton, et. al (1998) found that there is not a significant relationship between private brand attitude and age while there exists one with educational level: the higher the educational level is, the more prone the respondents are to private brands (in other words, positive private brand attitude).

Social classification is another very important factor that is used widely among marketing and research professionals in business life, but little is studied in academic context due to less applicability. Social class is defined as "the division of members of a society into a hierarchy of distinct status classes, so that members of each class have relatively the same status and members of all other classes have either more or less status" (Schiffman and Kanuk, 2007). Members in same social class have the same social standing in the community, which is that they have similar education and occupation levels, hence income levels, leading to common lifestyles (Solomon, 2009).

Social class of a member is determined by measuring status factors and ranking member relative to others. There are many approaches, hence, many factors to measure social classes; however, there is no consensus how to measure it. Basically, measures can be classified as subjective, objective, and reputational. In subjective measurement, individuals are asked to evaluate their social-class positions among four classes: (i) lower class, (ii) lower-middle class, (iii) upper-middle class,

(iv) upper class. The results are the perceptions of individuals so-called as class consciousness in which individuals are tended to evaluate their positions as middle class even though they belong to lower class (Schiffman and Kanuk, 2007). In objective measurement, selected socio-economic and demographic factors are used of which occupation, income level, and education level are the widely-accepted, well-documented and most frequently used ones. However, it is agreed that even though income factor is popular, it might be a good predictor for social class because even though two members can earn same amount of money, the way of spending it differs based their values. Thus, to give a fair evaluation for social classes, more than one factor is integrated to create composite index.

One of the most important composite indexes is Socioeconomic Status Scores (SES) that is developed by The United States Bureau of the Census. SES combines three factors: occupation, family income, and educational attainment (U.S Bureau of the Census, 1963).

SES scales for households was first developed by Turkish Researchers' Associate in 2006 and revised in 2012. The former SES scale combined two socioeconomic factors: occupation and education level. These factors were calculated through 4 members with varying weights: the man and the woman of the household and their parents. Likewise, the current SES scale combines the same socioeconomic factors. However, according to the lasts field study in 2012, it was demonstrated that impact of income operates through occupation. Also, it was demonstrated that spouse other than primary income providing one does not have a decisive effect on social class. Therefore, score is calculated through only "primary income providing member of the household". By this means, income is also allowed to affect indirectly. Besides, effect of parents of household members were removed

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to provide more dynamic and realistic classification since low level of education and occupational level of parents prevent household members with high educational and occupational level from being placed in relatively higher social class. According to SES classification, there are four distinct groups in Turkey which are entitled as AB, C1, C2, and DE in order from high to low. Table 2 shows SES split % of households in Turkey.

Table 2. Socio-economic Segments (SES) Split % of Household in Turkey and Brief Profiling Information

TURKEY	%	Profiling of SES classes
AB	12	A: almost all of them graduated from 4-year university and nearly 1/3 of them hold master degree. Approximately half of them are qualified labor (lawyer, doctor, engineer,). Nearly 40% of them have working wife. B: nearly 60% has 4-year college or master's degree, the remainder hold a 2 year-college or high school diploma. More than half of them are technical personal, specialist or civil servants who are not in managerial position. Nearly 30% of them have working wife
C1	23	C1: 60% of them graduated from high school, 40% of them are artisan and 30% of them are skilled worker. Nearly 13% of them have working wife
C2	30	C2: 1/5 of them hold high school degree. Others have lower educational level. 60% of them are worker. Nearly 10% of them have working wife
DE	34	D: 70% of them holds primary school degree or dropped out. More than 20% of them work for piecework E: 95% of them holds either primary school degree or dropped out. 30% of them are unemployed, 40% of them were retired, 20% of them are housewife without a regular income and living with stipend from others

2.3 Relationship between private brand attitude and purchase behavior

Since attitude toward a brand forms basis for purchase behavior, measuring attitudes takes much of interest especially by marketing professionals (Walley et al., 2009). Some studies investigate actual purchase data of private brand products and attitude together and conclude that favorable attitudes pose a higher purchase (e.g. Burton et al., 1998; Garretson, Fisher, and Burton, 2002). It is demonstrated that consumers who have a favorable tendency to private brands purchased more private brand

products by 50 percent than counterparts who have less favorable tendency, implying that a favorable private brand attitude makes into purchase behavior (Burton et al., 1998).

There sometimes might be inconsistency between attitude and behavior. Some extenuating situations may result in inconsistency in a way that a person hides his/her actual attitude and behaves differently in publicly especially in socially risky situations (Markin, 1974). This is also valid when a consumer participates into a research; respondents may evaluate the statements as want to be rather than are. In the context of private brand, same possibility may exist due to traditional acceptance that private brand products have inferior quality than national brands; hence, the consumer may evaluate a negative or less favorable attitude than he/she has due to higher-self presenting motivation. Regarding this, integrative part of this study makes also significant contribution to literature whether such an inconsistency exists in a socially risk issue-private brand context- in Turkey or not.

2.4 Determinants of private brand attitude

Existing research attempts to study varying perceived consumer-level factors within private brand context of which most recent studies are summarized in Table 3:

Table 3. Consumer Level Affecting Factors within Private Brand Context

Variables	Study
Price consciousness/ price image / price perception/ perceived price unfairness over national brands	Rhzem and Debabi, 2012; Burton et al. 1998 Chen and Sadeque, 2007; Baltas, 1997; Burton et al. 1998/ Sinha and Batra, 1999
Perceived value / value consciousness / Perceived value for money	Rhzem and Debabi, 2012/ Burton et al. 1998; Ailiwadi et al.2001 / Richardson et al. 1996
Perceived quality/ quality consciousness/ Perceived quality variations	Rhzem and Debabi, 2012; Sethuraman and Gielens, 2014 / Ailiwadi et al.2001/ Richardson et al. 1996
Perceived risk / risk averseness	Richardson et al. 1996; Sinha and Batra, 1999 /Burton et al. 1998
Price-quality perception	Burton et al. 1998; Sinha and Batra, 1999
Brand loyalty	Manzur, Olavarrieta, Hidalgo, Farías, P., and Uribe, 2011; Burton et al. 1998; Ailiwadi et al.2001
Impulsiveness	Burton et al. 1998; Manzur et al,2011; Ailiwadi et al.2001
Smart-shopper self-perception	Manzur et al,2011; Burton et al. 1998
Word of mouth	Chen and Sadeque, 2007
Deal proneness	Burton et al. 1998

These factors are studied mainly in a specific category/ies or brand(s) context since certain differences exist in perception of private brands in different categories and retailers (Sethuraman and Cole, 1997). However, there is an increasing interest in studying consumer-level determinants instead-of category level in recent studies (e.g. Ailiwadi et. al, 2001).

Four consumer level determinants are the focus of this study. Thus, for the remaining part of literature review, four determinants of consumer attitudes toward private brands are presented. Three of them are deal proneness, risk awareness, and impulse buying tendency that were commonly studied by many scholars. Fourth one is reliance on word of mouth in private brand context that has been relatively newly discussed in many studies.

2.4.1   Deal proneness

2.4.1.1. Definition and conceptualization of deal proneness

Deal proneness is defined by Lichtenstein, Netemeyer, and., Burton (1990) as "an increased propensity to respond to a purchase offer because the form of the purchase offer positively affects purchase evaluations" (p. 56) and was used as a construct first by Webster (1965). It has a psychographic dimension and differs in individuals (Burton et al., 1995).

Most widely adopted perspective (Burton et al., 1995) is that deal proneness is considered as a general construct. In other words, a consumer's propensity to any kind of deal offer is the same: favorably or unfavorably in general (Gázquez-Abad and Sánchez-Pérez, 2009). For example, coupon proneness behavior was generalized to deal proneness by Shimp and Kavas (1984) by arguing that consumers' behavior shows similarities in varying deal types such as sales promotion activities. On the other hand, consumers' proneness to deal types differs which implies that deal proneness has a domain-specific character, hence, it is argued that it is best conceptualized at deal type level such as display, rebate, coupon, and sale proneness (Burton et al, 1995). However, in a recent study Anic and Radas (2006) found no differential between promotion types regarding level of deal proneness among consumers.

In the literature, there is a common approach to conceptualize deal proneness which is dividing it in two dimensions. Some scholars define these two dimensions in terms of engagement. For example; Schneider and Currim (1991) called these two dimensions as active deal proneness and passive deal proneness, which refers to intensive search requirement and minimal search requirement for deal offers,

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respectively. Similarly, Ailawadi et al. (2001) defined deal proneness with two dimensions as proneness to in-store promotions and to out-of-store promotions which refer to whether effort occurs mainly in the sales point or effort is required out of store. The rationale behind these authors' approach is that one dimension required less effort (passive proneness and proneness to in-store promotions) than other. Some other scholars preferred to define deal proneness in monetary terms. For example; deal proneness is defined as having two dimensions in Shimp's work (1990) as price-related deals such as coupons, sales, or rebates and non-price related deals such as contests/sweepstakes or gift with purchase (as citied in Gázquez-Abad and Sánchez-Pérez, 2009, p.5). The main difference of these two-dimension results from whether a deal offers lower purchase value or not. Chandon, Wansink, B. and Laurent (2000) adopted the similar approach and went a step further and found that effectiveness of price-related and non-price related deals depends on whether a benefit delivered to a consumer is utilitarian or hedonic. Utilitarian benefit refers to monetary, quality and time savings whereas hedonic benefit refers to experience. They also found that price-related deals are more effective for utilitarian products while non-price related deals are performing better for hedonic products. Being price sensitive is situational and more apparent for utilitarian products such as toilet paper while it may disappear for hedonic products such as ice-cream or may disappear depending on social context such as consuming beer with friends (Wakefield and Inman, 2003).

Another complementary finding regarding product types is that if a consumer is less price sensitive, it does not matter if a product is either hedonic or utilitarian. His/her proneness to deals offered by both product types. However, when the price sensitivity of a consumer is increased, there appears a gap in the level of being deal prone in favor of utilitarian products (Wakefield and Inman, 2003). Consistently, Yi

and Yoo (2011) stated that price-related deals are the most popular kinds; however, they also argued that brand attitude is affected negatively from price-related deals in long term compared to non-price related deals. When considering a deal prone consumer, this affect is also weak.

Majority of deal proneness studies are conducted within USA and this subject should be also studied for Europe context due to difference promotional reality (Gázquez-Abad and Sánchez-Pérez, 2009) since it is argued that differences in promotional reality of a market limits the generalization of a certain study (Carpenter and Moore, 2008).

In the literature, researchers also tried to identify deal-prone consumers based on socio-demographic, purchasing behavior and psychographics characteristic. Findings either support or contradict each other. This stemmed from varying measure, methods and different deal types in question of the studies as citied in Gázquez-Abad and Sánchez-Pérez (2009). However, some findings are consistent in majority of studies. First, deal prone consumers are less brand loyal: Brand loyal consumers are defined as being more liable to re-purchase the same brand that they are always buying and less willing to switching to other brands (Garretson et al., 2002). In 1965, Webster found that consumers are more deal prone when they are less brand loyal. They buy higher number of different brands so that a single brand has a smaller share among their total purchase. This is resulting from switching behavior between brands to purchase the promoted brands so that their deal proneness is also described as "consequence of their low level of brand loyalty" by Gázquez-Abad and Sánchez-Pérez (2009). Ailawadi et al. (2001) approached the issue in a different way and stated that deal prone consumers, especially the ones who are heavy users of deals, displays a switching behavior but not between brands.

Rather, they show switching between stores to find their favorite brands in promotion. In fact, the relationship between brand loyalty and deal proneness is not that simple because brand loyal consumers also willing to get their preferred brands in price promotions (Garretson et al., 2002). Webster (1965) discussed this complexity with the following paradox. In the case of a brand that offers deals at a higher rate, a consumer considered as a loyal to that brand might be either a deal prone consumer resulted in a higher brand loyalty or be a brand loyal consumer but to a high-incidence deal brand.

Second, deal prone consumers are price sensitive. Gázquez-Abad and Sánchez-Pérez (2009) tried to define the characteristic of deal prone consumers and demonstrated that they are price sensitive and in the pursuit of the best deal in the store. Consistently, Ailawadi et al., (2001) segmented deal user consumers through their psychographic drivers and demonstrated that they are price conscious and have financial constraints.

Third, deal prone consumers are inclined to stockpiling of products. Ailawadi et al. (2001) demonstrated that deal prone consumers, especially the ones who are heavy users of deals, have also place to store so that they have propensity to stock piling.

In addition to these three afore-mentioned characteristics, deal prone consumers are found as enjoying shopping, open to try new variety of products/brands, and to be impulsive in purchase decisions (Ailiwadi et. al, 2001).

2.4.1.2   Relationship between deal proneness and private brand attitude

Majority of research focused on price-related constructs such as price consciousness (e.g. Rhzem and Debabi, 2012; Sinha and Batra, 1999), or price image of private brands (e.g. Jean and Louis, 2011; Collins et al., 2003) but few of them used deal proneness one of the dimension which is price related. Private brand users and deal prone users have different psychographic drivers for private brand and promotion usage. Hedonic benefits are highly correlated with deal usage while economic benefits have strong correlation for private brand usage. Besides, deal prone consumer segment differs in being impulsive and stockpiling behavior from private brand users (Ailiwadi et. al, 2001). Also, promotional deals are found as having a positive impact on private brand proneness (Schukla et al., 2013) since it emphasizes value for money which has an impact on private brand proneness (Richardson et al.,1996). In addition, Burton et al. (1998) studied 8 different types of deal on private brand attitude and found that direct price reduction deals have the strongest relation with private brand attitude compared to any other deal types. Thus, the study makes its first hypothesis (H1);

H1: There is a positive relationship between private brand attitude and deal proneness.

2.4.1.3 Difference in demographics of being deal pone

Myers (1967) and Webster (1965) argued that prediction ability of socio-economic and demographics factors are not strong; however, Webster considered the results valuable, as they are contradictory to common sense belief. Webster (1965) found that younger housewives are less prone to deals compared to older ones. He explained the results as older housewives are expert shopper and already learned

where to find deals. Similar with this finding, a relatively recent study demonstrated that older women are more willing to look for discounts, in other word, deals, than their younger counterparts (Shukla et al., 2013). This is mostly explained by more shopping experience of older female consumers (Shukla et al., 2013).

In some studies, no significant correlation (e.g. Webster, 1965) or weak correlation (Myers, 1967) is found between income level and deal proneness. Shukla et al. (2013) put a contradictory finding forward in a very recent study. They found that higher-income consumers are more deal prone compared to lower-income consumers and stated that this finding supports the real market trends, namely, changing attitude toward private brands of wealthy consumers over the years. Shukla et al. (2013) also demonstrated that lower-educated consumers are more deal prone than their counterparts who are higher educated. Little is studied about household size and its impact on deal proneness in the literature. Shukla et al. (2013) proposed that consumers are more deal prone when their family gets larger due to scarce resources to satisfy needs of all family members. However, they found no significant relationship between household size and deal proneness. Lastly, working status is studied and no significant relationship is found (Cunningham, 1967).

2.4.2 Risk aversion

Economists, psychologist, and decision theorists extensively discussed the concept of risk in many consumer behavior studies (Dowling, 1999). First, conceptualization of risk concept is discussed within the context of consumer behavior and then findings about perceived risk are presented in private brand concept. Then, findings about risk aversion, a personal tendency, are presented.

2.4.2.1 Definition and conceptualization of risk

Bauer first introduced the risk concept to marketing society (1960 in Mitchell, 1999) Even though it has been widely used, there has been no unique accepted definition of risk concept but a conceptual fuzziness. This fuzziness stemmed from different school of thought of researchers (Dowling, 1999; Mitchell, 1999): One of the early discussions of risk in the literature was whether objective risk exists or not. Mitchell (1999) explains that discussion has its source in philosophical approach of relativist and realist researchers. Realists try to measure objective risk because they believe the real world exists independent from how it is perceived while relativists claim that risk is in relation to perceiver and objective risk must be considered as being present but theoretical with its inability to be measured accurately. Instead, subjective or perceived risk can be measured more easily. This is also supported by argument of Bauer (1960) that "…accurate assessment of risk almost impossible. Even if consumer could calculate accurately the risk involved, it is not the objective risk which motivates behavior, but the consumers' subjective impression of it "(as citied in Mitchell, 1999). Also, Bauer (1960) stated that "…individual can respond to and deal with risk on as he perceives it subjectively. If risk exists in the "real world" and the individual does not perceive it, he cannot be influenced by it."

Consumer decision making is considered and explained as a problem-solving activity: Consumer identifies purchase goals and tries to satisfy her goals with products (brands). Based on the assumption that a consumer behavior is goal oriented, perceived risk was defined as a function of uncertainty and outcomes of buying actions (Cox, 1967). Taylor (1974) suggested that the fundamental problem in consumer behavior is choice and its outcome can only make sense later. Thus, consumers are always faced with a risk.

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In this sense, perceived risk may appear in the following situations: (i) uncertainty regarding identifying purchasing goals, (ii) uncertainty regarding ability of a product (brand) for satisfying goals, (iii) negative outcomes (may be functional, physical, social loss or loss of money, time, or effort) in case of failure of product (brand) in satisfying the purchasing goals.

In the literature, different scholars study varying risk types. In 2005, Tsiros and Heilman proposed the risk types as follow:

(i)   Performance (i.e. the risk that the product may be lower than expected)

(ii)   Financial (i.e. the product may not worth to pay)

(iii)   Functional (i.e. the product may not function as expected)

(iv)   Physical (i.e. the product may have safety risk)

(v)   Social (i.e. the product choice may lead a social embarrassment)

(vi)   Psychological (i.e. the product may damage the consumer's ego)

These afore-mentioned types of risks may have an impact on the consumers' risk perception separately, in combination, or together (Campbell and Goodstein, 2001). As it is exampled by Campbell et al (2001) that "… woman buying wine for her party, the source of the risk due to negative consequences could be performance (the wine will not taste good), psychological (her self-concept is threatened), and/or social (her guests will think poorly other). These sources of risk combine to form an overall level of perceived risk that the consumer associates with the purchase of the wine".

A different study by Dowling (1999) argued that (i) different levels of wealth, and thus the importance of loss across respondents, (ii)characteristic of the products (cost, degree of newness...), (iii) involvement of the person with the product and/or purchase, (iv) the knowledge and experience of the person with this type of product

(an uncertainty effect), (v) the reason for purchase (for personal use of gift), (vi) the situation in which the purchase takes place, (vii) the social visibility of the product and the motivation to comply with social norms, (viii) the ability of the person to reduce initial levels of perceived risk, (ix) the inherent disposition to accept risk by the person (that is, a trait effect) are mainly effecting factors to perceived risk of consumers. When considering all afore-mentioned factors, it is seen that perceived risk is dynamic even to the same product or brand. For example; in every shopping experience, consumers update their knowledge, hence their perceived risk. These determinants can be classified as situational and personal. It is found that situational effects explain 12.8% of people behavior while personality and demographics explains 9.4% and 1.5% of behavior, respectively (Sarason, Smith, and Diener, 1975)

2.4.2.2 Risk reducing strategies

If the perceived risk is outside the tolerable levels, consumers are engaged in actions to reduce the perceived risk. Depending on two afore-mentioned dimensions of risk, uncertainty and outcomes, perceived risk can be decreased either by reducing uncertainty or outcomes. According to an exploratory study conducted in 1967, reducing degree of uncertainty is far more common way to reduce perceived risk. Thus, much of risk reducing actions is related with reducing uncertainty (Cox, 1967). One example of risk reducing action is information seeking (Bauer, 1960).

2.4.2.3 Perceived risk in private label concept

It can be only understood whether a product delivers satisfaction or not after purchasing. Thus, consumers are faced with uncertainty in purchasing, leading to a perceived purchase risk (Mitchell and Vassos, 1998).

Purchase risk evaluation for a private brand is made usually by comparison with manufacturer brands (Horvat and Dosen, 2013). Generally, compared to national brands, purchasing private brands is perceived to be riskier by consumers than buying manufacturer brands (e.g. Bettman, 1974; Livesey and Lennon, 1978: Richardson et al., 1996; Sheau-Fen et al., 2012).

Main reason for why consumers perceived private brands as riskier alternatives is that consumers perceive private brands as inferior in quality than manufacturer brands (e.g Gonzalez Mieres et al., 2006; Richardson et al., 1996; Sheau-Fen et al., 2012; Erdem et al., 2004). Main concern in case of switching from national brand to private brand is again quality (Sinha and Batra, 2000) even though "Just like national brands, store brand products are tested and analyzed for quality and safety by independent companies before they reach the shelves" as claimed by American Private Label Association. Regarding perceived quality, Wulf, Schröder, Goedertier, and Ossel (2005) designed a repeated measure including both blind and non-blind taste tests for private brand and national brand products in orange juice category. In blind test results, consumer evaluations of private brand products were same or higher over national brands. However, in non-blind taste tests- when consumers see which product a private or national brand is- consumers show stronger favorable evaluation toward national brands. This shows that national brands are enjoying their brand equity more, contributing to perception of higher quality over private brands. Even in cases where there is no perceived quality variation between private and national brands or it is very small, some consumers are still likely to purchase national brands with a price premium which is mostly influenced by non-quality factors such as brand image (Sethuraman, 2000).

The higher perceived quality variation between private and national brand contributes to perceived purchase risk to be higher (Sethuraman and Gielens, 2014; as citied in Horvat and Dosen, 2013), leading to unfavorable attitude toward private brand products (Sinha and Batra, 2000; Richardson et al., 1996). Thus, Richardson et al. (1996) suggested that in-store activities such as taste tests would help to lower the perceived risk of private brand products along with a positioning based on quality since perceived quality is the major driver (Sethuraman, 2000).

Generally, perceived risk is category related and it does not necessarily exist only for big amount purchase since the monetary dimension of purchase is not the only or the major affecting factor (Cox, 1967). If category's risk level is low, it results in lower perceived risk (Horvet and Dosen, 2013). For example; Sinha and Batra (2000) found that perceived risk differs and higher for baby food category and lower for toilet paper products. Similarly, in 2013, Horvet and Dosen studied 24 product categories and found that perceived risk differs in these categories depending in a way that toilet paper, paper towel; liquid soap categories are associated with lower perceived risk whereas it is vice versa for baby food and facial care product categories. This is because the quality variations of categories perceived by consumers are different. When perceived quality variations are higher in a category, the category is considered as riskier, and consumers become less price sensitive than in categories with higher perceived risk level. Thus, consumers become less prone to private brands in that kind of categories as cheaper alternatives (e.g. Sinha and Batra, 1999; Horvet and Dosen, 2013).

Perceived risk of private brands also depends on familiarity (past experience/usage) (Sethuraman and Gielens, 2014). Because experiencing a product may lead to change in perception of quality in consumer's mind (Erdem et al., 2004),

the more consumers are familiar with private brands, the less perceived risk differential exists between private brands and national brands (Gutierrez et al., 2006), leading to positive attitude toward store brands. This is especially important in categories with an experience nature such as coffee. The experience nature of category contributes to a higher quality variation perceived by consumers, hence a higher perceived risk and less private brand proneness in that category (Sinha and Batra, 2000).

In majority of the studies, perceived risk is studied as an antecedent of private brand attitude (e.g. Shau-Fen et al., 2012; Burt, Cho and Rha, 2015; Sethuraman and Gielens, 2014; Horvat and Dosen, 2013; Richardson et al., 1996; Erdem et al., 2004; Ural, 2008). It is measured as brand, product or category specific; however, less is known about general risk averse personality and private brand attitude.

2.4.2.4 Risk aversion as an attitude

Attitude toward risk has been drawing attention in marketing as well as finance and economy (Matzler, Grabner-Kräuter, and Bidmon, 2008) and there is a common belief that in varying situations, attitude toward risk is a stable personality trait which reveals as being more risk-averse or risk-seeking for some individuals than others (Weber, 2002). Cunningham (1964) stated that a perceived risk differential exists between categories; however, some consumers evaluate differently the same categories in terms of risk. It reveals that some consumers typically perceived high risk across product categories as a personal tendency.

Risk aversion has a close relationship with perceived risk, but this relationship is not clear. The difference is that perceived risk has two dimensions; the uncertainty of an outcome, referring to "whether the results of decision will be as

expected", and the importance of negative consequences associated with the outcome of a choice, referring to "the seriousness to consumer, of a making mistake" (Taylor and Jones, 1978). However, risk aversion displays only the first component: attitude toward uncertainty of an outcome.

2.4.2.5 Risk-averse consumers

Risk averse consumers are less willing to try new products and they tend to purchase well-known products (Campbell and Goodstein, 2001; Steenkamp, Hofstede, Wedel, M.1999) and they are likely to be brand loyal (Matzler, et. al, 2008). Besides, risk averse consumers are also more price sensitive and less quality sensitive (Erdem et al., 2004) thus more prone to store brands.

It is demonstrated that disclosing name of manufacturer on packaging of private brands has a positive effect on private brand attitude if consumers trust manufacturers in Korean context (Cho et al, 2015). Since consumers perceive national brands superior to private brands in terms of quality, when they become aware that national brands manufacturer they know, they think about private, produces private brands have quality as high as national brands.

Tsiros and Heilman (2005) conducted a study with perishable goods and demonstrated that higher perception of functional, performance and physical risk results in more frequent check of expiration date by consumers.

To summarize, perceived risk has a dynamic nature. It means there are other factors that may lead to change in perceived risk in time (Dowling, 1999) because consumers update their knowledge in every shopping (Sarason, et al, 1975). When considering the quality of private brands has been developing in time and they are not seen as inferior alternatives to national brands anymore (Baltas and Argouslidis,

2007; Volpe, 2011), it is not surprising to expect some change in perceived risk toward private brands over time. On the other hand, risk perception is also a personal tendency; a stable personality trait which reveals itself as being more risk-averse or risk-seeking for some individuals than others (Weber, 2002). Therefore, differential in risk perception exists for same product categories (Cunningham, 1964). These risk-averse consumers are not open to try new products or brands, rather they prefer brands they know well (Campbell and Goodstein, 2001; Steenkamp et al., 1999), hence they are willing to be brand loyal (Matzler, et. al, 2008). So;

H2: There is a relationship between private brand attitude and risk aversion.

2.4.2.6. Difference in demographics of being risk averse

Individual-oriented factors such as demographics (age, gender, culture…) have been found as an influencing factor for being risk-averse (or risk-taker) (Weber, 2002). However, the findings related to being risk averse in the literature either supports or contradicts each other.

Bauer (1960) found that risk perception varied in social class while Kogan and Wallach (1962) demonstrated that risk perception is also varying in older people. On the contrary, in the study of Cunningham (1967), age, education and occupation was studied as socio-demographic variables and no consistent relationship was demonstrated between these variables and perceived risk.

2.4.3 Impulse buying behavior

Baumesiter (2002) explained impulse buying behavior as "impulse purchasing involves getting a sudden urge to buy something, without advance intention or plan". Caswell and Padberg (1992) attempt to explain this quantitatively and stated that

purchase decisions raised in the store accounts for two thirds of shoppers' purchase decisions. Thus, they argued these unplanned purchases have a very crucial role in the shoppers' choice of products (Manzur et al., 2011).

One of the drivers of impulse buying is a failure of self-control. Self-control failure results when purchase goals are undetermined. In other words, consumers who know what they want to buy are less inclined to show impulse purchase behavior. Lack of awareness about purchase behavior is another reason for self-control failure, hence, impulse buying. Namely, consumers are not tracking/ aware of how much they are spending. Also, when consumers are faced with series of decisions they should make, they display a tendency to show impulse buying. Similarly, it is also argued that spending more time in a market may results in being more impulsive in buying since consumer is face with many small decisions along the way which reduces his/her self-control capacity. It is argued that preparing a shopping list in advance minimizes the impulse buying tendency. However, grocery product purchases are generally unplanned (Baumesiter, 2002).

Impulse buying is also driven by hedonic benefits of exploring and experiencing a new product. In other words, impulsive consumers are open to try new products, varieties and enjoy shopping. Besides, impulsive buyers are defined as not planning their shopping in advance and not being aware about how much they spent (Ailiwadi et al., 2001, Chandon et al., 2000, Midgley and Dowling, 1978).

2.4.3.1 Relationship between impulse buying and private brand attitude

Findings about the relationship between impulse buying behavior and private brand attitude are scarce and the existing ones are contradictory.

It is argued that impulse buying is more apparent for brands at promotion due to visibility of promotion communications such as special display locations in the market and pop materials addressing promotions (Burton et al., 1998; Montgomery, 1971). Thus, Manzur et al., (2011) proposed that impulse buyers are more likely to purchase NB promotions than private brands because NB promotions are more visible; however, they could not find a significant relationship between impulse buying behavior and neither private brand attitude nor NB promotion attitude.

Burton et al. (1998) found a negative relationship between impulse buying behavior and private brand proneness. They explained the other findings of their study as follows: private brand prone consumers perceive themselves as a smart-shopper so that they have more tendencies to seek out the private brand version of product instead of impulse purchasing. Similarly, Ailiwadi et al., (2001) demonstrated that store brand focused consumers are not impulsive buyers and not planners, as well.

On the other hand, Schukla et al. (2013) studied impulsiveness as a psychographic determinant of private brand attitude and found that impulse buyers have positive private brand attitude. From the viewpoint of utility transaction, Baumesiter (2002) suggested that private brands offer a higher utility transaction over other competing brands overall when considering price, quality, and packaging. This contributes to higher impulse behavior in private brand purchase. Another explanation is that impulse buyers might have private brand proneness since they considered as a new and untried product (Granzin, 1981).

The findings about relationship between impulse buying behavior and private brand attitude is scarce and the existing ones are contradictory: Either negative relationship (e.g. Burton et al., 1998; Ailiwadi et al., 2001) or positive relationship

(Schukla et al. 2013) between impulse buying behavior and private brand proneness is found in the literature. Therefore,

H3: There is a relationship between private brand attitude and impulse buying behavior.

2.4.3.2 Difference in demographics of being impulsive buyer

Low-income and less-educated consumers make more impulse purchases (e.g. Green 1996; Levy, 1996) which is also demonstrated by a recent study and explained as a reflection of economic shrinkage post-2008 and justified as follows "…consumers with limited disposable income focus on the present subjective value rather than future gains". (Shukla et al. (2013).

Schukla et al. (2013) studied impulsiveness a psychographic determinant of private brand attitude and found that impulse buyers have positive private brand attitude, which is stronger in younger, low-income, and low-educated consumers than their counterparts with revers profile are.

2.4.4 Word of mouth

Word of Mouth (WOM) is one of the most powerful communication channels for marketing which is argued as the most credible source after personal experience (Allsop, Bassett and Hoskins, 2007). Thus, it has been the focus of many studies either as an input variable in purchase decisions as a risk reducing strategy or output variable as usage of product (as citied in Lau and Ng, 2001). In this study, WOM is considered as an input variable as a risk reducing tool in purchase behavior of private brands. First, conceptualization of this construct is presented. Then two basic categories of WOM are discussed: online vs offline WOM and followed by two basic

dimensions: negative and positive WOM. After that, a brief discussion both from academic researches and on-going practical studies is presented regarding nature of WOM. Finally, WOM is discussed as a risk reducing strategy and its relationship with promotional campaigns is addressed.

2.4.4.1 Concept and definition of WOM

The oldest way of spreading opinions regarding products, brands, and services is informal communications such as inter-personal communication (Lau and Ng, 2001). Inter-personal communication, which is not commercial, plays a significant role in consumer decisions because it is perceived as most important information source by consumers. Besides, compared to non-personal sources such as media, its impact is stronger (Gilly, Graham, Wolfinbarger, and Yale, 1998). Consistently, for example; in the study of Day (1971) its impact on attitude change toward favorable manner is demonstrated as nine times stronger (Mazzarol, Sweeney, and Soutar, 2007).

In the literature, there are many terms used for defining non-commercial interpersonal communications such as the new notion of user generated content and relatively traditional notion- word of mouth- (e.g. Mazzarol et al., 2007). In this study, the notion word of mouth is used. Arndt (1967) first defined WOM as "oral, person-to person communication between a perceived non-commercial communicator and a receiver concerning a brand, a product, or a service offered for sale". In this study, the following definition of East, Hammon and Lomax (2008) is adopted: "WOM is informal advice passed between consumers. It is usually interactive, swift, and lacking in commercial bias". WOM may be positive or negative, which promotes brand choice or vice versa (East el al. 2008).

2.4.4.2 Offline versus online WOM

Due to rapid increase in internet usage in daily life, online channels for WOM communications becomes more and more important in which marketing professionals want to apply more activities such as viral marketing or guerilla marketing (Bayraktar and Erdoğan, 2015). However, offline WOM conversations still hold the dominance by accounting for 90% of an overall WOM for a brand (Keller Fay Group, 2014). Besides, offline WOM has a stronger influence on equivalent than online (Baker, 2011, Bayraktar and Erdoğan, 2015; Lovett, Peres, and Shachar, 2013).

There are many reasons for this difference between online and offline WOM. One reason is that information transition is face to face mediated in offline, which also includes valuable other cues such as emotions which is not the case for online channel. This additional non-verbal communication enables receiver to gain information more accurately and engage in WOM actively. Besides, offline inter-personal communications do not have a commercial bias, which makes them more credible than any kind of marketing communication (Lau and Ng, 2001). Thus, quality of communication and value of information is higher (Bayraktar and Erdoğan, 2015). Another reason is suggested that information transmitted face to face can be more easily accessed from the memory, hence, more likely to be used for future judgments (Herr, Kardes, and Kim, 1991). Despite the dominant presence and stronger effect of offline WOM, majority of research in the literature is conducted online due to convenience of data collection (e.g. Chang and Wu, 2014). To best of our knowledge, first attempt to study online and offline WOM simultaneously is conducted by Baker (2011).

2.4.4.3 Negative vs positive WOM

Both positive and negative WOM about a brand are more likely to be transmitted compared to a neutral sentiment. However, positive WOM is even more likely to be passed along individuals (Baker, 2011). Consumers mostly talked about brands in positive way by 62%, while 10% of conversations are mostly negative, 16% of them are mixed and 12% of the conversations are neutral. This polarity also exists depending on category: in general, conversations about consumer-packaged goods are most positive compared to others; for example, telecommunication. Moreover, consumers are more inclined to believe in positive WOM than negative WOM, (Keller Fay Group, 2006; Bone, 1995). These results disprove the traditional judgement that consumers with negative experience about a brand are engaged in WOM activities more than their counterparts with positive sentiment.

This afore-mentioned discrepancy may be well explained by drivers of WOM. Levott et al. (2013) proposed these different drivers which are emotional, functional, and social. Emotional driver refers to motivation of expressing excitement and satisfaction about an experience or a brand. Functional driver refers to need to seek or provide information. Social driver means self-presenting motivation. It is suggested that WOM activities are not including only information about the brand in question but also gives information about adviser's expertise. Thus, consumers who want to show their expertise and signal status, are more likely to communicate positive WOM (Lovett et al., 2013; Wojnicksi and Godes, 2008).

Similarly, Angelis, Bonezzi, Peluso, Rucker, & Costabile, (2012) attempted to clarify the discrepancy through introduction of generation and transmission dimension of WOM. They argued that consumers are more likely to engage in positive WOM through generation, which means sharing their own experience. On

the contrary, consumers are more likely to be engaged in negative WOM through transmission, which means sharing others' experience they heard.

2.4.4.4 Nature of WOM

The Keller Fay Group released conducted a continuous single-day diary measurement study of WOM including both online and offline in USA (2006) under the name of Talk Track ^{TM}. The study reveals that 70% of conversations actualized face to face, 19% of them by phone, and 8% of them by online. Besides, partners for these conversations are diverse; 50% of partners are family members and friends while 25% of are partner/spouse. Consistently, according to the results of Trust in Advertising Report results by Nielsen Company, which was conducted most recently in 2013 with 29,000 consumers in 58 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America, "Recommendations from people I know" is most rated form of advertising source by 84% with an increasing importance since 2007. Similarly, among online information creators, friends and families are rated as the most trusted content creators by 72% according to the most recent global study (Edelman Trust Barometer 2015 results). These findings corroborate the many researches in the literature: WOM most commonly exists between family members and friends (Engel Kegerreis, and Blackwell 1969) because the closeness of individuals (Mazarol et al., 2007) and similarity of individuals (Gilly et al., 1998) enable WOM to be developed.

One of the facts about the market is that, trust in media has been declining globally in which Turkey is the country with the least trust index among all countries (Edelman Trust Barometer 2015 results), which makes the WOM communication even important for Turkey context.

WOM is an important influencing factor of attitude toward Private Brands (Chen and Sadeque, 2007) but still, studies in private label concept is scarce in literature and does not exist for Turkish market, to the best of our knowledge. Considering that in Turkey, there are no TV advertisements for private brand products for the period that field study is conducted. Thus, it might be expected that informal communication between users gains more importance in formation of belief and thoughts, hence attitude toward private brands, especially if communications have positive suggestion dimension. Thus;

H4: There is a positive relationship between private brand attitude and reliance on WOM. The more consumers rely on WOM, the more they are likely to have favorable attitude toward private brands.

2.4.4.5 WOM and likelihood of purchase

In early studies, it is argued that exposure to a positive comment raises the likelihood of purchasing a product (Arndt, 1967). Consistently, in a very recent study of Meiners, Schwarting, and Seeberger (2010), attitude and purchase behavior are found to be affected by WOM either in a traditional way or online. Besides, positive WOM is more effective than negative WOM to change purchase probability (e.g. East el al., 2008), especially in pre-purchase stage (Bone, 1995). Supportively, Keller Fay Group (2006) results also indicated that there is a correlation between consumers, who are receiver of advice, and their purchase intend.

It is suggested that WOM is more likely to be produced for differentiating brands or new brands, resulting from self-enhancement and information seek motivation (Lovett et al., 2013). Similarly, marketing professionals consider a surprising and novel product worthy of WOM (Dye 2000). However, another study

reveals that ordinary products can obtain much WOM if they are visible, as well (Berger and Schwartz, 2011).

2.4.4.6 WOM as a risk reducing strategy

Wallah, Kogan, and Bem (1962) was the first to study risk and discussion and found that there is a relationship between them. A consumer who perceives the purchase an unknown brand as a riskier alternative is more likely to engage in brand discussions to reduce the uncertainty of the brand in question through information seeking. The most common way of seeking information is word of mouth (Cunningham, 1967). It is also found that high risk perceiver individuals are more likely to rely on WOM compared to counterparts with less risk perception especially when a consumer is faced with uncertainty (Arndt, 1967; Bauer, 1960, Cox, 1967, Bone, 1995).

Therefore, it is not surprising to expect generally risk-averse consumers to engage in word of mouth activity for private brands where formal communication does not exist regarding product attributes (except some rare price discount information). So;

H5: There is a positive relationship between reliance on WOM and risk aversion: The more risk-averse consumers, the more they rely on WOM.

Even though it is not studied in private brand context, to the best of our knowledge, one study finds that promotional campaigns demonstrated as having promoting effect on increase in overall WOM BY 20%. The type of promotion which is more effective, is one of which gives a full try of a product. This is the best option to for goal of increasing WOM (Berger and Schwartz, 2011). Since deal prone consumers are seeking for the best deal in overall, not only in lower price, deal prone

consumers also might be looking for information, hence more likely to engaged in WOM activities. Therefore;

H6: There is a relationship between WOM and deal proneness.

2.4.4.7 Difference in demographics of reliance on WOM

Parallel with presence of few studies in the literature, little is studied about demographics and WOM reliance. According to one of the existing studies by Reza (2006), it is found that females are more inclined to rely on WOM than men do. In addition, dependence on WOM is greater for younger consumers than their older counterpart. Besides, low-educated consumers are more likely to rely on WOM compared to higher-educated consumers. Students and housewives are also found to have more emphasized on WOM than working consumers. However, no relationship between income level and WOM is found.

Based on the proceeding discussion, the conceptual frame expectation is illustrated in Figure 2.
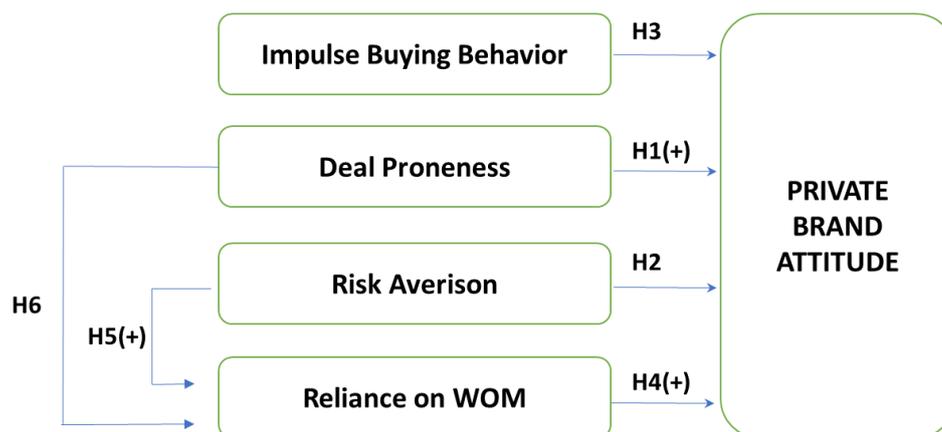
Figure 2. Conceptual framework

Hypotheses with (+) denotes positive relationship while others do not have pre-defined causality. Hypotheses are tested through multiple regression analysis.

CHAPTER 3

CONTEXT OF THE STUDY

This chapter begins with a status of private brand spending in the world and in Turkey. Next, evaluation of retail sector in Turkey is provided as a starting point of private brands evolution along with a discussion why private brands are important in Turkey.

3.1 Status of private brands in the world

According to FMCG Global Barometer Q4 2014 Report, global share of private brand (hereafter PB) increased from 12.6% in 2010 to 13.9% in 2014. Undoubtedly, PB share and development differ from market to market. As seen from the Table 4, Western Europe is most developed market by 35.5% PB share that has been enjoying continuous growth since 2010. This is followed by USA by 19.4% PB share in 2014 from 17.8% share level in 2010. Eastern Europe is not a mature market by 6.3% PB share in 2014 but it is growing almost two-fold from 3.3% PB share in 2010. Latin America is a very immature market by 1.1% PB share in 2014 and stagnant by 1.2% PB share in 2010.

Table 4. Private Brand Share % within FMCG Spending of Households in Regions

	Global*	Western Europe	Latin America	Eastern Europe	USA
2010	12.6	33.3	1.2	3.3	17.8
2011	13.0	34.0	1.2	4.2	18.3
2012	13.3	34.7	1.2	4.7	18.5
2013	13.6	35.3	1.1	5.4	19.0
2014	13.9	35.5	1.1	6.3	19.4

*Global and regional totals are based on the following countries: France, Germany, Italy, NL, Spain, UK, Poland, Russia, USA, Brazil, Mexico, China, India and Japan. Calculation of global and regions is based on household population weights.
Source: Europanel FMCG Global Barometer Q4 2014 Report

Private brand spending shares of selected European countries are shown in Table 5. By country-wise, private branded products are most well established in UK with 47.6% spending share and then in Netherland with 42.2% in 2014. This is followed by Spain, France, Germany and Italy by 38.2%, 36.5%, 33.5%, and 20.2%, respectively.

Table 5. Private Brand Spending Share % within FMCG Spending of Households in Countries

YEAR	France	Germany	Italy	Netherlands	Spain	UK	Turkey
2010	37.6	30.6	17.8	36.2	34.3	45.8	8.8
2011	37.6	31.5	18.6	37.9	35.4	46.2	9.8
2012	37.6	32.3	19.2	40.1	37.4	46.5	10.9
2013	36.9	32.9	20.3	41.3	38.5	47.1	12.0
2014	36.5	33.5	20.2	42.2	38.2	47.6	13.8
2015							15.8
2016							16.7

Source: Europanel FMCG Global Barometer Q4 2014 Report

Contrary to Europe markets with relatively higher private brand share, Turkey is an immature market. Private Brand spending share within total FMCG spending of households is 16.7% in 2016 (Ipsos Turkey Household Panel Database). Even though private brand spending share level is not high as being in these countries, Turkey is still a promising market with rapid and continuous growth of private brand sales.

3.2 Private brand development in Turkey

3.2.1   Definition of private brands

There is no universally acknowledged terminology for private brands; hence terms used differ by various scholars in the literature. Some of these terms are as follow:

private-label products/brands, retailer products/brands, distributors' brands, and store brand/labels (as cited in Moutinho, 2004, p.228). According to The Private Label Manufacturers Association (PLMA), "Private Labels are manufactured and brought to market in much the same way as the familiar national brands sitting next to them on store shelves. That label can be the chain's own name, or a brand name created exclusively by the retailer for their stores". Kapferer (2010) remarked that using the term of private label is a kind of classifying these brands as separate from other brands. In this study, the notion of private brand is adopted to reflect belief that PBs are the brands just like any other brands and they are more than generic products anymore.

3.2.2 Emergence of private brands in Turkey

There are two important milestones of evolution of Turkish Retail Sector that has a subsequent cause and effect relation with the birth of private brand phenomena in Turkey. The first one is the liberalization of Turkish economy in 1980: The new Turkish Republic was found in 1923 after World War I. In those days, there were almost no industry and entrepreneurial skills. Income per capita was $45 and below subsistence levels (Ertuna, 1998). Priority was to develop economy and until 1980s, for that, import substation strategy was followed as an economic growth policy (Kumcu and Kumcu, 1987). In 1980, government announced a re-structuring strategy for economy, which was liberalization through export-led policy (Bayar, 1996). This economic transition led foreign goods to enter domestic market. This was the starting point of development in retailing industry (Bocutuoğlu and Atasoy, 2001; Pala and Saygı, 2004). Second one is the subsequent economic crisis (in 1999, 2000, 2001), that made Turkish consumer low-price seeker and lead to birth of discounter formats

to provide low-price products offerings (Boratav and Yeldan, 2001). One of the low-price product alternative is private brands which have been purchased by households during economic crisis and continued to be purchased even after economic down-turn, which brought a new dimension to competition in FMCG market, which is still present.

3.2.3 Retail sector development in Turkey

Evolution of retailing in Turkey is presented in the light of liberalization and emergence of discounter formats under the following three periods:

- pre-1980 (before liberalization)
- post-1980 periods (after liberalization until economic crisis)
- In 2000s, emergence of discounter formats

3.2.3.1 Before 1980 (before liberalization)

There was a central food distribution system under the name of food cooperatives, which were organized and controlled by central government and municipal authorities until 1980 (Erdoğan, 2003; Kumcu and Kumcu, 1987). This was supported by the law regarding controlling prices/margins by government in 1936 (Bocutuoğlu and Atasoy, 2001). The main purpose of food corporative was determined as to keep the profit limits at acceptable levels and supply inexpensive food to their own workers (Erdoğan, 2003).

During 1950s, self-service chain store concept was initiated by municipal authorities. The first chain store was founded by the government under the name of Sümerbank and became the first self-service type of retail chain store (Tozanlı and Donduran, 2007).

In 1954, Foreign Investment Encouragement was enacted. Based on that, the Swiss Migros Cooperatives Union was invited to Turkey by İstanbul Municipality and first store of Migros was established in İstanbul in 1957 in which goods were offered in favorable prices under the control of Municipality. Similarly, in 1973, Tansaş was established where cheaper meat and coal was provided by Izmir Municipality (Yarımoğlu, 2014). In these years, government authorities were dominant and private firms had not been in the market. This food cooperative system had been supported by governments until 1980's. In time, people raised demands for consumer products while the cooperatives could not develop themselves resulting that they were shut down or privatized in time (Erdoğan, 2003). Migros and Tansaş were one of these, which run as a food cooperative by municipalities and then privatized (Botucuoğlu and Atasoy, 2001), which are also existing today (Tozanlı and Donduran 2007).

3.2.3.2 1980s and 1990s- after liberalization before the economic crisis

On 24 January 1980, the Demirel government announced the new program which was a transition from import substation to an export-led economy. Within the scope of this new program, national currency was devaluated and commitment to a flexible exchange rate was ensured. Export activities were promoted through tax rebates, credits for export, and other subsidies (Yarimoğlu, 2014). Import liberalization was announced in 1983. According to that, items were enabled to be imported freely and restrictions in terms of quotation were removed (Bayar, 1996). In 1989, domestic market was opened completely after conversion of national currency and capital movements internationally were ensured (Köse and Öncu, 2000).

Until 1990s, small-scale with low capital mom-and-pop stores – so-called "bakkal" in Turkish (and will be referred to as such throughout thesis)- were dominant. These outlets were independent family owned retailers (Kumcu and Kumcu, 1987). They were not organized, and monopolization did not occur among players. The most important characteristic of bakkals was that purchase on credit was available (Pala and Saygı, 2004).

After 1990s, European retail chains were in search of new markets since consumption rate per capita was stable and not growing anymore in Europe and there were restrictions for supermarket activities to maintain the competition in the industry (Erdoğan, 2003). At the same time, Turkey was a promising market with its increasing disposable income and changing consumption habits of middle and high-income class (Pala and Saygı, 2004). For these reasons, European retailers started to enter Turkish market. To give an example; German retailer Metro opened its first store in Turkey in 1990 and French Carrefour in İstanbul in 1991(Tozanlı and Donduran, 2007). After European retailers entered the market, retail Sector was introduced a technological transformation. Big size refrigerators, automated cash registers, and barcode systems, scanners, packing and labeling systems were introduced to market by these retailers, and their know-how were transmitted, as well (Bocutuoğlu and Atasoy, 2001). Thus, it can be said that retailing in Turkey was developed under the effect of European Retailing (Pala and Saygı, 2004).

In time, retailers increased in spending share by the help of taking advantage of technology, marketing, and relatively lower cost, whereas many small retailers (i.e. bakkals) suffered from the competition and declined in number and share (Pala and Saygı, 2004; Kılıç and Şenol, 2010).

3.2.3.3 In 2000s, emergence of discounter formats with 2001 economic Crisis in

    Turkey

Sequent economic crises occurred since 1999 made Turkish consumers more sensitive against prices. This caused many retailers to follow a different strategy to satisfy need of price sensitive consumers. For example; Migros Turk set up inexpensive chain, ŞOK, as an action plan (found in 1995). Similarly, CarrefourSA accessed to market with DiaSA (found in 1999) following the same strategy. In addition to new inexpensive chains of big retailers, discount chain formats started to spread where less variety of merchandising including private brands are offered at lower price, with serving minimum effort (Ülgen, 1999). This can be considered as the birth of private brands. In those days, todays' two biggest discounter stores established: Bim is found in 1999 and and A-101 found in 2008.

    After economic crisis and the global financial crisis happened in 2001 and 2008, discounters became the fastest growing chains among organized retailers in the fast-moving consumer good market (Boturoğlu, 2001).

    By 2017, almost every household purchased from discounters at least once in a year with an increasing purchase frequency whereas purchase is made less frequently in other channels as shown in Table 6:

Table 6. FMCG Penetration in % and Purchase Frequency Trend of Discounter and Other Channels

	Penetration %			Purchase Frequency		
FMCG	2013	2015	2017	2013	2015	2017
Discounters	95	98	99	53	63	75
Other Channels	100	100	100	197	183	173

Source: Ipsos Turkey Household Panel Database

Private brands are offered both in discounters and national chains in Turkey.

According to Ipsos Turkey household panel database, great majority of private

brands share is coming from discounters with 94% spending share within total

private brand spending in 2017, which has been above 90% for the last five years, as

well.

Discounters allocate more space to their private brands and offer national

brands within a limited range so that private brands constitute of more than half of

spending in discounters with the almost same level for the last five years as shown in

Table 7.

Table 7. Spending Share of Private Brands and National Brands in Discounters

FMCG Spending in Discounters=100%	2012	2016	2017
Private Brands	67%	69%	65%
National Brands	33%	31%	35%

Source: Ipsos Turkey Household Panel Database

Both private brand offerings at lower prices and increased availability of discount

chains lead to gain share in total FMCG spending of households. This resulted in

shrinkage of un-organized retailers in the market. As illustrated in Table 8.

Table 8. Household FMCG Spending Share of Retailers in Turkey

FMCG Spending, TR=100%	2011	2012	2013	2014	2015	2016	2017
National Chains	13.6%	13.3%	12.5%	11.7%	11.0%	11.1%	11.0%
Local Chains	11.1%	13.5%	12.9%	12.0%	11.7%	11.4%	10.4%
Discounters	13.7%	14.7%	16.2%	18.4%	20.6%	22.9%	24.8%
Independent Supermarkets	27.1%	26.0%	25.6%	25.5%	25.8%	24.4%	23.3%
Grocery	10.7%	9.6%	9.2%	8.6%	8.2%	7.2%	6.7%
Other	23.7%	22.9%	23.6%	23.8%	22.7%	23.0%	23.9%

Source: Ipsos Turkey Household Panel Database

This shows that FMCG purchasing behavior is shifting from traditional retailers to discount chains, and discounters become our new bakkals in our neighborhoods. Predictably, greatest contribution of spending growth in discounters is made by private brands which is more than half until 2016 as shown in Table 9.

Table 9. Contribution of Private Brands and National Brands to Discounter FMCG Spending Growth

Discounter FMCG Growth=100 %	2013 vs 2012	2014 vs 2013	2015 vs 2014	2016 vs 2015	2017 vs 2016
Private Brands	67%	72%	84%	59%	49%
National Brands	33%	28%	16%	41%	51%

In 2016 contribution of private brands seems to decline. This is because A-101 and Şok is growing faster than Bim. Şok and A-101 give more space for national brands compared to Bim. This differential also started to create a room for national brands to grow nowadays.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

This section of the study focuses on the methodology: first scale development for

private brand attitude and its four determinants is presented along with a discussion

from the literature. Also, elements of demographic profiling of respondents is

presented. Finally, sampling procedure and field study is presented with a brief

discussion from the literature.

4.1 Scale development

In this study, results of Guide to Understanding Turkey study supplied by Household

Panel Department of Ipsos in Turkey is used. This is a comprehensive paper-based

study conducted biennially with approximately 15,000 individuals who represent

Turkish 14+ population in terms of geographic region, age, and gender split since

2004.

Shopping behavior part (in FMCG context) of Understanding Turkey is used

in two ways: (i) new items are developed and added to survey prior to field work (ii)

existing items are grouped to create scale for variables. Scale development is

presented for each variable based on prior findings in the literature with a discussion.

4.1.1 Measurement of private brand attitude

Direct observation of an attitude is not possible; however, attitude can be deduced

from people's behavior or statements (Schiffman and Kanuk, 2007). Basically,

private brand attitude is measured in two ways: by the share of private brand

purchase within overall purchase provided by panel data or by claims of self-reports of consumers about a pre-selected brand in question or general (Richardson et al., 1996). Self-reporting questionnaires include questions about beliefs, feelings and behavioral intentions of respondents about an object in question (Walley et al, 2009).

Private brand attitude is measured and studied mainly in a specific category/ies or for a specific brand(s) since certain differences exist in perception of private brands in different categories and retailers as Sethuraman and Cole (1997) argued. However, Ailiwadi et. al, (2001) conceptualized private brand users in consumer level through psychographics, instead of category level and generalized private brand usage across categories. Even though perceptional differences exist in different categories (Sethuraman and Cole, 1997), this study treats private brand attitude as a whole instead of attitude toward certain private brand or private brands in a certain category, like many other current studies do. (e.g. Burton, et. al, 1999; Ailiwadi et. al, 2001). In this study, private brand attitude is investigated as a general construct toward all private brand products for fast moving consumer goods rather than a specific private brand in a certain category and measured based on paper-based self-reporting of consumers.

Definition of private brand attitude is adopted from the study of Burton et. al, (1998) which was defined as "a predisposition to respond in a favorable or unfavorable manner due to product evaluations, purchase evaluations, and/or self-evaluations associated with private label grocery products". Four favorable disposition statements are built up to measure private brand attitude based on findings in the literature:

It is commonly accepted that favorable disposition toward a brand may result in purchase, which can be said for private brands as well. Accordingly, frequent

purchase of private brands can be also inferred as an established favorable attitude toward these products. Thus, the first statement is:

"I frequently purchase private brand products".

Discounters, recalling that they hold the great majority of private brand shares, are most frequently shopped channels in Turkey compared to any other channel: almost at least once in every 5 days in 2015 (Ipsos Household Panel Data Base, 2015 FY). Along with affordable offers, very rapid increase in concentration of discounters in neighborhoods like bakkals also makes discounters easy to reach for daily shopping, hence much-frequented destination. From the personal professional experience from many ad-hoc projects, we propose that not only discounters bring private brands to doorsteps of shoppers, but also if shoppers are satisfied with the private brand products, they are likely to re-visit these channels to purchase private brands. Thus, the second statement is:

"I particularly shop in a certain retailer to purchase its private brands".

In one study, a positive relationship is found between private brand attitude and smart shopper self-perception (Burton, et. al, 1998). Previously, private brands were considered as having inferior quality (Richardson et al., 1996), which has changed in favorable manner in time due to continuous development of private brands in European and USA markets (Baltas and Argouslidis, 2007; Volpe, 2011). Disappearance of perceptional difference in quality between private brands and national brands along with offerings at lower prices means same quality with lower price. Thus, feeling as a smart shopper in private brand purchases can be considered as an indirect sign of perception of at least equal quality of private brands with lower price. Thus, third statement is:

"I feel as a smart-shopper when I purchase private brands".

Relationship between private brand attitude and store loyalty is another dimension discussed by most studies in the literature (e.g. Rhzem and Debabi, 2012). However, relationship is not simple, and causality might be in opposite direction: favorable private brand attitude might be formed due to high loyalty, hence trust, to the store or vice versa. However, these relationships show a tendency to buy private brands hence have a positive attitude toward private brands, regardless of a direction of the relationship. Thus, fourth statement is:

"If the market I shop launches a new private brand product or variant, I try it".

Recalling the fact that greatest majority of private brands are products of discounters which are offered in Bim, Şok, and A-101. These products are highly penetrated and known by shoppers. Thus, respondents are assumed to understand products offered by these three big discounters from the term private brands.

4.1.2 Measurement of private brand attitude determinants

4.1.2.1 Deal proneness

Recalling previous findings, price related deals are more effective for utilitarian products and price sensitivity level of consumer affects his/her deal proneness toward utilitarian products in a positive way (Wakefield and Inman, 2003), which shows that price dimension is essential as well as considering other promotions. In addition to this, deal prone consumers have stock-pilling and less brand loyal behavior (Ailiwadi et al., 2001). Based on these three common findings in prior research, 9 existing items were used to build up deal proneness as a general construct:

"I look for especially discounted/promoted products during shopping."

- "Price is the most important criterion during shopping." (adopted from Garretson et al., 2002)

- "I always try to buy cheapest product."

- "I buy bigger size or many in quantity to pay less per unit"

- "If I see a discounted/promoted product, I buy and stock it even though I have it at home."

- "I prefer products which offer other products free with it."

- "I follow inserts of markets"

- "Discounts and promotions always make me abandon my brand that I regularly buy".

- "To find the best price, I visit more than one store in a day."

4.1.2.2 Risk aversion

There is not a unique model to measure risk; rather there are many models to measure it. Mitchell and Mitchell (1999) argued that which model is good to measure risk should be evaluated based on the aim of the researcher, thus each researcher holds its authority to design specific models in case of discrepancy of existing models with intended purpose of study. That also explains why there have been multiple definitions in the literature.

In the literature, there are three types of measure for consumers' level of being risk averse, which are choice dilemmas, gambles, and self-report measures, these are not comparable due to different rationale behind them and many of them lack reliability or validity criteria (Mandrik and Bao, 2005). In choice dilemmas, respondents are asked to choose one of two actions for a given scenario that takes time and mental effort to measure. In gambles, respondents are asked to choose one

of two monetary options. However, these kinds of measures lack other dimensions of risk such as social risk because they are offered in monetary context so that it should not be considered as a general construct (Mandrik and Bao, 2005). Self-report measures are mainly used scales and developed for specific situation or object to measure attitude toward perceived risk of that situation or object. For example; in a recent study examining the moderating effect of store image between perceived risk and store brand attitude, by Rzhem and Debabi (2012), one of the questions is used to measure perceived risk is "Considering the cost of … products, for me to purchase store brands would be very risky".

One important question regarding risk aversion measure is whether risk aversion is a general construct or a domain-specific construct (specific to situation/brand/category…), which is open to discussions (Jacoby and Kaplan, 1972). In the literature, majority of existing measures are specific to decision situations indicating that these measures are not measuring general risk aversion; therefore, findings cannot be generalized (Mandrik and Bao, 2005).

In this study, alternative scale is used from existing items to measure general risk aversion construct within purchasing behavior concept. The rationale of this construct rose from findings in literature regarding fast-moving consumer goods purchasing behavior and the developed items as follow:

Recalling the findings about behavior of risk averse consumers that they are engaged in choosing well-known brands and are loyal to their known brands (Campbell and Goodstein, 2001; Steenkamp et al., 1999; Matzler, et. al, 2008) and sensitive about the functional dimension such as checking expiration date of products before purchasing or disclosure of manufacturer name on private brand packaging

(Burt et. al, 2015), the following eight items are developed to measure general risk aversion.

- "I prefer to buy prestigious products."

- "I prefer to buy known-brands."

- "Known branded products are superior to products labelled with store name."

- "I do not switch from brands easily that I regularly use."

- "When I buy private branded products, I pay attention to manufacturer to be familiar. "

- "I check the expiration date of products before purchasing."

- "Health concern is impactful when choosing products."

- "I think that products I buy reflect my personality."

4.1.2.3 Word of mouth

Previous findings show that individual mostly engage in and believe positive contented communication about brands (Keller Fay Group, 2006; Baker, 2011; Bone, 1995) in which they also believe most, as well. Word of mouth activities are also considered as a sign of consumers' expertise thus, consumers are more likely to engage in positive word of mouth (Lovett et al., 2013; Wojnicksi and Godes, 2008) not only with their peers but also with other generations to share their experience (Angelis et al. (2012). On the contrary, consumers are more likely to be engaged in negative WOM through transmission, which means sharing others' experience they heard. Thus, two positive statements are developed to measure reliance on word of mouth as follow:

- "If I am satisfied, I suggest private brand products."

- "If suggested, I try private label products."

4.1.2.4 Impulse buying behavior

Recalling the findings, impulsive consumers are open to try new products, varieties and enjoy shopping. Besides, impulsive buyers are defined as not planning their shopping in advance and not being aware about how much they spent (Ailiwadi et al., 2001, Chandon et. al., 2000, Midgley and Dowling, 1978. In this study, five existing items are used to measure impulse buying behavior as follow:

"I buy products when I see in the store that I don't plan in advance. (adopted from Manzur et al., 2011)"

- "I usually buy products more than I think."

- "I can buy products that I do not need."

- "I like trying new products and brands."

- "There are products, which I like its package when I see, and I buy and try."

To sum up, 21 existing items about shopping attitude are adopted from a study of Guide to Understanding Turkey and 7 new private brand related items were developed and added into same study.

28 measuring items are scored on 5 -point scale ranging from 1 means "I strongly disagree" to 5 means "I strongly agree". The items are listed in Table 10:

Table 10. Measurement Item List

7 private brand related new items	
new added	I frequently purchase private brand products
new added	I particularly shop in a certain retailer to purchase its private brands
new added	I feel as a smart-shopper when I purchase private brands
new added	If suggested, I try private label products
new added	If I am satisfied, I suggest private brand products.
new added	If the market I shop launches a new private brand product or variant, I try it
new added	When I buy private branded products, I pay attention to manufacturer to be familiar.
21 shopping behavior related existing items	
existing item	I look for especially discounted/promoted products during shopping.
existing item	Price is the most important criterion during shopping.
existing item	I always try to buy cheapest product.
existing item	I prefer products which offer other products free with it.
existing item	Discounts and promotions always make me abandon my brand that I regularly buy.
existing item	I buy bigger size or many in quantity to pay less per unit.
existing item	I follow inserts of markets
existing item	If I see a discounted/promoted product, I buy and stock it even though I have it at home.
existing item	To find the best price, I visit more than one store in a day.
existing item	Known branded products are superior to products labelled with store name.
existing item	Health concern is impactful when choosing products.
existing item	I check the expiration date of products before purchasing.
existing item	I prefer to buy prestigious products.
existing item	I prefer to buy known-brands.
existing item	I do not switch from brands easily that I regularly use.
existing item	I think that products I buy reflect my personality.
existing item	I buy products when I see in the store that I don't plan in advance
existing item	I usually buy products more than I think
existing item	I can buy products that I do not need
existing item	I like trying new products and brands
existing item	There are products which I like its package when I see and I buy and try

4.1.3. Defining socio-demographic characteristics of respondents

Guide to Understanding Turkey study also provides personal information of

respondents as follows: (i) age of the respondent, (ii) working status of respondents

(working, housewife, student, retired), (iii) socio-economic score (SES) of

respondents, (iv) geographic regions of respondents live. Socio-economic score

(SES) is commonly used for a household. However, in many researches in business

life, SES scores for individuals is either calculated in the same way or individuals are

assigned of their household SES score. In this study, SES is calculated for household

which respondents live with and then each respondent is given a SES score accordingly.

4.2 Sampling methods and field study

To make inferences about the research question, desired information is obtained from sample, a portion of population. Sampling process has five steps (Churchill and Iacobucci, 2002):

(i)   defining the population, (ii)determining the sample frame, (iii) selecting sample procedure, (iv) determining sample size and (v) executing sampling process (collecting data).

To define target population, first, elements of population should be decided. Individuals, households or objects might be elements and demographic restrictions might be used if elements are individuals such as age, gender, or education level based on interest (Churchill and Iacobucci 2002).

Sampling frame is a list of elements from which sample is selected. A sampling frame might be a mailing list purchased from a commercial organization, a city directory, or a map. The list might be inaccurate, so difference between sample frame and population may be present which is called sampling error. It can be ignored if it is small; however, differences lead to inappropriate interference. Thus, one of the ways to reduce sampling frame error is to adjust/weight segments which are under/over represented so that sample becomes more representatives (Naresh, 2009).

Basically, there are two main sampling procedures: first is most widely used one in marketing research is nonprobability sampling. Subjective judgment of researcher is used to select sample elements. To give an example, interviewing with

people in front of retail outlets is a kind of nonprobability sampling, which is convenience and based on decision of the researcher. Second is probability sampling, which is independent from researcher and not biased if applied properly and enable us to measure sample error (Green, Tull, and Albaun, 1988).

For sampling in this study, target population is defined as households in Turkey. Stratified sampling method is used. Geographical regions of Turkey, urban/rural residential area classification and household size characteristics are used as strata. Information provided by Turkish Statistical Institute is used as a universe for these strata. Administrative map is used as a sampling frame and rule of random walk is adapted to recruit households. Thus, household sample is Turkey representative in terms of afore-mentioned strata. Besides, sample is weighted to ensure the Socio-economic score (SES) split that is conducted and established by Turkish Researchers' Association. Thus, sample is also SES representative of Turkish households. Sample size is determined as ~14,000 households, the second largest household panel in Europe by 2015. The mentioned study -Guide to Understanding Turkey- is conducted with the respondents from these households as a sampling frame. The target population of the study is 14+ individuals and representative of individuals in Turkey in terms of gender, age, regional and geographical area split. In addition, information about educational level, working status (housewife, student, retired, or working), SES scores and being whether to be primary shopper of household or not is available. Sample size is ~14,000 individuals and weighted to be representative as mentioned above. However: analysis is done for 18+ female individuals in Turkey. Justification for why 18+ and females are selected will be discussed in detail later in the results section.

CHAPTER 5

FINDINGS

As stated previously, the field study is conducted with 14+ individuals in Turkey.

However; this study presents results for 18+ female individuals and analysis is done

for this specific sample group. In this section, first, the reason for using a focused

sample (18+ female) is explained with a discussion from literature and supported by

the results of another part of Ipsos Understanding to Turkey study. Following that,

sample profile is presented, and data analysis procedure is explained. Finally, results

of analysis are presented with a discussion.

5.1 Sample characteristic and justification of using focused sample

In grocery products purchasing, woman tends to be the decision maker more

frequently while joint purchase decision of man and woman is more common in

long-term or big amount payments such as furniture and electronics (Crispell, 1995).

Results of an already existing question in Guide to Understanding Turkey study

supports this finding, as well, and illustrated in Table 11.

Table 11. The Rate of Respondents Claiming that Lady of the Household is the
Primary Shopper for the Following Categories (in 2015)

Rate of Respondents (N= 13,799)	Food & Beverage	Personal Care	Home Care	Techno. Products	White Appliance
Lady of household	38	42	68	9	17
The man of household	14	5	5	29	19
Co-decision of lady and man of household	40	29	21	46	58
Person who would use the product	5	20	4	10	4
Children & Other	3	4	2	6	2

Respondents are asked to choose main responsible person within the household for above-mentioned products' shopping and a single choice is allowed from the followings: "the lady of the household", "the man of the household", "co-decision of lady and man of the household", "person who would use the product", "children& other household members". For all sub-FMCG categories (food, beverage, home care and personal care), the lady of the household is claimed mostly to be the primary shopper. As seen from the figures, traditional family profile is dominant in Turkey in which lady of the household is the main responsible person for taking care of the household, hence the primary shopper for home care, personal care and food & beverage products.

A total of 15,830 and 13,799 questionnaires were collected in 2013 and 2015, respectively from 14+ individuals in 34 cities in Turkey. Focus of this study is private brands in FMCG categories (food, beverage, home care and personal care). On the strength of previous literature and current study findings, results are presented, and hypothesis is tested for female respondents who are at the age of 18 or above. Thus, sample size is 7292 and 6,367 for 2013 and 2015, respectively

5.2 Sample profile

Sample set both for 2013 and 2015 field periods are represents 18+ female population in Turkey in terms of age groups, geographic region they live and SES class they have. In addition, working status of these respondents is also presented and analyzed. Socio-demographic profile of respondents is illustrated for most current study, 2015, in Table 12.

Table 12. Sample Characteristic

	Demographic groups	Frequency	Percentage
18+ female		N=6367	%
AGE GROUPS	18-25	1351	21.2
	26-35	1773	27.8
	36-45	1233	19.4
	46+	2010	31.6
REGIONS	Aegean	929	14.6
	Blacksea	586	9.2
	Central	1119	17.6
	East and Southeast	924	14.5
	Marmara	1998	31.4
	Mediterranean	811	12.7
SES GROUP (Definition 2012)	AB	1037	16.3
	C1	1515	23.8
	C2	2308	36.2
	DE	1508	23.7
OCCUPATIONAL STATUS	Retired/Retirement Salary	193	3.0
	Housewife	4355	68.4
	Student	833	13.1
	Other	987	15.5

As seen from the table, most of the individuals are from Marmara region by 31.4%. Among four age groups, 46+ females constitute 31.6% of all while this is 21.2% for youngest group, 18-25, 27.8% for middle-age group, 26-35, and 19.4% for post middle aged group, 36-45. Majority of respondents are housewife (68.4%), who can be assumed that they are lacking economic power and have limited budget to spend. 15.5% of them are working and 13.1% of them are student. Very few of them (3%) are retired. Biggest sample group is C2 class (36.2%) followed by C1 and DE by 23.8% and 23.7%, respectively. AB SES females are relatively lower by 16.3%.

5.3 Data analysis procedure

Data was entered in Statistical Package for the Social Sciences (SPSS) software to conduct analysis as follow:

(i)   Goodness of measure is tested through validity analysis.

(ii)   Goodness of measure is tested through reliability analysis.

(iii)   Goodness of data is evaluated through checking the parametric test assumptions before conduction hypothesis testing.

(iv)   Hypothesis testing includes different analysis based on nature of each hypothesis.

For hypothesis testing part, at first, preliminary examination is done through descriptive statistics for each of the twenty-eight statements and summated scales of variables. Secondly, development of variables in time is tested through Independent Sample t-test for 2013 and 2015 results. Third, differences in demographic groups for variables is tested through one-way ANOVA for 2013 and 2015 results. Finally, variables are tested through Pearson Correlation to get prior insight. Multiple regression analysis is done for testing the model (H1-H6). Most current results, 2015, is used for the hypothesis testing part.

5.4 Goodness of measure and data

Before conducting parametric tests, three assumptions of parametric tests were checked whether they are met or not. These are (i) interval and independence (ii) normally distributed data (iii) homogeneity of variance. If one of these assumptions is violated, the results become inaccurate (Field, 2009).

5.4.1   Interval and independence assumption

First, the data of this study are interval which means each interval of the scales from 1 to 5 points out equal distinction for what is measured. Second, data from each respondent are independent which means that none of respondents has an impact on another respondent's response.

5.4.2   Normality of data assumption

Normality of data -distribution of scores - can be either checked numerically through z-scores of skewness and kurtosis through Kolmogorov-Smirnov test, and visually through graphs called Q-Q plots. Distribution of data does not have to be perfectly normally; however, data is expected to show an approximately normally distribution. For this study, only z-score were examined in conjunction with Q-Q plots since Kolmogorov- Smirnov test gives significant results in larger sample size (N=6367) even the distribution of scores is little different from normal distribution (Field, 2009).

The criterion for z-score is that z-score should be between -1.96 and 1.96 to say that scores are approximately normally distributed. Z-scores of variables were calculated for each categorical group by dividing skewness and kurtosis value by standard error and shown for private brand attitude variable and SES Groups as an example in the Table 13.

Table 13. Z-scores of Skewness and Kurtosis of Private Brand Attitude Variable Among SES Groups

PRIVATE BRAND ATTITUDE			standard error	z- score
AB	Skewness	-0.02	0.07	-0.3
	Kurtosis	-0.32	0.14	-2.3
C1	Skewness	-0.10	0.06	-1.7
	Kurtosis	-0.15	0.11	-1.3
C2	Skewness	-0.12	0.05	-2.5
	Kurtosis	-0.17	0.09	-1.9
DE	Skewness	-0.03	0.07	-0.4
	Kurtosis	-0.18	0.13	-1.4

As seen from the Table 13, Private Brand Attitude scores are skewed and kurtotic at some extent but not significantly different from normality since the z-values fall the criterion range, showing that scores are approximately normally distributed among

C1 and DE groups. However; z-score of kurtosis among AB Group and skewness in C1 group does not fall in acceptable range by -2.3 and -2.5, respectively. In fact, this does not necessarily mean that data is not approximately normally distributed. Normality should be evaluated both numerically and visually (Field, 2009). With respect to visual interpretation of normality of these groups, as seen from Figure 3, the distribution of Private Brand Attitude scores shows a slight difference from a normal distribution. Hence, normality of all variables for each categorical group was examined by numerically and visually together.
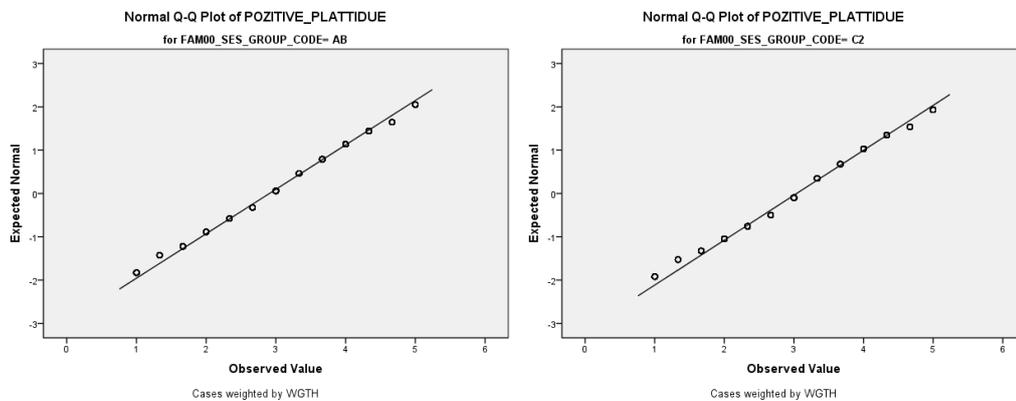
Figure 3. Distribution of private brand attitude scores in two different SES groups (AB and C2)

In this study, data is approximately normally distributed for all variables among each categorical group which are SES, Age, Residential Area, and Regions.

5.4.3   Homogeneity of variance assumption

This assumption refers that distribution of score variance of different groups are equal, which can be tested by Levene's test (Field, 2009). When a parametric test is conducted in SPSS, Levene's test is run automatically and given as output on regular basis. Hence, criterion of homogeneity of variance and detailed evaluation of data is presented in analysis part in due course.

To evaluate the goodness of scale built up in this study, reliability and validity analysis are conducted. Reliability analysis and validity analysis help to see whether all items measure the same construct in which they are underlying or not and whether the scale measures what is arranged to be measured or not, respectively (Field, 2009).

5.4.4 Reliability analysis for evaluation of goodness of measurement scale

Overall reliability of scale was evaluated through commonly preferred reliability coefficient, Cronbach Alpha with a general acceptance in lower limit of 0.7; however, Hair, Black, Babin, Anderson, and Tatham (2006) recommended that, the lower level might be 0.6 in exploratory research. Also, inter-item and item-to-total correlation was evaluated, which is a correlation between items and sum of variable, respectively. The lower limit is 0.5 for item-to-total correlation and 0.3 for inter-item correlation (Hair et al., 2006). The results of Cronbach Alpha, inter-item and item-to-total correlations are shown in Table 14.

Table 14 Reliability Analysis Results

Variables	Cronbach Alpha		N of Items	Inter-Item Correlations (2015)		Item-total Correlations (2015)	
	2013	2015		max	min	max	min
Private Brand Attitude	0,813	0,797	4	0.575	0.436	0.651	0.534
Reliance on Word of Mouth	0.810	0,756	2	0.608			
Risk Aversion	0.706	0,671	8	0.382	0.119	0.440	0.305
Deal Proneness	0.754	0.755	9	0.374	0.143	0.529	0.405
Impulse Buying	0.637	0.663	5	0.404	0.222	0.457	0.378

Among 4 independent variables, Cronbach Alpha values are above 0.7 levels for positive attitude toward Private Brands, reliance on word of mouth, risk aversion and deal proneness by 0.764, 0.810, 0.706 and 0.754, respectively; however; Cronbach alpha value is 0,637 for impulse buying behavior. As 0.6 is suggested for exploratory research by Hair et al (2006), impulse buying is not eliminated from the analysis. With respect to positive attitude toward private brands and reliance of word of mouth, both inter item and item-to-total correlations are above the lower cut off points. However; for deal proneness, risk aversion and impulse buying, inter-item and item-to-total correlations are less decent. Nevertheless, all items have contribution to reliability since Cronbach's alpha would decrease if any of the items was deleted.

5.4.5   Validity analysis for evaluation of goodness of measure

Both convergent and discriminant validity of the scale to measure Private Brand attitude is examined to evaluate the construct validity. Convergent validity is established when there is a higher correlation between two items under the same variable while discriminant validity is considered to be established when there is a lower correlation between each item under different variables (between each of the summated sub-scales or main variables in the Private Brand attitude scale)

Convergent and discriminant validity was assessed through Pearson correlation. The cut of points used by researchers to interpret the Pearson Correlation coefficient varies. In this study, the accepted criterion for Pearson Correlations was adopted from Hair et al (2006). The correlation coefficient below 0.3 refers to weak relationship, and above 0,7 refers to strong relationship, and the coefficient value

between 0.3 and 0.7 refers to moderate relationship. The Pearson correlation

coefficients for variables in the scale are shown in Table 15.

Table 15. Pearson Correlation Coefficients for Variables

		PBA	WON	DP	RA	IMP
PBA	Pearson Correlation	1	,665**	,484**	,422**	,398**
	Sig. (2-tailed)		0.000	0.000	.000	.000
WOM	Pearson Correlation	,665**	1	,422**	,392**	,327**
	Sig. (2-tailed)	0.000		.000	.000	.000
DP	Pearson Correlation	,484**	,422**	1	,462**	,494**
	Sig. (2-tailed)	0.000	.000		0.000	0.000
RA	Pearson Correlation	,422**	,392**	,462**	1	,472**
	Sig. (2-tailed)	.000	.000	0.000		0.000
IMP	Pearson Correlation	,398**	,327**	,494**	,472**	1
	Sig. (2-tailed)	.000	.000	0.000	0.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation matrix for private brand attitude and its determinants

indicates that each of the constructs is correlated positively with private brand

attitude at 0.01 confidence level ($p < .01$) as proposed in theoretical framework.

Besides, all constructs have also moderate relationship with each other. Also, inter-

item correlations for the independent variable are all less than 0.70 which indicates

that multicollinearity problem is not present.

5.5 Summated scales and descriptive statistics for items and variables

A summated scale is formed by combining several individual items or statements

into a single composite measure. A major benefit of summated scale is that it can be

used to represent the multiple aspects of a concept in a single measure (Hair et al.,

2006). In this study, items were used to create summated scores for variables as

follow: All items are on a five-point Likert scale ranging from 1 "I strongly disagree"

to 5 " I strongly agree" and summated score was achieved by calculating the

arithmetic mean of all the items under a particular variable through SPSS. Table 16

shows descriptive figures for all items and variables.

Table 16. Descriptive Statistics for Items and Variable

18+ female Turkey representative sample	2013 (N=7292)		2015 (N=6367)	
Items	Mean	SD	Mean	SD
PBA	3.04	0.92	3.12	0.88
I frequently purchase private brand products	2.99	1.16	3.05	1.12
I particularly shop in a certain retailer to purchase its private brands	3.10	1.16	3.22	1.12
I feel as a smart-shopper when I purchase private brands	2.87	1.15	2.94	1.14
If a store I am shopping offers a new private brand or a new variant of an existing private brand, I try it.	3.19	1.13	3.29	1.08
WOM	3.4	1.05	3.48	0.94
If suggested, I try private label products	3.31	1.13	3.38	1.06
If I am satisfied, I suggest private brand products.	3.49	1.15	3.29	1.08
DEAL PRONENESS	3.29	0.70	3.32	0.67
I look for especially discounted/promoted products during shopping.	3.52	1.16	3.56	1.10
Price is the most important criterion during shopping.	3.77	1.12	3.79	1.05
I always try to buy cheapest product.	3.11	1.20	3.09	1.17
I prefer products which offer other products free with it.	3.40	1.12	3.41	1.08
Discounts and promotions always make me abandon my brand that I regularly buy.	3.19	1.26	3.26	1.21
I buy bigger size or many in quantity to pay less per unit.	2.94	1.26	2.95	1.24
I follow inserts of markets	3.27	1.24	3.38	1.16
If I see a discounted/promoted product, I buy and stock it even though I have it at home.	3.23	1.23	3.23	1.18
To find the best price, I visit more than one store in a day.	3.19	1.26	3.21	1.20
RISK AVERSION	3.50	0.67	3.54	0.59
Known branded products are superior to products labelled with store name.	3.40	1.14	3.41	1.08
Health concern is impactful when choosing products.	3.76	1.12	3.81	1.02
I check the expiration date of products before purchasing.	4.00	1.16	4.08	1.05
I prefer to buy prestigious products.	3.22	1.12	3.20	1.08
I prefer to buy known-brands.	3.68	1.11	3.73	1.03
I do not switch from brands easily that I regularly use.	3.52	1.12	3.59	1.06
When I buy private branded products, I pay attention to manufacturer to be familiar.	3.25	1.20	3.29	1.14
I think that products I buy reflect my personality.	3.19	1.24	3.23	1.18
IMPULSE BUYING	3.09	0.78	3.10	0.77
I buy products when I see in the store that I don't plan in advance	3.50	1.18	3.55	1.11
I usually buy products more than I think	3.20	1.24	3.29	1.21
I can buy products that I do not need	2.50	1.30	2.49	1.26
I like trying new products and brands	3.30	1.14	3.37	1.09
There are products which I like its package when I see, and I buy and try	2.90	1.25	2.81	1.20

Majority of items have mean value above 3.00 both in 2013 and 2015, which means

there is a favorable disposition to the statements, hence all the variables has a mean

score above 3.00.

Within a FMCG context in Turkey, there is a favorable disposition toward private brand products. In other words, it can be said that consumers have a positive private brand attitude. When we look at the 2015 results, the respondents are open to try a private branded product when it is offered by stores they shop, "If a store I am shopping offers a new private brand or a new variant of an existing private brand, I try it" (mean=3.29) because they choose a certain store to shop due to its private brands, "I particularly shop in a certain retailer to purchase its private brands" (mean=3.22). Generally, they find their private brand products purchases frequently "I frequently purchase private brand products" (mean=3.05), However, they do not feel smart when they make purchase of these brands "I feel as a smart-shopper when I purchase private brands" (mean=2.94). Consumers in Turkey have a favorable disposition to private branded products with a mean score of 3.12 (SD=0.88), which is above neutral level.

Among independent variables, risk aversion has the highest mean score by 3.54 in 2015. All the eight statements have mean score on positive side (more than 3.00). The statement of "I prefer to buy prestigious products" has the lowest mean score by 3.20 and the statement of "I check the expiration date of products before purchasing" has the highest mean score by 4.08 as illustrated Table 16. Top two statements with highest score are related with physical risk dimension: "I check the expiration date of products before purchasing" with 4.08 mean score, "Health concern is impactful when choosing products" with 3.81 mean score. Recalling that risk averse consumers are more likely to purchase the products/brands they know well rather than trying new ones (Campbell and Goodstein, 2001; Steenkamp et al., 1999) so that they tend to be brand loyal (Matzler, et. al, 2008). These prior findings are aligning with the results of current study: "I prefer to buy known-brands" with a

3.73 mean score followed by "I do not switch from brands easily that I regularly use" with a mean score 3.59. Consumers find private brands having inferior quality: "Known branded products are superior to products labelled with store name" statement has a mean score of 3.41 and to reduce the risk, they check the manufacturer that is labelled on the product: "When I buy private branded products, I pay attention to manufacturer to be familiar" with a mean score 3.30. The lowest mean scores belong to the following statements "I prefer to buy prestigious products" (mean=3.20), and "I think that products I buy reflect my personality" (mean=3.23) showing that there exists a social risk for consumers; however, it is not that much as it does for physical risks.

Reliance on word of mouth has the second highest mean score by 3.48 in 2015. The two contributor statements are "If I am satisfied, I suggest private brand products" with a mean score 3.58 and "If suggested, I try private label products" with a mean score 3.38. Based on these, it can be said that female consumers in Turkey are likely to engage in word of mouth activities through suggestion of a private brand they are satisfied, and they are open to try private brands that is new to them through suggestion.

Deal proneness has the third highest mean score by 3.32. It is seen that price is the most attractive deal type for consumers, since the following statements has the highest score: "Price is the most important criterion during shopping" (mean=3.79) and "I look for especially discounted/promoted products during shopping" (mean =3.56), which is aligned with prior findings in the literature for brands (e.g. Wakefield and Inman, 2003; Yi and Yoo, 2011) and private brands (e.g. Burton et. al, 1998), as well. However; it seems that getting the cheapest is not an every-time purpose "I always try to buy cheapest product" (mean =3.09). Following the price,

free product giving is another attractive deal type, "I prefer products which offer other products free with it" (mean =3.41). From behavioral aspect, to get the best deal, consumers tend to follow the promotions most, "I follow inserts of markets" (mean =3.38), also they are likely to search in different place, "To find the best price, I visit more than one store in a day" (mean =3.21). In addition, they show stock-piling behavior to get best purchase results, "If I see a discounted/promoted product, I buy and stock it even though I have it at home" (mean=3.23), which is another finding in the literature especially for the heavy ones (e.g. Ailawadi et al., 2001). Consumers show less brand loyalty in Turkey, "Discounts and promotions always make me abandon my brand that I regularly buy" (mean =3.26), as well-demonstrated in the literature (e.g. Webster, 1965; Garretson et al., 2002). There is not an apparent tendency for purchasing in bigger size despite it provides lower price per unit which can ben also considered as a deal by consumers, "I buy bigger size or many in quantity to pay less per unit" (MD=2.95). This might be since calculating is a complex activity for consumers especially if the products offering in size that is hard to calculate such as 118 gr vs 224 gr. Another explanation might be that there is not so much size differential in products so that differential price per unit does not seem attractive to consumer. Discounters are most penetrated shopping channels in neighborhoods with a limited area and serving mostly for daily shopping in which urgent needs are purchased with a limited daily budget. Thus, bigger amounts are not offered in discounters, so the possibility to compare unit prices and make purchases based on this is low for consumers unless they visit bigger markets as frequent as they do discounters.

Impulse buying behavior has the lowest mean score by 3.10, showing that consumers in Turkey are slightly inclined to display impulsive behavior. The nature

of impulse buying behavior, purchase without planning, is apparent in consumers, "I buy products when I see in the store that I don't plan in advance" (mean =3.55) and consumers are likely to try new products/brands, "I like trying new products and brands" (mean=3.37). There is also a general evaluation of consumers in Turkey as follow: "I usually buy products more than I think" (mean=3.29). There might be many drivers to try new products/brands, however, attractive packaging is not one of these, "There are products which I like its package when I see, and I buy and try" (mean 2.81). Also, even though they think they buy more than they planned, these are the products they need "I can buy products that I do not need" (MD=2.49).

5.6 Comparison of private brand attitude scores and its determinants' scores in 2013 and 2015 studies

When comparing the mean scores of private brands attitude and its dependent variables in 2013 to 2015, there is an increase with a varying degree. To test the change whether it is significant or not, independent sample t-test analysis is conducted using a 95% confidence level and results are given in Table 17.

Table 17. T-test Results of Private Brand Attitude and Its Determinant Scores for 2013 and 2015

	2013 (N=7292)	2015 (N=6367)	t-test for Equality of Means			
	Mean	Mean	Mean Dif.	Sig.	t/F	df
PRIVATE BRAND ATTITUDE	3.04	3.12	.084	.000	5.501	13555
WORD OF MOUTH	3.40	3.48	-.08165	.000	-4.812*	13647
RISK AVERSION	3.50	3.54	0.04	.000	-3.791*	13658
DEAL PRONENESS	3.29	3.32	0.03	.016	-2,412	13658
IMPULSE BUYING	3.09	3.10	0.01	.672	-0.424	13658
* Levene's test results are significant (p<.05), thus equality of variance assumption is violated, so t statistics are given in the table accordingly.						

According to t-test results, on average, disposition of consumers to private brands is greater in 2015 (mean=3.12) than in 2013 (mean=3.04). This difference is significant t (13,555) = 5.501, p<.05. Therefore, attitude toward private brand score seems to grow in time and more established positive attitude for private brands can be expected for upcoming years.

On average, disposition of consumers to reliance on word of mouth is greater in 2015 (mean=3.48, SE= 0.012) than in 2013 (mean =3.40, SE=0.012). This difference is significant t (13,647) =-4.812, p<.05. This result shows that there is a significantly growing tendency on word of mouth engagement about private brands among Turkish consumers. This is not surprising because none of hard discounters in Turkey market makes their private brands communication on TV. Thus, word of mouth is the only existing tool to get information about products. Also, with an increasing penetration of private brand products, households become more and more familiar so that possibility to suggest these products also increased if they are satisfied. The score of risk aversion(mean=3.54) and deal proneness (mean=3.32) are also on rise significantly t (13,658) =-3.791 and t (13,658) =-2.412, p<.05, respectively while the increase in score of impulse buying behavior is not significant.

No radical change of impulse buying in time might be explained via its nature of being personal trait, which is expected not to see a big change traditionally. Deal proneness and risk aversion are also a personal tendency; however, part of their nature is related with external dynamics. For example, increase in variety in price or promotion offerings due to intensifying competition may lead consumers to be more familiar with deals resulting in deal seeker consumers. Similarly, increase in risk perception for any kind of brands due to varying reasons such as negative PR on an

ingredient or a brand might lead consumers to be more risk averse in grocery
shopping context.

5.7 Socio-demographic difference of private brand attitude scores

To explore differences among socio-demographic groups for each variable, mean
score of groups are presented and tested through one-way ANOVA to see differences
are significant or not and if significant, which groups differ. First, a brief explanation
about how to conduct ANOVA procedure is presented; then results are discussed.

A one-way analysis of variance (ANOVA) is conducted to compare means of
different groups of people when there is no specific hypothesis. As a result of
analysis, SPSS produce F statistic which is used to evaluate whether group means are
significantly different from each other. To be able to use ANOVA results,
homogeneity of variance assumption should be met. To check this, Levene's test is
used, which is designed to test null hypothesis that "variance of the groups is same".
If Levenes's test is significant (less than .05), it is inferred that variances are
significantly different, hence homogeneity of variance assumption is violated. To
rectify, Welch's statistic is reported instead of ANOVA F statistic. If Levenes's test
is not significant (greater than .05), it is inferred that homogeneity of variance
assumption is met. In this case, ANOVA F statistic is reported. After we get a
significant F test result in an ANOVA test with more than two groups, follow-up
tests are used to see pairwise differences. There are many follow-up tests. Each test
addresses the statistical problems in a unique way with a varying robustness.
However, none of them is superior to other in overall. Rather, different characteristic
of sample requires different adjustments/rectification. In this study, the size of each
demographic group is not equal. Also, in some cases homogeneity of variance is

violated. Thus, for the case that homogeneity of variance assumption is violated Games-Howel is used. In contrary cases, Hochberg's GT2 is used. Both are follow-up tests for unequal sample sizes (Field, 2009). In this study, one-way ANOVA is conducted both for 2013 and 2015 results and presented for each socio-economic group. Figure 4 illustrates the mean score of age groups both for 2013 and 2015 studies
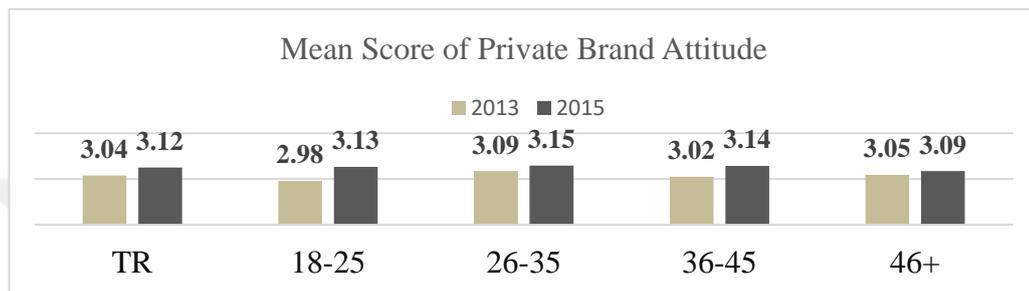
Figure 4. Mean score of private brand attitude among age groups for 2013 and 2015

In 2013, 26-35 age group has a highest mean score of 3.09 whereas 18-25 age group has the lowest score of 2.98. So, highest mean difference is 0.11 point between these groups. However, in 2015 the highest mean difference declined to 0.06 point between 26-35 age group by 3.15 mean score and 46+ age group by 3.09 mean score.

To find out if mean score difference is significant or not among age groups, one-way ANOVA test is conducted for both periods separately and the results are given in Table 18:

Table 18. Anova Results Among Age Groups for Private Brand Attitude in 2013 and 2015

ANOVA TABLE					
2013 Results					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.515	3	3.505	4.117	.006
Within Groups	6204.033	7288	.851		
Total	6214.548	7291			
2015 Results					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.167	3	1.389	1.798	.145
Within Groups	4916.600	6362	.773		
Total	4920.768	6365			

Results indicate that there was a significant difference among age groups in private

brand attitude in 2013, however; it disappeared in 2015.

Table 19. Multiple Comparison Results Among Age Groups for Private Brand Attitude in 2013

Multiple Comparisons						
Dependent Variable: PBA Post-hoc procedure: Hochberg 2013						
(I) AGE_GORUP		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
18-25	26-35	-,10842*	0.032	0.004	-0.192	-0.025
	36-45	-0.044	0.034	0.727	-0.134	0.046
	46+	-0.067	0.031	0.160	-0.148	0.014
26-35	18-25	,10842*	0.032	0.004	0.025	0.192
	36-45	0.064	0.032	0.227	-0.019	0.148
	46+	0.041	0.028	0.603	-0.033	0.115
36-45	18-25	0.044	0.034	0.727	-0.046	0.134
	26-35	-0.064	0.032	0.227	-0.148	0.019
	46+	-0.023	0.031	0.973	-0.104	0.058
46+	18-25	0.067	0.031	0.160	-0.014	0.148
	26-35	-0.041	0.028	0.603	-0.115	0.033
	36-45	0.023	0.031	0.973	-0.058	0.104

The difference among age groups in 2013 in a way that mean score of private brand

attitude of 26-35 age group female consumers is significantly higher than that of 18-

25 age group.

The mean score of consumers from six geographic regions in Turkey is presented both for 2013 and 2015 periods in Figure 5. In 2013, consumers from East and Southeast region have a highest mean score by 3.09 whereas consumers from Black Sea region have the lowest score by 2.95. So, highest mean difference is 0.11 point between these groups. However, in 2015 the highest mean difference declined to 0.07 point between consumers from East and Southeast and Black Sea region.
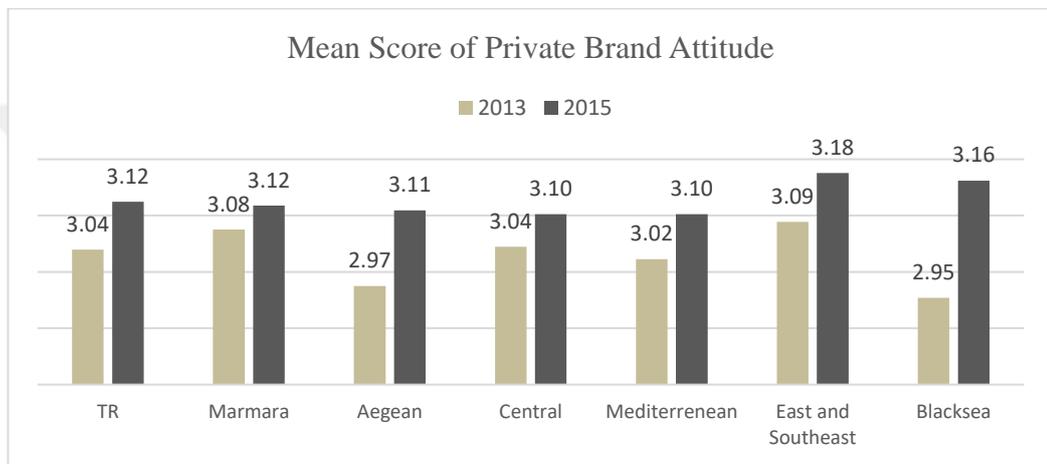
Figure 5. Mean score of private brand attitude among regions for 2013 and 2015

To find out mean score difference among consumers from different geographic regions, one-way ANOVA test is conducted for both periods separately and the results are given in Table 20:

Table 20. Anova Results Among Consumers from Different Geographic Regions for Private Brand Attitude in 2013 and 2015

ANOVA TABLE					
2013 Results					
	Sum of Squares	df	Mean Square	Welch's Statistic	Sig.
Between Groups	15.388	5	3.078	3.6043	.003
Within Groups	6199.161	7286	.851		
Total	6214.548	7291			
2015 Results					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.496	5	0.899	1.1727	.325
Within Groups	4917.606	6361	.773		
Total	4922.102	6366			

The mean score is different at 0.05 levels.
Levene test <0.5, homogeneity of variance assumption is violated. Welch's statistic is reported instead of F statistic for 2013 result.

Results indicate that there was a significant difference in private brand attitude

among consumers from different geographic regions in Turkey in 2013, however, it

disappeared in 2015.

Table 21. Multiple Comparison Results Among Regions for Private Brand Attitude in 2013

Multiple Comparisons						
Dependent Variable: PBA						
Post-hoc procedure: Games-Howell						
2013						
(I) REGIONS		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Marmara	Aegean	,10040*	0.033	0.033	0.005	0.196
	Central	0.031	0.032	0.933	-0.061	0.123
	Mediterranean	0.052	0.036	0.682	-0.049	0.154
	East and Southeast	-0.014	0.035	0.999	-0.114	0.086
	Black Sea	,12123*	0.040	0.033	0.006	0.237
Aegean	Marmara	-,10040*	0.033	0.033	-0.196	-0.005
	Central	-0.070	0.037	0.426	-0.177	0.037
	Mediterranean	-0.048	0.040	0.844	-0.163	0.067
	East and Southeast	-,11411*	0.040	0.049	-0.228	0.000
	Black Sea	0.021	0.045	0.997	-0.107	0.148
Central	Marmara	-0.031	0.032	0.933	-0.123	0.061
	Aegean	0.070	0.037	0.426	-0.037	0.177
	Mediterranean	0.022	0.039	0.994	-0.091	0.134
	East and Southeast	-0.044	0.039	0.864	-0.155	0.067
	Black Sea	0.091	0.044	0.303	-0.034	0.215
Mediterranean	Marmara	-0.052	0.036	0.682	-0.154	0.049
	Aegean	0.048	0.040	0.844	-0.067	0.163
	Central	-0.022	0.039	0.994	-0.134	0.091
	East and Southeast	-0.066	0.042	0.608	-0.185	0.053
	Black Sea	0.069	0.046	0.674	-0.063	0.201
East and Southeast	Marmara	0.014	0.035	0.999	-0.086	0.114
	Aegean	,11411*	0.040	0.049	0.000	0.228
	Central	0.044	0.039	0.864	-0.067	0.155
	Mediterranean	0.066	0.042	0.608	-0.053	0.185
	Black Sea	,13494*	0.046	0.039	0.004	0.266
Black Sea	Marmara	-,12123*	0.040	0.033	-0.237	-0.006
	Aegean	-0.021	0.045	0.997	-0.148	0.107
	Central	-0.091	0.044	0.303	-0.215	0.034
	Mediterranean	-0.069	0.046	0.674	-0.201	0.063
	East and Southeast	-,13494*	0.046	0.039	-0.266	-0.004

According to the table 21, in 2013, private brand attitude mean score of consumers from Marmara is significantly higher than those who are from Aegean and Black Sea Region. This is also valid for consumers from East and Southeast region: their private brand mean score is significantly higher from those who are from Aegean and Black Sea region.

The finding about disappearance differential in private brand attitude among respondents from different regions may be explained by an increase in concentration

of discounters in all regions. Recalling the figures in Table 10, discounter penetration varied in regions in 2013, however, this discrepancy did not exist by 2015. This fact provides a strong basis for same level of exposure to private brands assumption. With the help of this, consumers get more likely to meet, buy private brands and be familiar with these products. This eventually may lead to develop a favorable attitude.

In this study, majority of respondents are housewives. Remaining respondents are student, working or retired. The mean score of these consumer groups is presented both for 2013 and 2015 periods in Figure 6.
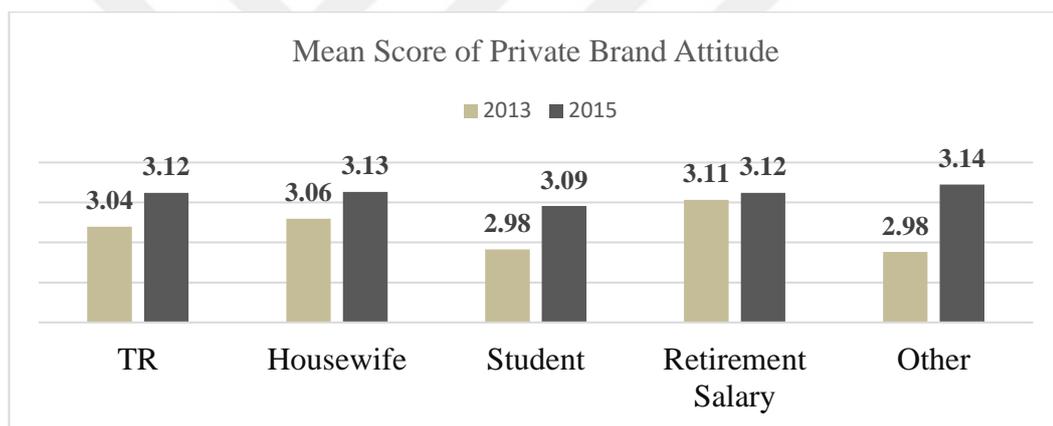
Figure 6. Mean score of private brand attitude among groups of respondents with different occupational status for 2013 and 2015

In 2013, consumers who are retired or make her living with a retirement salary have the highest private brand mean score by 3.11 whereas consumers who are either student or working have the lowest score by 2.98. So, highest mean difference is 0.13 point between these groups. However, in 2015 the highest mean difference declined to 0.02 point and exists between consumers who are student and working by 3.09 and 3.14 mean score, respectively.

One-way ANOVA test is conducted for both periods separately and the results are

given for consumers from different working status in Table 22:

Table 22. Anova Results Among Consumers from Different Working Status for Private Brand Attitude in 2013 and 2015

ANOVA TABLE					
2013 Results					
	Sum of Squares	df	Mean Square	Welch's Statistic	Sig.
Between Groups	10.288	3	3.429	4.1138	.007
Within Groups	6204.261	7288	.851		
Total	6214.548	7291			
2015 Results					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.355	3	0.452	0.584	.625
Within Groups	4920.747	6363	.773		
Total	4922.102	6366			

The mean score is different at 0.05 levels.
Levene test <0.5, homogeneity of variance assumption is violated. Welch's statistic is reported instead of F statistic for 2013 result.

Results show that there was a significant difference in private brand attitude mean

score among consumers who have different occupational status. However, it does not

exist in 2015.

Table 23. Multiple Comparison Results Among Respondents with Different Occupational Status in 2013

Multiple Comparisons						
Dependent Variable: PBA						
Post-hoc procedure: Games-Howell						
2013						
(I) OCCTUPATIONAL STATUS		Mean Differen ce (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Housewife	Student	0.077	0.035	0.126	-0.013	0.167
	Retirement Salary	-0.048	0.054	0.817	-0.188	0.093
	Working	,08302*	0.030	0.031	0.005	0.161
Student	Housewife	-0.077	0.035	0.126	-0.167	0.013
	Retirement Salary	-0.124	0.062	0.187	-0.284	0.036
	Working	0.006	0.043	0.999	-0.103	0.116
Retirement Salary	Housewife	0.048	0.054	0.817	-0.093	0.188
	Student	0.124	0.062	0.187	-0.036	0.284
	Working	0.131	0.059	0.126	-0.023	0.284
Working	Housewife	-,08302*	0.030	0.031	-0.161	-0.005
	Student	-0.006	0.043	0.999	-0.116	0.103
	Retirement Salary	-0.131	0.059	0.126	-0.284	0.023

According to the results in table 23, private brand attitude mean score of housewives was significantly higher than those who are working. This result also supported by prior findings in the literature (e.g. Myers, 1967) and explained via limited budget for housewife. To the best of our knowledge, no findings exist neither in academic nor in practical life about development of financial flexibility of housewives in Turkey from 2013 till now. Then, disappearance of afore-mentioned differential might be explained the developed positive perception of private brands in working/student consumer groups due to the same reasons: increased discounter penetration resulting in more private brand exposure, hence familiarity.

Differentiation among SES groups is investigated both for 2013 and 2015 results. The mean score of SES groups is presented for 2013 and 2015 periods in Figure 7.
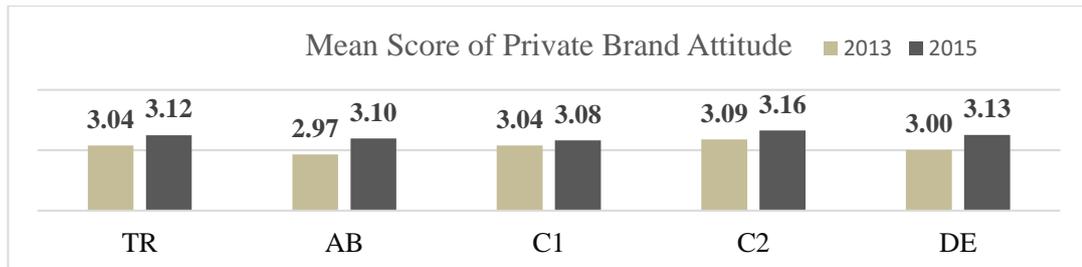
Figure 7. Mean score of private brand attitude among SES groups for 2013 and 2015

The highest mean score difference is 0.12 and 0.08 in 2013 and 2015, respectively. To find out mean score difference is significant or not among SES groups, one-way ANOVA test is conducted, and the results are given in Table 24.

Table 24 Anova Results Among SES for Private Brand Attitude in 2013 and 2015

ANOVA TABLE					
2013 Results					
	Sum of Squares	df	Mean Square	Welch's Statistic	Sig.
Between Groups	15.508	3	5.169	5.9021	.000
Within Groups	6199.041	7288	.851		
Total	6214.548	7291			
2015 Results					
	Sum of Squares	df	Mean Square	Welch's Statistic	Sig.
Between Groups	6.970	3	2.323	3.0338	.029
Within Groups	4915.131	6363	.772		
Total	4922.102	6366			

The mean score is different at 0.05 levels.
Levene test <0.5, homogeneity of variance assumption is violated. Welch's statistic is reported instead of F statistic both from 2013 and 2015 results.

Results indicate that there was a significant difference among SES groups in private brand attitude mean score in 2013 and 2015. However, it should not be inferred as private brand attitude differential among SES groups exist since comparison between two periods is not meaningful since SES segments have different definition in 2013 and 2015.

Table 25. Multiple Comparison Results Among Respondents from Different SES Group in 2013 and 2015

Multiple Comparisons						
Dependent Variable: PBA						
Post-hoc procedure: Games-Howell						
2013 Results						
(I) SES GROUPS		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
AB	C1	-0.075	0.035	0.136	-0.164	0.014
	C2	-,12379[*]	0.033	0.001	-0.208	-0.040
	DE	-0.037	0.037	0.745	-0.131	0.057
C1	AB	0.075	0.035	0.136	-0.014	0.164
	C2	-0.049	0.027	0.277	-0.119	0.021
	DE	0.038	0.032	0.632	-0.044	0.120
C2	AB	,12379[*]	0.033	0.001	0.040	0.208
	C1	0.049	0.027	0.277	-0.021	0.119
	DE	,08696[*]	0.030	0.018	0.011	0.163
DE	AB	0.037	0.037	0.745	-0.057	0.131
	C1	-0.038	0.032	0.632	-0.120	0.044
	C2	-,08696[*]	0.030	0.018	-0.163	-0.011
2015 Results						
AB	C1	0.015	0.035	0.974	-0.074	0.104
	C2	-0.066	0.032	0.169	-0.149	0.017
	DE	-0.029	0.035	0.847	-0.119	0.062
C1	AB	-0.015	0.035	0.974	-0.104	0.074
	C2	-,08108[*]	0.029	0.026	-0.155	-0.007
	DE	-0.043	0.032	0.527	-0.126	0.039
C2	AB	0.066	0.032	0.169	-0.017	0.149
	C1	,08108[*]	0.029	0.026	0.007	0.155
	DE	0.038	0.030	0.581	-0.038	0.114
DE	AB	0.029	0.035	0.847	-0.062	0.119
	C1	0.043	0.032	0.527	-0.039	0.126
	C2	-0.038	0.030	0.581	-0.114	0.038

In 2013, private brand attitude mean score of C1 SES respondents is significantly higher than those who are either from AB or DE SES groups. In 2015, private brand attitude mean score of C2 SES respondents is significantly higher than those who are from C1 SES.

All in all, except SES groups, existing private brand attitude difference, in 2013, in regions, age groups and working status of respondents do not exist in 2015. This shows that private brands are being accepted more and more households. Several factors are believed to lead such a development. One of them is the increasing concentration of discounter outlets in the market. Increasing number of

outlets gives more and more households to try private brands and become familiar. Proper value for money or product performance compared to their counterparts might be another factor that develop more favorable disposition toward private brands.

5.8 Hypothesis testing

In this part, hypothesis testing is presented in order with a discussion. To test the hypothesis (H1-H6), multiple regression analysis is used. First, Pearson Correlation is conducted to get preliminary idea for relationships between variables and prior look for multicollinearity for multiple regression analysis. In this study, sample size is large, and sample has a representative characteristic for Turkey context in many dimensions. Most of the studies in the literature draw conclusions from smaller sample sizes or even when the sample size is relatively bigger; representativeness is not the major concern of these studies due to scarcity of time, financial concerns or inconvenience. There is existing finding in the literature about direction of relationship between variables that requires one-tailed application, two-tailed test was conducted for all variables to explore the nature of variables independent from prior findings in relatively superior sample for the current study. Results from Pearson Correlation analysis is presented in Table 26.

Table 26 Pearson Correlation for Variables

		PBA	WOM	DP	RA	IMP
PBA	Pearson Correlation	1	,665**	,484**	,422**	,398**
	Sig. (2-tailed)		,000	,000	,000	,000
WOM	Pearson Correlation	,665**	1	,422**	,392**	,327**
	Sig. (2-tailed)	,000		,000	,000	,000
DP	Pearson Correlation	,484**	,422**	1	,462**	,494**
	Sig. (2-tailed)	,000	,000		,000	,000
RA	Pearson Correlation	,422**	,392**	,462**	1	,472**
	Sig. (2-tailed)	,000	,000	,000		,000
IMP	Pearson Correlation	,398**	,327**	,494**	,472**	1
	Sig. (2-tailed)	,000	,000	,000	,000	
**. Correlation is significant at the 0.01 level (2-tailed).						

According to the figures in Table 26, as proposed in the model, deal proneness, reliance on word of mouth, general risk aversion and impulse buying behavior are found significantly positively related with private brand attitude by r=.484, r=.665, r=.422, and r=.398, respectively, p<.00. All variables have a moderate relationship with each other. This gives a prior insight in a way that all these variables are suitable to enter multiple regression analysis to test the model.

A multiple regression analysis is used for predicting a dependent variable (predictant) form a multiple independent variables (predictor). In this study, multiple regression analysis was conducted for hypothesis testing.

When there are more than one predictor variables, which predictor variables are included in the model and the order of the predictor variables that are entered in the model become important since predictors have usually correlated with each other and have an impact on calculated parameters as an output of the analysis. There are three basic methods which are hierarchical, forced, and stepwise entry for predictor variables. In hierarchical method, the order of predictor variables to enter the model is selected based on prior studies and as a rule, known predictor variables are entered first since their importance of predicting is known (Field, 2009). However, there are already studied predictors and new predictors in this study, and the literature lack

importance of the new variable (reliance on WOM), which might be a powerful predictor. Thus, a stepwise regression method is chosen in which order of predictor variables in the model is determined solely by mathematical criterion: higher correlation with outcome determines the very first the predictor model is entered in the model. This continues with the second highest correlation until all predictor variables are treated in a same way. This stepwise method can be done either forward, by adding predictor variables to model in sequence, or backward, by removing predictor variables from the model in a same way. Because backward stepwise is superior to forward stepwise due to relatively less Type II error (Field, 2009) backward stepwise multiple regression analysis is conducted in this study.

To test the hypotheses from H1 to H4, private label attitude was treated as dependent variable and impulse buying behavior, risk aversion, deal proneness and relying on word of mouth were treated as independent variables in the multiple regression analysis. Results are shown from Table 27.

Table 27 Model Summary, ANOVA and Correlation Coefficients

Model Summary[b]									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,707[a]	,500	,500	,62210	,500	1731,509	4	6917	,000	1,973

a. Predictors: (Constant), Reliance on WOM, Impulse Buying Behavior, Risk Aversion, Deal Proneness

b. Dependent Variable: Private Brand Attitude

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2680,445	4	670,111	1731,509	,000[b]
	Residual	2676,947	6917	,387		
	Total	5357,393	6921			

a.   Dependent Variable: Private Brand Attitude

b.   Predictors: (Constant), Reliance on WOM, Impulse Buying Behavior, Risk Aversion, Deal Proneness

Model		Unstandardized Coefficients		Standardized Coefficients	t-test	Sig.	Collinearity Statistics	
		B	Std. Error	Beta (β)			Tolerance	VIF
	(Constant)	-,158	,050		-3,145	,002		
	DEAL PRONENESS	,231	,014	,176	16,782	,000	,657	1,521
	RISK AVERSION	,117	,015	,078	7,729	,000	,702	1,424
	IMPULSE BUYING	,123	,012	,107	10,426	,000	,691	1,446
	RELIANCE ON WOM	,489	,009	,522	54,398	,000	,783	1,276

The strength of the relationship, R, is given 0.707. The R^2 shows how much variation in private brand attitude can be explained by the model. The results of the regression indicated the four predictors explained 50% of the variance (R^2=.50, $F(4,6917)$=1731, $p<.001$). It was found that reliance on WOM significantly predicted private brand attitude ($\beta = .522$, <.001), as did deal proneness ($\beta = .176$, $p<.001$), impulse buying ($\beta = .107$, $p<.001$), and risk aversion ($\beta = .078$, $p<.001$).

Given the results of multiple regression analysis, the following equation can be derived:

$$Y_{PBA} = 0.38 + 0.078\ X_{RA} + 0.176\ X_{DP} + 0.522\ X_{WOM} + 0.107\ X_{IB}$$

Where Y_{PBA}= the level of private brand attitude, X_{RA}= the level of risk aversion, X_{DP}= the level of deal proneness, X_{WOM}= the level of reliance on WOM, X_{IB}= the level of impulse buying.

The relative influence of each of the predictor factors can be inferred from standardized β efficient. It is seen from the table 21 that, reliance on WOM has the highest influence on private brand attitude by far. This is followed by deal proneness, impulse buying, and risk aversion. The multiple regression equation implies that when there is a one-unit change in the level of risk aversion, there is an increase in the level of private brand proneness by 0.078 unit when other factors are held constant. Similarly, a unit increase in the level of deal proneness, reliance on WOM and impulse buying leads to an increase in the level of private brand attitude by 0.176, 0.522, and 0.107, respectively. According to the results, all predictors have a positive relationship, H1-H4 are supported.

H1: There is a positive relationship between private brand attitude and deal proneness.

This is well-demonstrated finding in the literature (e.g. Ailiwadi et. al, 2001, 1996; Schukla et al., 2013; Burton et al., 1998). A common explanation is that price reduction is the most popular one among other deal types (Burton et al., 1998) and major benefit of private brand products is lower price compared to national brands (Sethuraman, 2000) and even to national brands at promotion (Volpe, 2011) so it is not surprising that a deal prone consumer is inclined to private brands.

H2: There is a relationship between private brand attitude and risk aversion.

It is a well-known fact that private brand products are perceived as riskier alternatives (e.g. Bettman, 1974; Livesey and Lennon, 1978: Richardson et al., 1996; Sheau-Fen et al., 2012, Sethuraman and Gielens, 2014) compared to national brands

and this leads to unfavorable attitude toward private brand products (Sinha and Batra, 2000; Richardson et al., 1996). However, general risk aversion personality in purchasing FMCG products is the focus of this study and risk averse consumers might engage in behaviors to reduce their risk perception such as frequent check of expiration date of products. Similarly, the statement of "When I buy private branded products, I pay attention to manufacturer to be familiar" is evaluated positively (mean=3.20) by all respondents, which is expected to be higher in risk averse consumers. So, trust in a well-known company may lead to reduce uncertainty about private brand products at a tolerable level. Therefore, even though the consumer is risk averse, she might be still having a favorable disposition to private brand products.

H3: There is a relationship between private brand attitude and impulse buying behavior

As mentioned earlier, findings about relationship between impulse buying behavior and private brand attitude is scarce and the existing ones are contradictory. However, this result supports the prior finding of Schukla et al. (2013), which is that impulse buyers have positive private brand attitude.

H4: There is a positive relationship between private brand attitude and reliance on WOM. The more consumers rely on WOM, the more they are likely to have favorable attitude toward private brands.

Promoting scarce findings in the literature (Chen and Sadeque, 2007; Meiners et al., 2010), result is not surprising. Respondents (18+ females in Turkey) are expected to engage in word of mouth activities about private brands. Because there is not a formal communication in TVs about private brands regarding product benefits (either functional or emotional) except the price they are offered by the period of

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field study. Thus, suggestion through user experience is even crucial as this is main source of information about private brand products.

An outlier is a score of respondents that differs from the main trend in the data. Outliers can cause a model to be biased so it is crucial to detect outliers and decide whether they exert a large impact on the model or not, hence to remove or not. Adjusted predictive value is one of the statistic for a score when the score is excluded from the analysis. In case the score does not have a large effect on the analysis, adjusted predictive value is expected to be close or same with the predicted value when the score is included (Field, 2009). Residual statistics is given in Table 28.

Table 28. Residual Statistics

N=6922	Minimum	Maximum	Mean	Std. Deviation
Predicted Value	,8015	4,6414	3,1264	,62233
Std. Predicted Value	-3,736	2,434	,000	1,000
Standard Error of Predicted Value	,008	,043	,016	,006
Adjusted Predicted Value	,8008	4,6416	3,1264	,62229
Residual	-3,02052	3,04900	,00000	,62192
Std. Residual	-4,855	4,901	,000	1,000
Stud. Residual	-4,859	4,905	,000	1,000
Deleted Residual	-3,02460	3,05431	-,00003	,62248
Stud. Deleted Residual	-4,867	4,914	,000	1,000
Mahal. Distance	,025	32,827	3,999	3,839
Cook's Distance	,000	,013	,000	,000
Centered Leverage Value	,000	,005	,001	,001

As seen from the Table 28, predicted value is almost same with adjusted predicted value, thus, it can be considered as outliers are ignorable and they cannot cause bias in the model.

Multi collinearity refers to strong correlation between predictors. When the correlation is perfect at least between two predictors with a correlation coefficient 1, it is said that perfect multi collinearity exists. Collinearity at lower levels is expected. When the level increases, problems in regression model increase these are untrustworthy of coefficients b and limitation of size of R. It should be noted here that the multiple regression analysis in SPSS also check if multi collinearity exists. Regarding multi collinearity, each predictor variable should have its highest variance loading onto a different eigenvalue. In this study, eigenvalues produced by SPSS are used to evaluate whether there is strong relationship between predictors. The criterion is that each predictor should have most of its variance distributed across different eigenvalues. As seen from the table 29, for this model, each predictor has most of its variance loading onto a different eigenvalue, indicating that no multi-collinearity exists.

Table 29. Collinearity Diagnostic for Multiple Regression Analysis 1

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	DP	RA	IB	WOM
1	1	4,892	1,000	,00	,00	,00	,00	,00
	2	,044	10,519	,01	,01	,01	,19	,88
	3	,031	12,578	,21	,01	,06	,70	,10
	4	,020	15,661	,10	,98	,09	,07	,02
	5	,013	19,493	,68	,00	,84	,04	,01

a. Dependent Variable: Private Brand Attitude

Another statistic is tolerance statistics to determine multicollinearity which should not be below 0.2 (Field, 2009). In this study, multicollinearity figures are above the criterion.

To test the hypotheses H5 and H6, reliance on WOM was treated as dependent variable and risk aversion and deal proneness were treated as independent variables in the multiple regression analysis. As shown from Table 30,

Table 30. Model Summary, ANOVA and Coefficient Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	,458[a]	,209	,209	,83640	,209	916,554	2	6919	,000	1,977

a. Predictors: (Constant), Deal Proneness, Risk Aversion
b. Dependent Variable: Reliance on WOM

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1282,392	2	641,196	916,554	,000[b]
1	Residual	4840,341	6919	,700		
	Total	6122,733	6921			

a. Dependent Variable: Reliance on WOM
b. Predictors: (Constant), Deal Proneness, Risk Aversion

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	,760	,067		11,349	,000		
1	RA	,364	,019	,227	19,030	,000	,800	1,250
	DP	,433	,017	,308	25,798	,000	,800	1,250

a. Dependent Variable: Reliance on WOM

The strength of the relationship, R, is given 0.458. The R^2 shows how much variation in private reliance on WOM can be explained by the model. The results of the regression indicated the two predictors explained 20% of the variance (R2=.20, F(2,6919)=917, p<.001). It was found that risk aversion significantly predicted WOM (β = .227, <.001), as did deal proneness (β = .308, p<.001). The relative influence of each of the predictor factors can be inferred from standardized β efficient: when there is a one-unit change in the level of risk aversion, there is an increase in the level of reliance on WOM by 0.227 unit when other factors are held constant. Similarly, a unit increase in the level of deal proneness leads to an increase

in the level of reliance on WOM by 0.308. According to the results, deal proneness and risk aversion predictors have a positive relationship with reliance on WOM, H5 and H6 are supported.

H5: There is a positive relationship between reliance on WOM and risk aversion: The more risk-averse consumers are, the more they rely on WOM. This result replicate of the previous findings: high risk perceiver individuals are more likely to rely on WOM compared to counterparts with less risk perception (Arndt, 1967; Bauer, 1960, Cox, 1967). Because whenever a consumer feels a risk about a purchase decision, he tries to reduce the uncertainty (Cunningham, 1967). Hence, he is expected to be more likely to ask for additional information or advice. Also, recalling the market fact in Turkey, no formal communication exists in TVs regarding private brands except their price; it can be argued that risk averse people lack an alternative way to seek for information, thus reducing uncertainty. This also makes WOM activities more important in Turkey context.

H6: There is a relationship between WOM and deal proneness. Even though there is not a clear finding in the literature that reliance on WOM is related with being deal prone, there are some indirect findings that enable us to propose the existing relationship in this study. Promotional campaigns are found to promote WOM by 20% increase in overall WOM (Berger, and Schwartz, 2011). Recall that one of the motivation of WOM activity is self-enhancement through expertise (Lovett et al., 2013; Wojnicksi and Godes, 2008). Deal prone consumers are seeking for the best price. Thus, finding the best price alternative might be considered as a sign of expertise among female consumers in Turkey, because most of them are housewives with limited budget to shop.

To be able to generalize the conclusions drawn from the model, cross-validation should be done. Cross-validation is testing the model with the same predictor set and outcome variable in different samples and it is expected to predict the outcome variable accurately in different samples to be able to say that model has cross validity and conclusions drawn from the model can be generalized to population. Adjusted R^2 is one of the methods ideally its value is expected to be same or very close to R^2. In this study, adjusted R^2 (.500) is same with R^2 (.500). Hence, the results can be generalized.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

Consumer attitude has an impact on purchasing behavior and inferior perception of private brands has been disappearing in time with quality increase, which is considered to be one of the factors of continuous growth of these products. Households' spending share of private brands is also on the rise in FMCG market in Turkey. As it is shown in the study, consumers in Turkey have a favorable attitude toward private brands, which increased during the two-year of study. This can be explained by many factors from consumer level to product level. The foremost factor is increasing concentration of discounter formats: discounters are penetrating neighborhoods with rising number of outlets so that more and more of households become closer to these spots, leading almost all households to make purchase in discount chains by 2017. Moreover, they are shopping more frequently in time. This leads shoppers to be exposed more to these brands compared to the past, which increases the purchase probability, resulting in increased familiarity to these products. It is demonstrated that consumer acceptance for private-branded products is largely related with familiarity, which means high quality perception in consumers' mind (Richardson et al., 1996). Satisfaction with the product is another issue after familiarity, which makes a continuous growth. Based on our professional experience in business life, it can be said that some private brands are not inferior alternatives with higher quality evaluations by consumers when compared to their national counterparts, which explains continuous growth of private brands and development of private brands attitude in a favorable manner, as well.

Demographic groups are studied in the literature to investigate the difference in private brand attitude based on various explanations. However, studies have either supportive, contradictory or in-conclusive findings. Even if findings were parallel, these could not be generalizable due to inferior sampling. Thus, this study suggests a discrepancy among demographic groups' private brand attitude with the advantage of representative household sample.

Results showed that in 2013 consumers from almost all regions except Black Sea display a favorable private brand attitude. Highest private brand proneness is seen in Eastern & Southeastern region followed by Marmara. This may be explained by relatively higher price-sensitive consumers and higher concentration of discount chains. It is known that more of the discount chain outlets operate in Marmara compared to other regions due to higher consumer potential with the higher disposable income so that consumers in Marmara are more likely to meet and try private brands. Another well-known fact is that East & Southeast is a less-developed region in terms of governmental opportunities in Turkey. Also, education level is lower along with a relatively lower disposable income. This makes shoppers more price-sensitive, leading to a higher tendency to purchase private brands due to their price differential benefit. Even though a significant difference was found in private brand attitude among different regions in the 2013 study, it was also found in the 2015 study that these differences disappeared. Results indicate that in 2013, consumers from almost all age groups except 18-25 display a favorable private brand attitude. Highest private brand proneness is seen in the 26-35 year-old consumer group. Even though a significant difference is observed, the private brand attitude among different age groups in 2013 study, it is also found that these differences do not exist anymore in the findings of 2015 study. Likewise, this might be also

triggered by increased usage and familiarity. Similarly, housewives and retired respondents display a favorable private brand attitude and it is found that private brand attitude of housewives is significantly higher than that of working respondents in 2013. This may be explained by the fact that housewives have a limited budget and they are more price seekers when shopping. However, it is also found that a difference among housewives and working consumers does not exist anymore.

All in all, even though a significant difference was found in private brand attitude among different regions, age groups and working status of respondents in 2013 study, it disappeared in the 2015 study. It shows that private brands are growing not only in shares but also in consumers' mind.

Deal proneness, risk aversion, impulse buying are studied in literature and it is found that they have a relationship with private brand attitude. WOM, especially in private brand context, is scarcely studied. Our results indicate that all four determinants have a positive relationship with private brand attitude: the more the consumer are deal prone, and risk averse, the more favorable attitude toward private brand they develop. This result is a replication of prior findings, but in Turkey context.

In addition to existing finding in literature, this study also showed that relying on WOM activities within private brand context has a positive relationship with private brand attitude. All these four determinants explain 50 % of variance change in private brand attitude with the regression equation as follows: $Y_{PBA} = 0.38 + 0.078\ X_{RA} + 0.176\ X_{DP} + 0.522\ X_{WOM} + 0.107\ X_{IB}$ Where Y_{PBA}= the level of private brand attitude, X_{RA}= the level of risk aversion, X_{DP}= the level of deal proneness, X_{WOM}= the level of reliance on WOM, X_{IB}= the level of impulse buying.

Among all, WOM is found to have the highest impact on private brand attitude, followed by deal proneness, impulse buying and risk aversion. A unit increase in the level of WOM leads to an increase in the level of private brand by 0.522 unit. The impact level of WOM actually is not surprising because there are no broad commercial activities about private brands. They are mostly advertised with lower price offerings in inserts. TV advertorials did not exist at the time of the field study. Thus, commercials are not one of the ways of obtaining information about brands. It is also important to state that TV advertorials regarding discounters and their private brands started to be on TV. This is because competition among discounter chains started to be more apparent especially in favor of growing discounter chains, Şok and A-101, whereas growth of the leader discount Bim started to slow down. So, Bim launched its TV advertorial different from price offering content by emphasizing its and its brands' equity and it was followed by commercials of A-101.

Results also indicate that there exists a positive relationship between deal proneness, risk aversion and private brand attitude. These two predictors explained 20% of the variance in WOM.

The first finding, in which a significant relationship between risk aversion and WOM, was found, is a replication of the previous findings: high risk perceiver individuals are more likely to rely on WOM (Arndt, 1967; Bauer, 1960, Cox, 1967). When they are faced with a risk in purchase decision, they try to reduce the uncertainty by information/ advice searching. Also, recalling the market fact in Turkey, no formal communication exists in TVs regarding private brands except their price; it can be argued that risk averse people lack an alternative way to seek information, thus reducing uncertainty. This shows that WOM is very crucial both

for private and national brand practitioners and it is even essential to track it to see the changes beforehand.

Even though there is not a clear finding in the literature about a significant relationship between deal proneness and WOM, indirect findings exist. Promotional campaigns are found to promote WOM by 20% increase in overall WOM (Berger, and Schwartz, 2011). Deal prone consumers are seeking the best price. Thus, finding the best price alternative might be regarded as a sign of expertise among female consumers in Turkey because most of them are housewives with limited budget to shop.

6.1. Contribution of the study

The main contribution of this study is twofold: the first one arises from its context and sampling. In business life, attitude toward private brands is studied within a certain category mostly by questioning product features with mainly the target or user groups. This study also provides findings about a general attitude toward private brand in FMCG context regardless of a certain product or category, which shows the big picture.

Also, even though there are studies in literature in private brand context, very little is studied in Turkey even though Turkey is a very promising market with continuous growth of private brands. In addition, not only in Turkey but also in other markets, WOM activities are scarcely studied in private brand context. And finally, uniqueness of this study emerges from not only significantly bigger sample size but also its being a good representative for the main target group (female shoppers) in Turkey in terms of certain demographics. Therefore, this study provides an

opportunity to make comments on results of analyses in confidence and generalize the findings.

6.2. Managerial implications

The findings of this study suggest that WOM activities are the most impactful determinants in private brand attitude among the ones which are the focus of this study. Turkish female shoppers are likely to engage in WOM activities in both ways: trying if suggested and suggesting if satisfied. It is known that inter-personal communications do not have a commercial bias, which makes them more credible than any kind of marketing communication (Lau and Ng, 2001) with higher quality of communication and value of information (Bayraktar and Erdoğan, 2015). Thus, drivers of WOM activities in private brands should be understood in detail by professionals to build strong communication strategies for their national brands. Aside from product and consumer level factors, competition with private brands has one hidden-dimension: growing numbers of discounter formats. Since discounters penetrate into more neighborhoods, and households allocate more of their visits to these channels, this brings a necessity to be there to fight with private brands. Therefore, along with a strong strategy to differentiate national brands, a strong distribution support in all manners is needed.

6.3. Limitations of the study and future direction

Limitations exist regarding this study. The major limitation is about the determinates: Only four determinants are the focus of this study, which explains only 50% of change in private brand attitude, showing that there should be another set of determinants, which can explain the rest of the variance in private brand attitude

change. Future decisions about the inclusion of more determinants must be taken into consideration.

Besides, it is assumed that the notion of private brand in questionnaire (market markalı ürünler in Turkish) is understood properly. However, in practical life, it might not be understood in full sense by some of respondents depending on their usage intensity or familiarity with private brands. Also, this study mainly focused on private brand attitude and its determinants in Turkey with the assumption of attitude has an important role on purchase behavior. Also, it is known that this parallel relationship does not necessarily mean that an attitude causes an expected behavior all time because there might be factors, which can change the consistently between attitude and behavior of a consumer (Schiffman and Kanuk, 2007). Thus, relationship between attitude and purchase behavior of private brands should be studied.

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