THE ANTECEDENTS OF PRIVATE LABEL PRODUCT PURCHASING INTENTIONS: AN EXPERIMENTAL ANALYSIS

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İLAYDA GÜNGÖR

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_____

Prof. Dr. Meliha Altunışık
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Science.

_____

Prof. Dr. Cengiz Yılmaz
Head of Department

This is to certify that we have read this thesis and that in our opinion it is fully adequate, in scope and quality, as a thesis for the degree of Master of Science.

_____

Prof. Dr. Cengiz Yılmaz
Supervisor

Examining Committee Members

Assist. Prof. Dr. Eminegül Karababa (METU, BA) _____

Prof. Dr. Cengiz Yılmaz (METU, BA) _____

Assist. Prof. Dr. Berna Tarı Kasnakoğlu (TOBB ETU, BA) _____

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

Name, Last name : İlayda Güngör

Signature :

ABSTRACT

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Güngör, İlayda

M.B.A., Department of Business Administration

Supervisor : Prof. Dr. Cengiz Yılmaz

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Private label applications have been one of the significant trend topics in retailing sector in recent years. Whereas in the past private labels had been positioned as low priced with low quality products, increase in the competition in retailing sector has led retailers to utilize private labels as a strategic marketing tool. Retailers aim to gain higher profit margins, to increase their store loyalty and store differentiation and to increase their bargaining power against manufacturers by means of private label applications. In addition, the investigations on private label applications have also been intensified due to consumers' increasing attentions to private label products. Since consumers may react in a different way to companies that offer private label products in the same industry, understanding the needs and the expectations of consumers is essential for retailers to make their private labels a success.

In order to serve this purpose, this study was conducted on the issue of investigating consumers' purchasing intentions to private labels in Turkey. On the conceptual model, factors affecting consumers' attitudes toward private label applications were separated into two (2) parts: individual factors and contextual factors. In the study, while individual factors were measured with respect to scales used in the questionnaires, the examination of contextual factors was based on experimental manipulation. Moreover, the hypotheses were tested by hierarchical regression analysis to shed light on what influences consumers' purchasing intentions to private labels. All in all, discussion, managerial implications and limitations and suggestions for future research were made.

Keywords: Private Label Products, Private Label Attitudes, Purchasing Intentions

ÖZ

ÖZEL MARKALI ÜRÜN SATIN ALMA NİYETLERİ ÖNCÜLLERİ: DENEYSEL BİR ANALİZ

Güngör, İlayda

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Son yıllarda özel marka uygulamaları perakendeciliğin en önemli trend konularından biridir. Geçmişte özel markalar düşük fiyatlı ve düşük kaliteli ürünler olarak konumlandırılırken, perakendecilik sektöründe rekabetin artması perakendecileri özel markalardan stratejik bir pazarlama aracı olarak yararlanmaya yöneltmiştir. Özel marka uygulamaları ile perakendeciler, daha yüksek kar payları elde etme, tüketicilerin mağazaya olan sadakatini arttırma ve mağazalarını farklılaştırma ve üreticiler karşısındaki pazarlık güçlerini arttırmayı hedeflemektedirler. Bunun yanında, tüketicilerin özel marka ürünlerine karşı artan ilgisine bağlı olarak, özel marka uygulamaları üzerine yapılan araştırmalar da yoğunlaştırılmıştır. Tüketiciler özel marka sunan aynı endüstrideki farklı şirketlere farklı tepkiler verebileceğinden, perakendecilerin özel markalarını başarılı yapmak için tüketicilerin ihtiyaçlarını ve beklentileri anlaması gereklidir.

Bu amaca hizmet etmek için, bu çalışma tüketicilerin özel markalara karşı satın alma niyetlerini araştırmak adına yapılmıştır. Kavramsal modelde, tüketicilerin özel markalara karşı tutumlarını etkileyen faktörler iki (2) bölüme ayrılmıştır: bireysel faktörler ve bağlamsal faktörler. Çalışmada, bireysel faktörler anketlerde kullanılan ölçeklere bağlı olarak ölçülürken, bağlamsal faktörlerin sınanması deneysel güdümlemeye dayalıdır. Diğer taraftan, hangi faktörlerin tüketicilerin özel markalara karşı satın alma niyetini etkilediğine ışık tutmak için, hipotezler hiyerarşik regresyon ile test edilmiştir. Sonuç olarak, tartışma, yönetimsel implikasyonlar ve limitasyonlar ve gelecek araştırmalar için öneriler sunulmuştur.

Anahtar Kelimeler: Özel Markalar, Özel Marka Tutumları, Satın Alma Niyetleri

To My Family

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TABLE OF CONTENTS

PLAGIARISM.....iii
ABSTRACT.....iv
ÖZ.....v
DEDICATION.....vi
ACKNOWLEDGMENTS.....vii
TABLE OF CONTENTS.....viii
LIST OF TABLES.....xi
LIST OF FIGURES.....xiii
CHAPTER
1. INTRODUCTION.....1
2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT.....4
2.1 Private Label Definition.....4
2.1.1 Types of Private Labels.....6
2.1.1.1 Economy Private Label.....7
2.1.1.2 Standard Private Label.....7
2.1.1.3 Premium Private Label.....7
2.1.2 Historical Development of Private Labels.....8
2.2 Private Label Growth in the World.....10
2.2.1 Strategies to Compete against Private Label Growth.....11
2.3 Benefits of Private Labels.....15
2.3.1 Higher Profit Margins.....15
2.3.2 Increase in Store Loyalty and Store Differentiation.....16
2.3.3 Increase in Bargaining Power of Retailers against Manufacturers.....18
2.4. Private Label Development in Turkey.....19
2.5 Factors Affecting Private Label Attitudes.....22
2.6 Conceptual Model.....26
2.7 Research Hypotheses.....29

2.7.1 Demographic Variables 29
2.7.2 Prior Experience with Private Labels 31
2.7.3 The Degree of Reliance by the Customer Extrinsic Cues 32
2.7.4 Risk Attitude 32
2.7.5 Level of Purchasing Risk 33
2.7.6 Distinctive Packaging 33
2.7.7 Price Promotion 34
2.7.8 Store Image 35
2.7.9 Private Label Attitude 35
3. RESEARCH DESIGN AND METHODOLOGY 36
3.1 Research .Methodology 36
3.2 Data Collection and Sampling 42
3.2.1 Data Collection 42
3.2.2 Sampling Method 42
3.2.3 Sample Size 43
4. DATA ANALYSIS AND HYPOTHESES TESTING 49
4.1 Reliability and Validity Assessment 49
4.1.1 Measures of Prior Experience with Private Labels 50
4.1.2 Measures of the Degree of Reliance by the Consumer Extrinsic Cues 51
4.1.3 Measures of Risk Attitude 53
4.1.4 Measures of Level of Purchasing Risk 54
4.1.5 Measures of Private Label Attitude 55
4.1.6 Measures of Reliability and Validity of the Study 56
4.2 Empirical Results and Analysis 59
4.2.1 Descriptive Statistics 59
4.2.1.1 Descriptive Statistics for Prior Experience with Private Labels 60
4.2.1.2 Descriptive Statistics for the Degree of Reliance by the Consumer Extrinsic Cues 61
4.2.1.3 Descriptive Statistics for Risk Attitude 62
4.2.1.4 Descriptive Statistics for Level of Purchasing Risk 63

4.2.1.5 Descriptive Statistics for Private Label Attitude 64
4.2.1.6 Descriptive Statistics of the Study 65
4.2.2 Correlation 66
4.2.3 Hierarchical Regression 69
4.2.3.1 Hierarchical Regression Results for Food Category 70
4.2.3.2 Hierarchical Regression Results for Non-Food Category 73
4.2.3.3 Hypotheses Testing 76
5. DISCUSSION, MANAGERIAL IMPLICATIONS AND CONCLUSION 82
5.1 Discussion 82
5.2 Limitations and Suggestions for Future Research 88
5.3 Managerial Implications 89
5.4 Conclusion 90
REFERENCES 92
APPENDICES
A. QUESTIONAIRE IN ENGLISH 106
B. QUESTIONAIRE IN TURKISH 117
C. OTHER DISTINCTIVE PACKAGING DESIGNS USED FOR EXPERIMENTAL MANIPULATION 128
D. TEZ FOTOKOPİSİ İZİN FORMU 131

LIST OF TABLES

TABLES

Table 2.1 Largest Private Label Share Gains, 2010 - 2015 20
Table 3.1 Profile of BİM and Migros..... 37
Table 3.2 Items Used in Scales 40
Table 3.3 Sample Characteristics of Product 1 44
Table 3.4 Sample Characteristics of Product 2 45
Table 3.5 Sample Characteristics of Product 3 46
Table 3.6 Sample Characteristics of Product 4 47
Table 4.1 EFA and Cronbach's Alpha Statistics for the Measures of Prior Experience with Private Labels..... 51
Table 4.2 EFA and Cronbach's Alpha Statistics for the Measures of the Degree of Reliance by the Consumer Extrinsic Cues..... 52
Table 4.3 EFA and Cronbach's Alpha Statistics for the Measures of Risk Attitude..... 53
Table 4.4 EFA and Cronbach's Alpha Statistics for the Measures of Level of Purchasing Risk 54
Table 4.5 EFA and Cronbach's Alpha Statistics for the Measures of Private Label Attitude..... 56
Table 4.6 Validity Statistics of the Study..... 58
Table 4.7 Reliability Statistics for the Scales of the Study 59
Table 4.8 Descriptive Statistics for the Prior Experience with Private Labels 61
Table 4.9 Descriptive Statistics for the Degree of Reliance by the Consumer Extrinsic Cues 62
Table 4.10 Descriptive Statistics for Risk Attitude..... 63
Table 4.11 Descriptive Statistics for Level of Purchasing Risk 64
Table 4.12 Descriptive Statistics for Private Label Attitude..... 65
Table 4.13 Descriptive Statistics of the Study 66
Table 4.14 Pearson Correlation Matrix..... 68

Table 4.15 Hierarchical Regression Results for Food Category 72
Table 4.16 Hierarchical Regression Results for Non-Food Category 75

LIST OF FIGURES

FIGURES

Figure 2.1 Positioning of Choice Set along Quality-Tier and Brand-Type Dimensions 6
Figure 2.2 Strategic Options for National Brand Manufacturers to Compete with Private Label Growth 12
Figure 2.3 The Conceptual Model 28
Figure 5.1 The Modified Conceptual Model for Food Category 80
Figure 5.2 The Modified Conceptual Model for Non-Food Category 81

CHAPTER 1

INTRODUCTION

Trends toward private label applications have increased in the last decades and national brand producers have seen private labels as fierce competitors in market. National brand producers evaluate the situation as serious, and that is why, there are various strategies developed to fight with private labels in the literature (Hoch, 1996). Conversely, different producers want to attempt more on private label applications due to number of benefits gathered from private labels: higher profit margins (Pauwels and Srinivasan, 2003), increase in store loyalty and differentiation (Kumar and Steenkamp, 2007) and increase in the bargaining powers of retailers against manufacturers (Ailawadi, 2001).

Besides, on the producers' side, it is significant to be aware of the perceptions and the expectations of the consumers to convince them to purchase private labels. In the literature, there are valuable articles that deal with the factors affecting consumers' attitudes toward private labels. It has been proven that not only demographic factors but also other individual and contextual factors have impact on the attitudes toward private labels.

The tendency of consumers to purchase private labels has been increasing, especially in Turkey. Turkey is the most rapidly growing private label market in the world (Nielsen Company, 2010). In addition, it is forecasted that between 2010 and 2015 Turkey will be the 3rd largest market share in the private label market (Rabobank, 2011). This big improvement in private labels attracts producers to apply private labeling. However, it is not enough to focus on only the production side; the consumers should be thoroughly analyzed to make this improvement continuous.

As it is mentioned above, there are valuable studies in the literature; on the other hand, in Turkey the numbers of comprehensive researches in this area are really very limited.

The purpose of this study is to investigate the factors that affect attitudes toward private labels, resulting in purchasing intentions for private labels. To serve this issue, a comprehensive conceptual model is conducted.

In the conceptual model, the factors affecting attitudes toward private labels are separated into two (2) parts, namely, individual factors and contextual factors. The individual factors include demographic factors (age, gender, education and income), individual differences (prior experience with private labels, the degree of reliance by the consumer extrinsic cues and risk attitude) and perceptual variables (level of purchasing risk). In addition to the individual factors, distinctive packaging, price promotion and store image constitute the contextual factors.

Four (4) different product categories, macaroni, milk, yogurt and bathroom tissue, are determined and they are grouped into two categories. Products are separated as food and non-food product categories in order to examine whether there is a difference between purchasing intentions for food private labeled product and to non-food private labeled product or not. After assured almost equal distribution of questionnaires, including each type of products; individual factors are measured with items used in the scales and contextual factors are measured due to experimental manipulation, methodology of the study. The comprehensive conceptual model and the methodology make distinctive this study from other present studies in the literature.

Since products are grouped into two (2), the results also should be evaluated by considering product category differences. The empirical findings indicate that for both product categories, the significant effects on purchasing intentions for private labels are sourced by distinctive packaging, price promotion and store image.

Interestingly whereas distinctive packaging is found to be negatively correlated to purchasing intentions for private labels, price promotion and store image are found to be positively related to purchasing intentions for private labels as expected. What's more, prior experience with private labels and the degree of reliance by the consumer extrinsic cues also positively influence purchasing intentions for both food and non-food private labeled products. An important distinction between the results for food and non-food private labeled products is related to demographic variables. Whereas age and education have negative influence on purchasing intentions for non-food private labeled products, food private labeled products are not affected by demographic factors. Besides, level of purchasing risk is negatively associated with purchasing intentions for non-food private labeled products while level of purchasing risk is not significant for purchasing intentions for food private labeled products.

Useful implications are made for managers and future researches. Especially for managers, it is recommended to focus more on price promotions, since the biggest effect on purchasing intentions for private labels belongs to this underlying factor. Moreover, the result, deal with store image, claims that highly qualified retailers' private labels are demanded more than the other type of retailers. That is why; managers should consider this finding, when they evaluate the possible partners to work. Eventually, distinctive packaging indicates that consumers want to see private labels with the packages, similar to national brands on the shelves. Hence, distinctive packaging is not a logical area for private label producers to invest in.

CHAPTER 2

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Consumers' characteristics have led companies to trend novelties in branding issues. One of these novelties performed by retailers is private label application, which has been developed toward national brands. In the last decades private labels have emerged as fierce competitors of national brands in the consumer packaged goods (CPG) industry (Lamey, Deleersnyder, Steenkamp and Dekimpe, 2012). Retailers' tendencies to private labels (PL), also known as "store brands" or "own brands" have been continuously increasing due to a number of reasons. The concept of private label has been playing an important role in marketing for many years and there are numerous substantial studies in this field from the 1960s, to today.

2.1. PRIVATE LABEL DEFINITION

The scholars have preferred to set different definitions for private label term in their studies throughout the years, and some of them are presented below in chronological order:

"Store brand grocery items are products owned and branded by organizations whose primary economic commitment is distribution rather than production" (Schutte, 1969).

"Private label brands are those sold under retailers' or (wholesalers') own labels rather than the brand name of a national manufacturer" (Boone and Kurtz, 1995; Kotler and Armstrong, 1996).

"A private label (PL) is a brand owned or controlled by a downstream firm (retailer) and sold exclusively at a single retail chain or group" (Chen, Narasimhan, John and Dhar, 2012).

In addition to these private label definitions, we define a private label as "the product that is produced for a retailer and sold under the name of the retailer/under a different name in the retailer's stores".

What's more, an important distinction between a private label brand and a national brand name (NB) in terms of retailers is stated by Dhar and Hoch (1997) as "Store brands are the only brand for which the retailer must take on all responsibility – from development, sourcing and warehousing to merchandising and marketing". Whereas manufacturers make decisions about their national brands, retailers are more accountable for the success or failure of their private labels since they have direct impact on decisions about quality and price positioning of their private labels.

Production issues are another critical decision for retailers. While it is possible for retailers to produce their private labels internally, an upstream company may produce private labels for retailers. However, most retailers do not prefer to produce their own labels internally and an upstream firm implements production of private labels. Upstream firms are eager to produce private labels for retailers when there is a chance to achieve economies of scale, to utilize excess capacity, to increase sales without additional effort except production, etc. It is obvious that private labels may provide advantages not only to retailers but also to manufacturers as well.

Scientific studies are also available about when store brands should be introduced (Raju, Sethuraman and Dhar, 1995) and about the factors of private label share due to categories and retailers (Hoch and Banerji, 1993; Dhar and Hoch, 1997).

2.1.1. Types of Private Labels

There has been a common belief for years that private labels are low priced products with low quality in the minds of consumers; however, this statement does not reflect the truth. Private labels consist of three different types, namely, economy private labels, standard private labels and premium private labels. The separation between these private labels is mainly based on quality and price indicators. National brands also have two types: premium-quality national brands and mainstream-quality national brands.

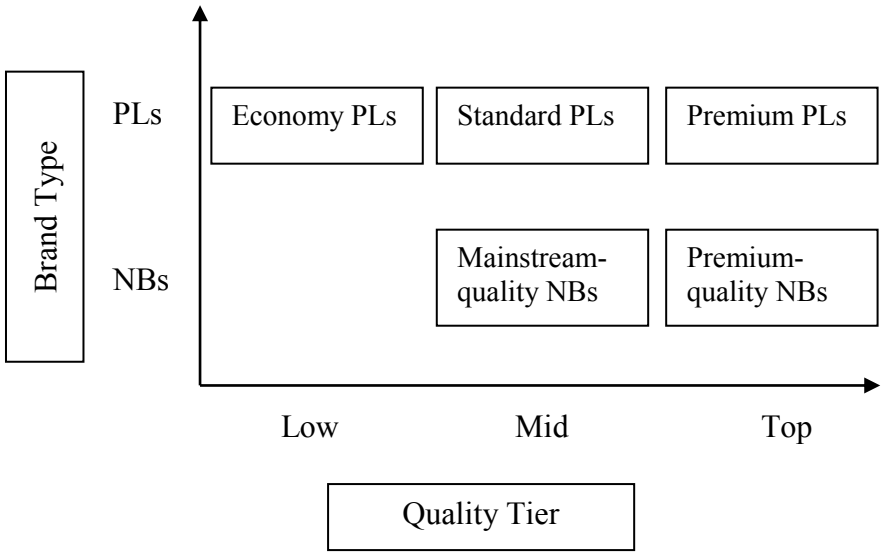

Figure – 2.1: Positioning of Choice Set along Quality-Tier and Brand-Type Dimensions

Source: Geyskens, Inge and Katrijn Gielens and Els Gijsbrechts (2010)

The comparison between private labels and national brands is an effective technique to notice the distinction between different types of private labels.

2.1.1.1. Economy Private Label

Economy private labels offer acceptable quality with lowest price, which means it is the representative of traditional attitudes toward private labels. According to Burt (2000), it is not possible to mention a national brand as equal to private labels in terms of quality in the traditional market place.

2.1.1.2. Standard Private Label

Standard private labels are positioned in the market as being of mid-quality and mid-price alternative. Standard private labels are equivalent with main stream-quality national brands with respect to quality dimensions (Kumar and Steenkamp, 2007).

2.1.1.3. Premium Private Label

Premium private labels, quite the opposite of economy private labels, compares with premium-quality national brands in terms of superior quality. They are positioned as close substitutes of premium-quality national brands in the market (Kumar and Steenkamp, 2007).

What's more, Omar (1999) puts a different perspective on the classification of private labels, which consists of six (6) different categories:

- Private labels sold under the name of the retailer, Tansaş, Şok, etc
- Private labels sold under the name which is identified with a specific retailer: Products labeled Bütçem in Migros
- Super private labels
- Varieties of simple generic products in the concept of private labels
- Exclusive products, offered with periodical presentations and not labeled under the name of the retailer
- Substitute products, actually not belonging to a retailer but manufactured specially for specific retailers by a manufacturer: Viva Cleaning Products produced for Migros

Since the characteristics of the private labels are dissimilar, each type needs different marketing strategies and tactics to be integrated. The improvements on the extrinsic and intrinsic sides of private labels have been attractive for consumers and they are more willing to pay for private labels.

2.1.2. Historical Development of Private Labels

Even though the development of private labels was based on the 1980s, the first initiative to sell private labels was implemented more than 100 years ago (German, 2001). "The Great Atlantic and Pacific Tea Company", better known as "A&P", attempted for the first time to include private labels in its stores in the beginning of the 1860s. The reason why A&P offered private labels was related with the company's willingness to reflect its specialization on coffee and tea markets in the retailing industry. Eight O'Clock (coffee) and Our Own (tea) were the first private labels, that A&P introduced to the market.

Approximately 30 years ago supermarket chains began to give places to private labels on their shelves to affect the sales of the most popular national brands. Although the qualities of private labels were as good or nearly as good as national brands, the prices of private labels were slightly lower than national brands due to a lack of selling, advertising etc. expenditures. Because private labels have no need for additional costs, like advertising, retailers had a chance to gain higher profit margins in spite of lower prices than national brands. Hence, a proneness to private labels has started to increase among retailers.

The first serious application of private labels in Europe was implemented by Carrefour, provided between 7% and 35% price advantage considering other national brands. In four (4) years Produits Libres achieved great success by 4% share in total sales even 40% in some product categories (Management Horizon, 1979; Goormans, 1981; McGoldrick, 1984; Cunningham, 1986).

Carrefour's success caused other companies to generate private label strategies as well, after 1977: Continent-Products Blancs, Mammout-Products Familiaux, Euromarche-Products Oranges.

When other companies attempted to private label strategies, the market share of private labels reached to 10% in France. By 1977, private labels were becoming available in Belgium, the Netherlands, West Germany, Sweden, Ireland and England, and one year later these private labels gained remarkable success in Canada, Australia and Japan (McGoldrick, 1984). On the other hand, in 1970s, private labels were imitated by other nation brands with low quality and low prices (Dunne, 1996; Hoch, 1993). For instance, most retailers introduced two different private labels in the dish soap category, which were indistinguishable from the national brands at first sight. One of them, an imitation of Sunlight Liquid, the leader in the market, and is offered by Lever Brothers; another is one that is an imitation of Palmolive Liquid Soap (Dunne, 1996).

The importance of private labels had increased in Europe and the U.S. by the 1980s; however, the development of private labels at that time could not be evaluated without considering economic conditions. According to Hoch (1993) consumers tend to buy private labels in economic recessions due to decrease in their incomes, but when the economy's troubles end; they go back to buying national brands. The study of Lamey, Deleersnyder, Dekimpe and Steenkamp (2007) manifests that even though consumers are prone to prefer private labels in economic downturns, some of them continue purchasing the private labels when the bad economic conditions have long ended. The Nielsen Company (2010) reported that private labels also support the argument on the study of Deleersnyder, Dekimpe and Steenkamp (2007). In the report it is indicated that during economic downturn proneness of consumers to purchase more private labels increases; for example, in the Asian Pacific - 62%, in the Middle East/African/Pakistan - 61%, in Europe - 60%, in North America - 60% respectively.

In addition, within the report there is also evidence, along with a strong global average (91%), that consumers' tendencies to continue to purchase private labels when the economy improves: 94% of North American consumers state they continue their purchasing habits even when these economic troubles end, along with 92% of European consumers, 90% of Asian Pacific consumers, 90% of Latin consumers and 80% of Middle East/Africa/Pakistan consumers.

After the 1980s, retailers started to internalize superior strategies, like generating varieties of private labels, differentiating themselves from national brands as well as other competitors. When qualities of private labels have been developed, successes acquired from private labels have become even more significant. The important notice is that by regarding the development of private labels, sales and market shares alter dramatically in terms of countries, retailers and product categories (Dhar and Hoch, 1997; Burt, 2000).

2.2. PRIVATE LABEL GROWTH IN THE WORLD

The growth of private labels has been identified as one of the most substantial trends in marketing in recent years. Quantitative data, related to private label growth from all over the world has been a significant signal for marketers to consider private labels as a trend topic.

Private label average market shares in the U.S. increased from 15.3% in 1988 to 20% in 1998 (Dunne and Narasimhan, 1999; Marketing News, 1995). As Wellman (1997) stated, more than 70% of retailers perceive private label growth as a top priority (Wellman, 1997; Alaimo, 2003). In the U.S. the Great Recession was the mainstream for private labels to increase consumers' interests and to direct retailers to be focused on such products. In the Global Private Label Report of the Nielsen Company (2010) it is indicated that weighed global average for private label is 14.9% and of the 40 representatives' countries, half are above the global average.

Besides, Turkish Competition Authority (2012) reported that the proportion of private labels to total sales is 46% in Switzerland, 42% in England, 38% in Spain, which are the representatives of the highest private label share in the world. According to the Nielsen Company (2012), "Open just about any cupboard in Canada and you will find a private label product on the shelf."

As from 2010, private labels constitute 15.2% sales of global Fast-Moving Consumer Goods (FMCG) and private labels have an increasing trend among all countries in general (Vandenheede, 2011). For the sales of food category, the percentage of private labels is approximately 25% and it is estimated that this level will be 30% in 2015 and 50% in 2025 (Rabobank, 2011).

Published reports of the Nielsen Company in 2010 is evidence to notice an increasing trend of private label growth through years 2007 – 2009, in almost all countries in Europe. As an example, value shares of private label in Spain increased by 3.0% from 2007 to 2008 and by 2.5% from 2008 to 2009. By considering private label market shares in 1999, which was less than 20%, research at Accenture (2011) forecasted that private label market shares will exceed 50% by 2025.

2.2.1. Strategies to Compete against Private Label Growth

Private label growth has been a critical threat for national brand manufacturers for a few decades and national brand manufacturers attempt to differ ways to compete against private label growth. Scientific studies in literature examines one of the ways, however, studies are scarce in terms of analyzing strategies for national brand manufactures against private labels as a whole. The only detailed and extensive research about the strategic options for national brand manufacturers against private labels belongs to the studies of Hoch (1996).

Hoch (1996) offers an integrated framework of six (6) major strategic options, based on price and quality indicators, to national brand manufactures. Figure 2.2 visualizes Hoch's strategies to compete against private label growth.

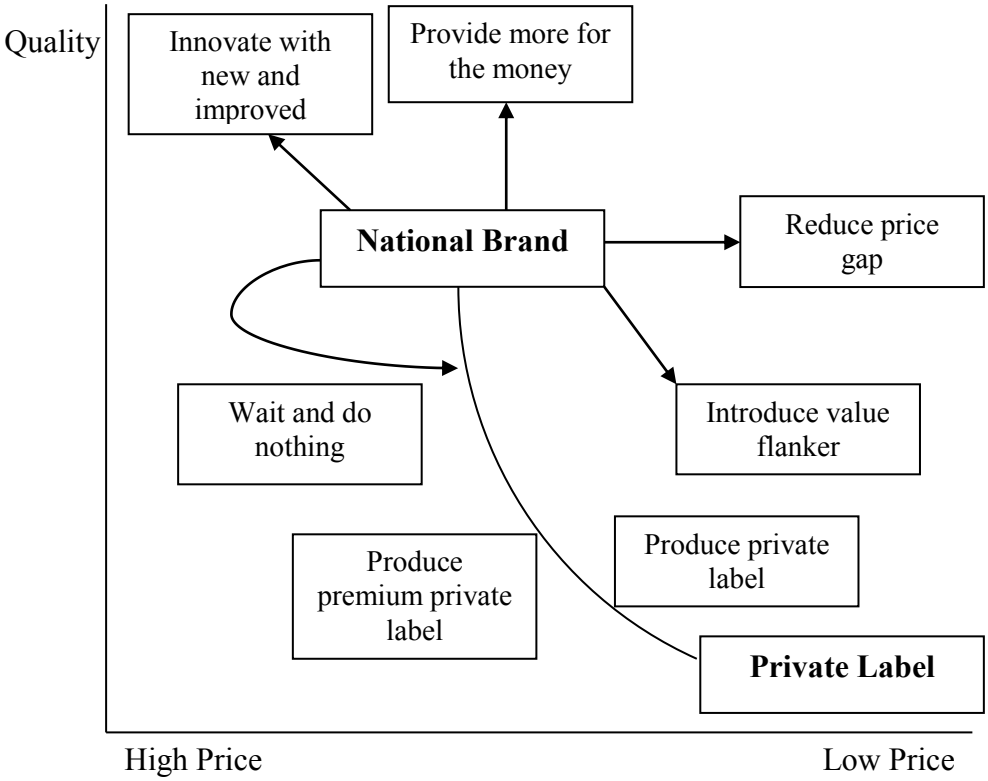

Figure – 2.2: Strategic Options for National Brand Manufacturers to Compete with Private Label Growth

Source: Hoch (1996)

Strategy 1: Innovate with New and Improved

According to first strategy, national brand manufacturers should invest in innovation for their products to position themselves as superior to private labels.

Taking into consideration product life cycles, innovations may be useful to extend national brands' shelf life in the market.

Kumar and Steenkamp (2007) also support Hoch's argument with a conclusion that product innovation is one of the most attractive tools against private labels.
In addition, another study claims that if the quality gap between national brands and private labels is large, there will be negative effects on the private label share (Hoch and Banerji, 1993).

Strategy 2: Provide More Money

Due to second strategy, national brand manufacturers do not alter their pricing settings. Yet, they conduct additional values to their national brands to make consumers increase their willingness to pay. Quelch and Harding (1996) define this approach as "invest in the brand equality". Additional value may be stressed with any kind of marketing activity and some scholars deal with this subject in terms of promotion and advertising.

Promotions applied to national brands, have been a purpose to cut down private label sales, and have been used as a basic technique for years. Scientific studies argue that promotional activities on national brands are influential to fight private labels (Lal, 1990; Quelch and Harding, 1996). Hoch and Banerji (1993) and Ashley (1998) found that effective advertising on national brands is a tool to lower private label shares.

Strategy 3: Reduce Price Gap

National brand manufacturers may prefer to lower their prices to eliminate price gaps between national brands and private labels. Since national brands' prices are higher than private labels, national brand manufacturers may affect price sensitive consumers by reducing their prices. However scholars have dissimilar points of views. Whereas Hoch and Banerji (1993) state that price does not have impact on private label shares because of higher importance of quality, Dhar and Hoch (1997) report that reducing price gap influences private label growth in the market.

Reducing price gap as an option needs to be deeply focused on to decide, as a decrease in price may harm the company's overall profitability.

Strategy 4: Introducing Value Flanker

Strategy of introducing value flanker is also called "me-too strategy". The logic behind this strategy is to offer low utility with low price products to the market. National brand manufacturers aim to decrease private label market shares by introducing a kind of substitute product for private labels. Hoch and Banerji (1993) stands out as a market consists of small pies and offering an extra variety may lead to lower profitability for players in the market. Hoch (1996) is aware of the reality that introducing value flanker is an expensive approach and finding a shelf in the retailers' stores is a challenge for national brand manufacturers. Another drawback of this strategy for national brand manufacturers is offering such varieties may result with losing their own national brand market share.

Strategy 5: Wait and Do Nothing

Since combating private labels requires long term effort and investment, wait and do nothing may be beneficial as a strategy for national brand manufacturers. Waiting and doing nothing for a period creates an opportunity for national brand manufacturers to fully prepare themselves. The article of Shanker, Carpenter and Krishnamurthi (1998) is evidence that late movers can achieve success as well.

Strategy 6: Produce Premium Private Label

The motives, explaining the reason why private labels are produced, can be classified in three categories: economic motives, relationship motives and competitive motives (Dunne and Narasimhan, 1999).

First motive claims that national brand manufacturers produce private labels because of utilization of excess capacity in their production facilities. Secondly, production of private labels enables national brand manufacturers to improve their relationships with retailers.

The study of Kalwani and Narayandas (1995) exhibits that long-term relationships with retailers provide higher profit margins and sustainable competitive advantage. Finally, competitive motive refers that if a national brand manufacturer performs production of a private label, competitors of that national brand manufacturer loses sales. In order to prevent increasing power and profit of competitors by means of private label production, national brand manufacturers would rather take responsibility for private label production.

2.3. BENEFITS OF PRIVATE LABELS

In order to figure out the reason, why retailers' attention to private label products has been continuously increasing, has forced the academicians to work on benefits of private labels for years.

There are a significant number of scientific studies, aiming to analyze any one of the benefits acquired from private labels in literature. After analyzing these scientific studies, the main reasons for retailers' interest in giving place to private labels may be mainly classified as higher profit margins, increase in store loyalty and store differentiation and increase in bargaining power of retailers against manufacturers.

2.3.1. Higher Profit Margins

First of all, like any of the profit-oriented companies in the market, retailers also look for ways to increase their profit margins. Retailers try to entice consumers to their stores by advertising national brands and then they aim to sell private labels to that segment of consumers who are price sensitive. Private label is an attractive way for retailers to enhance their profitability in the market.

Sethuraman (1992) agrees that private labels offer higher profit margins relative to national brands. According to Hoch and Banerji (1993), performance of private labels is better in large categories which offer high margins. Moreover, Narasimhan and Wilcox (1998) prove that in certain categories retailers can gain higher profit by means of introducing a private label.

In addition, these two studies agree that giving places to private labels in stores is not only advantageous in terms of making higher profits but also private label is a strategic weapon to compete with national brands. Another study concentrates on the different findings about higher profit margins and in this study the researchers stated that of the percentage retail margin on store brands are higher than on national brands and also high store brand share is a chance for retailers to increase its percentage margins on national brands (Ailawadi and Harlam, 2004). Pauwels and Srinivasan (2004) also support the argument of the previous study by a conclusion that private labels offer two main benefits to retailers; high unit margins on the store brand itself and higher unit margins on the national brands.

On the other hand, some scientific articles in the literature which examines the retailers' profit margins do not support the power shift from manufacturers to retailers due to shrinking or steady retail industry margins (Farris and Ailawadi, 1972; Messinger and Narasimhan, 1995).

2.3.2. Increase in Store Loyalty and Store Differentiation

The second benefit of private labels, which gets the attention of the scholars of research, is increase in store loyalty. In a general statement, consumers are loyal to brands and to obtain these specific brands they prefer to switch from one store to another store. If retailers create good brands, labeled with retailers' names, consumers may become loyal to this certain brand. To get their brand they will become addicted to go to this store regularly, which then becomes store loyalty. It is also significant for retailers to be aware that whether the sales of private brands are generated due to impulse buying of consumers or whether the consumers are really loyal to this specific retailer's private label (Rao, 1969). One of the reasons for consumers to be loyal to a store mainly depends on hedonic/functional congruity between stores and private label brands (Lee and Hyman, 2008).

One of the early studies claimed that private labels are beneficial in terms of increase in store loyalty, chain profitability and product turnover (Liesse, 1993).

Richardson, Jain and Dick (1996) emphasize the benefits of private labels on store loyalty by the statement that "store brands help retailers increase store traffic and customer loyalty by offering exclusive lines under labels not found in competing stores". What's more, Corstjens and Lal (2000) assert, by an analytical model that a store brand, which is above a threshold level of quality, enables retailers to create store differentiation and store loyalty, in addition to store profitability. From Sudhir and Talukdar (2004) and Kumar and Steenkamp (2007) perspective the argument of positive effect of store brand on store differentiation and story loyalty is approved.

An example from retail practitioners about the creation of customer loyalty belongs to Moberg (2006) and the statement explains explicitly, "with private labels, we can better differentiate ourselves and our brands. We can increase customer loyalty."

On the other hand, it is not always possible to mention exactly the same point of views. Some scholars have developed counter arguments to the positive correlation between private label usage and consumer story loyalty. As Richardson (1997) states in his study that consumers are not able to differentiate private labels from each other to be loyal to a particular chain.

In addition, there are two additional studies which support that customers evaluate private labels as a group of similar brands (Ailawadi, Neslin and Gedenk, 2001; Bonfrer and Chintagunta, 2004). Furthermore, a study implemented in the Netherlands concluded that private label shares contribute positively to store loyalty up to a certain point, however, private label users may be loyal to price savings and private labels in general rather than the private label of any specific retailer (Ailawali, Pauwels and Steenkamp, 2008).

Interested findings from Szymanowski and Gijsbrechts (2012) refer that investments on a private label by its retailer may result in positive impacts on its competitor's private label.

The reason for these statements is they mainly originated from the fact that traditional supermarket chains position their standard private labels as comparable quality with national brands, but lower in price (Kumar and Steenkamp, 2007). Hence, when consumers are exposed to specific chain's private labels the result will be not only enhancement on its own private labels but also benefits on other competitors' private labels. As Ailawadi and Keller (2004) state in their study, consumers classify private labels of different chains due a same mental "private label brand" category. Therefore, consumers use their experiences and beliefs for one private label to make judgments about another private label.

Study of Singh, Hansen and Blattberg (2006) offers insight of real life by examining Wal-Mart supermarkets to see whether there is causality between private label use and store loyalty or not. The study results were that there is a high possibility that heavy private label users prefer to switch to the Wal-Mart stores whenever one enters the area.

2.3.3. Increase in Bargaining Power of Retailers against Manufacturers

Another critical benefit acquired from private labels is related with the bargaining power of retailers against manufacturers. Since the survival of retailers depends on goods coming from manufacturers, manufactures can lock in retailers which they previously served. Yet, private labels have changed this traditional situation. Retailers have gained bargaining power via-a-vis manufacturers thanks to private labels. Private labels are a weapon between manufacturers and retailers to control channel (Patti and Fisk, 1982). The studies of Buzzell, Quelch and Salmon (1990) and Alpert, Kamins and Graham (1992) support the argument concerning power shifting from manufacturers to retailers. Increase in bargaining power of retailers enables retailers to get better deals from manufacturers to push prices down for national brands (Mills, 1995). In addition, growth of retailers' power relative to packaged goods, manufacturers in the packaged goods industry was analyzed by Ailawadi (2001).

2.4. PRIVATE LABEL DEVELOPMENT IN TURKEY

Private label development in Turkey dates back to the 1950s when modern retailing began. Migros-Turk, the first mover in the retailing sector of Turkey, launched private label applications in 1957. At that time, private labels could not be developed effectively due to a number of reasons: improper concepts of large scale chain stores to produce private labels; shortage of number and quality of manufacturers, etc. Efficacious usage of private labels in Turkey by large scale chain stores, to serve different strategies, came into being after the second quarter of 1990 (Aksulu, 2001). Considering other large retailers, BİM, for instance, have drawn benefits from private labels since 1996; Kipa since 2000.

By positioning private labels in the market as low quality and low price options, especially when the economy crisis occurred in Turkey, customers had attempted to purchase more private labels. In 2001, during the economic crisis, the income level of consumers decreased and their buying behaviors' changed, which led to a recession in the retailing industry. As the income level of consumers decreased, consumers had become more price-sensitive. Giving priorities to expenditures by consumers, brand loyalty among national brands and global brands was damaged. Consumers would rather the private labels to meet their main requirements, particularly in the product category of dish-washing detergents, tissue papers and napkins, resulting in the decrease of sales volumes of national and global brands (Capital, 2004).

As well as a new concept for Turkish the retailing industry, private labels have developed since the 2001 economic crisis. By perceiving the influences of the 2008 economic crisis, private label development has deepened in Turkey since 2007 (Turkish Competition Authority, 2011). According to the global report of the Nielsen Company, Turkey is the 8th country among top 10 countries that purchased more private labels during the economic downturn.

In the beginning retailers promoted their private labels with simple packages, including low and medium quality products, concentrating on low prices.

Nowadays, such perception has disappeared little by little and retailers highlight more and more on the quality dimensions of their private labels.

According to the data published by the Nielsen Company (2010), Turkey is the most rapidly growing private label market in the world, with a turnover of $2 billion (U.S. dollars). Even though the growth rate of private labels in a particular product category is considerable, the proportion of private labels to total sales (8%) is still little in comparison to other European countries (Turkish Competition Authority, 2011).

According to the data gathered from the Rabobank report (2011), it is anticipated that between 2010 and 2015 the largest private label shares will belong to Poland, Russia and Turkey, respectively 11%, 9%, 8%.

Table – 2.1: Largest Private Label Share Gains, 2010-2015 (in percentage points)

Country	Private Label Share Gains (%)
Poland	11
Russia	9
Turkey	8
Italy	8
Netherlands	4
Spain	4
Germany	3

Source: Rabobank (2011)

Private labels offer a 30% price advantage to consumers and are most common in discount stores throughout Turkey. Discount stores target price-sensitive consumers and thus private labels are mostly available in such stores.

Discount stores, BİM, for example, generate more than 50% of its sales through private labels; DiaSa 35% and A101 Markets 30% (USDA Foreign Agricultural Service, 2011). Turkish Competition Authority (2012) proves by research that private labels are available in most discount stores in Turkey, including national/international chains, local/regional chains and cash & carry.

In the literature pertaining to Turkey there are a number of scientific studies, in which the main topic is private label. It is possible for these scientific studies to be separate from each other in terms of two subtopics; analyzing private labels' strategic importance from the perspective of retailers and manufacturers, and interesting consumers' perceptions toward private labels. First of all, the scientific studies, including the former subtopic, will be evaluated and then, in the following part of the thesis, the scientific studies related to the latter subtopic will be discussed. It is little figured that the literature in Turkey relating to private labels has intensified since 2000, when the demand toward private labels had begun to rise. Considering the scholars dealing with the former subtopic, whereas some of the studies cover private labels' strategic importance by general outlook, the others dealt with the subject in a more detailed manner.

In order to examine the importance and development of private label strategy, Ozkan and Akpinar (2003) conducted a study, including positive impacts of private label application on the side of manufacturers, retailers and consumers. In addition, Albayrak and Dolekoglu (2006) aimed to compare private label generation and development in the world versus in Turkey in the light of conceptual information. In another article, private labels are described as a new marketing strategy in the food industry (Topcu and Isik, 2007). Furthermore, Kilic's article (2009) indicates the guidelines for the retailers that are prone to develop private labels in Turkey by way of marketing strategies. Altintas, Kilic, Senol and Isin (2010) conclude that three strategic objective factors, namely production efficiency, market embeddings and product selling control, have critical influence on the competitive advantage of private label manufacturers in Turkey.

Kilic (2011) results in its research that food retailers do not differentiate from each other in the matter of their objective for private label development and food retailers predict increase in the demand of private labels in the following periods, so thus they tend to more private label development.

In the portfolio of private label literature in Turkey some academicians deal with private label issues by including more specific drivers into their analysis. One of these scientific papers demonstrates that the number of private labels offered by retailers alters when the product category is various (Sayman and Raju, 2004). This paper supports the idea that when national brands are similar in strength and the price sensitivity between the national brands is low; retailers may prefer to include two private labels in their stores. In addition, it is also remarked that the results of the decision to introduce additional private labels are really dissimilar than the decision to offer additional national brands. Besides, Ozgul (2004) argues that dependence does not have direct impact on manufacturers' performance, related to private label production and cooperation between manufacturers' and retailers.

According to studies it is impossible to state that dependency has no effect - it provides benefits. However, the drawback is most manufacturers are not able to promote relations with retailers. What's more, Ozgul (2005) interprets private labels in terms of Small and Medium-Sized Enterprises (SMEs) as an alternative tool for growth strategy. As a result, introducing a private label may be beneficial for a SME; on the other hand it is not accurate to always consider private labels as an advantageous growth instrument.

2.5. FACTORS AFFECTING PRIVATE LABEL ATTITUDES

Factors affecting private label attitudes have gotten the attention of scholars in marketing for many years and thus there are significant numbers of studies in this field. Consumers' attitudes toward private labels are influenced by three (3) main factors; *manufacturing factors, marketing factors* and *consumer-level factors.* First of all, manufacturing factors are related to the production side of private side of private labels.

As is mentioned at the beginning of the literature review, retailers may prefer to produce their own private labels or an upstream company may implement manufacturing of private labels for the retailer that also has an impact on consumers' attitudes. Nearly, marketing factors applied on private labels enable retailers to impress consumers by means of marketing activities, consisting of four (4) P's - product, price, place and promotion. In addition, consumer-level factors, referring individual characteristics of consumers including demographic differences, psychological differences, perceptual differences etc., also have a significant impact on private label attitudes. Scholars would rather include or combine different factors in their researches.

One of the early studies in the literature belongs to Myers (1967) and the author aims to test whether psychological and sociological characteristics of consumers alter the attitudes toward private labels or not. Myers concludes that psychological and sociological variables are not enough to explain variance of private label attitudes.

Moreover, Richardson, Dick and Jain (1994) conduct a study to learn consumers' perceptions to store brand quality by relying more on extrinsic cues rather than intrinsic cues. Another study indicates that whereas extrinsic cues, intolerance for ambiguity, perceived quality variation between national brands and private label products, perceived risk, perceived value for money, income and family size influence private label tendencies, negative perceptions of consumers are primarily caused by poor label tendencies, negative perceptions of consumers are primarily caused by poor quality image of private labels (Richardson, Jain and Dick, 1996). Furthermore Lichtenstein, Netemeyer and Garretson (1998) offers an article covering consumer price perceptions, marketing constructs and deal proneness contracts to measure private label attitude, impacting directly the purchase of private label products. Batra and Sinha (2000) develop the study of Richardson, Jain and Dick (1996) by focusing on different product categories. Hence, the authors find that when consumers are not afraid of making mistakes in a product category, their tendencies to purchase private labels increase.

In another article the academicians exhibit how psychographic and demographic traits direct usage of private labels and national brand promotion (Ailawadi, Neslin and Gedenk, 2001). The results show that although demographic differences do not have direct effect on usage of promotions, psychographic characteristics are beneficial to segments of the market. In the study of Chi Liu and Yu Wang (2008), it is demonstrated that psychological drivers and store image differ consumers who prefer to buy private labels or promotional brands. What's more, Glynn and Chen (2009) insert a new perspective to the study of Batra and Sinha (2000) by adding new constructs and dissimilar product categories. According to Glynn and Chen (2009), quality variability, price consciousness, price-quality association and brand loyalty are the drivers behind consumers' attitude toward private labels. In addition, for demographic dimensions, income, education and household size moderate sales of private labels in the market. Steenkamp, Heerde and Geyskens (2010) combine marketing and manufacturing factors, mediating consumer perceptions of the quality gap between national brands and private labels, to understand why consumers are eager to pay a price premium for national brands over private labels. As the authors compare their findings based on different private label life cycles, they recommend to managers that countries, where private labels are mature, should invest more in the manufacturing side; however, countries that continue to develop private labels should more concentrate on marketing activities to increase consumers' willingness to pay for private labels.

Finally, one of the recent articles covers various empirical generalizations from private label brand research, composed of six (6) main domains, namely, competitive environment, private label product characteristics, consumer purchase behaviors, retailer characteristics, product category characteristics and strategic/normative issues and choices (Gooner and Nadler, 2012).

In Turkey the literature, examining factors affecting private label attitudes, offers an extensive portfolio.

It can be easily noticed that the scholars' attentions to this specific subject have deepened since 2000 due to an increase in Turkish consumers' tendencies to private labels. The studies to discover the drivers that influence consumers' responses to private labels will be evaluated in chronological order:

First of all, Aksulu (2000) researches the reasons why consumers prefer or not prefer to purchase private labels in a specific product category. At the end of the study, it is concluded that the vast majority of consumers do not buy private labels. In addition, economical concerns, availabilityetc., are the major causes for consumers who would rather private labels. Another study aims to observe whether there are similarities between attitudes of consumers who buy private labels and who prefer national brands or not (Kurtulus, 2001). As a result, it is pointed out that demographic characteristics of consumers selecting private labels versus consumers choosing national brands are similar. Kurtulus, Yeniceri and Yaras (2001) conducted a study to analyze segment of female private label consumers and it is understood that there are three (3) sub segments among female consumers, who purchase private labels. Moreover, the study of Yurttut (2001) indicates that familiarity of consumers to private labels arises from at most retailers, then magazines and newspapers. According to Bardakci, Saritas and Gozlukaya (2003), there are inverse relationships between risks faced during the purchasing process, namely, performance, physical, financial and social/psychological risks, and relative market shares of private labels. In a study of Aydin (2003), consumers considered private labels as low-priced and good packaged goods with trust provided by retailer, while they think that quality and promotions of such products are not enough. What's more, Orel (2004) proves that for a specific product category, consumers with various demographical differences perceive manufacturer brands and private labels in a dissimilar way.

Another interesting study is implemented by Akbay and Jones (2005) in order to figure out whether purchasing behaviors of two different income groups change or not, if changes, to measure consistency with economic theory.

Furthermore, Orel (2006) demonstrates that attitude differences and socio-demographical differences affect private label trends and attitude differences are mainly caused by quality, price and recognition of private labels, whereas socio-demographical differences alter by income level and household size. Gavcar and Didin (2007) also analyze the factors affecting purchasing decisions of private labels in their studies from a different perspective. For the food industry, Albayrak and Aslan (2009) indicate that while consumers who would rather manufacturer brands evaluate private labels as not sufficient in terms of price, attractiveness and packaging while private label consumers strongly disagree with this. Eventually, Albar and Duman (2011) work on underlying factors behind female consumers' attitudes toward private labels.

2.6. CONCEPTUAL MODEL

In order to analyze Turkish consumers' purchasing intentions for private label products, the conceptual model, including factors affecting purchasing intentions for private labels, was conducted. The conceptual model mainly consists of two parts, namely individual factors and contextual factors.

In the conceptual model, demographic factors, individual differences and perceptual variables are the components of individual factors; whereas distinctive packaging, price promotion and store image generate the marketing factors. In the individual factors part, demographic factors include age, gender, education and income. Moreover, prior experience with private labels, the degree of the reliance by the consumer extrinsic cues and risk attitude constitute individual differences and level of perceived purchasing risk is the part of perceptual variables in the research model. In the conceptual model, it is determined that the drivers mentioned above are the indicators of private label attitudes toward private label applications. Besides, consumers' private label attitudes constitute purchasing intentions for private labels. "The reason why we examine purchasing intentions rather than attitudes toward private labels is based on the reality that intentions are the good predictors of behaviors.

Analysis of intentions generates practical and applicable results in real life, and thus interpretation of the outcomes creates substantial findings for managerial implications.

The figure below is to visualize the conceptual model mechanism in a detailed way:

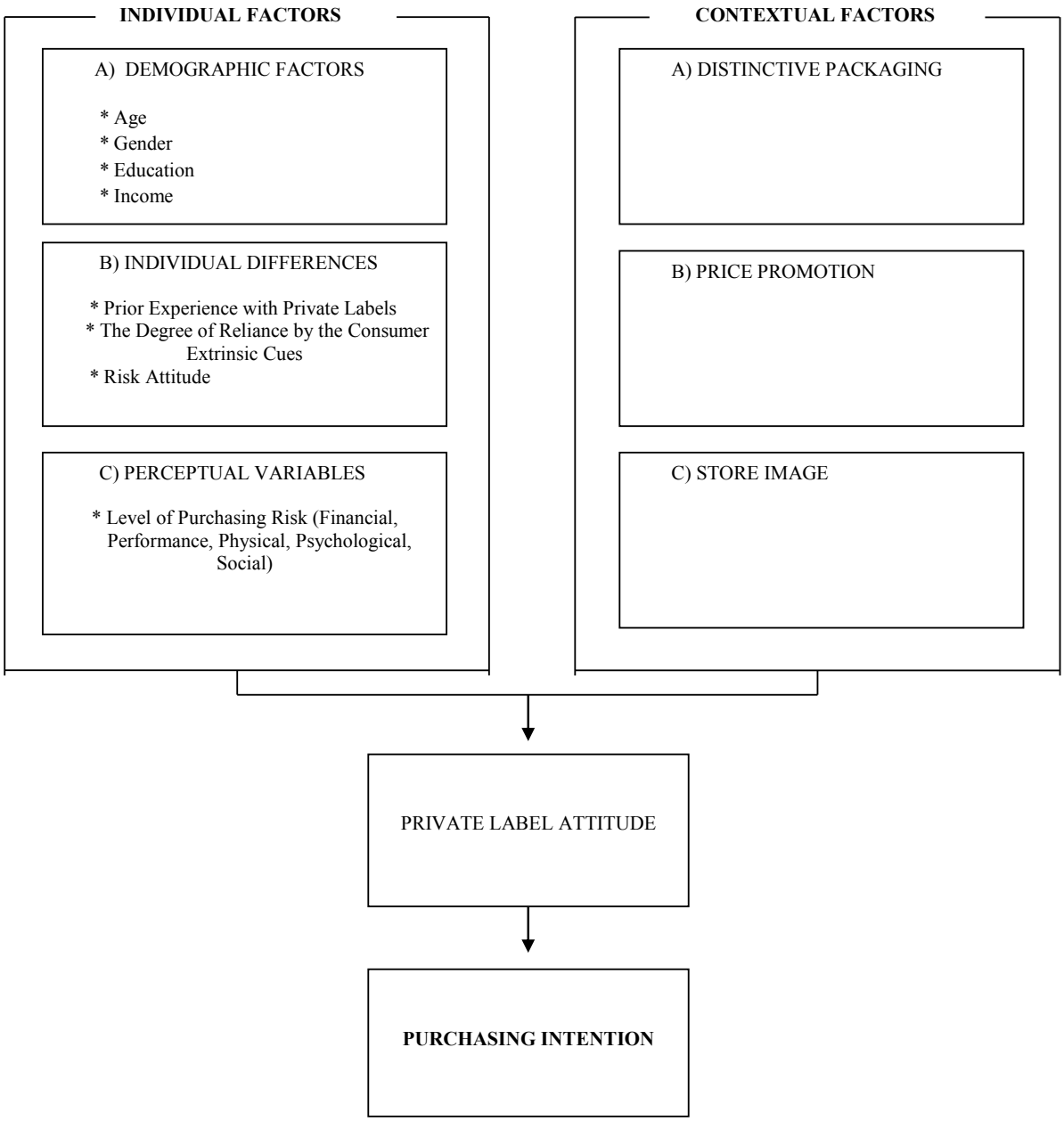

Figure – 2.3: The Conceptual Model

1) (A, B, C) Richardson, Jain and Dick (1996) – Journal of Retailing
2) (A) Steenkamp, Heerde and Geyskens (December 2010) – Journal of Marketing Research
2) (B) Yoo, Donthu and Lee (2000) – Journal of the Academy of Marketing Science
2) (C) Gooner and Nadler (2012) – Journal of Marketing Theory and Practice

2.7. RESEARCH HYPOTHESES

This section of the study reviews the literature on factors affecting private label attitudes and develops testable hypotheses for purchasing intentions for private labels. As it can be inferred from the research model, it is proposed that private label attitude depends on a variety of constructs. The first of these constructs is demographic variables.

2.7.1. Demographic Variables

Another important determinant on the issue of consumers' proneness to private labels is based on demographic variables, which have been included in most investigations in the literature. The researches have proved that distinctive socioeconomic and psychographic variables have a different impact on consumers' attitude toward private labels. In this study the effects of four (4) demographic variables are tested: (1) age, (2) gender, (3) education and (4) income.

Richardson, Jain and Dick (1996) think that the older shoppers are eager to purchase private labels due to their experiences in shopping; however, the results of the study conclude that age is not significant. Another supportive argument by Omar (1996) implies that when people become older, they are more concerned with budget constraints and they purchase more private labels with respect to being price sensitive consumers. On the other hand, the finding of Dick, Jain and Richardson (1995) shows that whereas older consumers prefer national brands, younger shoppers favor private labels. Therefore the hypothesis is:

H1: *Age positively affects purchasing intentions for private labels.*

In accordance with Feick and Price (1987), as more women deal with shopping experiences they are mavens and planners, and thus they more prefer to purchase private labels. In addition the article by Ailawadi, Neslin and Gedenk (2001) supports this argument and inserts that women are more loyal to stores than men. Thus, in the light of these findings, it is hypothesized that:

H2: *Women are more willing to purchase private labels than men.*

By considering education as a demographic variable, the relationship with the private label proneness is less obvious. On the one hand, according to some scholars, education may be an indicator of income which means that highly educated people have more opportunity to possess higher income and national brands may be purchased in spite of their higher prices. Hence, the direction of the relationship between education and income would be negative. Glynn and Chen (2009) also support that highly educated people are less eager to purchase private labels. On the other hand, highly educated people may be better able to understand the difference between national brands and private labels; and thus, they may be less dependent on extrinsic cues (Murphy and Laczniak, 1979). However, when consumers are less educated, they may be addicted to extrinsic cues instead of intrinsic cues in product-related attributes (Richardson, Jain and Dick, 1996). As a result it is hypothesized that:

H3: *Education positively affects purchasing intentions for private labels.*

Income is the one of the most important demographic variables that explains the factors affecting private label proneness. For many years the scholars have examined the influence of income and one of the early studies claim that income is negatively associated with private label proneness (Frank and Boyd, 1965). Since lower income consumers have to consider their financial constraints, they more tend to purchase private labels according to Frank and Boyd (1965). Conversely, two other studies with significant results report as follows: Coe (1971) indicates that lower income consumers are less prone to private label purchases than middle income housewives. In addition, Murphy (1978) reports that high income consumers have higher tendency than lower or middle income classes to buy private labels.

Even though there are contrary arguments, most studies support the negative relationship between income and private label tendency.

One of these studies belongs to Richardson (1996) and the study exhibits that the more the household income, the less the private label proneness. Moreover, Hoch (1996) also supports that household income is negatively associated with private label purchase. In accordance with Ailawadi, Neslin and Gedenk (2001), as lower income level result in financial constraints and price consciousness, negative relationship arises between income and private label tendency. Eventually, one of the recent studies by Glynn and Chen (2009) favors the same hypothesis as well by concluding their study that when consumers have more household income, they prefer less to purchase private labels. Hence, by taking into consideration the outcomes of the most articles, it is hypothesized that:

H4: *Income negatively affects purchasing intentions for private labels.*

2.7.2. Prior Experience with Private Labels

Prior experience with private labels is strongly related to the familiarity, indicating brand comprehension, product knowledge, or skill used for evaluating the products (Howard and Sheth, 1969). It is argued that, whereas national brands target consumers who have less product knowledge and thus evaluate products by considering extrinsic cues, private label buyers have expertise and skill to judge products with respect to intrinsic cues (Wolinsky, 1987).

What's more, Bettman (1974) indicates that due to decrease in the perceived risk and perceived quality variation associated with private labels, the more store brand familiarity, the more private label proneness. Besides, the article of Richardson, Jain and Dick (1996) supports the findings of Bettman (1974), and thus shows that when the consumers' prior experiences with private labels increase, they become more eager to purchase private labels. Hence the hypothesis is:

H5: *Prior experience with private labels positively affects purchasing intentions for private labels.*

2.7.3. The Degree of Reliance by the Consumer Extrinsic Cues

Cue utilization theory provides a useful insight to understand how consumers perceive private label quality. According to this theory, products include distinctive cues that serve as a sign of quality to consumers (Cox, 1967; Olson, 1972).These cues are classified mainly into two categories: extrinsic cues and intrinsic cues (Olson, 1972; Olson and Jacoby, 1973). While extrinsic cues, not part of the physical product, are related to the product-related attributes, such a packaging, brand name and price; intrinsic cues are representative of the physical features of the product, such as ingredients.

Because the general tendency toward private labels is based on inexpensive non-distinctive packages, low promotional support and lower prices than national brands, the hypothesis is in the same direction with Richardson, Dick and Jain (1994) and Richardson, Jain and Dick (1996).

H6: *The greater reliance on consumer extrinsic cues, the less the consumers' purchasing intentions for private labels.*

2.7.4. Risk Attitude

The general belief supports that national brands are better than private labels in terms of less variability in quality (Kotler, 1991; Montgomery and Wernerfelt, 1992). When the variability in quality across the private labels is greater, then the risk, that a private label's performance will not be satisfactory, increases. Hence, due to this assumption, it is expected from a risk-averse person to be less eager to purchase private labels.

On the other hand, Burton, Lichtenstein, Netemeyer and Garretson (1998) show that risk averseness is not correlated with private label attitude, even though they predicted there is a relationship. As opposed to this study, Peterson and Wilson (1985) found that there is a negative relationship between private label attitudes and being risk-averse. By taking into consideration these articles, it is hypothesized that:

H7: *Risk attitude negatively affects purchasing intentions for private labels.*

2.7.5. Level of Purchasing Risk

Purchasing risk consists of financial risk, performance risk, physical risk, psychological risk and social risk and it is a critical dimension that affects consumers' intentions for purchase private label products (Batra and Sinha, 2000; Bettman, 1973; Dunn, Murphy and Skelly, 1986). While most scholars prefer to measure perceived risk as a single construct, some scientists examine perceived risk as a multidimensional terminology.

For instance, Dunn, Murphy and Skelly (1986) find that consumers think that private labels are riskier than national brands with regard to performance indicators. Moreover, the same scholars also prove that whereas private labels are least risky in terms of financial dimensions, national brands include less social risk. Additionally, Lin, Marshall and Dawson (2009) indicate that there is an inverse relationship between private label attitudes and perceived risks about private labels.

In light of these findings, it is hypothesized that the degree of purchasing risk will negatively affect purchasing intentions of consumers to private labels:

H8: *Level of purchasing risk negatively affects purchasing intentions for private labels.*

2.7.6. Distinctive Packaging

It is possible for national brand manufacturers to increase the perceived quality gap between national brands and private labels not only by means of product innovation but also by distinctive packaging.

According to Kapferer (1995) as it is stated in the article by Steenkamp, Heerde and Geyskens (2010), "packaging plays a crucial role in consumers' perceptions of national brands and private labels because of (1) the large number of stockkeeping units (SKU) in any retail store; (2) shelf layout, where competing SKUs are positioned next to each other, and (3) the limited amount of time consumers spend on each purchase decision."

In accordance with the perception theory, when the packaging of national brands and private labels are similar to each other then consumers evaluate the national brands and private labels within the same perceptual category in terms of quality. Conversely, distinctive packaging enables the national brands manufacturers to increase the perceived quality gap between the national brands and private labels. As it is indicated by Kapferer (1995) copycatting is not surprising among private label manufacturers in the area of packaging. In addition, Steenkamp, Heerde and Geyskens (2010) support the power of distinctive packaging in their study.

By taking into consideration these studies, it is hypothesized that:

H9: *Distinctive packaging positively affects purchasing intentions for private labels.*

2.7.7. Price Promotion

Boulding, Lee and Staelin (1994) indicate that whereas advertising is a weapon to differentiate products in the eyes of the consumers, price promotion helps to reduce the differences between product alternatives and directs consumers to concentrate more on price issues. Moreover, the study of Mela, Gupta and Jedidi (1998) remarks that heavy price promotions are the reason for the product alternatives to be viewed as commodities, purchased based on price, rather than distinctive competitors.

What's more, Steenkamp, Heerde and Geyskens (2010) also find that price promotions reduce the perceived quality gap between national brands and private labels. Therefore, the hypothesis is:

H10: *Price promotions positively affect purchasing intentions for private labels.*

2.7.8. Store Image

The studies conducted on U.K. shoppers by Livesey and Lennon (1978) and McGoldrick (1984), to measure the influences of store image and their loyalty in the purchase of private labels, concluded that store image affects their proneness to private label, but a chain's positioning and price image should not be disregarded. In other studies by Burt (1992) and Sparks (1995) it was indicated that U.K. consumers perceive products sold in major chain groceries, less risky with respect to quality than products in secondary manufacturers.

Articles by Lee and Hyman (2008) and Vahie and Paswan (2006) represented more recent studies and present the findings in the same direction as previous scholars, along with supporting the strong relationship between retailers' store image and consumers' willingness to purchase private labels.

H11: *A high-quality retail store image positively affects consumers' purchasing intentions for private labels.*

2.7.9. Private Label Attitude

By taking into consideration factors affecting attitudes toward private labels mentioned above, there were expectations that private label attitude has impact on the purchasing intentions of consumers. Therefore, the hypothesis is:

H12: *Attitudes toward private labels have influence on purchasing intentions for private labels.*

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

The research design and methodology section how Turkish consumer purchasing intentions regarding private label application were measured is explained and measured stage by stage from the research methodology to discussion. This chapter delineates the research methodology, the pilot study to finalize the questionnaire, the data collection and sampling procedure, the reliability and validation assessment, the empirical results and analysis and discussion sections of the study in a detailed way.

3.1. RESEARCH METHODOLOGY

The research methodology is a scenario-based experimental design in this study. Whereas individual factors are measured with respect to the items used in the scales in the questionnaire, the analysis of contextual factors is based on experimental manipulation.

In order to analyze purchasing intentions for private labels, four different product categories; yogurt, bathroom tissue, milk and macaroni, are determined. The reason why these product categories is selected is based on the information gathered from the conference of "The Future of Private Label Industry and New Opportunities" held in Istanbul, Turkey. According to the presentation by Erkan Ozdemir, President of Private Label Association of Turkey (2012), the largest market shares belong to yogurt, bathroom tissue, milk and macaroni in the private label industry in Turkey. Whereas yogurt is the most preferred product as a private label, with a market share of 45%, bathroom tissue follows yogurt with a market share of 33%, then milk 26% and macaroni 22%, respectively.

For each of the product categories distinctive packages are designed on the issue of visualization of the distinctive packages on the eyes of the respondents to understand whether distinctive packaging has impact on purchasing intentions for private labels or not. Artistic manipulation is utilized when people evaluate distinctive packages vs. non-distinctive packages. Before moving to data collection period, in the pilot study the respondents' reactions for the distinctive packaging designs are examined in order to assure that the respondents perceive the designed packages really distinctive. In addition, for each of the product categories, a national well-known competitor is selected to examine the effects of price promotions on the purchasing intentions. Sutas is the national well-known competitor for the yogurt product category, Selpak for bathroom tissue, Pinar for milk and Barilla for macaroni, because these national competitors are one of the strongest and are the most famous brands on the market.

Table - 3.1: Profile of BİM and Migros

Group	Brand	Store Format	Number of Stores	Revenue (2011 – Billion TL)
BİM	*BİM*	(High) Discount Store	3303	8,2
Migros	*5M Migros*	Hypermarket	16	5,75
	Migros	Supermarket	482	
	Tansaş	Supermarket	182	
	Macrocenter	Supermarket	13	
	M-Jet	Supermarket	24	
	Kangurum	Online Market		

Source: Turkish Competition Authority (2012)

For the purpose of the investigation of the store image on the purchasing intentions for private labels, two distinct retailer stores, Migros and BİM, are chosen.

While BİM represents discount stores, Migros symbolizes supermarkets in the research. The reason for selecting these stores is based on information that BİM has been the leader in the market by outperforming Migros since 2009 in regard to Fast-Moving Consumer Goods (FMCG) revenues while Migros is the second largest retailer in the market (Turkish Competition Authority, 2012).

Four different questionnaires, with dissimilar product categories; yogurt, bathroom tissue, milk and macaroni, are designed to investigate Turkish consumers' purchasing intentions for private label products. In the first part, the questions which aim to explore private experiences with private labels, the degree of reliance by the consumer extrinsic cues, risk attitude and level of purchasing risk, are composed. In the next part, the questions combining distinctive packaging, price promotion and store image in the artistic manipulation are included and the last part is separated to measure demographic variables of the consumers. Furthermore, before the questions start a brief description of the private label with the popular private label product examples, is written in order to ensure the respondents do not misunderstand the concept of the study.

The two dependent variables, namely prior experience with private labels and risk attitude, were measured with 5-point Likert type scales in the questionnaire. Whereas the scale of prior experience with private labels was originated by Ailawadi, Neslin and Gedenk (2001), the scale measuring risk attitude belongs to Burton, Lichtenstein, Netemeyer and Garretson (1998) and Weber, Blais and Betz (2002). Each item evaluation was ranged from „1' (Never) to „5' (Always).

In addition, the other two dependent variables, the degree of reliance by the consumer extrinsic cues and level of purchasing risk are investigated also, with a 5-point Likert type scale ranging from '1' (Strongly Disagree) to '5' (Strongly Agree). Richardson, Jain and Dick (1996) created the scale for the degree of reliance by the consumer extrinsic cues and the scale of Tan (1999) was utilized to measure the level of purchasing risks of the consumers.

Also 5-point Likert type scales, ranging from ‘1’ (Strongly Disagree) to „5’ (Strongly Agree), are utilized to measure the private label attitude. The scale for the private label attitude, developed by Liu and Wang (2008), was used in the questionnaire.

In order to seek the influences of marketing factors on private label attitudes, 10-point Likert type scales are used for the questions that combine different types of price promotion, distinctive packaging and store image elements. Each item ranged from ‘1’ (Strongly Not Buy) to „10’ (Strongly Buy).

Even though the scales are gathered from different sources in the literature, additional author-generated scales are prepared to enhance the power of the questionnaire. Scale items are in Table – 3.2, below:

Table – 3.2: Items Used in Scales

Constructs	Measurement Items	# of Items	Source
Prior Experience with Private Labels	"I buy private label products."	6	Ailawadi, Neslin and Gedenk (2001)
	"I look for private label products when I go shopping."		
	"In my shopping cart, there are private label products from different product categories."		
	"Till today I take advantage of private label products."		Author-generated
	"For long time I have been using private label products."		
	"In shopping, I would rather private label products."		
The Degree of Reliance by the Consumer Extrinsic Cues	"The more famous the brand name of a grocery item, the better the quality."	4	Richardson, Jain and Dick (1996)
	"The more shelf space the brand has, the safer the brand."		Author-generated
	"If a package of a product is good, then it means that the ingredients are also high in quality."		
	"Usually, performances of cheap products are also low."		

Table – 3.2: Items Used in Scales (cont'd)

Risk Attitude	"I like gambling, when needed." "I cheat on exams." "I can spend money without thinking the results." "I like to take risks."	4	Weber, Blais and Betz (2002) Burton, Lichtenstein, Netemeyer and Garretson (1998)
Level of Perceived Purchasing Risk ("When I buy and use private labels;")	"It may cause danger to my health or safety." "I can not get the exact payback for what I spent." "Since the product did not serve the purpose, the possibility of my works to delay is high." "I might feel inferior against other people." "The possibility of being deceived is high."	5	Tan (1999) Author-generated
Private Label Attitude	"For most product categories, the best buy is usually the private label brand." "I think that buying a private label is reasonable." "I am happy to see private label products in the market." "I like private label products."	4	Liu and Wang (2008) Author-generated

3.2. DATA COLLECTION AND SAMPLING

After selecting the items for the questionnaire through the contribution of the literature and own development, a pilot study is conducted with 20 people to understand whether there are ambiguous words or phrases. After monitoring the feedbacks of the respondents, minor changes are made by rewording and rephrasing some of the items. The pilot study is beneficial to comprehend that the questions were clear and easy enough to answer. The final version of the questionnaire is in Appendix A, for Turkish, Appendix B.

3.2.1. Data Collection

The data collection period started on June 24, 2013 and lasts for about two weeks. Four (4) different questionnaires, including a separate product category, are administered to respondents by five (5) interviewers, who are trained on the aims of the study and instructions for the questionnaires, through face-to-face interviews. Additionally, questionnaires are sent to different respondents via online to reach more people with different profiles, living in different parts of Turkey.

Before respondents begin to answer the questions, the interviewers inform them once again about what private labels are and, for the online respondents an informative message is written. During the data collection period, a relatively equal implementation of the four (4) different questionnaires is assured.

3.2.2. Sampling Method

Selecting the appropriate sample is a critical issue for research designs. For this study, judgment sampling is determined as the sampling method. In judgment sampling experts think that some samples contribute more effectively to the particular research questions that the experts have, and thus such samples are selected to study. (Kinnear & Taylor, 1996)

Since the effect of demographic variables is examined as one of the factors influencing consumers' private label attitudes, respondents are selected from the convenient society due to the particular characteristics that they have. While selecting the respondents, each of the demographic factors, namely, age, gender, education and income, are considered in order to have almost equal distribution of the demographic variables between different types of product groups. For instance, it is important for us to have the respondents with prior experience with private labels and before distributing the questionnaires it is learned that whether they purchase private labels in their shopping or not.

3.2.3. Sample Size

In order to produce an authentic analysis, it is essential to have the appropriate size. After the questionnaires, with incomplete questions and inaccurate answers, are eliminated; a total of 351 questionnaires constitute the sample size of the study. To make the data analysis, SPSS Version 21 is utilized. In the following table sample characteristics, representing each of the product categories, are indicated. The frequencies, showing the number of times a certain phenomenon arises in a subcategory and the percentages of samples are utilized to examine the data characteristics for each of the product samples.

As it can be inferred from the table that majority of the respondents are on the age interval ranging from 21 to 30. Moreover, almost half of the sampled have a bachelor degree. Besides, the intensity of the monthly household income distributes between 1500-2400 TL and 2500-3499 TL.

Table – 3.3: Sample Characteristics of Product 1

PRODUCT 1: BATHROOM TISSUE N = 80			
Demographic	Category	Frequency	Percent of Sample
Age	< 20	6	7.5
	21 – 30	24	30.2
	31 – 40	19	24.0
	41 – 50	11	13.3
	51 – 60	16	20.2
	> 61	4	5.1
Gender	Male	30	37.5
	Female	50	62.5
Education	Primary School or less	9	11.3
	High School	14	17.5
	Academy	6	7.5
	Undergraduate	38	47.5
	Graduate	10	12.5
	Postgraduate	3	3.8
Household Income (Monthly/TL)	< 849	3	3.8
	850 – 1499	9	11.3
	1500 – 2499	21	26.3
	2500 – 3499	19	23.8
	3500 – 4499	7	8.8
	4500 – 5499	7	8.8
	5500 – 6499	3	3.8
	6500 – 7499	5	6.3
	7500 – 8499	2	2.5
	> 8500	4	5.0

This next table shows the characteristics of the sample, representing product #2: Macaroni.

Similarly, in the second sample the respondents' ages range from 21 to 30. Most of the respondents have bachelor degree; however, high school graduates closely follow university graduates.

Table – 3.4: Sample Characteristics of Product 2

PRODUCT 2: MACARONI N = 86			
Demographic	Category	Frequency	Percent of Sample
Age	< 20	3	3.5
	21 – 30	37	43.1
	31 – 40	19	22.2
	41 – 50	10	11.8
	51 – 60	15	17.5
	> 61	2	2.4
Gender	Male	38	44.2
	Female	48	55.8
Education	Primary School or less	6	7.0
	High School	25	29.1
	Academy	6	7.0
	Undergraduate	33	38.4
	Graduate	13	15.1
	Postgraduate	3	3.5
Household Income (Monthly/TL)	< 849	1	1.2
	850 – 1499	13	15.1
	1500 – 2499	18	20.9
	2500 – 3499	14	16.3
	3500 – 4499	14	16.3
	4500 – 5499	14	16.3
	5500 – 6499	5	5.8
	6500 – 7499	4	4.7
	7500 – 8499	0	0.0
	> 8500	3	3.5

The monthly household income in the sample is on the interval between is between 1500 – 2499 TL.

Also, the equal number of the respondents has the same monthly household income level, namely 2500 – 3499 TL, 3500 – 4499 TL and 4500 – 5499 TL. The third sample characteristics are in the following table.

Table – 3.5: Sample Characteristics of Product 3

PRODUCT 3: MILK N = 90			
Demographic	Category	Frequency	Percent of Sample
Age	< 20	5	5.5
	21 – 30	48	53.4
	31 – 40	12	13.2
	41 – 50	13	14.3
	51 – 60	6	6.6
	> 61	6	6.6
Gender	Male	30	33.3
	Female	60	66.7
Education	Primary School or less	4	4.4
	High School	16	17.8
	Academy	4	4.4
	Undergraduate	47	52.2
	Graduate	16	17.8
	Postgraduate	3	3.3
Household Income (Monthly/TL)	< 849	4	4.4
	850 – 1499	8	8.9
	1500 – 2499	23	25.6
	2500 – 3499	17	18.9
	3500 – 4499	13	14.4
	4500 – 5499	9	10.0
	5500 – 6499	7	7.8
	6500 – 7499	1	1.1
	7500 – 8499	2	2.2
	> 8500	6	6.7

In the milk sample, more than half of the sample is on the age interval ranging from 21 to 30.

In addition, approximately half of the sample has a university degree. Most of the respondents have a monthly household income ranging from 1500 to 2499 TL. Finally, the next table indicates the sample characteristics of the fourth product.

Table – 3.6: Sample Characteristics of Product 4

PRODUCT 4: YOGURT N = 95			
Demographic	Category	Frequency	Percent of Sample
Age	< 20	11	11.7
	21 – 30	31	32.9
	31 – 40	13	13.8
	41 – 50	21	22.3
	51 – 60	12	12.8
	> 61	7	7.6
Gender	Male	43	45.3
	Female	52	54.7
Education	Primary School or less	4	4.3
	High School	24	25.3
	Academy	2	2.1
	Undergraduate	47	49.5
	Graduate	17	17.9
	Postgraduate	1	1.1
Household Income (Monthly/TL)	< 849	3	3.2
	850 – 1499	6	6.3
	1500 – 2499	12	12.6
	2500 – 3499	21	22.1
	3500 – 4499	15	15.8
	4500 – 5499	11	11.6
	5500 – 6499	5	5.3
	6500 – 7499	8	8.4
	7500 – 8499	3	3.2
	> 8500	11	11.6

The fourth sample characteristics also correspond with the first three samples in the frequencies of the age statistics.

It means that most of the respondents are in the age bracket of 21 and 30. What's more, exactly half of the sample has a university degree and the majority of the monthly household income settles on the interval ranging from 2500 to 3499 TL.

Eventually, when the frequency statistics are examined in the light of the sample characteristics tables, it can be easily inferred that almost equal distribution of all the demographic variables on each of the product categories is assured in order to make an accurate and substantial analysis.

CHAPTER 4

DATA ANALYSIS AND HYPOTHESES TESTING

In this chapter of the study, data analysis will be made and the hypotheses will be tested.

4.1. RELIABILITY AND VALIDITY ASSESSMENT

Since the study involves five (5) multi-item constructs, before moving to hypothesis testing, it is essential to apply unidimensionality and reliability analysis to check validity and internal consistency.

According to Dunn, Seaker and Waller (1994), unidimensionality is a single construct or trait existence underlying a set of measures which indicates the validity of a research. Besides, Nunnally and Bernstein (1967) define reliability as the internal consistency of items which measure a latent construct. Due to the reason that reliability tests assume unidimensionality, Garver and Mentzer (1999) support that unidimensionality test should be applied before checking reliability. By considering this suggestion, in the reliability and validity section, at first unidimensionality test by means of exploratory factor analysis (EFA) and then reliability assessment by Cronbach's alpha will be implemented. The main rules to check reliability and validity are stated in the following:

- Each constructs' dimensions are evaluated based on the eigenvalue-over-one direction.
- For the EFA, the items with loadings less than 0.50 are eliminated (Nunnally and Bernstein, 1967).
- Items that have the value for item-to-total correlations less than 0.30 are omitted (Dunn, Seaker and Waller, 1994).

- The cut-off point for Cronbach's alpha is 0.70, which means that the Cronbach's alpha value greater than 0.70 shows reliability (Nunnally and Bernstein, 1967)
- If one item is deleted from the scale, Cronbach's alpha value improves significantly, and then the item is omitted.

In order to serve the goals that mentioned above, EFA with principal component extraction and varimax rotation is applied for each scale and then reliability assessment is utilized. First of all, each scale will be evaluated separately, and then overall reliability and validity outputs will be reported.

4.1.1. Measures of Prior Experience with Private Labels

The six items related to prior experience with private labels, result in one factor solution, by indicating 76.143 percent of the variance as identified by eigenvalue-over-one criterion. Item-total correlation values range between 0.78 and 0.84, far above the acceptance level. In addition, the coefficient alpha for the six items is 0.937, which shows good internal consistency based on the cut-off point for Cronbach's alpha.

As it can be inferred from the Table – 4.1, it is not possible to improve Cronbach's alpha coefficient by deleting an item from the scale.

Table – 4.1: EFA and Cronbach's Alpha Statistics for the Measures of Prior Experience with Private Labels

The KMO Measure of Sampling Adequacy = 0.918
The Barlett's Test of Sphericity = 0.000
76.143% of variance is explained
Cronbach's Alpha = 0.937

	Factor Loading	Item-Total Correlation	Cronbach's Alpha If Item Deleted
A1- I buy private label products.	0.861	0.798	0.927
A2 - I look for private label products when I go shopping.	0.881	0.824	0.924
A3 - In my shopping cart, there Are private label products from different product categories.	0.847	0.779	0.929
A4 - Till today I take advantage of private label products.	0.865	0.803	0.926
A5 - For long time I have been using private label products.	0.892	0.838	0.922
A6 - In shopping, I would rather private label products.	0.888	0.834	0.922

4.1.2. Measures of the Degree of Reliance by the Consumer Extrinsic Cues

The four items of the degree of reliance by the consumer extrinsic cues constitute a single factor; on the other hand, due to the communality statistics it is understood that one item's factor loading is far below the cut-off point, (0.294 < 0.50).

Conversely, when we assess component matrix, we notice that the item's factor loading is 0.543 which is acceptable. Items of the degree of reliance by the consumer extrinsic cues scale explain 54.962 percent of the variance based on eigenvalue-over-one criterion. In addition, item-total correlations are in the acceptable range, 0.33 – 0.61. The Cronbach's alpha value for the scale is 0.713 (> 0.70).

Table – 4.2: EFA and Cronbach's Alpha Statistics for the Measures of the Degree of Reliance by the Consumer Extrinsic Cues

The KMO Measure of Sampling Adequacy = 0.729 The Barlett's Test of Sphericity = 0.000 54.962% of variance is explained Cronbach's Alpha = 0.713			
	Factor Loading	Item-Total Correlation	Cronbach's Alpha If Item Deleted
A11 - The more famous the brand name of a grocery item, the better the quality.	0.830	0.614	0.578
A12 - The more shelf space the brand has, the safer the brand.	0.791	0.551	0.624
A13 - If a package of a product is good, then it means that the ingredients are also high in quality.	0.768	0.530	0.633
A14 - Usually, performances of cheap products are also low.	0.543	0.333	0.754

According to the Table – 4.2, if the item, of which communality below the cut-off point is deleted, a small improvement can be observed on the Cronbach's alpha value.

4.1.3. Measures of Risk Attitude

The four (4) items of risk attitude generate a single factor; however, the communalities signal that three of the items need a closer look to enhance internal validity (0.313 < 0.50, 0.357 < 0.50, 0.449 < 0.50). When we assess item-total correlation values, two of the items are below the specified level (0.254 < 0.30, 0.279 < 0.30). After examining component matrix, it is noticed that all the items are above the cut-off point (0.559 > 0.50, 0.597 > 0.50, 0.670 > 0.50) and 40.758 percent of the variance based on eigenvalue-over-one criterion is explained by the risk attitude scale.

Table – 4.3: EFA and Cronbach's Alpha Statistics for the Measures of Risk Attitude

The KMO Measure of Sampling Adequacy = 0.626
The Barlett's Test of Sphericity = 0.000
40.758% of variance is explained
Cronbach's Alpha = 0.509

	Factor Loading	Item-Total Correlation	Cronbach's Alpha If Item Deleted
A8 - I like gambling, when needed.	0.670	0.315	0.426
A9 - I cheat on exams.	0.716	0.359	0.384
A10 - I can spend money without thinking the results.	0.559	0.254	0.479
A7 - I like to take risks.	0.597	0.279	0.457

Moreover, when we check Cronbach's alpha for internal consistency, the value is below 0.70 and there is no chance to increase the value by deleting any of these items. According to theory, it seems a problematic scale; however, the nature of the risk scale generates such a result.

Since the risk attitude scale in the study is a type of formative scale, it is expected for this scale to have low coefficient alpha value that's why there is no challenge about this formative scale.

4.1.4. Measures of Level of Purchasing Risk

Four (4) items out of five are grouped under one single factor but one item, aiming to measure social risk, has communality far below the acceptance level (0.170 < 0.50).

Table – 4.4: EFA and Cronbach's Alpha Statistics for the Measures of Level of Purchasing Risk

The KMO Measure of Sampling Adequacy = 0.804 The Barlett's Test of Sphericity = 0.000 54.332% of variance is explained Cronbach's Alpha = 0.774			
	Factor Loading	Item-Total Correlation	Cronbach's Alpha If Item Deleted
A15 - It may cause danger to my health or safety.	0.799	0.616	0.708
A16 - I can not get the exact payback for what I spent.	0.863	0.707	0.678
A19 - Since the product does not serve the purpose, the possibility of my works to delay is high.	0.755	0.578	0.721
A18 - I might feel inferior against other people.	0.412	0.276	0.818
A17 - The possibility of being deceived is high.	0.771	0.588	0.718

When we have a close look at that item to enhance internal validity, also component matrix signals that the item is problematic (0.412 < 0.50).

Besides, item-total correlation values also indicate that the item is below the acceptance level (0.276 < 0.30). Conversely, other items are at least 0.58, much more above than the cut-off point of 0.30. The items account for 54.332 percent of the variance due to the eigenvalue-over-one criterion. For the scale of purchasing risk, the coefficient alpha value is 0.774, sign of a good internal consistency. As shown Table – 4.4 that deletion of the item related to social risk increases Cronbach's Alpha value to 0.818.

4.1.5. Measures of Private Label Attitude

The four (4) items of private label attitude scale constitute a single factor solution, which account for 65,866 percent of the variance based on eigenvalue-over-one criterion. When we examine item-total correlation values, all values are far above the specified level. In addition, the Cronbach's alpha is 0.824, which indicate good internal consistency.

As it is shown in the Table – 4.5, it is not possible to increase the coefficient alpha by deleting any of these items.

Table – 4.5: EFA and Cronbach's Alpha Statistics for the Measures of Private Label Attitude

The KMO Measure of Sampling Adequacy = 0.763 The Barlett's Test of Sphericity = 0.000 65.866% of variance is explained Cronbach's Alpha = 0.824			
	Factor Loading	Item-Total Correlation	Cronbach's Alpha If Item Deleted
B19 - For most product categories the best buy is usually the private label brand.	0.754	0.578	0.814
B17 - I think that buying a private label is reasonable.	0.808	0.664	0.780
B18 - I am happy to see private label products in the market.	0.795	0.620	0.791
B20 - I like private label products.	0.885	0.763	0.724

4.1.6. Measures of Reliability and Validity of the Study

In order to start the hypothesis testing, a general reliability and validity test should also be applied, in addition to the reliability and validity analysis for each of the scales, to finalize the item set.

The research consists of 23 different items, presented in the following table with the same item numbers used in the questionnaires. First of all, EFA is conducted by varimax rotation.

When communalities are assessed, it is noticed that 4 items, A7, A10, A14 and A18, have low extraction values. A7 has the extraction value of 0,410, A10-0,390, A14-0,309 and A18-0,268 respectively.

Communalities inform the researcher about how much of the variance in each item is explained by a single factor and the values less than 0,50 show that the item does not cohere through other items in its component (Nunnally and Bernstein, 1967). Such situations need to close investigation to enhance internal validity of the scale.

For our study, items, A7, A10, A14 and A18 are conscientiously examined by means of rotated component matrix due to low communalities. After analysis of rotated component matrix, it is seen that A14 and A18 have low loading values, 0.437 and 0.445 respectively, which are below the cut-off point, 0.50. Before omitting the item, the Cronbach's alpha values are also checked. Based on the information gathered from the Cronbach's alpha's if item is deleted column, removal of the item A14 increases the Cronbach's Alpha value from 0.713 to 0.754. On the lights of these statistics, first of all, item A14 is eliminated. Starting from the lowest communalities, the same stages are followed for the items of A18, A10 and A7. The deletion of the item A18 also improves the coefficient alpha from 0.774 to 0.818. Conversely, as it is mentioned earlier in the chapter that risk attitude is a type of formative scale, the removal of the items A7 and A10 does not improve the Cronbach's alpha. Since it occurs due to the nature of the formative scale, the deletion of the items A7 and A10 is logical to enhance the validity of the study.

After these four items are deleted from the scale, all the remaining items have the extraction values above the specified level (0.50), consistent with the theory of Nunnally and Berstein (1967). What's more, the deletion of the items enables the Cronbach's alpha of the scale of the degree of reliance by the consumer extrinsic cues to reach 0.754, of the scale of the level of purchasing risk to reach 0.818. Thus, all the scales prove reliability in coherence with the cut-off point of 0.70.

Table – 4.6: Validity Statistics of the Study

The KMO Measure of Sampling Adequacy = 0.883
The Barlett's Test of Sphericity = 0.000
69.967% of variance is explained

	Underlying Construct	Communalities		Component				
		Initial	Extraction	1	2	3	4	5
A5	Prior Experience with Private Labels	1.000	0.800	0.850				
A2		1.000	0.784	0.848				
A6		1.000	0.796	0.847				
A3		1.000	0.726	0.825				
A1		1.000	0.747	0.825				
A4		1.000	0.748	0.821				
A16	Level of Purchasing Risk	1.000	0.770		0.861			
A15		1.000	0.666		0.800			
A19		1.000	0.601		0.767			
A17		1.000	0.610		0.711			
B18	Private Label Attitude	1.000	0.691			0.812		
B20		1.000	0.773			0.776		
B17		1.000	0.679			0.770		
B19		1.000	0.554			0.623		
A11	The Degree of Reliance by the Consumer Extrinsic Cues	1.000	0.698				0.823	
A12		1.000	0.687				0.818	
A13		1.000	0.649				0.799	
A9	Risk Attitude	1.000	0.658					0.808
A8		1.000	0.655					0.799

After the items A7, A10, A14 and A18 are deleted, the final Cronbach's alpha levels for each of the underlying constructs are summarized in the Table – 4.7.

Table – 4.7: Reliability Statistics for the Scales of the Study

	Cronbach's Alpha	Items Deleted	Cronbach's Alpha After Items Deleted	Number of Items After Deletion
Prior Experience with Private Labels	0.937	-	-	6
The Degree of Reliance by the Consumer Extrinsic Cues	0.713	A14	0.754	3
Risk Attitude	0.509	A7 A10	0.488	2
Level of Purchasing Risk	0.774	A18	0.818	4
Private Label Attitude	0.824	-	-	4

4.2. EMPIRICAL RESULTS AND ANALYSIS

In order to assess purchasing intentions for private labels, data analysis is implemented by means of SPSS. In the part of empirical results and analysis, descriptive statistics, Pearson's correlation and hierarchical regression analysis results will be discussed respectively.

4.2.1. Descriptive Statistics

Descriptive statistics is utilized to quantitatively summarize the main features of the data set. Such summaries are useful to be informed about the sample's basic characteristics.

Measures of central tendencies (mean, median and mode) and dispersions (range, standard deviation, variance and interquartile range) are the ways to reach this objective (Sekaran, 2003).

In this section, the mean to measure the central tendency and the standard deviation to measure variability are utilized, firstly, for each of the scales, and then among the scales.

4.2.1.1. Descriptive Statistics for Prior Experience with Private Labels

According to the results of the descriptive statistics for prior experience with private labels, it is noticed that the mean values for the items are around the same range, which means that there is no huge difference between the central tendencies to the questions related to prior experience with private labels. However, items named as A1 and A4 have relatively higher averages in a comparison with other items in the scale. By observing standard deviations, it is understood that the variability in the items is almost in the same level.

Table – 4.8 summarized the descriptive statistics for the scale of prior experience with private labels.

Table – 4.8: Descriptive Statistics for the Prior Experience with Private Labels

	N	Min	Max	Mean	Standard Deviation
A1 - I buy private label products.	351	1.00	5.00	2.880	1.021
A2 - I look for private label products when I go shopping.	351	1.00	5.00	2.441	1.169
A3 - In my shopping cart, there are private label products from different product categories.	351	1.00	5.00	2.581	1.107
A4 - Till today I take advantage of private label products.	351	1.00	5.00	2.908	1.046
A5 - For long time I have been using private label products.	351	1.00	5.00	2.680	1.166
A6 - In shopping, I would rather private label products.	351	1.00	5.00	2.646	1.082
Valid N	351				

4.2.1.2. Descriptive Statistics for the Degree of Reliance by the Consumer Extrinsic Cues

Similar to the outputs of the prior experience with private labels, the average of the respondent's responses to the items of the degree of reliance by the consumer extrinsic cues have also the intensity, on a middle range. It is not possible to discriminate any of these items by means of any central tendency.

In addition, item A12 has relatively lower variability with regard to item A11 and item A13.

Table – 4.9: Descriptive Statistics for the Degree of Reliance by the Consumer Extrinsic Cues

	N	Min	Max	Mean	Standard Deviation
A11 - The more famous the brand name of a grocery item, the better the quality.	351	1.00	5.00	2.618	1.088
A12 - The more shelf space the brand has, the safer the brand.	351	1.00	5.00	2.498	0.979
A13 - If a package of a product is good, then it means that the ingredients are also high in quality.	351	1.00	5.00	2.470	1.054
Valid N	351				

4.2.1.3. Descriptive Statistics for Risk Attitude

Different from previous descriptive statistics, the mean values for risk attitude items indicate that the central tendency toward risk attitude questions is in the range of 1.50 – 2.00. Due to the quantitative results, it can be inferred that in general the respondents do not like take risks, they are prone to be risk-averse.

For the variability, even though there is no huge difference between standard deviations, it can be interpreted that item A8 has relatively lower dispersion than item A9.

Table – 4.10: Descriptive Statistics for Risk Attitude

	N	Min	Max	Mean	Standard Deviation
A8 – I like gambling, when needed.	351	1.00	5.00	1.769	0.983
A9 – I cheat on exams.	351	1.00	5.00	1.871	1.029
Valid N	351				

4.2.1.4. Descriptive Statistics for Level of Purchasing Risk

The mean of the responses to the items of level of purchasing risk scale are really close to each other. All the averages of the items are in the range between 2.50 and 2.65. Moreover, the standard deviation measures of the first three items state that the variability is approximately in the same degree, in contrast to the last item of the scale.

Table – 4.11 indicates the descriptive statistics results for the level of purchasing risk scale.

Table – 4.11: Descriptive Statistics for Level of Purchasing Risk

	N	Min	Max	Mean	Standard Deviation
A15 - It may cause danger to my health or safety.	351	1.00	5.00	2.507	0.976
A16 - I can not get the exact payback for what I spent.	351	1.00	5.00	2.604	0.944
A17 - The possibility of being deceived is high.	351	1.00	5.00	2.641	0.966
A19 - Since the product does not serve the purpose, the possibility of my works to delay is high.	351	1.00	5.00	2.575	1.030
Valid N	351				

4.2.1.5. Descriptive Statistics for Private Label Attitude

When the descriptive statistics of the private label attitude scale is compared with the other scales, it can be easily noticed that the mean values of the private label attitude scale are higher than the others. Especially, the central tendency of the answers to the items of B18 and B20 shows that most of the respondents are happy to see private label products in the market and they like private label products.

Besides, the standard deviations vary in the scale which means that among the items there is no constant variability.

Table – 4.12: Descriptive Statistics for Private Label Attitude

	N	Min	Max	Mean	Standard Deviation
B17 - I think that buying a private label is reasonable.	351	1.00	5.00	2.920	0.952
B18 - I am happy to see private label products in the market.	351	1.00	5.00	3.601	0.897
B19 - For most product categories the best buy is usually the private label brand.	351	1.00	5.00	2.726	1.036
B20 - I like private label products.	351	1.00	5.00	3.168	0.960
Valid N	351				

4.2.1.6. Descriptive Statistics of the Study

According to the Table – 4.13, the central tendency of the respondents' perceptions to prior experience with private labels, the degree of reliance by the consumer extrinsic cues and level of purchasing risk are approximately on the average level. On the other hand, as it is mentioned above, the respondents do not have tendency to risk taking because of that the mean values are relatively low. Furthermore, the central tendency of the private label attitude perceptions of the respondents are on the higher level than other constructs. When we consider variability, standard deviation values show that construct two and three can be grouped together while the same thing is valid for construct four and five.

As it can be inferred from the following table, construct one has relatively higher variability than other constructs in the study.

Table – 4.13: Descriptive Statistics of the Study

	N	Min	Max	Mean	Standard Deviation
1- Prior Experience with Private Labels	351	1.00	5.00	2.689	0.959
2- The Degree of Reliance by The Consumer Extrinsic Cues	351	1.00	5.00	2.529	0.852
3- Risk Attitude	351	1.00	5.00	1.820	0.818
4- Level of Purchasing Risk	351	1.00	5.00	2.581	0.788
5- Private Label Attitude	351	1.00	5.00	3.104	0.779
Valid N	351				

4.2.2. Correlation

Correlation is a quantitatively indication of the strength, direction and significance of the association between two variables (Sekaran, 2003). However, the existence of the correlation between two variables does not necessarily mean that there is causal relationship.

Correlation coefficient represents the degree of correlation between two variables. While the correlation coefficient is -1, then it means that there is a perfect negative relationship and when the correlation coefficient is +1, it represents a perfect positive relationship between two variables. In addition, according to Kinnear and Taylor (1996), in general:

- If the correlation coefficient is bigger than -/+0.8, the association between two variables is described as very strong,
- If the correlation coefficient is between -/+0.4 and -/+0.8, then the relationship is defined as moderate to strong,
- If the correlation coefficient is smaller than -/+0.4, then the association is named as weak.

Table – 4.14 displays the research constructs, correlation coefficients and p-values to investigate bivariate relationships between the variables in a broader manner. When p-values of the constructs are assessed, it is realized that 23 of the bivariate correlations out of 28 are significant ($p < 0.01$). Since the measures are based on a significance of $p = 0.01$, then it means that over 99% of the time the correlations between the variables would be expected to exist. The probability of these correlations not to be existed is just 1% or less, which shows good reliability of the correlation measures of the study.

The strongest relationship among the constructs is observed between prior experience with private labels and the private label attitude ($r = 0.586$). The correlation of 0.586 exhibits that prior experience with private labels would explain the variance in private label attitude to the extent of 34.34% (0.586^2). In addition, the association between prior experience with private labels and level of purchasing risk can be named as negatively weak to moderate based on the suggestions of Kinnear and Taylor (1996) ($r = -0.322$). This correlation value indicates that prior experience with private labels would explain the variance in level of purchasing risk to the extent of 10.37%. The relationship between level of purchasing risk and private label attitude can be also named as negatively weak to moderate ($r = -0.278$) which means that level of purchasing risk would explain the variance in private label attitude to the extent of 7.73%. The rest of the bivariate correlations demonstrate weak relationships.

Table – 4.14: Pearson Correlation Matrix

***Correlation is significant at 0.01 (2-tailed).*		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Purchasing Intention (1)	Pearson Correlation	1	0.123**	0.078**	-0.003	-0.053**	0.134**	-0.039**	-0.010
	Sig. (2-tailed)		0.000	0.000	0.839	0.000	0.000	0.004	0.450
	N	351	351	351	351	351	351	351	351
Prior Experience with Private Labels (2)	Pearson Correlation	0.123**	1	-0.026	-0.139**	-0.322**	0.586**	0.227**	-0.038**
	Sig. (2-tailed)	0.000		0.052	0.000	0.000	0.000	0.000	0.005
	N	351	351	351	351	351	351	351	351
The Degree of Reliance By The Consumer Extrinsic Cues (3)	Pearson Correlation	0.078**	-0.026	1	0.044**	0.177**	0.040**	-0.111**	0.074**
	Sig. (2-tailed)	0.000	0.052		0.001	0.000	0.003	0.000	0.000
	N	351	351	351	351	351	351	351	351
Risk Attitude (4)	Pearson Correlation	-0.003	-0.139**	0.044**	1	0.120**	-0.102**	-0.198**	0.114**
	Sig. (2-tailed)	0.839	0.000	0.001		0.000	0.000	0.000	0.000
	N	351	351	351	351	351	351	351	351
Level of Purchasing Risk (5)	Pearson Correlation	-0.053**	-0.322**	0.177**	0.120**	1	-0.278**	-0.181**	0.079**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000	0.000	0.000
	N	351	351	351	351	351	351	351	351
Private Label Attitude (6)	Pearson Correlation	0.134**	0.586**	0.040**	-0.102**	-0.278**	1	0.056**	-0.025
	Sig. (2-tailed)	0.000	0.000	0.003	0.000	0.000		0.000	0.057
	N	351	351	351	351	351	351	351	351
Age (7)	Pearson Correlation	-0.039**	0.227**	-0.111**	-0.198**	-0.181**	0.056**	1	0.004
	Sig. (2-tailed)	0.004	0.000	0.000	0.000	0.000	0.000		0.744
	N	351	351	351	351	351	351	351	351
Household Income (Monthly) (8)	Pearson Correlation	-0.010	-0.038**	0.074**	0.114**	0.079**	-0.025	0.004	1
	Sig. (2-tailed)	0.450	0.005	0.000	0.000	0.000	0.057	0.744	
	N	351	351	351	351	351	351	351	351

4.2.3. Hierarchical Regression

Even though correlation coefficient enables the researcher to see the strength, direction and significance of the association between two variables, it gives no idea about how much of the variance in the dependent variable is explained when more than one independent variable is included in the model.

It is important to note that independent variables can be correlated to the dependent variable in some degree; however, the variables might also be intercorrelated to each other (Sekaran, 2003). Joint regression of the independent variables, to explain the variance in the dependent variable, produces also individual correlations, which is called as multiple correlation in the literature. The square of multiple regression, R^2, is the explanation of the amount of variance in the dependent variable by the independent variables. The analysis of joint regression, where more than one independent variable is included to the model against a criterion variable, is named as multiple regression analysis.

If the researcher wants to investigate which independent variable is the most important, which is next in importance, then a stepwise multiple regression analysis can be applied to explain the variance. Such type of sequential multiple regression analysis is called as hierarchical regression in the literature.

In this study, the hypothesis testing is implemented through hierarchical regression analysis. Hierarchical regression analysis offers additional perspectives to the researcher while examining the hypotheses. This analysis is beneficial to investigate the incremental variance in the dependent variable by each set of factors settled independently (Erdogmus, Bodur and Yilmaz, 2010). Due to theory, research relevance and casual priority, the settlement of the independent variables is ordered based on hierarchy (Cohen, Cohen, West and Aiken, 2003).

Two different hierarchical regression analyses are made in order to see the effect of product categories on the purchasing intentions for private labels. Product categories are separated into two categories, namely, food vs. non-food.

Whereas macaroni, yogurt and milk are the part of the food category, bathroom tissue constitutes non-food category. The influence of demographic variables (1), individual differences, perceptual variables and private label attitude (2) and contextual factors (3) on purchasing intentions for private labels are investigated in a sequential order.

In the following sections hierarchical regression results for food category and non-food category will be reported respectively.

4.2.3.1. Hierarchical Regression Results for Food Category

The hierarchical regression results for food category are presented in Table – 4.15. According to the results of Model 1, it can be interpreted that the model is significant ($p < 0.005$) and 0.3% variance is significantly explained by the set of predictors. In addition, when we assess the p-values of the independent variables in the model, generating demographic factors, it is noticed that only gender is significant with the p-value of 0.001. Regarding the effects of demographic factors, gender is found to be negatively correlated to purchasing intentions for private labels (standardized regression coefficient / $\beta = -0.050$) which means that women are more eager to purchase private labels rather than men.

Model 2 includes demographic factors, individual differences, perceptual variables and private label attitudes together. The R^2 value of the model indicates that the independent variables have power to explain variance in purchasing intentions for private labels to the extent of 2.9% and the model is significant ($p = 0.000$). With respect to the p-values of the predictors in the Model 2, prior experience with private labels ($p = 0.000$), the degree of reliance by the consumer extrinsic cues ($p = 0.002$) and private label attitude ($p = 0.000$) can be defined as significant. Prior experience with private labels is found to be positively related to purchasing intentions for private labels ($\beta = 0.080$). Similarly, the degree of reliance by the consumer extrinsic cues and private label attitude positively affect purchasing intentions for private labels ($\beta = 0.048$ and $\beta = 0.101$).

For the Model 3, the independent variables in the Model 2 and contextual factors in the conceptual model are combined. The predictors in the model explain the variance in purchasing intentions for private labels by 24.3% and the Model 3 is also significant with the p-value of 0.000. With respect to the p-values of the predictors, it is realized that prior experience with private labels ($p = 0.000$), the degree of reliance by the consumer extrinsic cues ($p = 0.000$), private label attitude ($p = 0.000$), store image ($p = 0.000$), distinctive packaging ($p = 0.000$) and price promotion ($p = 0.000$) are significant. Regarding the prior experience with private labels, when the consumer has more experience with private labels in the past, then it has positively effect on purchasing intentions for private labels ($\beta = 0.080$). In addition, the more the consumers' reliance on extrinsic cues, the more the consumers purchase private labels ($\beta = 0.048$). For the contextual factors, whereas store image and price promotion are found to be positively correlated with purchasing intentions for private labels ($\beta = 0.221$ and $\beta = 0.280$), distinctive packaging influences negatively the purchasing behaviour ($\beta = -0.107$).

As it can be inferred from the Table – 4.15 from the Model Summary column, the contextual factors significantly increase the explanation power of the manipulation (Model 2, $R^2 = 0.029$ – Model 3, $R^2 = 0.243$).

Table – 4.15: Hierarchical Regression Results for Food Category

Model / Independent Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model Summary
	B	Std. Error	Beta			
1 (Constant)	5.468	0.313		17.471	0.000	R = 0.052
Age	0.001	0.004	0.003	0.181	0.856	R^2 = 0.003
Gender	-0.328	0.101	-0.050	-3.246	0.001	F = 2.886
Education	0.040	0.047	0.015	0.839	0.402	p = 0.021
Household Income	-0.016	0.023	-0.011	-0.684	0.494	
2 (Constant)	2.670	0.487		5.485	0.000	R = 0.172
Age	-0.004	0.004	-0.015	-0.858	0.391	R^2 = 0.029
Gender	-0.145	0.105	-0.022	-1.379	0.168	F = 14.579
Education	0.050	0.048	0.019	1.047	0.295	p = 0.000
Household Income	-0.010	0.023	-0.007	-0.433	0.665	
Prior Experience with Private Labels	0.271	0.066	0.080	4.092	0.000	
The Degree of Reliance by the Consumer Extrinsic Cues	0.189	0.061	0.048	3.117	0.002	
Risk Attitude	0.085	0.064	0.021	1.332	0.183	
Level of Purchasing Risk	-0.022	0.069	-0.005	-0.323	0.747	
Private Label Attitude	0.428	0.080	0.101	5.368	0.000	
3 (Constant)	1.505	0.501		3.003	0.003	R = 0.493
Age	-0.004	0.004	-0.015	-0.971	0.331	R^2 = 0.243
Gender	-0.145	0.093	-0.022	-1.560	0.119	F = 106.632
Education	0.050	0.042	0.019	1.185	0.236	p = 0.000
Household Income	-0.010	0.020	-0.007	-0.490	0.624	
Prior Experience with Private Labels	0.271	0.059	0.080	4.631	0.000	
The Degree of Reliance by the Consumer Extrinsic Cues	0.189	0.054	0.048	3.527	0.000	
Risk Attitude	0.085	0.057	0.021	1.508	0.132	
Level of Purchasing Risk	-0.022	0.061	-0.005	-0.365	0.715	
Private Label Attitude	0.428	0.070	0.101	6.075	0.000	
Store Image	1.431	0.086	0.221	16.695	0.000	
Distinctive Packaging	-0.696	0.086	-0.107	-8.116	0.000	
Price Promotion	1.812	0.086	0.280	21.140	0.000	
Brand	-1.770	0.086	-0.273	-20.656	0.000	
*Dependent Variable: Purchasing Intention						

4.2.3.2. Hierarchical Regression Results for Non-Food Category

Table – 4.16 shows the hierarchical regression results for the non-food category. The predictors in Model 1 explain the variance in purchasing intentions for private labels by 2.7% and the model is significant (p = 0.000). Concerning demographic variables, age and education are significant with the p-values of 0.000 and 0.014 respectively. Both age and education are found to be negatively correlated with purchasing intentions for private labels (β = -0.169 and β = -0.074).

When the demographic variables are combined with individual differences, perceptual variables and private label attitude, Model 2 is conducted. The R^2 symbolizes that the variance in purchasing intentions for private labels is explained by the predictors to the extent of 6.2%. In addition, the p-value shows the model is significant (p = 0.000). Besides age (p = 0.000) and education (p = 0.007), prior experience with private labels (p = 0.048), the degree of reliance by the consumer extrinsic cues (p = 0.000) and level of purchasing risk (p = 0.042) are also found to be significant. While age (β = -0.151), education (β = -0.088) and level of purchasing risk (β = -0.059) influences purchasing intentions for private labels in a negative way, prior experience with private labels (β = 0.075) and the degree of reliance by the consumer extrinsic cues (β = 0.145) have positive impact on the purchasing behaviour.

Addiction of the contextual factors to Model 2 constitutes a new model, namely, Model 3. In Model 3, the predictors have power to explain the variance in purchasing intentions for private labels by 29.8%. The p-value of 0.000 shows the model is significant. Again in this model, age (p = 0.000), education (p = 0.002), prior experience with private labels (p = 0.022), the degree of reliance by the consumer extrinsic cues (p = 0.000), level of purchasing risk (p = 0.019) and private label attitude (p = 0.017) are found to be significant. In addition to these independent variables, store image (p = 0.000), distinctive packaging (p = 0.005) and price promotion (p = 0.000) are also found as significant.

Whereas age (β = -0.151), education (β = -0.088), level of purchasing risk (β = -0.059) and distinctive packaging (β = -0.066) are negatively related with the purchasing intentions for private labels, prior experience with private labels (β = 0.075), the degree of reliance by the consumer extrinsic cues (β = 0.145), private label attitude (β = 0.037), store image (β = 0.189) and price promotion (β = 0.402) are found to be positively associated with the purchasing behaviour.

Huge impact of the contextual factors on the explanation power of the manipulation is also valid for non-food product category. (Model 2, R^2 = 0.062 – Model 3, R^2 = 0.298). By means of the contextual factors, the deterministic factors on purchasing intentions for private labels can be interpreted more effectively.

Table – 4.16: Hierarchical Regression Results for Non-Food Category

Model / Independent Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Model Summary
	B	Std. Error	Beta			
1 (Constant)	8.029	0.619		12.975	0.000	R = 0.164
Age	-0.042	0.007	-0.169	-5.823	0.000	R^2 = 0.027
Gender	-0.370	0.201	-0.053	-1.838	0.066	F = 8.859
Education	-0.186	0.075	-0.074	-2.469	0.014	p = 0.000
Household Income	0.011	0.044	0.007	0.247	0.805	
2 (Constant)	6.291	0.783		8.029	0.000	R = 0.248
Age	-0.037	0.007	-0.151	-5.003	0.000	R^2 = 0.062
Gender	-0.270	0.204	-0.039	-1.323	0.186	F = 9.277
Education	-0.221	0.082	-0.088	-2.691	0.007	p = 0.000
Household Income	-0.021	0.048	-0.014	-0.440	0.660	
Prior Experience with Private Labels	0.263	0.133	0.075	1.982	0.048	
The Degree of Reliance by the Consumer Extrinsic Cues	0.539	0.113	0.145	4.772	0.000	
Risk Attitude	-0.075	0.124	-0.018	-0.603	0.546	
Level of Purchasing Risk	-0.271	0.133	-0.059	-2.031	0.042	
Private Label Attitude	0.154	0.157	0.037	0.982	0.327	
3 (Constant)	2.864	0.831		3.447	0.001	R = 0.546
Age	-0.037	0.006	-0.151	-5.775	0.000	R^2 = 0.298
Gender	-0.270	0.177	-0.039	-1.527	0.127	F = 41.354
Education	-0.221	0.071	-0.088	-3.107	0.002	p = 0.000
Household Income	-0.021	0.042	-0.014	-0.508	0.611	
Prior Experience with Private Labels	0.263	0.115	0.075	2.288	0.022	
The Degree of Reliance by the Consumer Extrinsic Cues	0.539	0.098	0.145	5.508	0.000	
Risk Attitude	-0.075	0.107	-0.018	-0.696	0.486	
Level of Purchasing Risk	-0.271	0.115	-0.059	-2.345	0.019	
Private Label Attitude	0.154	0.136	0.037	1.133	0.017	
Store Image	1.280	0.160	0.189	8.013	0.000	
Distinctive Packaging	-0.445	0.160	-0.066	-2.788	0.005	
Price Promotion	2.723	0.160	0.402	17.053	0.000	
Brand	-1.273	0.160	-0.188	-7.974	0.000	
*Dependent Variable: Purchasing Intention						

4.2.3.3. Hypotheses Testing

In this section, hypotheses will be tested with respect to hierarchical regression results.

H1: *Age positively affects purchasing intentions for private labels.*

According to the hierarchical regression results for the different product categories, it is understood that whereas age is not significant for the food category ($p = 0.331$), it is significant in non-food category ($p = 0.000$). In non-food product category, there is inverse relationship between age and purchasing intentions for private labels ($\beta = -0.151$). Therefore, the hypothesis 1 is not supported by the food and non-food product categories. Standardized regression coefficient shows that younger consumers are more prone to purchase private labels than older consumers. The result is in the same direction with the findings of Dick, Jain and Richardson (1995); on the other hand, Omar (1996) supports that older consumers buy more private labels.

H2: *Women are more willing to purchase private labels than men.*

Because the p-values of gender for both food category and non-food category are more than 0.05 ($p = 0.119$ and $p = 0.127$), the hypothesis 2 is not supported. Even though the studies of Feick and Price (1987) and Ailawadi, Neslin and Gedenk (2001) reveal that women are more prone to purchase private labels than men, in this study such result is not found.

H3: *Education positively affects purchasing intentions for private labels.*

Although education is significant for the non-food product category ($p = 0.002$), it is not significant for the food product category ($p = 0.236$). For the non-food product category, education is negatively correlated with purchasing intentions for private labels ($\beta = -0.088$), and thus it is consistent with the argument of Glynn and Chen (2009). When consumers are highly educated, they are less eager to purchase private labels. Hence, hypothesis 3 is not supported by both of product categories.

H4: *Income negatively affects purchasing intentions for private labels.*

Hypothesis 4 claims that when the income of consumers increases, they become less prone to buy private labels. However, due to the results of the hierarchical regression analysis, household income is found as insignificant for both food and non-food product categories ($p = 0.624$ and $p = 0.611$). Therefore, the hypothesis 4 is not supported.

H5: *Prior experience with private labels positively affects purchasing intentions for private labels.*

Due to the outputs of the analyses, prior experience with private labels is found as significant for both food and non-food product categories ($p = 0.000$ and $p = 0.022$). Hence, the hypothesis for both product groups is supported. Prior experience with private labels is positively associated with purchasing intentions for private labels for both product categories ($\beta = 0.080$ and $\beta = 0.075$). When consumers have experience with a private label in the past, then the tendency of the consumer to purchase private labels increases. The finding is in the same direction with the arguments of Bettman (1974) and Richardson, Jain and Dick (1996).

H6: *The greater reliance on consumer extrinsic cues, the less the consumers' purchasing intentions for private labels.*

The outputs of the hierarchical regression analyses reveal that the degree of reliance by the consumer extrinsic cues is significant for both product categories ($p = 0.000$ and $p = 0.000$). On the other hand, as opposed to the hypothesis 6, the results indicate that when consumers more rely on extrinsic cues, their willingness to purchase private labels increases instead of decrease ($\beta = 0.048$ and $\beta = 0.145$).

Therefore, it is not possible to support the hypothesis 6, which supported by Richardson, Dick and Jain (1994) and Richardson, Jain and Dick (1996), for both product categories.

H7: *Risk attitude negatively affects purchasing intentions for private labels.*

Due to the results of the hierarchical regression analysis, it is found that risk attitude is not related to purchasing intentions for private labels, which is valid for both of the product categories ($p = 0.132$ and $p = 0.486$). The finding is consistent with the study of Burton, Lichtenstein, Netemeyer and Garretson (1998).

H8: *Level of purchasing risk negatively affects purchasing intentions for private labels.*

The p-values, representing level of purchasing risk, exhibit that while purchasing risk is not significant for the food product category ($p = 0.715$), it is significant for the non-food product category ($p = 0.019$). According to standardized regression coefficient, the hypothesis is supported such that when the level of purchasing risk increases, the consumers tend less to buy private labels ($\beta = -0.059$). Although in our study we can not measure social risk in order to increase validity and internal consistency, the finding is on the same direction with the argument of Dunn, Murphy and Skelly (1986) and Lin, Marshall and Dawson (2009).

H9: *Distinctive packaging positively affects purchasing intentions for private labels.*

Regarding the effects of the contextual factors, it is noticed that distinctive packaging is significant not only for food product category ($p = 0.000$) but also for non-food product ($p = 0.005$) category. However, the standard regression coefficient values imply that private labels with distinctive packages decrease purchasing intentions for private labels rather than increase. The situation is observed for both product categories. ($\beta = -0.107$ and $\beta = -0.066$).

Therefore, though distinctive packaging is related to purchasing intentions for private labels, it is not possible to support the hypothesis 9.

H10: *Price promotions positively affect purchasing intentions for private labels.*

By examining the p-values of price promotion, price promotion is found to be positively related to purchasing intentions for private labels for food ($p = 0.000$ / $\beta = 0.280$ and non-food product category ($p = 0.000$ / $\beta = 0.402$). Since the finding is consistent with the hypothesis, hypothesis 10 is supported. Steenkamp, Heerde and Geyskens (2010) also emphasize the influence of price promotions on consumers' tendency to private labels.

H11: *A high-quality retail store image positively affects consumers' purchasing intentions for private labels.*

One of the contextual factors, store image, is also found to be positively correlated with purchasing intentions for private labels for both product categories (Food: $p = 0.000$ / $\beta = 0.221$ and Non-Food: $p = 0.000$ / $\beta = 0.189$). Hence, hypothesis 11 is supported. The conclusion is the same with the number of related studies in the literature such as: Livesey and Lennon (1978), McGoldrick (1984), Burt (1992), Sparks (1995), Vahie and Paswan (2006) and Lee and Hyman (2008).

H12: *Attitudes toward private labels have influence on purchasing intentions for private labels.*

Attitudes toward private labels are found to be positively related to purchasing intentions for private labels for food product category ($p = 0.000$ / $\beta = 0.101$) and non-food product category ($p = 0.017$ / $\beta = 0.037$). Thus, hypothesis 12 is supported for both product categories.

The modified conceptual model for food category is shown by Figure – 5.1, for non-food category by Figure – 5.2.

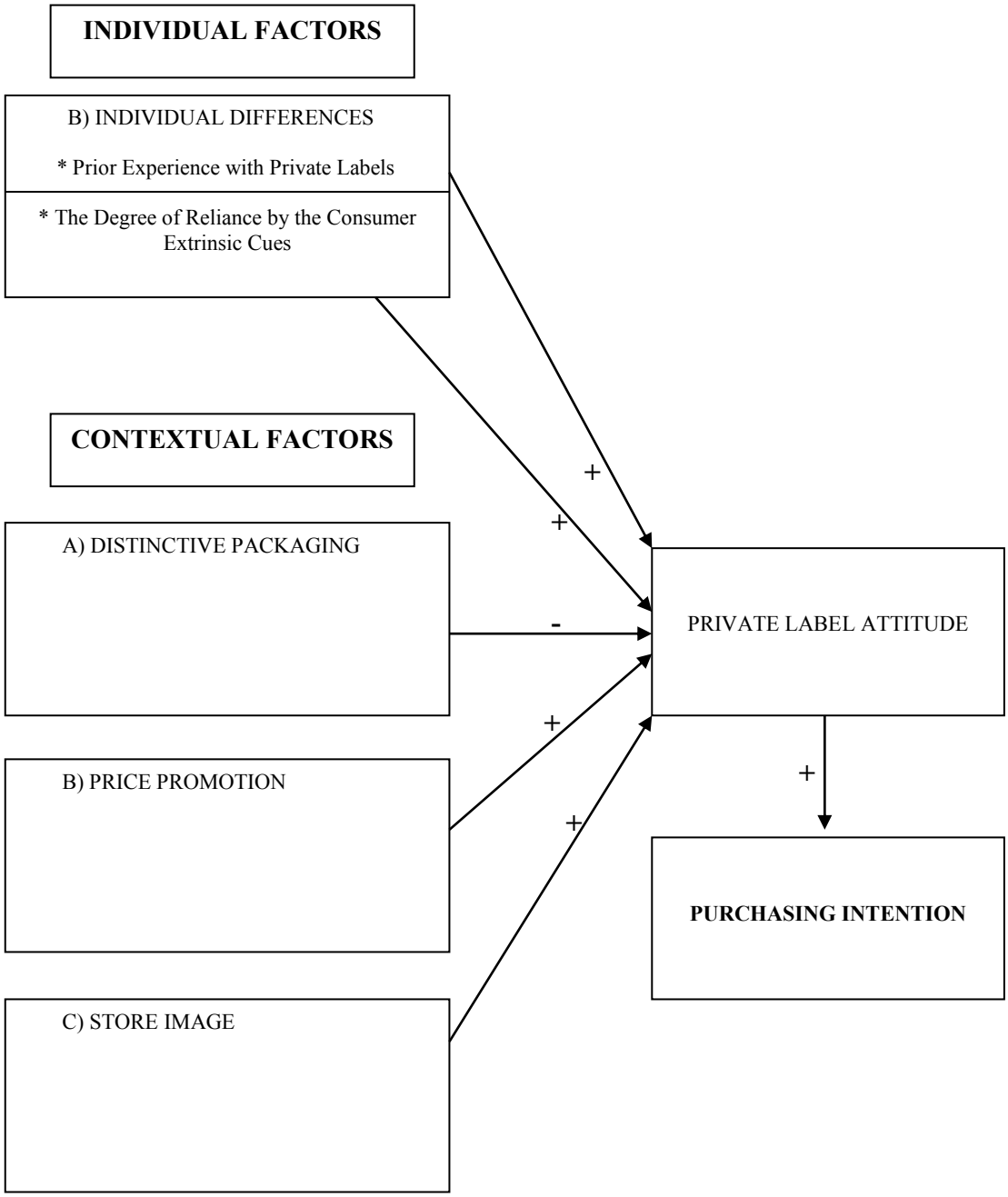

Figure – 5.1: The Modified Conceptual Model for Food Category

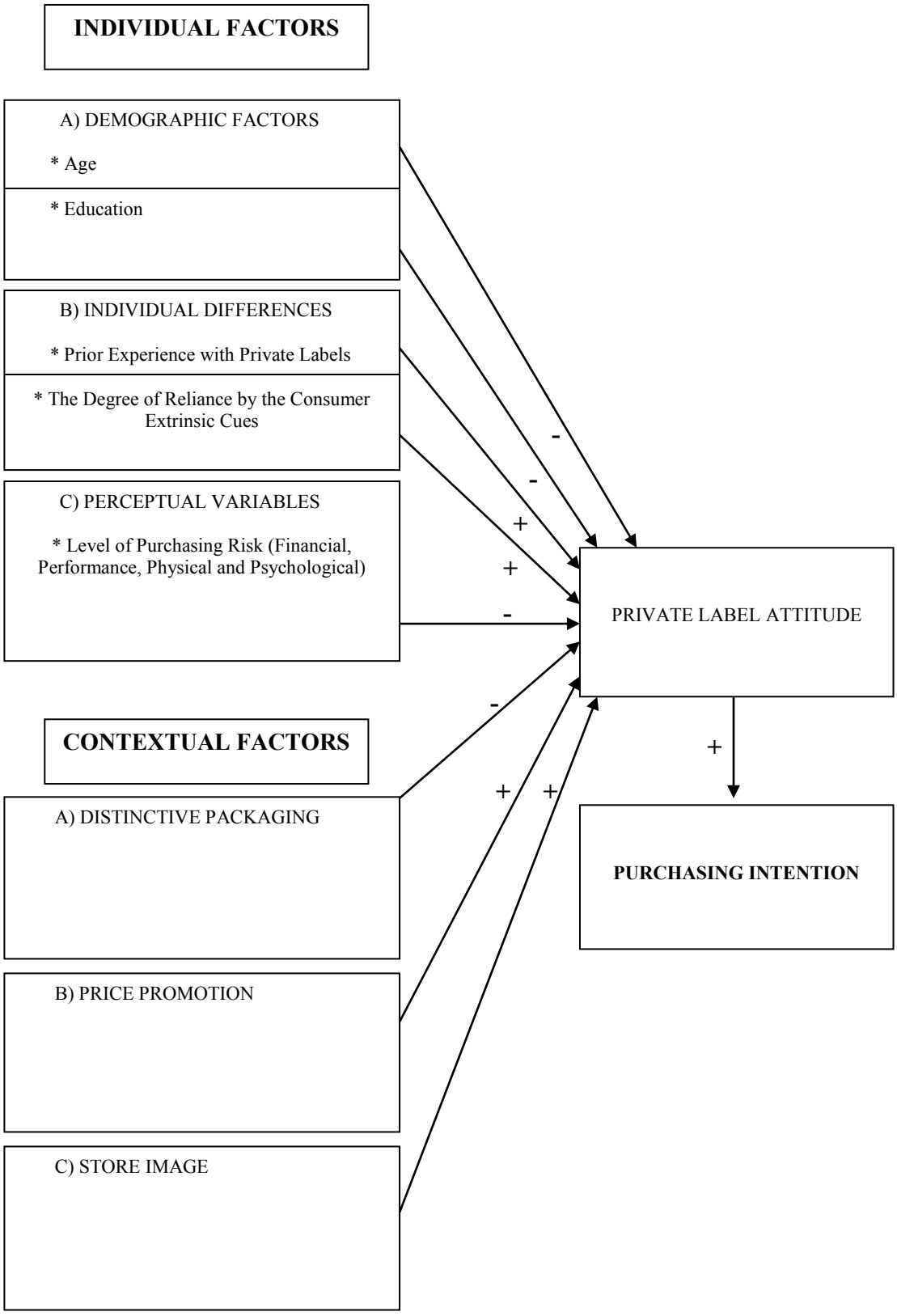

Figure – 5.2: The Modified Conceptual Model for Non-Food Category

CHAPTER 5

DISCUSSION, MANAGERIAL IMPLICATIONS AND CONCLUSION

In chapter 5, first of all, the results of the study will be discussed. In the next section, managerial implications and the limitations of the research will be covered. Eventually, this chapter will be finalized with a brief conclusion.

5.1. DISCUSSION

In the last decades, private label applications have been intensified by the retailers in Turkey. Increased attention to private labels is based on the reason that private labels offer numbers of benefits not only to retailers but also to consumers. Main benefits of private labels to manufacturers can be classified as: higher profit margins (Pauwels and Srinivasan, 2003), increase in store loyalty and differentiation (Kumar and Steenkamp, 2007) and increase in bargaining power of retailers against manufacturers (Ailawadi, 2001). In order to gain these benefits by means of high sales volumes, retailers should analyze consumers' needs and expectations in an effective way. In the literature, the scholars introduce various factors that affect consumers' attitudes toward private labels, and thus purchasing intentions for private labels. However, since it is not possible to include all of these factors in a study, some of the individual factors and contextual factors were chosen to investigate. Whereas individual factors consist of demographic factors, individual differences (prior experience with private labels, the degree of reliance by the consumer extrinsic cues and risk attitude) and perceptual variables (level of purchasing risk), distinctive packaging, price promotion and store image constitute contextual factors.

In Turkish literature, different scholars prefer to study on private labels especially on consumers' attitudes toward private labels.

On the other hand, most of them investigate only the influences of demographic factors on consumers' attitudes toward private labels (Kurtulus, Yeniceri and Yaras, 2001; Aydin, 2003; Orel, 2004; Akbay and Jones, 2005; Yildiz and Meral, 2008; Albayrak and Aslan, 2009; Albar and Duman, 2011). In addition to these studies, Bardakci, Saritas and Gozlukaya (2003) and Erden (2006) examine only the impact of purchasing risks. Recent studies combine demographic factors and perceptual factors together, which add useful insights for the researchers. For instance, Orel (2006) and Sirvanli (2011) include socio-demographic factors and certain perceptual variables in their studies while Buyukkupcu (2008) examines the effect of demographic factors along with perceived risk, price sensitivity, perceived store image and store loyalty. Furthermore, one of the most recent studies handles certain individual factors as well as certain perceptual variables together (Arslan, 2012). Even though this study is not unique in terms of subject, it investigates the influences of both individual factors and contextual factors together which is distinctive from previous studies in the literature.

The main objective of this study is to investigate consumers' purchasing intentions for private labels. To achieve this objective, a conceptual model, including the factors mentioned above, is employed. Besides, four (4) different product categories are selected and these products are clustered into two (2) groups. Products are distinguished as food and non-food product categories to see the differences between various product groups. By assuring almost equal distribution of questionnaires, including each type of product; individual factors are measured with respect to the items used in the scales, contextual factors' measurements are implemented based on experimental manipulation. The scenario-based experimental design is another point that is particular to this research.

Since food and non-food product groups are assessed separately when investigating purchasing intentions for private labels, the results vary across product categories. At first, regarding the individual factors, while demographic variables have no effect on the food category, age and education are negatively related to purchasing intentions for private labels for the non-food product category.

The reason why age and education influence purchasing intentions for non-food private label products may be sourced that when people get older, they become more risk averse.

Even though non-food product, bathroom tissue, is a type of fast moving consumer goods, it can not be consumed as fast as a food product such as macaroni, milk and yogurt. When the consumer does not satisfy with the performance of the bathroom tissue, it is not possible to give up the product easily. Moreover, when the prices of a macaroni, milk and yogurt are compared with the price of a bathroom tissue, it is obvious that the loss sourced from a bathroom tissue is more than the other products due to lack of performance of the product. Furthermore, since private labeled bathroom tissues are less priced than the other brands, the producers use materials accordingly, which means that; for instance, the consumption of a roll of bathroom tissue labeled as national brand corresponds to the consumption of more than a roll of private labeled bathroom tissue. Thus, an economical reason might be the underlying factor for older consumers to prefer not to buy private labeled bathroom tissues. In addition to age, when the education level of a person increases, socio-economic variables also alter. Highly educated people may be more conscious about the evaluation of the alternatives between private labels and national brands.

With respect to individual differences, prior experience with private labels is positively correlated with the purchasing intentions for food private labeled products and non-food private labeled products. According to Bettman (1974) and Richardson, Jain and Dick (1996), it is known that prior shopping experiences of consumers with private labels direct consumers' future purchasing behaviors.

In addition, the degree of reliance by the consumer extrinsic cues gives an interesting result to the study. When we conduct the hypothesis related to the degree of reliance by the consumer extrinsic cues, we predicted that the more the consumers rely on extrinsic cues, the lower the private label sales occur (Richardson, Dick and Jain, 1994; Richardson, Jain and Dick, 1996). Conversely, the result does not support this hypothesis.

Due to the analysis, the degree of reliance by the consumer extrinsic cues influences purchasing intentions for private labels in a positive way rather than in a negative way. When the perceived quality gap between a private label brand and a national brand is high, then physical features of the products become more effective on perceptions of consumers. According to Kapferer (1995) and Kumar and Steenkamp (2007), private label producers would rather imitate national brands' packages in order to decrease perceived quality gap between private labels and national brands. If a consumer relies more on extrinsic cues rather than intrinsic cues, it is easy to convince the consumer by means of physical features, especially packaging. That is why, copycatting is not surprising and consumers tend to choose private label products, which have similar features to national brands. Moreover, when a consumer relies more on extrinsic cues rather than intrinsic cues, the consumer evaluates a private label as more valuable than a national brand in terms of price and quality comparison. Since a private label is usually cheaper than a national brand, then the possible value loss sourced by the private label will be far less than the possible value loss sourced by the national brand.

Risk attitude does not have impact on purchasing intentions for private labels for both product categories with regard to our results. However, since the private label products, chosen for the study, are low-involvement products in the Fast-Moving Goods Industry, it is not surprising that risk attitude is not associated with the purchasing intentions for private labels.

The level of purchasing risk, except social risk, affects non-food private label sales in a negative way but it does not have influence on food product category. On the demographic variables discussion part, the reason why food and non-food products differ in terms of demographic variables and purchasing risk was held.

Regarding the contextual factors, distinctive packaging has negative impact on purchasing intentions for private labels for food and non-food products as opposed to expected. On the other hand, the reason can be supported with the consumer extrinsic cues discussion.

As Kapferer (1995) indicates that when consumers face with copycat products in terms of packaging, they trust more in producers, and thus they tend to purchase such type of products. The article (Steenkamp, Heerde and Geyskens, 2010) that investigates the effect of distinctive packaging on purchasing intentions for private labels states that distinctive packaging has power on private label attitudes of the consumers. On the other hand, for our study the finding is not in the same direction with these scholars' results. It might be based on that Turkey has different cultural characteristics, beliefs and values in a comparison with the other countries in the world and it can not be expected from our study to generate the same results with other studies that are implemented in other countries in the world. That's why, our hypothesis is related to distinctive packaging is rejected even though we expected there should be positive impact on purchasing intentions for private labels in accordance with the literature.

Price promotion has the biggest effect on purchasing intentions for private labels. This effect is valid for both types of product categories. When the results are analyzed, it is noticed that a large percentage of the respondents rely on price promotions and such promotions direct their purchasing behaviours. Steenkamp, Heerde and Geyskens (2010) also emphasize the power of price promotions on consumers' purchasing intentions for private labels. Due to relative impacts, when we compare food product category with non-food product category, it is analyzed that even though price promotion is the strongest underlying factors that influence purchasing intentions for both type of private labels, the impact of price promotions on purchasing intentions for private labelled non-food products is far bigger than the impact on purchasing intentions for private labelled food products. ($\beta = 0.402$ vs. $\beta = 0.280$)

Whereas BİM is a type of discount store, Migros' store format is supermarket in the retailing sector. According to Livesey and Lennon (1978), McGoldrick (1984), Burt (1992), Sparks (1995), Vahie and Paswan (2006) along with Lee and Hyman (2008), consumers purchasing intentions for private labels are affected by store image.

Our finding also shows that when the store image is highly qualified, then consumers more trust in retailer and thus they more prefer to purchase private labels. On the eyes of the consumers, whereas BİM has low qualified store image, Migros is high in quality in terms of store image. Hence, purchasing intentions for the private labels sold in BİM are lower than Migros' private labels.

For the product category comparison, the positive impact of price promotion for food private labelled products is less than the positive impact of price promotion for non-food private labelled products. The reason might be that consumers are more conscious today and they more consider their health and physical risks of the products; and thus, it is not possible to convince a consumer, who buys food private labelled product, by means of price in an easier way in a comparison with the consumer that purchases non-food private labelled product. Moreover, the positive impact of store image for food private labelled products is higher than the positive impact of store image for non-food private labelled products. Consumers want to trust in retailers also to trust in products. Since food products are more risky in terms of purchasing risk, trust becomes one of the most important dimensions during decision making period of the purchasing process. Furthermore, the negative impact of distinctive packaging for food private labelled products is higher than the negative impact of distinctive packaging for non-food private labelled products. The same explanation about trust for store image is valid also for distinctive packaging in the study.

Both individual and contextual factors affect attitudes toward private labels and attitudes toward private labels have impact on consumers' purchasing intentions for private labels. Our analysis also proves that for both product categories private label attitudes have impact on purchasing intentions for private labels. However, attitudes toward private labels are not strong with regard to implemented analyses and attitudes toward private labels are not a deterministic factor while explaining underlying factors that determine purchasing intentions for private labels.

5.2. LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

In spite of this study's contribution to the literature by means of offering useful insights about purchasing intentions for private labels, there are several limitations of the study, the same as other studies. One of these limitations is related to product category and retailer selection. Since products are selected due to largest market shares in the private label industry, the products held in the study are types of standard private labels. Therefore, in the study purchasing risk and risk attitude levels do not give effective results on purchasing intentions for private labels. In addition, including risk attitude and level of purchasing risk together in the conceptual model obstructs the observation of the impact of the attitudes toward private labels.

For future researches, it is recommended to include premium private labels also to see the impacts of purchasing risk and risk attitudes on purchasing intentions for private labels. In addition to product category, BİM and Migros are selected for they have the largest market share in the retailing industry for measuring store image; however, it may be possible to include other different retailers in future studies.

The other limitation is sourced by the respondents' profiles. Even though attempts were made to reach as many places in Turkey as possible, it was impossible to do so. Thus, it is not possible to represent whole of Turkey's demographic characteristics in a single sample. Even though the respondents are living in different cities in Turkey, with dissimilar demographic characteristics, there still exist places in the country which were not covered. That is why, for future research the application of a random sampling, rather than judgement sampling, might be more appropriate.

In regard to respondents' carelessness and refusals, the number of items in each scale was decreased. Thus, the questionnaires were designed to include a single product type and every respondent completed a questionnaire with the questions related to a single product. For future research suggestions, the design of the items might be more sensitive to measure the underlying factors in an effective way.

In addition, if respondents complete questionnaires which include more than a single product, it may be possible to compare the respondent's purchasing intentions for different types of private labelled products.

5.3. MANAGERIAL IMPLICATIONS

Findings of this study offer useful implications for the managers to be aware of factors affecting private label attitudes resulting in the purchasing intentions for private labels. It is obvious that the more the managers understand the consumers, the more the company generates sales.

The biggest effect in purchasing intentions for private labels belongs to price promotions. Managers should consider price promotions as a strategic weapon not only for national brands but also for private labels to persuade consumers to buy their products. Even if, in general, private labels are priced lower than national brands, consumers tend more to purchase a product when there is a discount. According to the results of the study, managers should include price promotions for private labels in their promotion activities.

The other big impact on purchasing intentions for private labels is store image. Consumers trust more in private labels which sold in highly qualified retailers. Referring back to the results, it is seen that purchasing intentions for private labels are influenced positively when the retailer category shifts to Migros from BİM. Choosing the right retailer to sell private labels is another challenging issue. For this reason, it is suggested that managers should analyze and discriminate effectively the advantages and disadvantages of selling their private labels in discount stores or supermarkets.

This study provides an interested finding to managers about distinctive packaging. In the literature, the positive impact of distinctive packaging on purchasing intentions for private labels was proven by several scholars.

On the other hand, the analysis of the responses of Turkish consumers to distinctive packaging applications on private labels show that distinctive packaging does not have a positive effect on purchasing intentions for private labels. It is understood that consumers want to see copycatting in packaging rather than to see distinctive packages. When consumers experience private labels with packages similar to national brands, they put more trust in such products due to a decrease in a perceived quality gap between national brands and private labels. That is why managers should invest in different marketing activities for their private labels rather than investing in distinctive packaging.

Finally, as it ca ne noticed from the results, prior experience with private labels directs significantly to the purchasing intentions for private labels. Managers should assure that their private labels offer good experiences to their customers in terms of performance. That is the one of the most important requirements to gain customer loyalty in the market.

5.4. CONCLUSION

Private labels have become fierce competitors of national brands in the consumer packaged goods (CPG) industry in the last decades. (Lamey, Deleersnyder, Steenkamp and Dekimpe, 2012). The development of the private labels is amazing, especially in Turkey, such that Turkey is the most rapidly growing private label market in the world (Nielsen Company, 2010). Moreover, it is predicted that the third (3^{rd}) largest private label market share in the world will belong to Turkey between 2010 and 2015 (Rabobank, 2011). The big improvements in private labels in Turkey are obvious, but it is important to be aware of what the underlying factors are that affect the purchasing intentions for private labels. Hence, this study was conducted in order to investigate the factors affecting purchasing intentions for private labels.

By separating the study into two (2) parts with regard to product categories, individual factors are measured by means of the items used in the scales and contextual factors are examined due to experimental manipulation.

Regarding the individual factors, whereas age and education have negative impact on purchasing intentions for non-food private labelled products, demographic factors have no influence on purchasing intentions for food private labelled products. Prior experience with private labels and the degree of reliance by the consumer extrinsic cues were found to be positively related to purchasing intentions for both food and non-food private labelled products. Furthermore, the level of purchasing risk only has effect on purchasing intentions for non-food private labelled products.

Due to contextual factors, while store image and price promotions are positively related to purchasing intentions for food and non-food private labelled products, distinctive packaging is negatively correlated with purchasing intentions for these categories.

In conclusion, this study provides useful insights and implications to the literature, as well as to managers. Suggestions were made for future researches to deeply understand the factors affecting private label attitudes, which result in purchasing intentions for private labels. All in all, private label application is an increasing trend in Turkey and companies need to understand consumers' needs and expectations thoroughly in order to be successful in the market.

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APPENDICES

APPENDIX A QUESTIONNAIRE IN ENGLISH

Dear participant,

This survey study was prepared for a Master's Thesis that is performed at Middle East Technical University in the Department of Business Administration. Your answers will be used for only scientific purposes and kept confidential. While reminding the importance of your answers for the study, I would like to thank you for your attention.

Araş. Gör. İlayda Güngör

* ***Private label****; is the product that is produced for a retailer and sold under the name of the retailer/under a different name in the retailer's stores. Migros Yoğurt, Kipa Çay, Arkadaş Süt and Le Cola can be given as examples for the private label products. Please keep in your mind the definition of private label, while answering the questions.*

		Never	Seldom	Sometimes	Often	Always
A.1.	I buy Private Label products.	1	2	3	4	5
A.2.	I look for Private Label products when I go shopping.	1	2	3	4	5
A.3.	In my shopping cart, there are Private Label products from different product categories.	1	2	3	4	5
A.4.	Till today I take advantage of Private Label products.	1	2	3	4	5
A.5.	For long time I have been using Private Label products.	1	2	3	4	5
A.6.	In shopping, I would rather Private Label products.	1	2	3	4	5
A.7.	I like to take risks.	1	2	3	4	5
A.8.	I like gambling, when needed.	1	2	3	4	5
A.9.	I cheat on exams.	1	2	3	4	5
A.10.	I can spend money without thinking the results.	1	2	3	4	5

		Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
A.11.	The more famous the brand name of a grocery item, the better the quality.	1	2	3	4	5
A.12.	The more shelf space the brand has, the safer the brand.	1	2	3	4	5
A.13.	If a package of a product is good, then it means that the ingredients are also high in quality.	1	2	3	4	5
A.14.	Usually, performances of cheap products are also low.	1	2	3	4	5

- When I buy and use Private Label products;		Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
A.15.	It may cause danger to my health or safety.	1	2	3	4	5
A.16.	I can not get exact payback for what I spent.	1	2	3	4	5
A.17.	The possibility of being deceived is high.	1	2	3	4	5
A.18.	I might feel inferior against other people.	1	2	3	4	5
A.19.	Since the product does not serve the purpose, the possibility of my works to delay is high.	1	2	3	4	5

WOULD YOU BUY THESE PRODUCTS?

Please mark the most appropriate choice that shows your purchasing intention for the products, for which the definitions were given below.

B.1. Sutas yogurt with **regular package** at **30% Discount** sold in **Bim**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.2. Sutas yogurt with **regular package** at **0% Discount** sold in **Bim**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.3. Sutas yogurt with **distinctive package** at **30% Discount** sold in **Bim**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.4. Sutas yogurt with **distinctive package** at **0% Discount** sold in **Bim**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.5. Private label yogurt with **regular package** at **30% Discount** sold in **Bim**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.6. Private label yogurt with **regular package** at **0% Discount** sold in **Bim**:

Definitely Would Not Buy									Definitely Would Buy
1	2	3	4	5	6	7	8	9	10

B.7. Private label yogurt with **distinctive package** at **30% Discount** sold in **Bim**:

Definitely Would Not Buy									Definitely Would Buy
1	2	3	4	5	6	7	8	9	10

B.8. Private label yogurt with **distinctive package** at **0% Discount** sold in **Bim**:

Definitely Would Not Buy									Definitely Would Buy
1	2	3	4	5	6	7	8	9	10

B.9. Sutas yogurt with **regular package** at **30% Discount** sold in **Migros**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.10. Sutas yogurt with **regular package** at **0% Discount** sold in **Migros**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.11. Sutas yogurt with **distinctive package** at **30% Discount** sold in **Migros**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.12. Sutas yogurt with **distinctive package** at **0% Discount** sold in **Migros**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.13. Private label yogurt with **regular package** at **30% Discount** sold in **Migros**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.14. Private label yogurt with **regular package** at **0% Discount** sold in **Migros**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.15. Private label yogurt with **distinctive package** at **30% Discount** sold in **Migros**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

B.16. Private label yogurt with **distinctive package** at **0% Discount** sold in **Migros**:

Definitely Would Not Buy									**Definitely Would Buy**
1	2	3	4	5	6	7	8	9	10

		Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
B.17.	I think that buying a Private Label is reasonable.	1	2	3	4	5
B.18.	I am happy to see Private Label products in the market.	1	2	3	4	5
B.19.	For most product categories, the best buy is usually the Private Label Brand.	1	2	3	4	5
B.20.	I like Private Label products.	1	2	3	4	5

YourAge: _____

Your Gender:

☐ Female ☐ Male

Your Education Level:

☐ Primary School or less

☐ High School

☐ Academy

☐ Undergraduate

☐ Graduate

☐ Postgraduate

Monthly Household Income:

☐ 859-TL or less

☐ 850-TL - 1499-TL

☐ 1500-TL - 2499-TL

☐ 2500-TL - 3499-TL

☐ 3500-TL - 4499-TL

☐ 4500-TL - 5499-TL

☐ 5500-TL - 6499-TL

☐ 6500-TL - 7499-TL

☐ 7500-TL - 8499-TL

☐ 8500-TL or higher

APPENDIX B QUESTIONNAIRE IN TURKISH

Sayın katılımcı,

Bu anket çalışması, Orta Doğu Teknik Üniversitesi İktisadi ve İdari Bilimler Fakültesi İşletme Bölümü'nde yürütülmekte olan bir yüksek lisans tezinin uygulaması için hazırlanmıştır. Vereceğiniz bilgiler sadece bilimsel amaçlı kullanılacak olup, yanıtlarınız gizli tutulacaktır. Yanıtlarınızın çalışma açısından çok önemli olduğunu hatırlatır, gösterdiğiniz ilgiden dolayı teşekkür ederim.

Araş. Gör. İlayda Güngör

** **Özel marka**; perakendecilerin kendi isimleri ya da farklı isimler altında ürettikleri/ürettirdikleri ve kendi mağazalarında sattıkları ürünlerdir. Migros Yoğurt, Kipa Çay, Arkadaş Süt, Le Cola bu markalara örnek olarak gösterilebilir. Lütfen aşağıdaki soruları yanıtlarken özel marka tanımını hatırınızda tutunuz.*

		Hiçbir Zaman	Nadiren	Bazen	Sık Sık	Her Zaman
A.1.	Özel Markalı ürünler satın alırım.	1	2	3	4	5
A.2.	Alışverişe gittiğimde Özel Markalı ürünler ararım.	1	2	3	4	5
A.3.	Alışveriş arabamda birbirinden farklı ürünler için Özel Markalar vardır.	1	2	3	4	5
A.4.	Bugüne kadar Özel Markalı ürünlerden faydalandım.	1	2	3	4	5
A.5.	Uzun bir zamandır Özel Markalı ürün kullanıyorum.	1	2	3	4	5
A.6.	Alışverişlerimde Özel Markalı ürünleri tercih etmişimdir.	1	2	3	4	5
A.7.	Risk almayı severim.	1	2	3	4	5
A.8.	Gerektiğinde kumar oynamayı severim.	1	2	3	4	5
A.9.	Sınavlarda kopya çekerim.	1	2	3	4	5
A.10.	Sonuçlarını düşünmeden düşüncesizce para harcayabilirim.	1	2	3	4	5

		Kesinlikle Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyroum	Katılıyorum	Kesinlikle Katılıyorum
A.11.	Bir ürünün markası ne kadar ünlüyse, o ürün o kadar kalitelidir.	1	2	3	4	5
A.12.	Bir ürün ne kadar raf alanına sahipse, o ürün o kadar güvenlidir.	1	2	3	4	5
A.13.	Bir ürünün paketinin iyi olması, içindekilerin de kaliteli olduğunu gösterir.	1	2	3	4	5
A.14.	Ucuz olan ürünlerin genelde performansı da düşük olur.	1	2	3	4	5

- Özel Markalı Ürün Satın Aldığımda ve Kullandığımda;		Kesinlikle Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyroum	Katılıyorum	Kesinlikle Katılıyorum
A.15.	Sağlığıma ya da güvenliğime zarar verebilir.	1	2	3	4	5
A.16.	Ödediğim paranın karşılığını alamam.	1	2	3	4	5
A.17.	Aldatılma olasılığım daha güçlüdür.	1	2	3	4	5
A.18.	Diğer insanların gözünde küçülebilirim.	1	2	3	4	5
A.19.	Ürün işe yaramayacağı için işlerimin aksaması olasılığı daha yüksektir.	1	2	3	4	5

BU ÜRÜNLERİ SATIN ALIR MIYDINIZ?

Lütfen aşağıda tanımları yapılan ürünler için satın alma niyetinizi gösteren en uygun seçeneği işaretleyiniz:

B.1. Bim'de satılan **normal paketli Sütaş** markalı **%30 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.2. Bim'de satılan **normal paketli Sütaş** markalı **%0 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.3. Bim'de satılan **farklı/değişik paketli Sütaş** markalı **%30 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.4. Bim'de satılan **farklı/değişik paketli Sütaş** markalı **%0 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.5. Bim'de satılan **normal paketli Özel Markalı %30 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.6. Bim'de satılan **normal paketli Özel Markalı %0 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.7. Bim'de satılan **farklı/değişik paketli Özel Markalı %30 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.8. Bim'de satılan **farklı/değişik paketli Özel Markalı %0 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.9. Migros'ta satılan **normal paketli Sütaş** markalı **%30 indirimli** yoğurt:

Kesinlikle Almam									Kesinlikle Alırım
1	2	3	4	5	6	7	8	9	10

B.10. Migros'ta satılan **normal paketli Sütaş** markalı **%0 indirimli** yoğurt:

Kesinlikle Almam									Kesinlikle Alırım
1	2	3	4	5	6	7	8	9	10

B.11. Migros'ta satılan **farklı/değişik paketli Sütaş** markalı **%30 indirimli** yoğurt:

Kesinlikle Almam									Kesinlikle Alırım
1	2	3	4	5	6	7	8	9	10

B.12. Migros'ta satılan **farklı/değişik paketli Sütaş** markalı **%0 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.13. Migros'ta satılan **normal paketli Özel Markalı %30 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.14. Migros'ta satılan **normal paketli Özel Markalı %0 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.15. Migros'ta satılan **farklı/değişik paketli Özel Markalı %30 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

B.16. Migros'ta satılan **farklı/değişik paketli Özel Markalı %30 indirimli** yoğurt:

Kesinlikle Almam									**Kesinlikle Alırım**
1	2	3	4	5	6	7	8	9	10

		Kesinlikle Katılmıyorum	Katılmıyorum	Ne Katılıyorum Ne Katılmıyroum	Katılıyorum	Kesinlikle Katılıyorum
B.17.	Özel Markalı ürün almanın akıllıca bir şey olduğunu düşünüyorum.	1	2	3	4	5
B.18.	Özel Markalı ürünlerin de piyasada olmasından memnunum.	1	2	3	4	5
B.19.	Birçok ürün kategorisi için en iyi tercih Özel Markalı ürünlerdir.	1	2	3	4	5
B.20.	Özel Markalı ürünleri beğeniyorum.	1	2	3	4	5

Yaşınız: _____

Cinsiyetiniz:

☐ Kadın ☐ Erkek

Eğitim Seviyeniz:

☐ İlkokul ve Öncesi

☐ İlköğretim

☐ Lise

☐ Yüksek Okul

☐ Üniversite

☐ Yüksek Lisans

☐ Doktora

Aylık Hane Halkı Geliri:

☐ 859-TL veya daha az

☐ 850-TL - 1499-TL

☐ 1500-TL - 2499-TL

☐ 2500-TL - 3499-TL

☐ 3500-TL - 4499-TL

☐ 4500-TL - 5499-TL

☐ 5500-TL - 6499-TL

☐ 6500-TL - 7499-TL

☐ 7500-TL - 8499-TL

☐ 8500-TL ve üzeri

APPENDIX C OTHER DISTINCTIVE PACKAGING DESIGNS USED FOR EXPERIMENTAL MANIPULATION

MACARONI		
	Barilla with Regular Package	Barilla with Distinctive Package
	Private Label with Regular Package	Private Label with Distinctive Package

MILK		
	Pınar with Regular Package	Pınar with Distinctive Package
	Private Label with Regular Package	Private Label with Distinctive Package

BATHROOM TISSUE		
	Selpak with Regular Package	Selpak with Distinctive Package
	Private Label with Regular Package	Private Label with Distinctive Package

APPENDIX D

TEZ FOTOKOPİSİ İZİN FORMU

ENSTİTÜ

Fen Bilimleri Enstitüsü ☐

Sosyal Bilimler Enstitüsü ☐

Uygulamalı Matematik Enstitüsü ☐

Enformatik Enstitüsü ☐

Deniz Bilimleri Enstitüsü ☐

YAZARIN

Soyadı :
Adı :
Bölümü :

TEZİN ADI (İngilizce) :

TEZİN TÜRÜ : Yüksek Lisans ☐ Doktora ☐

1. Tezimin tamamından kaynak gösterilmek şartıyla fotokopi alınabilir. ☐
2. Tezimin içindekiler sayfası, özet, indeks sayfalarından ve/veya bir bölümünden kaynak gösterilmek şartıyla fotokopi alınabilir. ☐
3. Tezimden bir (1) yıl süreyle fotokopi alınamaz. ☐

TEZİN KÜTÜPHANEYE TESLİM TARİHİ: