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Francisco J. Martínez-López
Juan Carlos Gázquez-Abad *Editors*

Advances in National Brand and Private Label Marketing

Eighth International Conference, 2021

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Editors

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Eighth International Conference, 2021

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Preface

In just few months, the extraordinary events caused by the COVID-19 pandemic have modified profoundly our daily lives, the way we shop and, of course, the way of doing business, including FMCG and retail. The impact on the economy of COVID-19 deeper recession is unprecedented. The COVID-19 crisis is three times deeper than the 2009 economic downturn. In this context, change and uncertainty have never been as great as in the last few months. Whatever retailers thought they knew about customer behaviour is arguably brought into question.

Although every recession is different, there are common patterns learned from past recessions that might help retailers to doing the right thing for their customers in the 'next normal'. Firstly, there is a consumption migrating from branded [national] items to private label. Increasing unemployment figures are driving consumers make decisions more cautiously and carefully. Shoppers are more inclined to acquiring price information, making them more price conscious. In this context, private labels seem to take a better advantage of consumers' desire to cut their grocery bills and are a cost-effective option for savvy shoppers in tough times. Nevertheless, private label risk is high when differentiation is low retailers, so they are advised to drive trust and brand recognition in their unique private label programmes.

Because of consumers' budget constraints, COVID-19 may have caused shoppers favouring value channels such as discounters. Expansion programmes of this format may be a sign of their channel's future dominance with a move towards further diversification in the form of fresh and ambient groceries. Economic outlook will also hit assortment sizes. Retailers and manufacturers have been negotiating on SKU listings for many years. Now retailers feel they have the proof that less is more. However, shoppers still want to have choice with national brands, so retailers are advised to focus on the right mix of brands and private label that drive the category revenue, at the store level for each type of shopper profile.

COVID-19 pandemic characteristics also bring unique challenges. A new retail scenario in which local retailers and the online channel are set to play a more significant role is emerging. The word has gone local. During periods of lockdown, proximity becomes critical and is expected to maintain it. Regional and local

supermarkets and convenience stores have enjoyed exceptional growth in 2020. Almost seventy percent of shoppers globally now prefer shopping in stores close to home, and more than half of consumers are more in favour of buying goods and services that have been produced in their own country. And we expect this to continue and boost.

COVID-19 has also added new outlooks to the challenge of integrating the online–offline shopping environment. Although some retailers were already moving fast, many—specially groceries—were not beating clearly on e-commerce. But now they are doing. During the first 2 months of the pandemic, ecommerce grew by the same amount as in the 5 previous years. Ecommerce acceleration across markets is coming from a new customer profile: older and rural shoppers. The more stringent lockdown measures for the former and the need for being further for the latter are leading ecommerce to get the natural channel to turn to. Nevertheless, retailers should not forget about the physical store, as it still offers great opportunities. Consumers have made significant changes to their shopping behaviour, moving from shopping across multiple (physical) retailers to picking up all their items in a single trip to a store. Seeking for optimizing their safety and keeping social distance, shoppers visit the store as little as possible. In this context, retailers are advised to re-design their physical space where items must be touched, compared, and handled in such a way that the likelihood of infecting is as low as possible. Given the decrease in the number of times the shopper visits the store, retailers should increase consumers' experience at the point-of-sale and make an emotional connection with their customers. In brief, the COVID-19 pandemic recession is likely to have unique and especially more persistent characteristics which retailers must learn from and anticipate seizing new opportunities.

Looking at those aspects underlying this new marketing context offers exciting opportunities for researchers. It is with this goal in mind that this Eighth International Conference on Research on National Brand & Private Label Marketing (NB&PL 2021) has been launched and organized. After the success of the seven previous editions, this eighth edition is still believed to be a unique international forum to present and discuss original, rigorous, and significant contributions on topics related to any retailing, private label, or national brand issues.

Each paper submitted to NB&PL 2021 has gone through a stringent peer review process by members of the Program Committee, comprising 46 internationally renowned researchers from 15 countries.

A total of 15 papers have been accepted, and they address diverse areas of application such as branding strategies, innovation in private labels, brand equity, omnichannel strategies, COVID-19 consequences, promotions, consumer decision-making, social media, CSR initiatives, and online grocery retailing, among others. A wide variety of theoretical and methodological approaches have been used in these areas.

We believe that this eighth edition has continued with the same goals as the seven previous editions: promote, stimulate, and publish high-quality contributions on national brands and private labels, which could help retailers and manufacturers deal with diversity of issues, especially with those related to the impact of

COVID-19. Nevertheless, we hope to keep organizing this conference which is aimed to become an international reference for advancing this promising research field.

Finally, we wish to acknowledge the support of the sponsors *University of Barcelona, Information Resources Inc. (IRI), Manufacturers-and-Retailers Spanish Multisectoral Association (AECOC), EAE Business School and IMD Business School*. We would also like to thank all the contributing authors, members of the Program Committee and the rest of the Organizing Committee for their highly valuable work in enabling the success of this eighth edition of NB&PL. Thanks for your generous contribution—IC-NB&PL 2021 would not have been possible without you all.

Francisco J. Martínez-López
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Product Variety and Loyalty to National Brands – A Combined Measurement of Purchase Sequence and Coverage of Demand

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Abstract. The manufacturer brand industry is continuously faced with the challenge of retaining their current customers and acquiring new ones. Increasing brand loyalty can help to face these challenges and to compete in the market. In this paper, a combined behavioral approach to measure customer loyalty is presented and empirically analyzed using national brands (NBs) of chocolate bars. This innovative measurement integrates both concepts of purchase sequences and coverage of demand. The derived hypotheses are tested by a multilevel analysis using the pooled-OLS method. The negative effect of product prices of NBs on the number of loyal households is moderated by leading NBs (top 10). The higher the price of a leading NB, the lower the number of loyal households to this NB. In contrast to price, neither purchase frequency nor the number of competing NBs influence NBs loyalty of households. The positive influence of the NBs' product variety is particularly strong compared to the other variables. Through the specific use of product variety, on the one hand, consumers with a high exploratory propensity can be bound to the NB. On the other hand, product variety can be used to attract and persuade new households to the NB.

Keywords: Customer retention · Household's brand loyalty · Household panel data · Manufacturer brand industry · National brand (NB) · Product variety

1 Introduction

In saturated markets, market shares can primarily be increased by displacing competing providers. Brand loyalty is increasingly relevant in consumer goods markets that are characterized by consumers with changing purchasing decisions toward different products (Diller and Goerd [2005](#); Kabadayi and Alan [2012](#); Ferreira and Coelho [2015](#);). Furthermore, in highly competitive markets, a large share of new products is introduced by a small number of companies (Hermann and Huber [2013](#)). An increase in product variety can thus be observed in numerous product groups (Sharma and Nair [2017](#)). For example, manufacturers offer different varieties of a brand with small gradations

of different cacao percentages or exotic flavor combinations (Lindt 2020; Milka 2020). Product variety may exploit new market segments and, subsequently, increase the market share of these brands (Hermann and Huber 2013). By avoiding customer churn, product variety indirectly influences a brand's market share as well (van Trijp and Steenkamp 1992; Koppelman et al. 2001; Koppelman et al. 2002). Both effects potential lead to consumers developing brand loyalty and contributing to the long-term increase in market share.

In contrast to existing research, we present and empirically analyze a combined behavioral approach to measure the national brands (NBs) loyalty of households. For our approach of brand loyalty, the concept of purchase sequence is combined with the concept of demand coverage. This innovative measurement approach is superior to previous approaches for measuring loyalty because a household is only evaluated as loyal if the household is continuously loyal to the brand over multiple periods and satisfies more than half of his demand with this brand in each of these periods. This study thus provides a novel measurement approach for measuring brand loyalty. Considering household data over ten years, we empirically analyze our new approach using NBs of chocolate bars in the German food retailing sector.

2 Theoretical Background and Hypotheses Development

2.1 Brand Loyalty

There is a consensus in the literature that brand loyalty is determined by an attitudinal and behavioral component. As a consequence, there are attitudinal, behavioral, and combined approaches to measure brand loyalty. Attitudinal approaches generally use questionnaires to investigate pre-purchase constructs such as brand loyalty or the quality of the consumer-brand relationship whereas behavioristic approaches investigate actual purchases of consumers based on data of actual purchase behavior (Nolte 1976). The present study falls into the later group and focuses on the behavioral component. The concept of purchase sequence and the concept of demand coverage are among the most commonly used behavioristic methods for inferring brand loyalty (Nolte 1976).

The measurement of brand loyalty based on purchase sequences primarily stems from Brown (1952). Related to the coverage of demand, the measurement of brand loyalty is determined by the ability to satisfy consumer needs in an observed period (Cunningham 1956). An advantage of the concept related to the coverage of demand is the possibility to directly compare brand loyalty of the observed consumers (Nolte 1976). However, this concept does not take into account at which time the household bought the respective brands. Another (immanent) point of criticism regarding this concept is that the frequency of purchases is neglected. With each purchase, consumers renew their decision for or against a brand. As a result, less frequent purchases of a brand can lead to a lower probability of switching brands (Rao 1969). The continuity of demand over several purchases can therefore not be measured by the concept of demand coverage, limiting the usefulness of measuring brand loyalty by this concept. However, this limitation can be overcome by combining the concept of purchase sequence with the concept of demand coverage. Farley (1964a, 1964b) supplements the concept of demand coverage such that

consumers are identified as loyal if they satisfy most of their needs in two consecutive periods with the same brand.

The operationalization of NBs loyalty of households for the present analysis is introduced in Sect. 3.1.

2.2 Hypotheses Development

For substitutable consumer goods, such as chocolate bars, price elasticity generally tends to be high. As product price rises, consumers increasingly switch to cheaper alternatives (Krishnamurthi and Raj 1991; Pindyck and Rubinfeld 2009). Increasing product prices of NBs also leads to reduced market shares of NBs (Olbrich et al. 2017; Brüggemann et al. 2020). Reduced NBs' market shares that are due to higher product prices lead to decreases in brand loyalty. Further, the price of leading NBs moderates the relationship between NBs' price and NBs' loyalty of households because leading brands are often selected for price reductions (Möser 2001). We derive the following hypotheses regarding the influence of price on the number of brand-loyal households:

H1: *The higher the price of a NB, the lower the number of loyal households of this NB.*

H2: *The negative effect of the price of a NB on the number of loyal households of this NB is moderated by leading NBs (top 10).*

The purchase frequency indicates how often a household buys products of a particular product group per month. The more frequently purchasing acts occur, the more often households are faced with the choice of choosing an already purchased brand once again or selecting a competing brand (Casteran et al. 2019). Therefore, we propose the following hypothesis for the effect of shopping frequency on the number of loyal households towards NBs:

H3: *The higher the purchase frequency of chocolate bars, the lower the number of loyal households of the observed NB.*

The demand for variety may have a stronger influence on purchase decisions than their satisfaction with a brand or product (Faison 1977; Raju 1980; Hoyer and Ridgway 1984). According to Diller and Goerd (2005), the range of the entire product portfolio hurts loyalty. As consumers are presented with more variety in a product group, more purchases tend to be distributed among different products of different brands (Diller and Goerd 2005). Therefore, the number of products of competing NBs negatively affects the number of brand-loyal households:

H4: *The more product variety provided by competing manufacturers, the lower the number of loyal households of the observed NB.*

The simultaneous availability of different varieties of the same brand enables consumers to switch within the varieties of the brand without churning to the competition

(van Trijp and Steenkamp 1992; Mason and Milne 1994; Koppelman et al. 2001; Koppelman et al. 2002). Consumers thus express desire for variety. Consequently, product differentiation, depending on the product varieties, creates differences in household needs and shifts in their decision processes. Thus, we anticipate a positive effect of the number of product variants:

H5: *The more product variety of a NB is offered, the higher the number of loyal households of this NB.*

2.3 Research Model

In accordance with the research hypotheses, the number of households that are loyal to a NB is described by the following equation:

$$loyal_m = c + \beta_1 p_m + \beta_2 p_m * leader_m + \beta_3 purchase + \beta_4 pvc_m + \beta_5 pv_m + \varepsilon_m$$

with

$loyal_m$	= number of loyal households towards the NB m ,
c	= constant term,
p_m	= price of the NB m ,
$leader_m$	= binary classification of the NB m as market leader,
$purchase$	= purchase frequency of NBs in the product group,
pvc_m	= competing product varieties with the NB m ,
pv_m	= product variety of the NB m ,
$\beta_j, (j = 1, \dots, 5)$	= regression coefficients, and
ε_m	= error term.

3 Empirical Analysis

3.1 Data Collection and Operationalization

The empirical study is based on a German consumer household panel provided by the GfK. The data were collected between January 2006 and December 2015 and include information from 86,992 households on chocolate bar purchases. Due to fluctuation, not all households report over the entire period of ten years. At any point in time, around 30,000 households reported their purchases. For each purchase by a household, the data provides the date of purchase, product name, brand, manufacturer, purchased quantity, and product price. In addition, the data allows differentiating between NBs and private labels (PLs). In total, the data set contains 3,943,199 purchase records and information on 227 NBs and 104 PLs. The product group of chocolate bars is particularly suitable for this study. The product group chocolate bars represents a saturated market. Chocolate bars are bought by a large number of households. The product varieties show only limited differences in terms of their possible uses. Similarly, chocolate bars are generally consumed hedonistically associated with low risks of potentially bad purchase decisions.

Consequently, earlier studies use such product groups, e.g., candy, jelly, and pralines, to investigate variety-seeking behavior and brand loyalty (van Trijp 1994; Inman 2001).

This analysis is based on monthly aggregated data of NBs. Each row of these aggregated data represents one NB per month. For the purchase sequence, only NBs that can be observed for at least three consecutive years are considered. In total, 166 NBs are thus included in the empirical analysis. As not all of these NBs are represented over the entire period, the data consists of 9,041 data rows. The empirical analysis considers prices standardized per 100 grams in order to ensure that prices of different products are comparable. These standardized prices are then aggregated to monthly average prices per 100 grams for each brand. The market-leading NBs are the ten brands with the highest turnover over the observation period. The purchase frequency calculates as the sum of all purchases made within one month in the product group in relation to the number of participating households in the observation period. By considering the product variety through the different Global Trade Item Numbers (GTIN), differentiations in the taste of the chocolate bars as well as in the package size are considered at the same time. The GTINs are used to determine the product variety for each of the NBs. All other GTINs that do not represent the observed NB are assigned to the product variety of competing NBs.

In this analysis, households who are loyal to a particular NB are identified based on a behavioral approach that combines the concept of purchase sequence with the concept of demand coverage. Here, an observed household is considered to be loyal if it covers more than 50% of its needs via the same NB in at least three consecutive time periods. Accordingly, a household is considered to be loyal to a NB in a period t_2 to t_0 if it fulfills the following conditions.

$$CoD_{i,t-2} > 0,5; CoD_{i,t-1} > 0,5; CoD_{i,t_0} > 0,5$$

with

$$CoD_{i,t} = \frac{\text{purchased quantity of the NB}_{i,t}}{\text{total purchased quantity in the product group}_{i,t}}$$

and

CoD: coverage of demand
i: household *i*
t: year *t*.

Since the underlying data set consists of household panel data, it is assumed that the household leaders do not only buy products from the same product group for different purposes, but also different family members. For this reason, a comparatively low threshold value of over 50% was chosen as an indication of loyalty. In addition, the selected threshold allows households to be associated with only one NB per period. However, we acknowledge that it is conceivable that a household consists, for example, of two people each of whom may be loyal to a different NB. However, the concept of demand coverage is not sufficient to adequately measure brand loyalty. Single purchases by households that do not usually buy chocolate bars would otherwise also be considered loyal when considering only the satisfaction of needs.

In this study, the minimum value of three consecutive observation periods required by Tucker (1964) and Stafford (1966) is accommodated. Thereby, the temporal component of purchase sequences is considered even more strongly, with three consecutive periods (in years). In contrast to Farley's approach (1964a, 1964b), only households that satisfy more than 50% of their needs through a brand not only in the short term but over several periods are considered as brand loyal. The requirement of at least three consecutive periods in which a correspondingly high level of demand is met through one NB gives some continuity to brand loyalty. Moreover, the long observation period provides the opportunity to measure the acquisition and churning of the loyalty of households to a NB.

3.2 Results

The model is estimated using the statistical software R 3.5.2 and the pooled-OLS method (Lafley and Martin 2017) with the R package *plm* (Croissant 2008). Results of the correlation analysis are with one exception below a value of 0.30. The correlation between the price of the leading NBs (top 10) and the product varieties of the observed NB correlates to 0.755. This means that the leading NBs charge higher product prices for a higher product variety of NBs, in particular considering innovation and development costs. In addition, we tested for multicollinearity. The variance inflation factor (VIF) ranges between 1.00 and 2.41. Thus, there is no indication of multicollinearity (Hair et al. 2014). The corrected coefficient of determination of the analysis with $R^2 = 0.371$ indicates a moderate degree of explanation (Chin 1998).

The price of NBs (H1), the price of leading NBs (top 10) (H2), the purchase frequency of NBs (H3), and the product variety of competing NBs (H4) negatively influence the NBs loyalty of households. The empirical results for the purchase frequency of NBs (H3) and the product variety of competing NBs (H4) show standardized regression coefficients below 0.1. Due to this low standardized coefficient, these results are not analyzed in more detail (Lohmöller 1989; Seltin and Keeves 1994). The data also indicates a significant positive correlation between NBs product variety and households' NB loyalty (H5). Due to the significant interaction between price of NBs and leading NBs (top 10), hypothesis H1 is not supported. Hypotheses H2 and H5 are supported. Hypothesis H3 is rejected due to the low standardized coefficient and hypothesis H4 is rejected due to the sign.

An overview of the measured standardized regression coefficients as well as their significance is given in Table 1.

3.3 Discussion

As the moderation effect of leading NBs is significant, we do not discuss the main effect of NB price here. Nonetheless, we controlled for the main effect without moderation and correspondingly found a very weak standardized coefficient. The price of the NBs has a significant negative effect on the number of loyal households moderated by leading NBs. This negative influence of the price of the leading NBs on the number of loyal households indicates, on the one hand, the dominance of the market-leading NBs. On the other hand, the results indicate that the price for all other NBs may not have a relevant influence on the number of loyal households. However, an explanation for the moderate influence of

Table 1. Empirical results

Independent variable	Hypotheses	Standardization coefficient	p-value	Hypothesis supported
Price of NBs	– (H1)	–0.116	<.001	No
Price of leading NBs (Top 10)	– (H2)	–0.221	<.001	Yes
Purchase frequency of NBs	– (H3)	–0.042	<.001	No
Product variety of competing NBs	– (H4)	0.029	<.001	No
Product variety of NBs	+ (H5)	0.749	<.001	Yes

the price of leading NBs may be that chocolate bars are bought at promotional prices in increased quantities. As a result, only a few purchases constitute most of the quantity sold. Furthermore, due to the saturated and competitive market of chocolate bars, the prices of chocolate bars might not be highly volatile. Nevertheless, the use of price reductions can positively influence the market share of NBs, at least in the short term (Nijs et al. 2001; Srinivasan et al. 2004). The intense competition may also lead to an equivalent response by competitors. Both, the short-term increase in market share and the reaction of competitors do not lead to a long-term increase in household NBs loyalty. Intending to influence non-leading NBs on household brand loyalty, there is need for further research. A long-term low price of leading NBs can increase the number of loyal households but this effect can be dynamically reduced by intense competition in such saturated markets.

Contrary to expectations, the purchase frequency of chocolate bars is not a predominant factor on NBs loyalty of households. This result is possibly due to the high purchase frequency of loyal households. Particularly in the case of habitualized purchases, such as chocolate bars, this may result in a high level of loyalty despite a high purchase frequency.

The hypothesis, that brand loyalty decreases with the increase of product varieties of competing NBs is not confirmed. The entire assortment of all chocolate bars may be sufficiently large and possibly confusing for consumers. Consequently, additional product varieties of competing NBs cannot be perceived by consumers as an increase in their choice. Furthermore, many possibilities may confuse consumers rather than offering them an additional benefit. In these cases of the overchoice-effect, consumers usually prefer to fall back on what they already are familiar with (Berger et al. 2007; Shah and Wolford 2007; Sela et al. 2009; Yan et al. 2015). This explains the positive and weak relationship between product varieties of competing NBs and the loyalty of households. Accordingly, an increase in the product varieties of competing NBs can lead to consumers canceling a purchase or reverting to familiar products. Neither of these leads to a reduction in NBs loyalty of households.

An additional product variation increases the NBs loyalty of households, as expected. In the empirical analysis, the product variety of a NB has the strongest impact on the loyalty of the observed households. This suggests, that consumers tend to switch products within the product portfolio of the preferred NB. This finding is particularly relevant for the manufacturer brand industry, as it can specifically retain consumers by providing appropriate product varieties. However, it should be mentioned that the availability of a further variant is usually not the only aspect in the context of product variety, but that communication and distribution strategies are usually used as well. New product variations are frequently advertised separately in the media or at the point of sale with the help of additional displays. In this context, existing NB's product variations can benefit from the promotion of the new variation (Hätty 1989; Zatloukal 2002). Furthermore, a new product variation can also benefit from consumers' previous positive experiences with the NB or a positive brand image (Phau and Cheong 2009; Pina et al. 2010; Dwivedi and Merrilees 2013). In addition, if a NB succeeds in expanding its retailing shelf space via new product variations, consumers become more aware of said NB.

The present empirical analysis shows that there is a strong influence of a NBs' product variety on the number of loyal households towards a NB. The manufacturer brand industry should take this finding into account when planning and managing their product portfolio, particularly in saturated and highly competitive markets. Product variety can further help to convince consumers to buy the NB in the long run. The relevance of product policy is illustrated by the fact that this influence is stronger than the influence of product prices.

4 Concluding Remarks

4.1 Summary

For the first time, a combination of the concept of purchase sequence and the concept of demand coverage is presented to measure brand loyalty. So, this paper constitutes a combined behavioral approach to measure the loyalty of households to NBs (Olbrich and Springer-Norden 2021). Furthermore, this study provides new insights for the manufacturers on the effect of product prices, purchase frequency, and product variety on the number of loyal households towards a NB. We find that this loyalty can predominantly be influenced by the product variety of NBs. The price of NBs is moderated by the leading NBs. These prices of leading NBs influence the loyalty of households to NBs. Manufacturers need to consider the effect of prices that, however, are subject to the regulatory restrictions of the prohibition of retail price maintenance (Olbrich and Buhr 2005). Since only the manufacturer brand industry can directly influence the product variety of its products, these results are predominantly relevant for the manufacturers. The present study shows that the use of product variety is a useful instrument for NBs to increase the NBs' loyalty of households. The specific use of product variety can retain consumers to the NB even if they have a high exploration propensity. This is supported in particular by the comparatively weak effect of product variety of competing NBs. In addition, NBs' product variety can attract new consumers.

4.2 Limitations and Further Research

The threshold value of 50% for demand coverage and the sequences for measuring loyalty should be carefully reviewed in future studies. The relationship between the product variety of NBs and the number of loyal households only applies to the product variety within one NB. If a manufacturer launches additional NBs, this may negatively affect the number of loyal households. For leading NBs, this can also reduce the prevalence of their original NBs. By focusing on purchase data of chocolate bars, the results are based on a suitable but single product group. Furthermore, other factors, such as brand image or in-store promotions, were not available to us. Naturally, economic efficiency needs to include costs, for example, for the design and implementation of product varieties.

Further research can expand on this analysis by adding such influencing factors and extending to structurally different product groups. For example, coffee is expected to have higher prices and a lower frequency of purchase. Hair shampoo and laundry detergent are other examples of product groups that are usually consumed by all households and which, in contrast to food, can be differentiated particularly by smell. We also plan to extend our analysis to PLs in the future. This may further uncover differences between NBs and PLs.

PLs' loyalty of households could face particular challenges due to promotional prices of NBs, which may necessitate specific competitive strategies. The additional consideration of PLs allows the analysis of competition between PLs and NBs and in particular pricing strategies by retailers at the point of sale. Future research can specifically compare our approach to other approaches and verify its superiority.

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The In-Store Location of Promotional Displays Alters Shoppers' Attention and Buying Decisions

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Abstract. In-store displays are a frequently used tool in shopper marketing. Empirical studies show the effects of promotional displays on sales; however, they seldom attend to the determinants of the effects of displays from the shoppers' perspective. Thus, there are hardly any findings about the role of the display's location in the shop. In this paper, we assume that the congruence of the product presented on the display with its setting has an influence on the effect of the display. In particular, we assume that although a display in an incongruent setting attracts more attention, it can turn this attention into purchases only to a lesser extent than a display in a congruent setting. The results of a field experiment in a Swiss grocery store support this assumption. Using observational techniques and electronic checkout data, we are able to show that displays in an incongruent setting gain more attention but lead to fewer sales than displays in a congruent setting.

Keywords: In-store promotion · Promotional display · Attention · Purchase behavior

1 Introduction

It is nearly impossible to shop at a grocery store without coming across at least one in-store display. With the use of this merchandising tool, retailers and manufacturers try to adapt to the way consumers shop today (Chandon et al. 2009; Egol and Vollmer 2008). This is because most consumer decisions regarding grocery products are made after entering the store (Bezawada et al. 2009). Actually, most shoppers' mental budgets for a shopping trip already include room to make unplanned purchases (Stilley et al. 2010). In this context, in-store displays are frequently used by retailers and manufacturers to attract customers' attention for specific products, to trigger unplanned purchases, and, thus, to increase brand sales.

Empirical studies consistently show that in-store displays can have large effects on final purchase outcomes (Breugelmans and Campo 2011). These effects remain stable even when controlled for sales, price discounts, and advertising measures (Van Nierop et al. 2010). Gagnon and Osterhaus (1985), for instance, reported that in-store displays in

a supermarket increased the sales of an ointment by 388%. Recently, Bogdanovica et al. (2015) examined in a cohort study the long term effects of in-store displays for cigarettes on the likelihood to cause taking up smoking. The results showed for people who were non-susceptible to ever become smokers and had never smoked before, the likelihood to become a smoker doubled for those who remembered more cigarette brands from in-store displays than those who did not remember any brands from the same displays.

Given the high impact of in-store displays on sales, several studies analyzed the variables that might have an influence on these effects. Chevalier (1975) found an average increase in sales by 572% of eight different product groups through in-store displays. The results also revealed that this increase in sales varied among the eight product groups due to product characteristics such as its market share position and market growth. Curhan (1974) also found differences in the effects of in-store displays for different product groups and showed that display size and price reduction can have a moderating influence on the effects of in-store displays.

Until now, however, the effects of the in-store location of the display have been widely neglected in research. So far, only Bezawada et al. (2009) showed that the cross-category effects of aisle placement are asymmetric across categories. In their empirical analysis of aisle and display placements of beverages and salty snacks, they found that salty snacks had a greater effect on the sales of carbonated beverages than vice versa. Nevertheless, research on the effects of the in-store location of displays is still in its infancy and more studies are needed to better assess its impact on consumer purchases (Ailawadi et al. 2009). This is somewhat surprising as retailers generally regard in-store location as an important strategic decision when using in-store displays. In a survey among retailers, 77% of them preferred a display location close to the shelf of the displayed product (e.g., display of a chocolate bar brand close to the chocolate bar shelf, EHI 2010). Usually, the reasoning behind this strategy is the assumption that the congruence between displayed product and products on the shelf will lead to more unplanned purchases. However, one might argue that a display located close to the shelf of the displayed product would only reach shoppers that would have bought the displayed product in any case. Moreover, an in-store display located in a category that is incongruent to the displayed product (e.g., display of a chocolate bar brand close to dairy products) might lead to more attention of shoppers which had not planned to buy the displayed product, and which could thus evoke more unplanned purchases.

Yet, the role of locational relevance for sales promotion effectiveness remains unclear and demands further research (Grewal et al. 2011). This far, no study has analyzed which of the two in-store location strategies for displays is more conducive to increasing sales. For this reason, our field experiment compared the effects of congruent and incongruent display locations on shoppers' attention and their buying decision process. We assume that an incongruent display location will attract more shoppers but will trigger fewer sales than a congruent display location.

2 Location of In-Store Displays and Its Effects on the Decision-Making Process

The in-store location of a display can be chosen in regard to the congruence between the displayed product and the surrounding products. We assume that congruent and incongruent placements will impact shoppers' attention and their decision-making process in different ways.

Attention. In the complex settings of retailing environments, shoppers must select from a wealth of competing inputs so that only relevant information is processed and irrelevant information suppressed (Vossel et al. 2014). This process of actively selecting and interpreting relevant external stimuli is called *attention* (Phaf et al. 1990). Besides sensory prior knowledge, reward, task sets, and emotional factors, attentional control is guided by the expectations of shoppers (Vossel et al. 2014). This means that if an in-store stimulus is in line with the expectation of the shopper, it does not require any exceptional attention. Contrastingly, attention is preferentially deployed toward those in-store stimuli that are unexpected to the shopper. This empirical finding is in line with Schema Discrepancy Models, according to which schema-discrepant stimuli lead to more cognitive effort and will attract more attention (Hutter and Hoffmann 2014). Transferred to the in-store location of displays, we conclude that a congruent location will be in line with shoppers' expectations. By contrast, incongruent locations will surprise shoppers and, hence, will attract more attention than a display with a congruent placement. This leads to the following assumption:

H1: Displays with an incongruent (vs. congruent) in-store location will attract more (vs. less) attention from shoppers.

Buying Decision. The attitudes of shoppers toward a product and their buying decisions are influenced "by the ease with which instances or associations come to mind" (Tversky and Kahneman 1973). Tversky and Kahneman introduced this as the availability heuristic. In short, the ease with which consumers recognize and process a brand increases perceptual and conceptual fluency. This fluency leads to consumers having more favorable attitudes toward the brand and, hence, will increase the likelihood of product purchase (Schwarz 2004). Bezawada et al. (2009) suggested that visiting a store aisle can evoke knowledge structures of the corresponding product category in shoppers' minds and will make associate information more readily available. For example, going to the chocolate bar shelf can evoke related memory content such as the taste of chocolate and relevant chocolate bar brands. In this situation, confronted with a display for chocolate bars, shoppers will have a more positive attitude toward the displayed products, leading to a higher likelihood to buy a product from the display. In contrast to this, the perceptual and conceptual fluency for an in-store display with incongruent products, like light bulbs, would be lower. This leads to relatively lower positive attitudes toward the displayed product, which makes it more unlikely that a purchase will be made from the incongruent display. Such assumptions are in line with the associated network theory of category knowledge structures as well as the top-down perspective of category representations (Ratneshwar et al. 2001). This discussion leads to the following assumption:

H2: Displays with a congruent (vs. incongruent) in-store location will lead to a higher (vs. lower) likelihood of buying displayed products.

3 Empirical Study: Measures and Procedure

We tested our assumptions in a field study by using a quasi-experimental design with the between-subjects factor in-store display location (congruent \times incongruent location).

Design and Stimulus. The study was conducted for the duration of one week in August 2014 in a store of a Swiss grocery retailer in the dairy and chocolate product category. Congruence of the in-store location was manipulated by locating an in-store display for Swiss chocolate in the aisle for chocolate products (congruent condition) or in the aisle for dairy products (incongruent condition). The location altered respectively every five hours, which means that every day the display was placed between 9 a.m. to 2 p.m. in one aisle and between 3 p.m. and 8 p.m. in the other aisle. On the following day, the in-store display was located in the aisles in reverse order. We kept the displayed product, its price and the promotion activities in both categories at a constant level. The display had been restocked each time its location was changed.

Procedure. To collect data on the variables of interest, we conducted a non-participating observation (NPO), meaning that consumers were unaware that their behavior was being observed, using a specialized tablet PC solution. Although NPO is rarely used, it is a powerful technique for analyzing consumers' purchase behavior at the point of sale because it overcomes the potential source of bias that is prevalent in exit-interviews, participating observations and when the shopper is aware of being observed (Hoyer 1984). This NPO served to measure shoppers' attention to the in-store display and the final purchase decision in terms of the amount of purchases as well as purchase abandonments of displayed chocolate bars. We chose chocolate as the category because pre-studies had shown that consumers usually buy chocolate products spontaneously. Furthermore, a lot of consumers buy chocolate products and therefore, we anticipated generating a large number of cases. $N = 1,670$ shoppers were observed (65.6% female) with $n = 863$ in the congruent location setting (in the aisle for chocolate products) and $n = 807$ in the incongruent location setting (in the aisle for dairy products). The observers had been intensively trained prior to the data collection. Once an observer had finished an interview, the next shopper entering the category was selected for the next observation to generate a random selection of shoppers.

Operationalization. The observation started when the consumer entered the aisle with the in-store display. As for the attention to the displayed products, we collected data on the amount of *visual contacts* and *haptic contacts*. Specifically, a visual contact means that one particular product is focused upon and taken into consideration (no views of orientation). To be counted as a visual contact, three criteria have to be met according to Hui et al. (2013): First, the consumer had to face the displayed product. Second, the consumer had either slowed her pace or come to a complete stop. Third, the consumer's field of vision stabilized on the displayed product. A visual contact ended

when the consumer shifted her gaze to a different product. Following a visual contact, the consumer could come into a haptic contact with the respective product, which means that she touched the product. After this, the consumer made a purchase decision. This purchase decision either resulted in a purchase or purchase abandonment. *Purchase abandonment* refers to a decision in which a consumer returned the product she had had haptic contact with to the shelf. By contrast, *purchase* signifies that the consumer put the respective product into the shopping cart or shopping basket. After the final decision, the consumer either exited the category or started a new decision-making process for the next product.

4 Results

Attention. Overall, 21.2% of the shoppers that entered the aisles with the in-store display had at least one visual contact with the displayed products. This means that the display attracted the attention of more than every fifth shopper who came into its proximity. In H1 we assumed that the display would evoke more attention in the incongruent setting compared to the display in the congruent setting. Indeed, in the incongruent setting about one quarter of the shoppers in the aisle had visual contact with the displayed product, while only 18% of the shoppers in the congruent setting had visual contact ($p < .001$). In other words, in the incongruent setting the number of shoppers who deployed their attention toward the in-store display was 36% higher than in the congruent setting, supporting H1.

Buying Decision Process. While we assumed that the display in the incongruent setting would attract more attention, we expected a larger buying impulse by the display in the congruent setting in H2. First of all, we analyzed the conversion from a visual to a haptic contact. Here, we found in the congruent setting that 61.9% of shoppers who had visual contact also took hold of the displayed product. In the incongruent setting, this share was significantly lower (33.2%, $p < .001$), indicating that the display in the incongruent setting transferred the attention into action to a lesser degree compared to the display in the congruent setting. One might argue that the attention for the display in the incongruent setting was already higher than in the congruent setting, resulting in more haptic contacts even at a smaller conversion from visual to haptic contacts. Hence, in addition to the conversion rate, we also analyzed the share of all shoppers in the aisles with haptic contact in both settings. We found a significantly higher proportion of shoppers in the congruent setting (11.1%), which took hold of the displayed products, than in the incongruent setting (8.2%, $p < .05$). The analyses of actual buying decisions revealed the same pattern: In the first place, we analyzed the conversion from attention to a displayed product (visual contact) to buying the product in both settings. This share was significantly higher in the congruent setting (52.9%) than in the incongruent setting (28.6%, $p < .001$). This indicates that the display in the congruent setting can transfer the attention of shoppers to a higher degree into actual purchases than in the incongruent setting. Again, to control for the higher degree of attention in the incongruent setting, we also analyzed the share of all shoppers in the aisle which bought a displayed product in both settings. We found a significant difference: The share of buyers was larger in the

congruent setting about three percent higher than in the incongruent setting ($p < .05$). Overall, 8.4% of the shoppers that entered the aisles with the in-store display bought at least one of the displayed products.

Since the displayed chocolate was also offered at the regular shelf, it is possible that the observation of the total share of buyers might underestimate the impact of the display in the incongruent setting (that would be, if shoppers have seen the product at the display in the dairy category but travelled to the aisle containing the chocolate products where they picked up the respective chocolate bar). This is why we compared the sales data provided by the retailer's cash desk database for the same time period. We compared the share of shopping baskets that included the displayed product with the time periods when the display was located in the congruent and in the incongruent setting. Again, we found the same pattern: In the time periods when the display was placed in the congruent setting, 6.3% of all shopping baskets included the displayed product compared to 4.7% in the time periods when the display was placed in the incongruent setting ($p < .001$).

5 Discussion and Conclusions

This paper reports the results of the study that analyzed the impact of the in-store location of displays on shoppers' attention and their buying decision process. We assumed that displays placed in an incongruent category would attract more attention but would lead to a lower likelihood of purchases than displays in a congruent setting.

The results of our study show support for our assumptions. The display in an incongruent setting attracted substantially more attention from shoppers than in the incongruent setting. Obviously, the displayed chocolate was not expected by shoppers in the dairy aisle, which led to the shoppers' more intensive interaction with the display. However, our results indicate that it is not always enough for an in-store marketing tool to gain attention: The conversion rate from visual contact to purchasing the product and the total share of buyers of the displayed product were both substantially higher in the congruent setting.

There are several implications for marketing research and practice. First, retailers and manufacturers could learn from these results how to improve the design of displays depending on its in-store location: In congruent settings, design elements of the display should aim at gaining attention. Here, the use of striking features that are schema-discrepant for shoppers could improve its effects, like display size, colors, and unusual shapes. If the display is located in an incongruent setting, the design should focus on communicating a fit between the surrounding products and the displayed products. This might be realized by addressing elements from the product category of the aisle or by referencing the surrounding category. Second, our results underscore the impact of relevance of the products for shoppers' buying decisions. Therefore, an in-store display should address aspects relevant to shoppers in the respective aisle. This requires that retailers and manufacturers gain insights into the expectations and needs of shoppers in the relevant aisle. Randomly targeting a message in-store appears unlikely to be of success, so specificity is likely to deliver better results.

This study is subject to some limitations. We observed the interactions with only one specific display and for one special product category only in a single grocery store.

Without doubt, the results of our study might have been different if we had analyzed a different product category or a different display design. Future studies should address this issue and also include several control variables (e.g., consumer characteristics, brand awareness, past buying behavior) to better understand the impact of the location of in-store promotional displays on behavioral outcome variables. Nevertheless, by studying a typical buying decision of a common product in a typical grocery store, we have gained first insights that are likely to stimulate further research.

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First Insights on Brand Attitude Towards a Retailer's Individual Private Labels

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1 Extended Abstract

Private labels (PL), i.e., brands owned by retailers, have developed remarkably over the last decades. Initially, they were lower quality alternatives to national brands (NB) and competed primarily on price. Nowadays PL are often offered in multiple quality tiers, such as economy, standard, and premium (Geyskens et al. 2010), and can be of higher subjective and objective quality than NB. In some countries, PL are even more innovative than NB (Dekimpe and Geyskens 2019). Researchers agree that PL are actually brands (Kumar and Steenkamp 2007). Yet, many retailers and researchers still handle PL differently from NB. From an academic perspective, PL advertising and brand management are under-researched (Ailawadi and Keller, 2004; Dekimpe and Geyskens 2019; Sethuraman and Gielens 2014; Wu et al. 2021).

Attitude toward a brand is one of the most researched variables in NB branding and advertising due to its importance for consumers' purchase decisions (Brown and Stayman 1992; Eisend 2006; Özsomer and Altaras 2008). However, it is questionable whether traditional research findings concerning NB branding and advertisement can be fully transferred to PL (Keller et al. 2020). Compared to NB, the relevance and valence of variables involved in forming PL brand attitude might differ. In PL research, attitude towards the PL is often completely ignored. If attitude is included in research about PL, it is usually limited to consumers' *general* attitude towards PL (of *all* retailers) as a mental category (Garretson et al. 2002). Research remains scarce on consumer attitude towards *all* the PL of *one* retailer or consumer attitude towards an *individual* PL from a retailer's portfolio (Schnittka 2015; Wu et al. 2021). Drawing on the literature on retailing, we identify store atmosphere as a potential antecedent of consumer attitude towards an individual PL of a retailer and test the effect of pleasant vs. unpleasant perceived store atmosphere on attitude towards a retailer's standard PL. While it is likely that all PL in a modern retailer's multi-tier PL portfolio (e.g., economy, standard, premium) will be affected by store atmosphere, this research project focuses on the most common PL tier across all retail formats, the standard PL.

Store atmosphere is defined as the "physical stimuli experienced at the point of sale" (Turley and Milliman 2000, p. 193). It is one dimension of the more complex higher-order store image construct (Ailawadi and Keller 2004). The physical environment can influence consumers on a cognitive, emotional, physiological, and behavioral level (Bitner 1992). Scholars have found that store atmosphere affects retailers in multiple ways,

e.g., by influencing consumer evaluation of a retailers' merchandise or store patronage (Baker et al. 2002). Richardson et al. (1996) conducted a taste test and found that a pleasant vs. unpleasant store atmosphere increased the perceived quality of a focal PL by 21%. In contrast, the focal NB, the leading brand in the market and distributed through various retailers, was not affected by store atmosphere. Studies have also investigated the (multi-dimensional) construct store image and consumers' PL evaluations. However, Vahie and Paswan (2006), and Liljander et al. (2009) are the only studies that include store atmosphere as a dimension in their store image measure and report the dimension's individual effect on PL evaluations. Vahie and Paswan (2006) find a positive effect of store atmosphere on PL's perceived quality. Liljander et al. (2009) find a positive effect of the store atmosphere but not of the store quality on PL quality perceptions.

Drawing on the Mehrabian-Russell (M-R) environmental psychology model (Mehrabian and Russell 1974), we propose perceived store atmosphere as a main driver of consumers' favorability towards a focal retailer's individual (standard) PL. According to the M-R environmental psychology model, environmental cues (e.g., store atmosphere) affect consumers' emotions, resulting in either approach or avoidance responses, which include affect, cognition, and behavior. The model is commonly used to research store environment antecedents and consequences (Bakker et al. 2014; Vieira 2013). Hence, we hypothesize that standard PL will be evaluated more favorably in a more pleasant vs. unpleasant environment.

H1: Standard PL are evaluated more favorably when the store atmosphere is perceived as more pleasant.

To test our hypothesis, we conducted an online experiment using a convenience sample in Switzerland. The experiment applied a one-factor between-subjects design (store atmosphere: pleasant vs. unpleasant). Overall, 63 subjects (54% female, $M_{\text{age}} = 26.97$, $SD_{\text{age}} = 6.39$) participated. Hence, our study meets literature's recommendations of at least 30 participants per experimental group (Koschate-Fischer et al. 2014). Our relatively strong treatments, high experimental control, and a relatively homogenous sample benefit statistical power (Tabachnick and Fidell 2007, p. 19).

Subjects were invited to participate in a survey about a new grocery retailer and were randomly assigned to one of the two experimental groups. After the introduction, participants read a text that informed them about a new retailer and its PL portfolio. To manipulate the retailer's store atmosphere as pleasant or unpleasant depending on the experimental group, the text also included a description of the focal retailer's typical store. The manipulation consisted of modifying five attributes of store atmosphere (space between the aisles, illumination, prominence of in-store price promotions, colors and décor, and cleaning frequency), which we derived from the store atmosphere literature (Baker et al. 1992; D'Astous 2000; Turley and Milliman 2000). On the following pages of the self-administered questionnaire, we measured the dependent variable (DV), included questions for a manipulation check, and collected demographic information. At the end of the experiment, we informed participants that the retailer was fictitious and that the survey was an online experiment. Eventually, we thanked them for their participation. Our focal DV was the attitude towards a brand, which we measured using three 7-point semantic differentials (Mitchell 1986).

To assess whether our manipulation of store atmosphere was successful, we asked subjects on a single 7-point semantic differential whether they perceived the atmosphere as pleasant or unpleasant. Overall, we can conclude that the manipulation of store atmosphere was successful ($M_{\text{pleasant}} = 5.10$, $SD_{\text{pleasant}} = 1.19$, $M_{\text{unpleasant}} = 3.00$, $SD_{\text{unpleasant}} = 1.14$, $t(61) = 7.14$, $p < .001$). To test our hypothesis, we conducted an independent t-test. As hypothesized, attitude towards a standard PL is higher for a pleasant vs. unpleasant store atmosphere ($M_{\text{pleasant}} = 4.84$, $SD_{\text{pleasant}} = 1.08$, $M_{\text{unpleasant}} = 3.89$, $SD_{\text{unpleasant}} = 1.27$, $t(61) = 3.21$, $p < .01$). Hence, H1 is supported.

Brand attitude towards individual PL is a concept that has received little attention in research on PL. By exposing participants to a fictitious retailer, we investigate the impact of store atmosphere on consumers' brand attitudes towards the retailer's standard PL. Our results show that store atmosphere can affect attitude formation for a (standard) PL. This finding is in line with phenomena that can be observed in practice. For example, hard discounters such as ALDI have recently changed their strategy. In contrast to its cost leadership strategy, ALDI has been investing heavily in the appearance of its stores and merchandise (Bain 2017; Financial Times 2014; Handelsblatt 2016). Future research should investigate the impact of store atmosphere on different PL tiers (e.g., economy and premium PL), examine the role of a retailer's store format (e.g., hypermarket vs. discounter), and assess the interplay between brand attitudes and other consumer evaluations (e.g., perceived quality and purchase intentions) in the context of PL.

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Brand Architecture: Strategy for the Development of a City Brand

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Abstract. The objective of this research is to identify the importance of brand architecture during the process of creation and conception of the Bogotá city brand, leveraged on theoretical bases that allow having one's own knowledge of the important concepts to take into account during the development of the brand, which allow us to understand the relationship of these concepts with the final research material that is the Bogotá brand. It is important to be able to identify which are the key moments and tools that must be taken into account when building a city brand and to be able to recognize if these were really applied during the conception of the Bogotá brand, understanding that they are key tools for achieving a product that seeks to have its own identity.

Keywords: Brand architecture · Brand · Brand management · City brand

1 Introduction

The dynamic advance of the markets accompanied by a technological development with new trends that penetrate the territories in record time generates more competitive conditions. Inhabitants, investors, tourists and a whole community in general continuously consume resources, which logically become more scarce as time goes by. These scenarios have turned the cities into big competitors looking to generate strategies that manage to attract the different actors and generate better income. As cities come to establish a clear answer of what they want to achieve they will develop an ideal brand that allows them to enter and remain in competition in the global market.

During the last few years Bogota as a city brand has sought to communicate an image and identity that will help promote the city as an attractive destination for tourism and business. Kapferer (2012) states that brand architecture has gained importance in companies since it is showing improvements in marketing strategies. For this reason,

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the purpose of the research is to identify the importance of brand architecture during the process of creation and conception of the Bogota city brand, through a review of theoretical bases that allow us to have our own knowledge of the fundamental concepts for the understanding and limitation of a field work that was carried out through applied surveys of Bogota residents. finally allowed us to identify key tools that must be taken into account when building a city brand and to recognize if they were really applied during the conception of the Bogotá brand.

2 Conceptual Background

Kotler and Keller (2012) “Marketing tries to identify and satisfy human and social needs. One of the shortest and best definitions of marketing is: Meeting needs in a profitably way” (p. 5). Having clarity that marketing satisfies needs and products or services are fundamental for this. Another fundamental aspect is the brand, it is one of the most common means of identifying a product or service. In this way the American Association of Marketing defines brand as: “A name, term, sign, symbol, design or a combination of all of them to identify the products or services of a company or group of companies with respect to those of its competition.” Based on the above, De Toro (2009) states that “The brand has gone from being one more asset, among many that the company has, to becoming the key asset for the survival of the vast majority of them” (p. 17).

Brand since the city seeks to target 3 fundamental factors that are: citizens, tourists and investors. Similarly, Costa (2004) sustains “the brand is not something that is added to a product. In the same way that cities and countries are a living organism, a brand is a living system” (p. 117). That is, to achieve a construction of image and brand identity is not an easy and simple job. Is important to recognize the City-Brand as mentioned by Loreto and Gema (2005) “name, term, symbol or design or combination of them that tries to identify the characteristics of the city and differentiate it from other cities” (p. 6). Fernández and Paz (2005) define it as “a set of perceptions and associations that immediately characterize spaces and becomes the main vehicle for differentiation from others” (p. 4). That is, the brand’s identity is the main differentiator against the competition.

For the Bogotá brand, it is essential to represent the values that the region symbolizes, these should become fully identified by its inhabitants, citizens and visitors, feeling that they can appropriate what it encompasses. Once the brand’s personality is deeply recognized, it is necessary to devise a way to capture it with the support of the brand architecture. According to Aaker and Scott (2002) “basic but very important elements must be taken into account in the construction of a brand” (p. 10). It is a concept born from the branding, it is used to design and manage brands with purpose, relevance and clarity (Dinnie 2011). This explains why brand architecture is essential in the development of a city brand: to strengthen its own ties, and also ties with foreigners and investors in a profound way and not only through a logo or image.

2.1 Territorial Marketing

It is necessary to focus on one of the areas of Marketing such as Territorial Marketing. Since it is essential to understand the need to create or develop a city brand. For example,

Veltz (1999), affirms that the globalization process grants a new value to the territories, since they must become social actors of development. through strategies to build a good city brand. According to Ferras (1998), in his contribution “plan development based on expectations and needs of residents, tourists, and investors. It is a practice of territorial promotion aimed at the visibility and notoriety of places” (p. 55).

Calvento and Colombo (2009): “The brand acts as an umbrella that tries to encompass, coordinate and promote other sub-brands and the different areas of the city (tourist, business, cultural, sports, scientific” (p. 262)). The intervention of the concepts of identity and image is fundamental, according to López (2004) “To get to know identity, one must seek to answer the following questions: How is the city itself defined? What elements identify it? Who is it compared to? What do you use to describe yourself?” (p. 4). Part of the answers to these questions are found in citizen participation, people have great knowledge of the identity and desired image of the city.

2.2 Brand Management, Identity and Image

Aaker (1996) exposes: “The identity of the brand is a unique set of associations that the strategist aspires to create or maintain. These associations represent the *raison d'être* of the brand, implying a promise from the members of the organization to customers” (p. 55). Ultimately, giving identity to the brand is creating value for it. When a link is created between the brand and the client, a sense of belonging is also created, which strengthens the position of the different departments involved in the creation of the brand. City brands (now fully consolidated) provide added economic, social and cultural value to cities. Its construction implies long-term marketing and branding strategies that go beyond mere tourism promotion actions and that aim to promote the city’s external projection and position it appropriately. (Chaves and Heredero Olga 2015, p. 74).

Keohane and Nye (1988) establish that “image policies aimed at competitively positioning cities should be understood as new tools. What the brand wants to communicate, in terms of image marketing. It is called “positioning”, Ries and Trout (1993) refers to “what is done with the minds of the probable clients; that is, how the product is located in their minds” (p. 1). Basically, brands must be recognized to create a brand, Puig (2008) states that “Without citizens, redesign is not possible. And without his constant co-responsible trust, the city does not remain active, entrepreneurial, awake” (p. 7). The needs and customs of the residents are the best contributions to work on a redesign for the image of the city brand.

They should be directed so that in one way or another they endure and position themselves, as Villegas (2011) explains, the brand management cycle. *Implementation and Care*: To transmit the brand in a creative, notorious and relevant way. *Creation and Evolution*: To identify evolution opportunities for brands. *Standardization*: To collect the correct ways to capture the brand. *Training*: brand culture both internally and externally.

Logo: For Murphy (1992), “the logos of products and organizations are condensations of complex realities in a simple statement” (p. 6). *Colors*: In the design of every brand, color is a reaction. Wilensky (2003), explains “color has a double function as a communicational vehicle, on a psychological function and on the other hand a signaling function” (p. 32). According to Gamonal (2005), *Typography* he considers that “letters are symbols anchored in history and in society, that help create a persuasive message

and improve its effectiveness” (p. 137). In conclusion it is the unique message that the brand wants to express with a differential, unique and distinctive attribute.

3 Methodology and Analysis of Information

The research project will focus on a descriptive methodology. Documentary information will be collected where it is intended to collect the greatest number of aspects based on the design or architecture of the brand, or the City brand for the Bogotá brand. In the first phase of the investigation, data will be collected on the process of building a brand, these will be analyzed to determine which were the most relevant aspects applied to the design process in order to know how the knowledge and positioning of the Bogotá brand is appreciated. The second phase of the research will build a survey, this tool will be applied to a random sample of city inhabitants located between 3 to 5 economic level. The results will then be tabulated and analyzed expressing the data qualitatively and quantitatively. The purpose of the third phase of the investigation is the construction of a documentary material where the information collected during the investigation is evidenced. It will allow a better understanding of the brand architecture processes and the tools that serve in their application to city brands.

3.1 Technical File of the Survey

Inhabitants of the city of Bogotá. Men and women aged 20 to 54 years. Stratum 3, 4 and 5 of the city of Bogotá. **Coverage:** Surveys applied in 384 citizens. After obtaining the sample size, the number of people per stratum who must be surveyed is calculated, with the aim of having more specific data that allows an optimal development of information collection.

56% of the respondents correspond to women and 44% to men. It is important to clarify that the survey was conducted without gender preference.

67% say they do not know the Bogotá brand. It is a high percentage taking into account the number of events, places and activities that take place annually in Bogotá. People are unaware that the city has its own brand. According to the characteristics that the respondents were consulted: Accents are the most important characteristic of the brand, secondly, colors, thirdly the symbol or logo, fourthly, colors and fifthly the slogan, which at being in the last place of importance indicates that it does not generate a greater impact among people.

29% of the population does not believe that any characteristic of the brand should be changed and although in the previous question the typography was the least important in this case it contradicts a bit since it is the second most chosen option to make changes with 23% and colors with 20%. For 33% of those surveyed, the card with a yellow

background and black letters is the one with the greatest acceptance, followed by the one with a white background and red letters, which are the representative colors of the city. Since these are the colors of the city’s flag, that could be the reason why people like them more.

The ratings of the different aspects of the brand presented to the respondents show a positive result. 57% of the total of the respondents (who are on average 220 people) and 21% (who are on average 80 people) give it a rating of Good and Very Good respectively, leaving 22% for the remaining 3 rating scales. 88% of respondents consider it necessary that for all events that take place in the city, accent marks should be used, which means their importance and what they can represent for the population.

For those surveyed, the accent representing Maloka is the most important of the brand with 18%. It is followed by that representing congresses, conventions and Corferias with 13%. That emphasizes the importance of conferences for the city as it is the point where the largest and most important fairs in the city are organized. Then come others such as the Gold Museum, the Book Fair and the Summer Festival, which are considered icons of the city’s culture.

On the semantic scale, the brand slogan “A City of Height”, according to the results, is located on average between 4 and 5. That means that it has a good rating and acceptance among the inhabitants of the city. Although for the respondents it may sound somewhat repetitive, they highlight what is behind the slogan when it comes to showing the best qualities of the city in different aspects, such as cultural, economic, sports, social and others. Confirming a little the analysis of the previous question, 80% of the respondents would not change the brand’s slogan. We confirm that it has a great acceptance by people. It is easy to remember and it efficiently transmits much of the essence of the City Brand. That is not only because of its geographical relationship, but also because of the advances that are to be highlighted at the cultural, tourist and business level.

The environment is the most important aspect for people and where the greatest efforts of the brand and the city should be focused. People are aware of the importance of caring for the environment in the city and the benefits that this brings, second is mobility, which in recent years has worsened its image of favorability of people. It is perceived how these inducers of expressiveness highlight the positive reality and increase the expectations of the brand in front of the citizen (Fig. 1, 2 and 3).

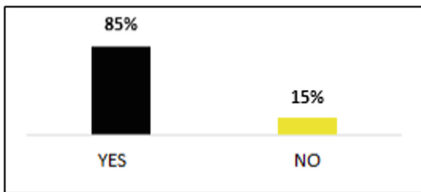


Fig. 1. Brand image perception

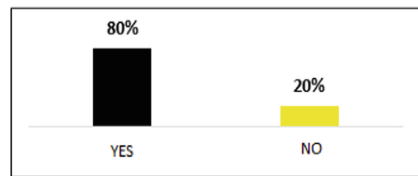


Fig. 2. Can the brand last over time?

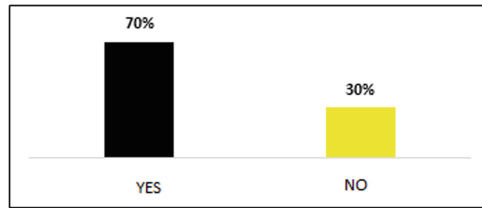


Fig. 3. Does the citizen identify with the brand?

It is observed that the image of the Bogotá brand attends the set of social, economic, productive and cultural manifestations that includes every citizen. The positive image that the brand provides among citizens has high expectations to last over time thanks to its visual identity and its set of graphic symbols. The positive impact is evidenced where the importance of determining the degree of identity towards the Bogotá brand is recognized, helping the inhabitant to allow themselves to build experiences that strengthen the City-Citizen bond.

Although it is necessary to continue working on the communication of the brand, the citizen or inhabitant recognizes and identifies it, whether in positive or negative aspects. It is also recognized that there is remembrance. With question 16, we confirm that the strategies used to improve the communication of the brand should strengthen its institutional character and should be used efficiently, seeking to improve the presence of the brand in events and Marketing projects for the City. The Bogotá brand is created for the city and it should be communicated properly.

Although the strategy is and will be that it is visible in places where the intention to promote Bogotá stands out and is highlighted. Being a positive aspect where the brand will have to strengthen and increase efforts together with the work done by the government to increase the recognition of the brand abroad. Respondents were asked if they believe that the brand has done enough to have both internal and external recognition. The result of the analysis tells us that YES with 50% and NO with 41%, the remaining is 9% with DK/NO. It will be necessary to direct greater efforts to an effective communication in the recognition of the Bogotá Brand so that it increases the brand positioning among citizens, inhabitants and foreigners.

4 Conclusions

Brand architecture is a fundamental process that provides the basis for the identity of any brand worldwide. From the moment an idea is born, in which the decision is made to give a name and that it is accompanied by a slogan, representative colors and their different uses, begins the work of building a solid image that will finally be communicated to a market.

The construction of a city brand must take into account the community or inhabitants of the city. They are the main actors when searching for the necessary elements that carry an architecture where the essence of what is wanted to be reflected in the future is really captured. The correct appropriation of concepts such as the type of brand, image, logo, slogan and colors will provide an ideal structure that will allow to manage the

development of the brand, its strategy and, very importantly, its identity. The graphic process behind the construction of a brand really demands a deep market study based on a previously established plan with clear objectives. From there the brand manual will come out with a graphic line that must be optimal and have a coherent relationship with important aspects of the city in terms of culture, economy, environment, history, sustainability and development. These are key points that will play a decisive role for brand's success where they must be aligned with a solid marketing strategy.

The dynamics of the global market require cities to be reinventing themselves so as not to lose competitiveness and perish in the face of the imminent threat from other cities participating in this contest. For the cities that have entered this market competition, led by a brand, they must be continually looking for new strategies that can enhance its brands, the products and services they offer. Much of this communication is focused on foreign markets that seek to attract tourists and investors. The Bogotá city brand contains a solid work from the architecture, design and graphic line. A brand manual has been built with its own visual identity and graphic conceptual mechanisms that will serve as a useful tool for planning a marketing strategy that allows to highlight the personality of the Bogotá brand. Unfortunately, the brand (according to the data obtained in the research) does not present greater recognition among the inhabitants of the city. The city's slogan has been relegated by the different district governments in progress.

During the research project, it has been possible to identify how the theory of fundamental elements and concepts of brand architecture and marketing applied in the construction of the brand have allowed obtaining a communication instrument that aims to support the strategic projects of the city and place it in the radar of international benchmarks, where it achieves a necessary recognition that contributes to the development and sustainability of the brand and the city.

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Consumers' Channel Switching Behaviour from Off-line to On-line: The Role of the Fear of Covid-19

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Abstract. The spread of the Covid-19 pandemic is heavily altering how people shop. For instance, a push in on-line purchases is evident. The current work applies the Theory of Planned Behaviour (TPB) to understand consumers' intention to switch from off-line to on-line channels in the aftermath of the lockdown. Specifically, within this framework, we explore how different sources of consumers' fears generated by the spread of the Covid-19 pandemic – symptomatic and emotional – impact on consumers' channel switching behaviour, leading shoppers to switch from buying grocery in physical stores to purchase them on-line. The empirical analysis is settled on 310 questionnaires collected on-line survey and processed using a linear regression analysis. Our findings show that consumers' switching intentions to on-line channels are significantly and positively impacted by attitude, subjective norms and perceived behavioural control, showing a better predictive power when the dimensions of Covid-19 fear are added. While symptomatic fear acts positively on the intention to switch to on-line, emotional fear exerts a negative role. Managerial insights for retailers are provided.

Keywords: Consumers' channel switching · On-line grocery shopping · Theory of planned behaviour · Fear · Covid-19

1 Introduction

The spread of the Covid-19 pandemic has spun fear, panic, and uncertainty all over the world. Governmental restrictions to mobility, lockdowns, social distancing and the use of personal protective equipment (PPE) have affected the ways in which people live, behave and shop. Consumers tried to cope with the new reality making significant adjustments to their shopping behaviour (Laato et al. 2020; Martin-Neuning and Ruby 2020; Wang et al. 2020), moving from shopping across multiple channels to purchase all in a single trip to a store; reducing the number of visits to stores, the travel time, and the in-store stay; enhancing expectations for in-store safety; increasing the amount spent per shopping trip, stocking up or switching to buying on-line. Regarding the latter, restrictions to mobility and the customers' fear to get infected led consumers to increasingly use the on-line channel for grocery shopping, accelerating a trend already on the way (Farah and Ramadan 2017). The increase in on-line buying recorded during

the Covid-19 pandemic happened also during the previous SARS epidemic (e.g., Kee and Wan 2004), even if subsequent structural buying changes were not investigated in the long-run. Hence, a key point for scholars and practitioners is trying to understand if the shopping channel switching is temporarily constrained to the pandemic duration or it will represent a structural change in buying patterns (Sheth 2020). Moreover, “there is limited understanding of why and how different forms of fear and perceived risks can change [consumers] rational and economic buying decisions during the uncertain and fearful circumstances of the Covid-19 pandemic” (Naeem 2020). Therefore, it is valuable to examine consumers’ channel switching behaviour on the framework of the fear of Covid-19 to gain a better understanding of the possible consequences of the phenomenon on buying habits. To this aim, this study applies an extended version of the Theory of Planned Behaviour (TPB) to understand consumers’ intention to switch from off-line to on-line channels in the subsequent months of the lockdown. Within this theoretical framework, the study explores how two basic dimensions of consumers’ fears generated by the diffusion of the Covid-19 pandemic – symptomatic and emotional - lead shoppers to switch from buying grocery in physical stores to purchase them on-line. Disaster coping research concentrates on cushioning and decreasing the negative effects of these stressful experiences but did not investigate this phenomenon. Due to the recent emergence of the Covid-19 pandemic, current studies on this topic concentrated on changing consumption and shopping habits during the lockdown, while researches investigating the consumer shopping behaviour in the months after the lockdown are lacking. This would also provide managerial insights for policy-makers and retailers alike, also considering the numerous infection waves registered worldwide and the prediction that Covid-19 effects will last long.

After describing the conceptual model and the relative hypotheses, the research methodology is depicted. Then, results are presented and conclusions are drawn.

2 Theoretical Framework and Hypotheses

In the consumer behaviour literature, purchasing intentions are broadly used as an indicator of behaviour, making prevalence reference to the theoretical framework of the Theory of Planned Behaviour (TPB - Ajzen 1980; 1991).

In the TPB, consumer’s intentions are influenced by three main determinants: attitude (ATT), subjective norms (SN) and perceived behavioural control (PBC). Attitude constitutes an individual’s opinion (belief) about a certain intended behaviour; this supports a cognitive conceptualisation of the attitude construct. The concept of subjective norms relates to an individual’s beliefs about whether peers and people of importance to him/her think he/she should perform the behaviour. Perceived behavioural control expresses the perception of the individual about the ease or difficulty of performing the behaviour. The study of Pookulangara et al. (2011) verified that ATT, SN and PBC were significant predictors for the channel-switching intention in the internet context. Accordingly, these effects should be confirmed in the aftermath of the lockdowns provoked by the spread of the pandemic. Our hypotheses are as follows:

H1: Attitude positively impacts channel-switching intentions towards on-line grocery shopping in the aftermath of the lockdown.

H2: Subjective Norms positively impacts channel-switching intentions towards on-line grocery shopping in the aftermath of the lockdown.

H3: Perceived Behavioural Control positively impacts channel-switching intentions towards on-line grocery shopping in the aftermath of the lockdown.

Psychological reactions, such as anxiety and fear, are fundamental factors impacting individuals' behaviours. One of the central factors which might produce high levels of stress and anxiety during the pandemic is the fear of Covid-19 (Bitan et al. 2020; Taylor et al. 2020) and this has been stated as impacting consumers' buying patterns: for instance, fear and anxiety about illness, physical harm, financial hardship and out of stock items are some of the common causes of stockpiling (Dholakia 2020; Islam et al. 2020). Moreover, the phenomenon of panic buying displayed by consumers during natural disasters has been found caused by the increase in consumers' anxiety and fear (Tsao et al. 2019), rather than by the supply deficit. Some first studies suggested the increase in on-line food buying during the Covid-19 lockdowns (Chan and Meyerhoefer 2020; Donthu and Gustafsson 2020; Watanabe and Omori 2020). It would be interesting to explore if the different sources of fear of the Covid-19 scale, identified by Bitan et al. (2020) in symptomatic and emotional, can impact the consumers' intention to switch to on-line. Symptomology fear includes physiological dimensions such as sweating, palpitations, and insomnia and may lead to the development of common mental disorders, such as depression, anxiety, and substance use disorders. Conversely, emotional fear assembles all the psychological dimensions of fear such as anxiety and concern and can predict positive behaviour change (e.g., improved hand hygiene, social distancing).

H4: Symptomatic Fear of Covid-19 positively impacts channel-switching intentions towards on-line grocery shopping in the aftermath of the lockdown.

H5: Emotional Fear of Covid-19 positively impacts channel-switching intentions towards on-line grocery shopping in the aftermath of the lockdown.

The proposed model is shown below (Fig. 1).

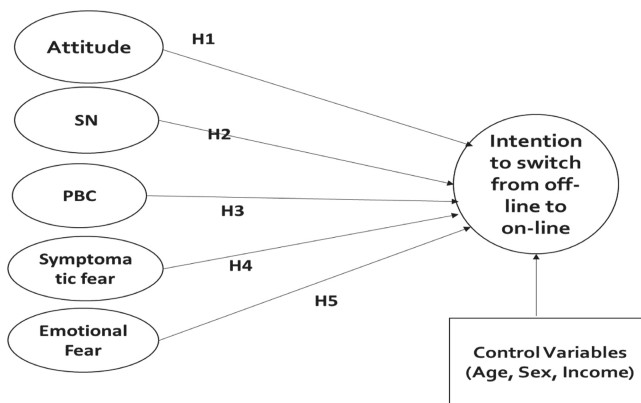


Fig. 1. The model

3 Methodology

The empirical analysis is based on a survey employing a hierarchical linear regression analysis performed on 310 structured questionnaires. A sample of Italian consumers was surveyed on-line during August/September 2020, a number of months after the lockdown that involved Italy for 69 days till mid-May 2020. After this date, mobility restriction requirements were slackened down thanks to the summer period that enabled people to stay outside and reduced contagions. Respondents were intercepted posting the link to the on-line survey on food and shopping Facebook's thematic pages. 41 out of 351 collected questionnaires were excluded as not filled by grocery decision-makers.

Our final sample consists of 310 responses; 64.8% of respondents were female. The sample is mainly composed of respondents aged 51–65 years (30.2%). Respondents younger than 25 years represent 14.5% of the sample, 26.4% is aged 26–35 years, 23.2% is aged 36–50 years, while 5.8% is older than 65 years. The annual household income is lower than 36.000€ for the 33.8% of respondents, and between 36 and 70.000€ for the 47.3% of the sample. 16.4% earns between 70 and 100.000€, while 2.6% earns more than 100.000€.

Participants completed a questionnaire composed of two parts; one focused on socio-demographic information, and the second composed of measurements aimed at empirically test the postulated hypotheses. Items, evaluated on 7-point Likert type rating scales, (1 = strongly disagree and 7 = strongly agree), are presented in Table 1 and display good values of reliability (Cronbach's alpha well above the acceptable threshold).

Table 1. Constructs and measures

Constructs	Original scale	Items	Cronbach's alpha
<i>Attitude</i>	Adapted from Yeo et al. (2017)	Purchasing food on-line rather than offline is wise	.912
		Purchasing food on-line rather than offline is good	
		Purchasing food on-line rather than offline is rewarding	
<i>Subjective Norms</i>	Pookulangara et al. (2011)	The people who influence my decisions would approve my changing from "off-line" to "on-line" to buy food	.918
		The people who influence my decisions think that I should change from "off-line" to "on-line" to buy food	
		Most people who are important to me would approve of my changing from "off-line" to "on-line" to buy food	
		Most people who are important to me think that I should change from "off-line" to "on-line" to buy food	
<i>Perceived Behavioural Control</i>	Pookulangara et al. (2011)	I have the resources, knowledge and ability to change from "off-line" to "on-line" to buy food on my own	.917

(continued)

Table 1. (continued)

Constructs	Original scale	Items	Cronbach's alpha
<i>Channel-switching intention</i>	Pookulangara et al. (2011)	If I wanted to, I could easily change from "off-line" to "on-line" on my own	.837
		I intend to change to "on-line" from "offline" while shopping for food I plan to change to "online" from "offline" for all my shopping for food	
<i>Symptomatic fear</i>	Bitan et al. (2020)	My hands become clammy when I think about the coronavirus.	.732
		I cannot sleep because I am worried about getting the coronavirus.	
		My heart races or palpitates when I think about getting the coronavirus	
<i>Emotional Fear</i>	Bitan et al. (2020)	I am afraid of being infected by Covid-19 (Coronavirus SARS-CoV-2).	.857
		I am afraid of losing my life because of the coronavirus.	
		It makes me uncomfortable to think about the Coronavirus.	
		When watching news and stories about the Coronavirus on social media, I become nervous or anxious	

4 Results

Results evidence a very good model fit (Table 2). Control variables (sex, age – baseline 26–35 years old - and income – baseline €36.000–70.000) were added in block in the first step. ATT, SN and PBC drive shoppers' intention to switch to the on-line channel. In the third model, when the different sources of the fear of the Covid-19 are added, a significant increase ($\Delta R^2 = +.013$, $p = .014$) is displayed. Moreover, all the constructs show a positive and significant impact on the dependent variable, apart from emotional fear that exerts a negative effect. Therefore, H1, H2, H3, H4 are supported, while H5 is significant but reports an opposite effect to the expected one. The standardised betas show that SN exerts a prominent role in impacting the intention to switch from off-line to on-line in the aftermath of the Covid-19 pandemic by consumers, followed by attitude and the symptomatic fear of the pandemic. PBC exerts a weak impact, although it is positive. The mature segment (age 51–65) results as the less prone to switch to online.

Table 2. Hierarchical linear regression analysis

Models		Non-standardized coefficients		Standardized coefficients
		B	Std. Error	Beta
<i>Step 3</i>				
	(Constant)	−.318	.316	
	SEX	−.091	.124	−.030
	AGE 18–25	−.234	.189	−.056
	AGE 36–50	−.008	.167	−.002
	AGE 51–65	−.373	.157	−.123**
	INCOME <36	−.078	.135	−.025
	INCOME 70–100	−.250	.169	−.064
	INCOME >100.000	.103	.367	.011
	ATT	.351	.060	.285***
	SN	.376	.042	.455***
	PBC	.089	.037	.110**
	SYMTF	.223	.077	.185**
	EMOTF	−.153	.062	−.151**

$R^2 = .071$ in the Step 1 ($p < .001$); $R^2 = .521$ in the Step 2 ($p < .001$); $R^2 = .531$ in the step 3 ($p < .05$).

*** $p < .001$; ** $p < .05$.

5 Conclusions

Our findings contribute to the literature on consumer behaviour and retailing, opening new perspectives to disaster coping research. Results proved that consumers are prone to switch to the on-line channel after experiencing the lockdown, and this effect is reinforced by the physical fear developed towards the virus that is causing them symptomatic effects. On the contrary, the emotional fear of the Covid-19 creates an opposite effect: the more consumers are emotionally involved by the fear of the pandemic, the less they tend to leave the off-line shopping experience in favour of the on-line one. A possible explanation of this evidence can rely on the fact that, due to the governmental restriction to mobility, individuals perceived the shopping task as a relaxing and escaping activity in the time of the pandemic, able to distract them from the contagion's obsession. Accordingly, the emotional fear to be infected and, in the worst case, to die due to the virus, was partially compensated by the emotional pleasure derived by escaping from the lockdown for shopping motives.

Our results might help retailers in better understanding the strategies and operational policies to respond to consumer coping strategies like switching shopping channel. On-line or bricks-and-clicks retailers wishing to take advantage of the positive inclination of consumers to purchase on-line created by the spread of the pandemic should leverage

positive word-of-mouth to activate the driving role exhibit by subjective norms in our findings, and push on enhancing a positive attitude towards this channel, stressing its role in terms of safety. The larger regression coefficient values with respect to other variables exhibited by subjective norms are in line with Pookulangara et al.'s (2011) findings. To this aim, deploying the role of social media could reinforce this effect, confirming Naeem (2021) statements. Important to facilitate and simplify the use of retailers' e-commerce sites and mobile apps to shoppers, in order to benefit from the positive effect showed by PBC in our findings. On the contrary, given the decrease in the number of times the shopper visits the store and the tendency to shift to on-line, brick-and-mortar retailers should focus on the mature segment and increase the consumer's experience at the point-of-sale and make an emotional connection with him/her in order to exploit the negative effect of emotional fear exerted on shoppers' switching intentions. Last but not least, retailers should improve at-home delivery service to encounter the actual trend of on-line shoppers and establish, in the long-term perspective, an integrated multichannel offer.

Due to the unprecedented context in which it has been conducted, this study presents some limitations that should be carried out in future studies. First, the survey relates to the Italian context where the pandemic hits first in Europe. Next works would benefit from a comparison with other EU/US retail contexts. Second, the study focuses on groceries. Further studies should replicate the same model considering other product categories, such as PPE, laptop/computers or smartphones, in the light of the difficulties experienced by consumers in finding these products after the start of smart working and distance learning by a large number of workers and students. Next studies can also employ structural equation modelling to test an overall model, including moderators. As other levels of attitude exist (Rosenberg et al. 1960), future works can include affective and behavioral measures of attitude. Finally, the fear cues should be deeply explored in future studies trying to identify possible differences between hedonic vs. utilitarian shoppers, as well as between consumers with high vs. low risk perception.

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Private Label Products Buying Decisions: A Comparative Analysis on Consumer Perspective

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Abstract. The purpose of this study is to understand which factors have influence on the private label products buying decisions. A survey was conducted on a sample of consumers of food products. The have been collected through the administration of a questionnaire to 587 consumers in the Italian market. Results have been analyzed with the Extra Tree Classifier methodology, which allows to measure the importance of each variable included in the model, also in case of correlation between variables. The results show that consumers' choice seems to be influenced by groups of heterogeneous variables related to: the perception of consumers on the product, the satisfaction of post-consumption, the role of the store, and the trust built over time by retailers. The results of the study provide useful indications on the role of the private label products in retailers' assortments.

Keywords: Private label · Purchase frequency · Food products · Consumer behavior

1 Extended Abstract

Private label products have an increasing relevance in consumers' choices. The most recent data from the Private Label Manufacturers Association (PLMA) "2019 International Private Label Yearbook" show that in 17 European countries the market share of private labels stands on average at 30%. In Spain, Switzerland and United Kingdom private labels have the highest market shares (above 50%), and in Europe's largest economy, Germany, the market share is above 44%. In Italy the market share increases approximately at 20%, and in Eastern Europe the share stands on average at 30%. European data suggest that market shares and purchasing propensity of private label products differ significantly across Europe, signifying that consumer choices to purchase private label products are influenced by the context, micro and macro environment variables as well as country-specific cultural aspects.

In the literature, the interest of scholars on private labels in retail policies is aimed at interpreting the growth of private labels' market share (Ailawadi 2001) and the impact on

the supply chains (Lamey et al. 2007; Rubio and Yague 2009; Sethuraman and Gielens 2014). On the other hand, the interest is also on the reasons that lead consumers to buy private label products, and the factors that influence their choices (Ailawadi et al. 2008; Dolekoglu et al. 2008).

Most of the analysis models adopted for understanding the variables that have influence on the purchase of private label products focus on one or few variables, analysing them in depth. A recent review of the literature (Sansone et al. 2018) showed that most of the studies on the reasons for purchasing private label products focus on a limited number of variables, producing different results depending on the type of products, the type of retailers' strategy, and the context.

A study conducted by Jin and Gu Suh (2005) – based on the main research contributions until that moment – classified the factors of influence into three categories: socio-economic, perceptible and psychographic. The first category refers to consumers' socio-economic conditions (Fan et al. 2012). The second category includes consumers' perceptions about price (Baltras 1997), value of products (Burton et al. 1998; Fall Diallo et al. 2013), risk (Sinha and Batra 1999), brand (Baltras 1997; Gendel-Guterman and Levy 2013), and opportunity for smart shopping (Baltras 1997). The psychographic variables refer to consumers' attitudes or preferences, such as attitude toward advertising (Gómez-Suárez et al. 2017), propensity to innovation (Ailawadi 2001; Musso 2010; Fan et al. 2012), impulsiveness (Burton et al. 1998; Fan et al. 2012) and propensity to search for variety (Baltras 1997).

More recently, an analysis conducted by Sansone et al. (2020), highlighted that the most frequently analysed factors are: price (Dolekoglu et al. 2008), quality (Dolekoglu et al. 2008; Ailawadi et al. 2008), packaging (Kuvykaite et al. 2009), and brand (Aribarg et al. 2014; Sansone et al. 2018). Such analyses generally excluded the role of the other factors and the correlation with them.

Therefore, a gap in the literature emerges as regards the perspective adopted, since the variables are considered individually or in combination with few other ones. A wider view, that could be used to analyse a higher number of variables in an integrated way, is missing. In order to cover this gap, the research question is:

RQ: Which factors have influence on private label products buying decisions by consumers?

For this study, an empirical research has been carried out on the basis of an analysis framework adapted from Sansone and Colamatteo (2019). The factors considered were quality, price, quality-price ratio, sales promotions, packaging, store assortment, visual merchandising, similarity with national brands, communication and advertising, customer satisfaction, store loyalty, availability alternative packaging and formats, healthy, and taste.

Based on the selected variables, a questionnaire was built to detect consumer perceptions on private label food products, with a comparison between three different Italian retailers. The comparison has been used for a more in-depth analysis of the retailer-related variables: sales promotions, store assortment, visual merchandising, communication and advertising.

The questionnaire has been administered online from June to July 2019 to a sample of final consumers in Italy. The sample was selected by convenience (Baltar and Brunet 2012) using the main Italian consumers' issues-related pages of the social network Facebook. Selection of respondents has been fixed on having made purchases of food products at least once in the previous six months. The answers were based on a five-points Likert scale. The valid answers collected and analyzed are 587.

For data treatment, descriptive statistics methodologies based on frequency analysis did not seem to be adequate to provide robust and synthetic results on the role of each of the 14 variables considered. Therefore, the Decision Tree methodology has been chosen, because it is generally used to establishing classification systems based on multiple covariates or for developing prediction algorithms for a selected variable (Breiman et al. 1984). This methodology allows to facilitate complex relationship between variables by dividing them into significant subgroups and to easily manage missing values and skewed data. For this reason, it was used in previous studies on food consumption (wine and organic food) to establish which factors influence the consumer preference and, therefore, the purchasing choices (Jovanovich et al. 2017). Within this type of methodologies, there are some that combine hundreds or thousands (or even more) of decision trees in with the aim to obtain a forest of predictions, built on a slightly different set of observations (e.g. Random Forest) considering only a subsample of features and/or considering a subsample of splitting values (e.g. Extra Trees method). Among these, the Extra Tree Classifier has been chosen, because it seems to give best performance and helps reducing variance and overfitting, especially for noise and correlated data (Geurts et al. 2006). Moreover, the Extra Tree Classifier uses the complete dataset in all the trees, whereas in the random forest each tree is trained only in a subsample of it.

In the methodology adopted, the dependent variable for which the feature importance is estimated was the purchase frequency (Table 1).

The analysis included the 14 selected variables; however, to avoid any influence by the noise of the dataset, a random variable was introduced as a reference point for the importance value. All the features with an importance value lower or similar to random have been considered not important. The first important finding of the survey is that, although no more important variables than others emerged, quality emerged as the first priority, in line with the results of previous research (Calvo Porral and Levy-Mangin 2016). This is a less obvious result than it appears, since for a long time the positioning of private label products put price, promotions and price at the first place among the drivers of consumers' choice (Baltras 1997).

The relevance of quality measures the trading up of the private label offer of retailers and the consequent perception of the final demand (Martinelli et al. 2017). Consumers perceive the quality of products more important than price-related features, and this is confirmed by recent literature (My et al. 2018).

Store loyalty follows as the second most relevant variable, highlighting that consumers use the store image and corporate reputation to reduce the perceived risk when buying private labels products (Purohit and Srivastava 2001). About this, the differences emerged between the three analyzed positioning shows that the retailer's influence is greater for products whose brand name corresponds to the retailer's name (McNeill and Wyeth

Table 1. Features importance for purchase frequency

Factors	Importance for purchase frequency (%)
Quality	12.04
Store loyalty	9.73
Quality/Price	9.65
Customer satisfaction	9.38
Store assortment	8.37
Price	8.04
Taste	7.03
Promotions	6.92
Formats	5.51
Healthy	5.13
Communication	4.21
Packaging	3.89
Random	3.42
Visual merchandising	3.40
Similarity with national brand	3.17

Source: Authors' elaboration.

2011). The role of retailers can also be found about store assortment. Data highlight that store assortment directly affects the purchasing choices of private label products.

The study indicates a significant change in consumers' perception about private label products, which are no more associated to lower prices and promotions. In addition to quality, the role of the store and the trust built over time by the retailer resulted a key factor, and the differences between the three retailers analyzed confirm that in-store policies contribute to strengthen the competitiveness of private label products.

At the theoretical level, the originality of the research lies in the adoption of a wider perspective of analysis compared to previous studies, with the latter considering only few factors of influence in consumers' decisions related to private label products. The results of the study can be useful to both scholars and practitioners to better understand the role of private labels in management policies of retailers.

The link between the retailer's brand, its products and the management of a private label requires, on one hand, full integration of marketing choices in the retailing mix and, on the other, to establish long-lasting supply relationships with highly qualified, more stable and reliable producers.

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I Am Free to Be in a Grocery Store: Profiling Consumers' Spending During Covid-19 Pandemic via Big Data Market Basket Analysis

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Abstract. The Coronavirus Disease 2019 (Covid-19) pandemic has forced individuals to modify their routine and lifestyle, pushing them into a different social, economic, cultural, political, and consumption reality. Restrictive actions preventing contagions, such as general lockdown and curfew, inevitably changed consumption models and behaviors. Against this backdrop, the current study aimed to investigate the Coronavirus pandemic's impact on consumption patterns by adopting Big Data Analysis (BDA) techniques, such as text mining, regression, and correlation analysis. Specifically, was analyzed a dataset comprising of 4.5 million transactional and textual data obtained from a supermarket chain, including large retailers and proximity stores, based in Salerno, Italy. Results pointed out relevant information for marketing practitioners concerning brand choice and family expenditures.

Keywords: Big data analysis · Covid-19 · Large distribution centers · Market basket analysis · Retail industry · Text mining

1 Introduction

Covid-19, emerged in Wuhan, China, before spreading across the globe in late February and March 2020 (Ralph et al. 2020; Wu et al. 2020), has broken our ordinary world into pieces threatening public health systems, national and international economies, financial markets, industrial production, political and social stability. Moreover, the pandemic brought relevant changes to society and daily life because of lockdown restrictions, closures, self-quarantining, social distancing, use of personal protective equipment (e.g., surgical masks and surgical and isolation gowns), supply chain woes, and the enlarged adoption of online interfaces for working, conducting business, delivering educational programming, and engaging in a widening range of social activities (Cohen 2020; Bodenheimer and Leidenberger 2020).

Focusing on consumption patterns, several researchers have highlighted unusual retail consumer behavior, such as hoarding toilet paper and food (Kirk and Rifkin 2020; Miri et al. 2020; Wang et al. 2020). The main reason is that consumers were afraid of factory closures and disruption of supply chains (Laato et al. 2020).

Exploring consumers' behavior in the time of a pandemic is paramount for marketers and business and public policymakers more broadly. Therefore, by analyzing the transaction data furnished by a supermarket chain located in Salerno, Italy, this study investigates the consumption patterns during the pandemic's initial months. Specifically, the attention focuses on the consumers' brand choice patterns, complete basket analysis, the share of the basket, consumers' shopping trip, and family expenditures.

2 Theoretical Background and Scenario

The lockdown implemented in Italy may be considered one of the most restrictive closure measures adopted amongst Western countries (Cavallo et al. 2020). On the 8th of March 2020, the Italian government imposed a lockdown on its population. During this period, maintained up to the 3rd of May 2020, Italians spent most of their time closed at home. Only a few activities were allowed, such as food shopping, and taking a dog for a walk within the place of residence. In 2019, Italians consumed about 36% of food out-of-home, for a total value of €86 billion (ISMEA 2020b). In detail, approximately 10% of Italians had breakfast or lunch out every day, while more than 60% of Italians had at least one lunch or dinner a month outside of the home during weekends (FIPE 2019). After the government undertook the lockdown measures, consumers started to purchase a little more than usual in supermarkets because eating out-of-home drastically reduced. Specifically, during the initial phase of the COVID-19 lockdown, the retail sales in Italy increased by 18% compared to the previous years (ISMEA 2020a; c). Proximity stores showed a 40% sales growth (ISMEA 2020a; c). Conversely, hypermarkets lowered their sales by -3% because of their distance from residential areas (ISMEA 2020a).

To reduce shopping occasions, consumers increased their purchase of non-perishable food items (Cavallo et al. 2020). Additionally, the pandemic caused an increase in products' sales with supposed health benefits (Mollenkopf et al. 2020) and food for psychological comfort (Bemanian et al. 2021). Finally, it is worth noting an increase in the purchase of raw ingredients for home meal preparation, such as flour, butter, mascarpone, and yeast, that is, the so-called "MasterChef effect" (Cavallo et al. 2020; Di Renzo et al. 2020; Zwanka and Buff 2021). Focusing on customer brand preferences in the COVID-19 crisis, consumers tried new products marketed by the distributor under the name of the ensign or its brand, namely private labels (PL), because stockpiling and panic buying phenomenon led to the disappearing from the shelves of the most loved national brands (NB) (Begley and McOuat 2020). However, such a topic deserves a more in-depth look since there is a paucity of empirical studies.

3 Methods, Research Design, and Profiling Techniques

A market basket analysis (MBA) was conducted to identify the main consumption patterns during the initial months of the COVID-19 pandemic, employing an extensive

database of transactional and textual data corresponding to the list of all the items bought by a customer in a single purchase. Specifically, MBA was conducted on a dataset of Big Data (≈ 4.5 million data). Data Mining and Text Mining (TM) techniques were adopted to manage knowledge extraction (Bradlow et al. 2017). Transaction data were extracted directly from the cash register records. A total of 4,503,692 transactions referring to February 2020–May 2020 were sampled to carry a complete MBA. R software was employed to perform the MBA (<https://r-project.org/>). Several packages (e.g., *tm*, *stylo*, *wordcloud*) were utilized to oversee and analyze data through TM and stylometry (Eder et al. 2016; Fellows et al. 2018). The first step of the analysis comprised data management: the organization of the transaction data collected from the supermarket chain's nine stores. Therefore, data were organized in.csv files and then merged, adopting data manipulation. Data were cleaned with regular expressions (RegEx) to obtain a cleaned textual corpus. A Document-Term Matrix was constructed to analyze the corpus's significant occurrences and understand customers' buying behavior. Outputs provided visual information of data. This robust analysis reveals consumer preferences that would be particularly challenging to capture through an online survey. Retailers can use the market basket results to analyze consumers' preferences and guide product placement in stores, cross-category, and promotions strategies. In conclusion, MBA conjoint to BDA is a powerful and valuable tool to identify customer behaviors in the retail industry (Kurniawan et al. 2018) and map the potential changes in customers' purchase intention triggered by the Coronavirus pandemic.

4 Results

Results from MBA revealed consumers' preferences towards PL products, NB products, and fresh food products. NB products are the first choice for the consumers (53.73%), followed by fresh products (28.33%) and PL products (17.94%).

Figure 1 reports the results of the four weighted word clouds performed to explore: (A) the type of product distributed by a NB bought most frequently by consumers; (B) the most popular brands in the mind of the consumer; (C) the type of product distributed by a PL bought most frequently by consumers; and (D) the fresh products bought most often by consumers.

As depicted in the word cloud (A) in Fig. 1, NB products characterizing the most common consumers' baskets of goods span from beverage and pasta to breakfast foods and snacks, such as chocolates. Focusing on the word cloud (B), the most purchased brands are Divella (6.8%), Coca-Cola (4.5%), Kinder (4.1%), Fontanella (a brand specialized in the production of canned tomatoes recording 4% of the occurrences), Peroni (3.7%), De Cecco (3.5%), Berna (3.4%), Parmalat (3.3%), Granarolo (3.2%), Mulino Bianco (2.5%), Pepsi Cola (2.3%), and Eridania (2.2%). The word cloud (C) highlights the products labeled Végé purchased by consumers in the initial stages of the pandemic. This PL proposes several food products as well as household goods. Milk is the products bought in more quantities considering the product's gamma (indistinctly fresh, whole and partially skimmed recorded the 23% of the occurrences), followed by bread (9.1%), eggs (5%), and sandwich bread (3%). The word cloud (D) shows the most purchased fresh products, such as fruits and vegetable (34%), delicatessen (e.g., like porchetta, turkey

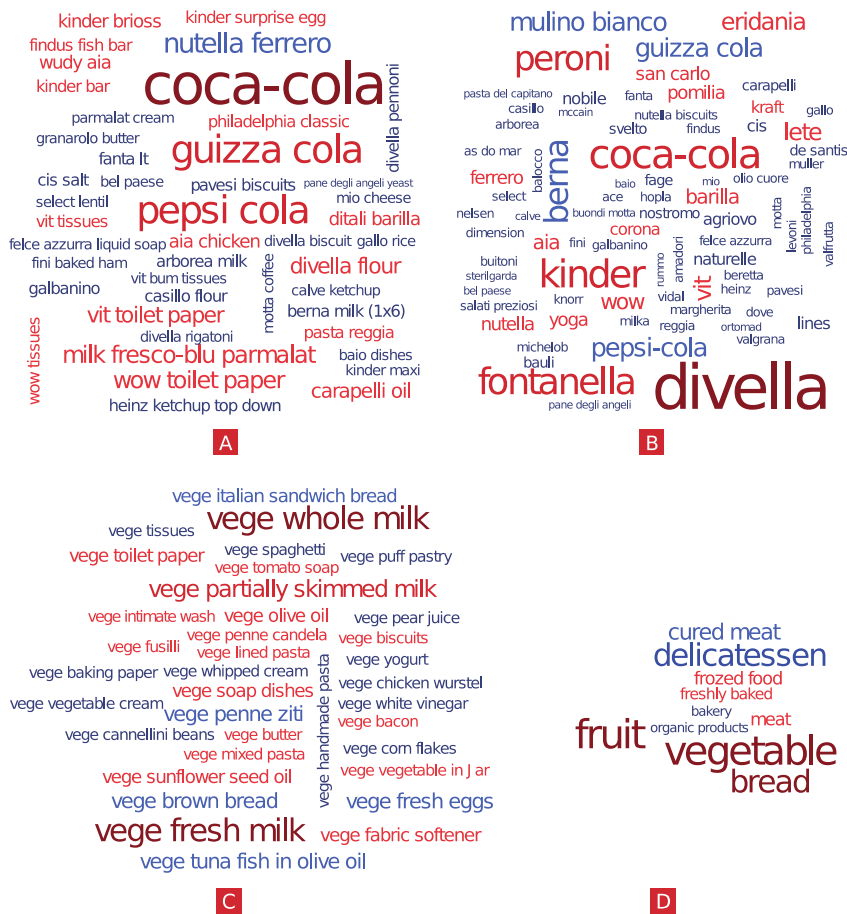


Fig. 1. Weighted word clouds

loin, smoked ham, roast ham, and charcoal-roasted ham recording 23%), cured meat (14.3%), meat (8.1%) and bread (4.1%). The average spending for a single product is about €1.98 (err. = 0.003) with a standard deviation (σ) of 2.44 and an upper quarter of the distribution around €190. The 25% of the sample bought products costing less than one euro. The most common hour for grocery shopping was 2 pm with a median at noon, and $\sigma = 9.8$. The first purchase of the day during quarantine was made at the opening time (8 am), and the last shopping was conducted around 11 pm. Usually, consumers bought an average of 68 items in their baskets, with an average family spending of €122.61 (err. = 0.002), with $\sigma = 88.1$. The family spends range is between €34 and €201. There is an intense concentration of purchasing during the second half of March, showing a stronger intention-to-buy during the most challenging times of quarantine. Evidence from the quantitative analysis shows a strong positive relationship between prices and incomes ($r = .91$) with a good-fitting locally weighted scatterplot smoothing (LOWESS), highlighting that a higher price corresponds to a higher income.

5 Discussion, Implications, Limits, and Conclusion

Results highlighted consumers' preferences regarding NB, PL, and fresh-products during their journey (Lemon and Verhoef 2016) inside a grocery shop in pandemic times. Several considerations emerged from the dataset regarding their intention-to-buy referred to specific brands or general product and their purchasing behavior and products, quantities, and preferred time to go shopping. Focusing on NB, it is evident that during Covid-19 pandemics, people tended to assume different behaviors concerning their purchase (Finkelstein-Fox et al. 2020). Consumers' shopping was divided into different kinds of products: at the top of the list there is Divella with 6.8% of the observations, a southern Italian pasta brand specialized in many formats of pasta and breakfast products, and relatively high trust, awareness, and perceived quality. Italians are not contradicting their habits, and they seem to fight pandemics through the consumption of sugars and carbohydrates. Another famous brand is found. Coca-Cola recorded 4.5% of the occurrences. This high-globalized brand is ranked second place for customers' spending (4.5% of presences in consumers' baskets). It is possible to say that this finding is not causal. Coca-Cola is one of the most loved brands from Italians, as reported from ilsole24ore.com (2019), and could be included in the category of beverages for psychological comfort. In this case, consumers give space to their most loved brand in their basket to avoid bad feelings caused by the pandemic times. Ends, Coca-Cola is positioned as a portion of comfort food in consumers' minds (Shen et al. 2020).

Notwithstanding, chocolates found another critical place in this ranking, demonstrating that beverages are not the only preferred form of psychological comfort. It is the case of Kinder with a percentage frequency of 4.1%. Kinder is an Italian commercial brand owned by Ferrero Ltd., selling chocolates products and derivatives. This brand is trustworthy because it plays with emotional content in the design of packaging, in the conceptualization of its advertising and marketing, and even in the choice of colors. Besides psychological comfort, another evidence came from the brand Peroni with 4% of records. Peroni is an Italian brand producing differentiated beers in several formats. This brand represents the beer with the highest awareness in Italy and constitutes the most exported Italian beer (with the product brand Nastro Azzurro) in the world. It is common in Southern Italy to ask for a 'Peroni' instead of asking for a beer. This percentage of sales demonstrates that Italians tended to buy and stockpile (or drink) several alcohol quantities during the pandemic, and this could be due to the rise of loneliness (Keh and Liew 2020). This finding is in line with the extant literature (Odone et al. 2020; Pellegrini et al. 2020), but in contrast with what is reported from Italian media (Repubblica.it 2020), stating that alcohol sales in Italy were higher in the case of spirits. Contrary, in this research, it emerges that soft drinks are more sold than spirits, and it may be due to contextual and cultural variables. Talking about PL, it is possible to state that products labeled customers have purchased VEGÉ at the beginning of the Covid-19 pandemic. This PL proposes diversified products as well as household goods. Milk is the most sold product indistinctly from the type of product. Total occurrences from the milk category are almost 23% of the total observations from PL. As a primary need product, bread is top-ranked in this list with 9.1% of the frequencies, followed by eggs and sandwich bread, recording the 5% and the 3% respectively. Several considerations are following to these data. First, it is unusual that in a crisis period, people are buying fresh milk. Not

so uncommon if compared with the branded milk. Milk's brands are almost frequent in the ranking (Berna = 3.4%, Parmalat = 3.3%, Granarolo = 3.2%), with a cumulative percentage of 9.9%, indicating a conspicuous slice of consumers' basket. There is one particularity: branded kinds of milk are bought because they are longer-lasting products, and PL milk is purchased as fresh, whole, and skimmed milk. Not surprisingly, triangulating data to the shopping hour, it emerges that customers tended to buy branded milk between 3 and 5 pm, and PL milk was sold in the morning. Therefore, it means that people had no immediate need to buy milk every hour of the day, but this could constitute an excellent excuse to go out for a walk to the grocery shop. This evidence is valuable because, even if every customer decided to drink milk for the whole day, goods warehouse was done in the evening and fresh milk was consumed in the morning, as in ordinary times. Another interesting finding of this research is that one of the most sold products from this supermarket chain was bio shopper, linked to sustainability and circular economy (He and Harris 2020). Concluding, consumers' spending during the pandemic was characterized by first necessity goods, such as pasta, milk, bread, eggs, flour, yeast, and toilet paper. This aspect is in line with the current literature (Laguna et al. 2020). Customers had their grocery shopping every moment of the day, in the morning and the evening. Average family spending was equal to €122.61, and the average cost of each basket's item was €1.98. People tended to maintain their ordinary habits, with some *escamotage* for going shopping to find their freedom. Limits from this study are for sure the geographical sampling permits an inference to the whole Campania region and part of southern regions, but not to the entire Italian territory. The extended inference is not possible because, particularly in Italy, contextual and cultural variables assume different parameters based on appurtenance's geographical zone. Another limitation is the current analysis of transaction data and spending patterns, rather than an aggregate MBA permitting products' forecasting and probabilistic analysis of consumers' share of basket and associated products. It could also be possible to triangulate IDs, transaction data and the kind of product to derive the main changes in the shopping trip. In the future, this research will be extended totally to the Italian territory, including a more extensive acquisition of big data and a collection of sales receipts records with an extended and retroactive temporal range.

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Re-thinking Street Food Marketing in COVID-19 Pandemic Period. “Pescaria” as Pilot Case Study

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Abstract. The paper examines the role of “marketing agility approach” for managing street food marketing in the COVID-19 pandemic period, adopting offline and online practices to sustain competitive advantage in a turbulent scenario. In particular, the work analyses the marketing strategies related to the point of sales and social media marketing practices to create customer engagement and to co-design a new hybrid customer experience. To validate these research statements, we identify a pilot case study in Italian context: the case of Pescaria. This is a valuable company in the street food industry to provide take-away food fisher products related to Apulia fishing cultural values. The main findings of the explorative study put in evidence that the competitive advantage is based on agile marketing capabilities for supporting point of sales management using social media practices to encourage hybrid customers engaged in Pescaria’s world.

Keywords: Marketing agility · Street food marketing · Social media marketing · Point of sales · COVID-19 pandemic

1 Introduction

In a society with increasingly frenetic rhythms, street food is becoming a typical consumer behaviour (Ukenna and Ayodele 2019) in several geographic contexts encouraging diffusion of place cultural values (Lo Monaco and Bonetto 2018) and supporting the growth and international strategies for the companies (Kyläheiko et al. 2010). In accordance with FAO (2011), the phenomenon of street food represents the “*ready-to-eat foods and beverages prepared and/or sold by vendors and hawkers especially in streets and other similar public places*”. Adopting a marketing perspective, the street food can be considered a unique customer experience (Coary 2018), as a meal consumed in standing composed of poor and traditional foods - sometimes disappeared or extinct - very trendy that can create a connection with the local area (Cirelli et al. 2005; Privitera and Nesci 2015). Coherently, the marketing management in street food industry has an important role to support through the brand both the collective cultural values of a specific geographic context (i.e. *place brand*: Berg and Sevón 2014) and the company

identity (i.e. *food brand*: Ryan and Casidy 2018) to create an exclusive customer experience (Desmet and Schifferstein 2008; Lagast et al. 2017). So, the brand can provide those cultural values that street food brings from a specific place.

From an empirical perspective, several case studies demonstrate the role of street food branding to create a clear value proposition in consumer minds and to position the point of sales linked by place cultural factors. However, in the last month, the impacts of the COVID-19 pandemic on the food retailing sector were significant and unexpected. In the European context, starting from March 9th 2020 - with the first and sudden lockdown in Italy - the virus began to get more serious attention from the people. Therefore, consumers who already habitually used social media (Park and Kim 2014) being forced to stay at home has increased their time of use, generating a greater turnout on social media of brands in the food industry (Habes et al. 2020; Mason et al. 2021). So, in the food retail the shutdown of sit-down restaurant dining switched dining out to grocery stores (Goddard 2020). These changes in consumer behaviors demonstrate the importance to react fast and nimble adopting a marketing agility approach (Osei et al. 2019; Zhou et al. 2019; Kalaiganam et al. 2021). In the literature, there aren't studies focused on the relevance of marketing agility approach in the street food industry to evaluate the impact of change management on point of sales and social media marketing practices.

Coherently with these statements, the research questions of the paper are the following: RQ1. What are the dynamic capabilities for providing an agile response by companies to support the street food business through point of sales management and social media marketing? RQ2. What are the main practices that street food companies can develop in response to the changes generated by the COVID-19 pandemic? There are numerous contributions in the literature dedicated to the management of strategic change for food companies in the re-organization of point of sales. However, few of them are focused on the change management related to marketing capabilities for supporting agile company responses. So, this work presents a pilot case study that identifies the main dynamic capabilities of marketing agility in street food industry analyzing a selected Italian company: the case study of Pescaria. This is a valuable company in the Italian street food industry to provide take-away food fisher products related to Apulia fishing cultural values.

2 Marketing Processes in Street Food Industry

Street food generates a meal experience, based on traditional foods (something cheap), but at the same time very trendy that can create a unique connection with the local area (Cirelli et al. 2005; Privitera and Nesci 2015). In several geographical areas, food products provided by street food vendors have become cultural icons and tourist attractions (Dawson and Canet 1991; Timothy and Wall 1997; Henderson 2000). Adopting a marketing perspective, for supporting street food business it is critical the role of branding management for building a clear brand identity based on key elements – that characterized the food exchanging offerings – and to create brand equity in customer-based perspective (Keller 1993, 2013).

In accordance with American Marketing Association (AMA 2017), we consider a brand as “*a name, term, design, symbol, or any other feature that identifies one seller's*

goods or service as distinct from those of other sellers. ISO brand standards add that a brand is an intangible asset that is intended to create distinctive images and associations in the minds of stakeholders, thereby generating economic benefit/values". Several studies have put in evidence that a brand allows to create strong consumer-brand relationships (Fournier 1998; Aaker et al. 2004; Aggarwal and Iacobucci 2004) both in the off-line and on-line environment (Park and Kim 2014) developing exchange value platforms - between the customer and the firm - sustained by brand engagement (Spratt et al. 2010; Obilo et al. 2020). In food industry, Risitano et al. (2017) investigate the impact of consumer-brand engagement and brand experience on behavioral intentions (e.g. *intent to buy, intent to WOM, willingness to pay a premium price, etc.*) related to coffee and pasta brands. Instead, Souza-Monteiro and Hooker (2017) analyze the brand corporate communications of food retailers to evaluate the corporate social responsibility (CSR) efforts on stakeholder community. Evaluating in depth the critical role of marketing in street food business, we consider two distinctive functions interpreted by food brand: a. a *firm-specific* utility, related to company profile and key elements of exchanging offerings (i.e. food products and/or services); b. a *place-specific* utility, related to cultural values embedded in geographical area and linked to food traditions, heritage, habits and uses. So, these marketing processes allows to enhance the consumer-brand relationships in a competitive scenario creating differentiate value propositions for the customers.

3 Change Management and Marketing Agility

Strategic management studies have always considered that firms must identify the key determinants of their own competitive advantage to select business opportunities and to respond quickly to the changes in the competitive scenario. In the period of the COVID-19 pandemic, several businesses have had relevant revenue decreases generated by poor skills in sustaining their competitive advantage over time, adopting an agile marketing strategy. Agile-oriented companies have some abilities to mobilize and utilize the managerial resources, the technology and the employees to respond to businesses environmental changes and uncertainties in time (Christopher and Towill 2001; Sambamurthy et al. 2003; Bernardes and Hanna 2009; Shenkar 2010).

According to these assumptions, in the current competitive context the adoption of agile marketing approach appears to be a critical success factor in strategic business management. Marketing agility refers to the firm's ability to make sense of the market anticipating proactively the chances in the environment and to respond to them very fast with an adaptive behavior that has the main goal to make decisions to better please consumer needs. In the marketing literature, there are some studies that identify key aspects to be able to analyses and understand the marketing agility (Osei et al. 2019; Zhou et al. 2019; Kalaiganam et al. 2021).

In accordance with Zhou et al. (2019), we identify four firm's abilities to qualify marketing agility approach: (1) *proactiveness*, as marketing capabilities related to anticipate and stimulate demand; (2) *responsiveness*, as marketing capabilities related to identify market changes setting the market opportunities for firms; (3) *speed*, as marketing efforts for anticipating and responding rapidly to market needs; (4) *flexibility*, as marketing efforts for providing a different combination of products in an effectiveness and efficient way.

For reacting to the impact of the COVID-19 pandemic, the marketing agility approach provides an adaptive decision-making model to support street food firms in managing point of sales and social media marketing communications.

3.1 Point of Sales Formats in Street Food Industry

Analyzing retail formulas in the street food industry, it is necessary to evaluate some alternative (or not alternative) formats that the firms could adopt: (a) food point of sales with/or without some tables on the street, for example into a pedestrianized area and/or historical city centre; (b) mobile food vending solutions, used for developing itinerant and flexible sales that support a rapid selling of products. In addition to traditional formulas - such as restaurants - in this sector an important role is played by street food vendors who sell food on itinerant carts or very small shops with only four walls. Manguiat and Fang (2013) underline that the vending of street foods is usually performed in small mobile food vending units which have an insufficient equipment design and layout, poor environmental hygiene and inappropriate food management and storage practices. The most diffused kind of street food vendor is the hawkers that offer typical food prepared on place. As analyzed by Gupta et al. (2018), another way of preparing and selling street food is the “food trucks” formula, a large vehicle equipped for the preparation and selling food, that has recently become very popular. Moreover, other authors (Otoo et al. 2012; Njaya 2014) have studied in depth some retailing formats to provide take-away food services in main streets or near busy places – for example, close to train stations and school districts - that can take advantage from the passage of people.

3.2 Social Media Marketing Practices

In recent years, the adoption of social media marketing strategies by companies has become an increasingly practice to develop brand management program that supports stable consumer-brand relationships (Park and Kim 2014). Today, in several industries the behavior of the modern customer is increasingly characterized by hybrid behaviors, in which we verify that: (a) the consumer analyzes products in a digital environment; (b) he buys in a digital and/or traditional environment; (c) in the post-purchase phase, he evaluates and shares opinions on the product through the most well-known social media (e.g. Facebook, Twitter, Instagram, etc.). Therefore, in the perspective of companies, this means investing more and more marketing resources on these digital platforms in order to develop online consumer brand engagement (Hollebeek et al. 2014) and digital word of mouth (e-WOM) through pictures, videos and sharing more information (Cantalops and Salvi 2014) about products and services (Zhu et al. 2019).

Nowadays, in particular during the COVID-19 pandemic period the use of social media is becoming immensely important in the customer perspective. Social media marketing has become more and more relevant, in the sense that it has given to the firms some solutions to engage and communicate with the customers in innovative ways. For the street food industry, these social media platforms are become more important to create a new “*hybrid customer experience*” in which perceive the expected food values related to service quality for supporting the customer intentions to purchase food through take-away or on-demand delivery services.

To validate the aforesaid assumptions, in this paper it is defined an original conceptual framework (Fig. 1) to evaluate the role of marketing agility approach – based on four abilities: *proactiveness*, *responsiveness*, *speed*, *flexibility* (Zhou et al. 2019) - for sustaining street food brand's competitive advantage through the point of sales adaptive management and social media marketing practices.

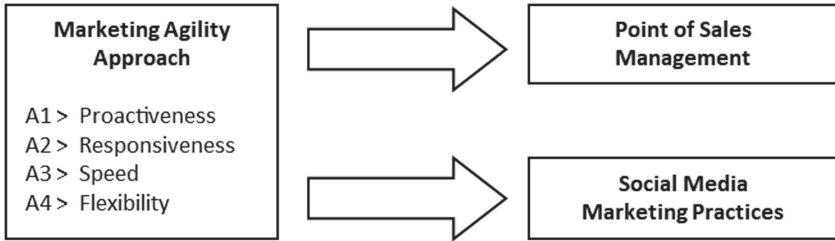


Fig. 1. Re-thinking street food marketing adopting the marketing agility approach: a conceptual framework. *Source: Our elaboration.*

4 Pilot Case Study: Pescaria

4.1 Research Methods

We realized a qualitative study in order to give a response to the research questions: RQ1. What are the dynamic capabilities for providing an agile response by companies to support the street food business through point of sales management and social media marketing? RQ2. What are the main practices that street food companies can develop in response to the changes generated by the COVID-19 pandemic?

According to Yin (1994), the research method of pilot case study is employed as first step of an exploratory research for supporting the studies in which the authors haven't already defined specific propositions and hypotheses.

The study has been developed through data collection of multiple sources: (1) official firm documents and street food industry reporting; (2) different newspapers and press releases; (3) company websites and social media pages. Moreover, the company analysis performed through secondary data was also supported by participant observation research methods (Lee and Broderick 2007), as direct consumption experience carried out by the authors, both in digital and traditional environment. The firm selected as pilot case study is *Pescaria*, an Italian street food company founded in 2015 in "Polignano a Mare" - a Municipality in the province of Bari (Apulia) – that provides food dishes respecting the Apulia's food traditions reworked in a modern key. Nowadays, *Pescaria* has already developed its own business based on take-away format creating some fishing point of sales in other four Italian cities: Milan, Turin, Bologna and Rome.

4.2 Findings

Pescaria is a valuable firm in the street food industry to provide take-away food fisher products related to Apulia fishing cultural values. Since the company foundation, the

marketing & communication strategy is developed through investment in social media networks, in particular on Facebook creating a unique expected experience in the potential consumer even before the launch of new fishing products or the opening of a new point of sales. The brand name of the firm was defined with a contest on Facebook, in which the future and potential customers have voted some alternative names choosing as final brand name *Pescaria*. In 2018, this firm was the first Italian company to be mentioned on Facebook's Earning Calls. The business model adopted (take-away food services) and the growth strategy through the opening of new franchised stores has allowed the company to develop significantly and to resist the impact of restrictions due to the COVID-19 pandemic (Fig. 2).

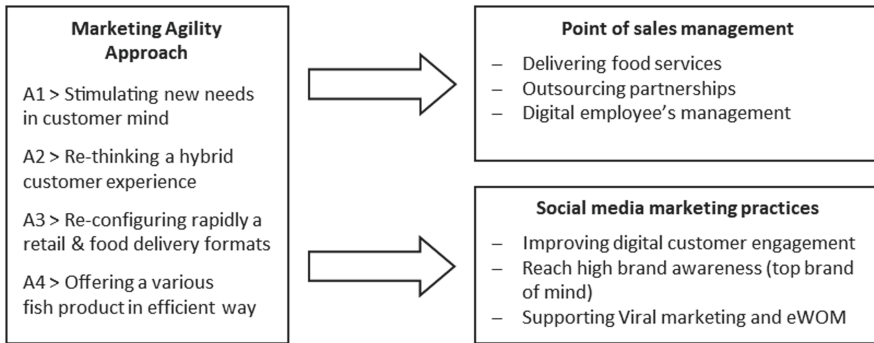


Fig. 2. *Pescaria's* marketing agile responses for supporting own street food practices in COVID-19 pandemic period. *Source: Our elaboration.*

In particular, adopting a marketing agility approach, *Pescaria* has sustained its own competitive advantage during the year 2020. We have identified the main dynamic capabilities that have characterized the company responses for supporting the street food business through point of sales management and social media marketing.

Pescaria's managers to be *proactive*, generates new needs in the customer mind using some sponsorship advertise aimed to the firm customer target (A1). In this perspective, it is important to monitor social networks and be *responsive* to identify consumer preferences and at the same time to entertain them by creating a *hybrid customer experience* (A2). Moreover, in order not to be overtaken by the competition, it is important to change *speedily*, adapting different retail formulas to the changing environment (A3). *Pescaria* to be *flexible* and to meet demanding customer, must innovate recipes and increase the offer in an efficient way (A4).

To respond to the changes generated by the COVID-19 pandemic, *Pescaria* reinforced his delivering services - adopting an adaptive point of sales management - even in a city where it wasn't present like in "Polignano a Mare". Moreover, to meet the high demand for delivery products, the company created a partnership for outsourcing cooking. To avoid the problem of distances, digitalization can be useful. In fact, the managers of each point of sales have a digital portal where they can find every single recipe.

In managing social media marketing efforts, it is important to improve on-line customer engagement, requesting opinions and suggestions from consumers. This creates a

very responsive innovation implementation process that allows the firm to capture market changes and to turn them into opportunities. This capability leads the customer to be satisfied and helps to position the brand in the “top brand of mind”, arousing considerable word of mouth and making the brand viral even in social networks, transforming the consumer into an *apostle*.

5 Managerial and Theoretical Implications

Street food managers should take into consideration the fact that marketing agility is based on some abilities critical to gain and sustain a competitive advantage. In the COVID-19 pandemic period, social media practices are demonstrating to be an important tool to support marketing strategies attracting new consumers to the point of sales. It is important to know that customers can contribute to create value for the firms on social media becoming an actual apostle in the communication of street food value propositions.

Research findings support some recent marketing studies on the critical role of social media in customer relationship management over the COVID-19 pandemic period (Habes et al. 2020; Mason et al. 2021). In food service literature (Goddard 2020), our work is one of the first that have evaluated the role of marketing agility approach (Osei et al. 2019; Zhou et al. 2019; Kalaighnam et al. 2021) in reacting to hyper-complex change generated by the pandemic.

Moreover, this case study has demonstrated how street food companies could create an innovative experience (Flavián et al. 2019) for the target market that supports through the ICT platforms the development of intentional consumer behaviours (e.g. re-purchase, digital WOM, etc.). So, these marketing processes can lead to the building of a hybrid customer experience based contextually on traditional (i.e. point of sales) and digital channel (i.e. social media).

6 Conclusions

This study analyzes the role of marketing agility in street food business to sustain competitive advantage in a turbulent scenario. Using the pilot case study method, the paper illustrates that *Pescaria* appears to be an agile company, overcoming the difficulty of a changing environment such as the COVID-19 pandemic period, responding in an agile and flexible way, and keeping the long-term planned objectives set before the pandemic, such as the opening of new stores.

This research presents some limitations. The most important is that the study was carried out adopting a qualitative research method analyzing a single Italian firm. In the next future, it can be considered to develop a multiple case study analysis to define a comparative research (e.g. cross-industry and/or cross-national) to evaluate the change management in the marketing processes. In a future step of our research program, we could define a quantitative study analyzing the phenomena in term of consumers perceptions and responses (e.g. in the point of sales and/or in the digital environment) through multivariate statistical methods collecting primary data by *Pescaria*'s customers.

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The Vegetarian and Vegan Communities Supporting Sustainability Through Responsible Consumption

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Abstract. Plant-based diets are more and more popular across the world, together with the growing concern of consumers towards environmental issues and animal welfare. In this context, a better understanding of vegetarian and vegan consumer motivations and buying behaviour is required. Aiming to fill in this gap in the literature, a quantitative analysis was performed among 628 vegetarians and vegan consumers in Israel and Spain. Results show that the main motivation for following a meat-free diet is animal welfare, followed by environmental concern and health concerns. Vegan motivations are significantly stronger compared to those of vegetarians. Only a few relevant differences were observed between the two countries. Most vegans and many vegetarians in both countries avoid purchasing unsustainable products, particularly leather or cosmetics that have been tested on animals, thus protecting both animals and the environment.

Keywords: Vegetarian · Vegan · Sustainable consumer behaviour

1 Introduction

All around the world people are facing the terrible consequences of the Covid19 Pandemic. Many have perished and many more are suffering from the after effects of this pandemic including huge economic losses. Some people associate the current pandemic with the fault of humanity for not taking care of our universe, ignoring sustainability, especially by bad behaviour toward animals. Even long before the pandemic, many researchers revealed how current dietary patterns including meat harm the sustainability of our planet through the pollution and deforestation caused by the meat industry (Mierlo et al. 2017).

Multiple studies have shown a global trend towards meat-free diets (i.e. Beckett 2020; Plant based organisation 2020). An increasing number of vegetarians and vegans has also been observed both in Israel and in Spain (Ginsburg 2020; Rodríguez-Pérez 2020). According to the findings of Derqui et al. (2020), parallel values and behaviours exist among vegans in these two countries.

Research has found two key consumers' motives for adopting meat-free diets. On the one hand, a "pro-sustainability" motive, which includes concern about the environment as well as protecting animals' rights and shunning from cruelty and, on the other hand, a "self-interested" motive, following the belief that meat-free diets improve one's health (Ulusoy 2015; Derqui et al. 2020). However, it was found that those who adopt vegetarian or vegan diets for any of these reasons, care likewise for the environment and are concerned about the future of the world (Derqui et al. 2020).

The aim of this research is to shed light on the following questions that respond to the scarcity of research found on this topic: first, are there differences in the motives between vegetarians and vegans for adopting their particular diet? Second, which group has stronger attitudes supporting each motive? Third, to understand whether these consumers' concerns about the environment are reflected in other shopping and consumer behaviours. And, finally, fourth, to shed a more global light on the issue: what are the differences and similarities between both countries (Spain and Israel), with regard to the vegetarian and vegan consumers' motivations? In order to respond to these inquiries, an integral theoretical model was constructed. This model was tested using the combined dataset that was collected in Spain and Israel using the exact same questionnaire. Then, tests of differences between the two countries and path analysis were conducted to conclude on their particularities.

2 Literature Review

2.1 Dietary Practices

A continuum was described by Salehi et al. (2019) with regard to dietary options from least to most strict avoidance of meat intake (Fig. 1). Omnivore would conform to the least strict group, including high volume of animal-origin food. Next are the *Flexitarian* and *Reductarian* groups, composed of those consumers attempting to reduce their intake of meat. *Pescetarians* eat fish, eggs and dairy, but exclude meat from their diets. At the strictest side of the continuum, we find vegetarian and vegans, both abstaining from all types of meat categories.

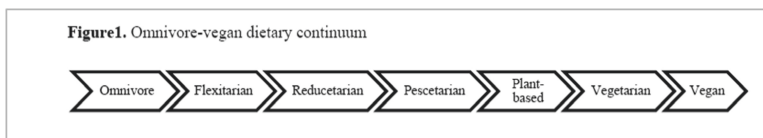


Fig. 1. Omnivore-vegan dietary continuum. Source: Salehi 2019

Scholars define vegetarianism in divergent ways (Ruby 2012). Following Hoffman et al.'s (2013) definition, we consider vegetarian consumers those who refrain from meat, poultry and fish/seafood. Actually, there are different types of vegetarian diets, from the strict veganism that excludes all type of animal products to more flexible options (Petti et al. 2017). Consumers who abstain from any animal related product - not only produce of dead animals but also from animal-based food ingredients like eggs, dairy

and honey - are considered vegan.. Interestingly, vegan advocacy groups tend to use a broad approach to define veganism, considering it as a lifestyle rather than a diet (Fox and Ward 2008; North et al. 2019). In fact, most vegan associations explicitly mention in their definition the exclusion of all animal related products including food ingredients, clothing or beauty products tested on animals. For instance, the UK Vegan Society focuses on “*all forms of exploitation of, and cruelty to, animals for food, clothing or any other purpose*” (UK Vegan Society 2020). Despite vegetarians and vegans often being found grouped together in research, they differ in many ways. Norwood et al. (2019) found vegan diets were associated with more positive psychological characteristics than the other dietary patterns studied in their research (i.e. weight loss). Furthermore, as stated by Rosenfeld (2019), vegans have stronger dietary motivations and perceive their diet as more central to their identity than vegetarians. Likewise, vegans feel more proud of their diets. Interestingly, in a research among vegans in Switzerland, Kalte (2020) found a vast majority of vegans were highly engaged in a broad variety of political activities.

There are nevertheless similarities between the two groups. Consumers following a plant-based diet are more “*likely to be female and highly educated, middle or upper-middle social class, high IQ, and high physical and spiritual well-being*” (Salehi et al. 2019, p. 3). These consumers, vegans or vegetarians typically explain their diet adherence to social ethics and social identity rather than an individual lifestyle choice (Cruwys et al. 2020). Indeed, scholars state that vegan and vegetarian choices go beyond diet towards other behavioural patterns; However, the stricter the diet, the stronger the conviction, which is reflected in consumer behaviour (Ploll and Stern 2020). Thus, the process of switching to a plant-based diet typically begins with awareness, followed by attitude development and supported by social and physical factors, as concluded by the systematic literature review performed by Salehi et al. (2019).

2.2 Motivational Drivers for Meat-Free Diets

Scholars have found the following main motives alleged by consumers to follow a plant-based diet. Firstly, animal-related motives, that is concern for animal welfare and other ethical aspects related to animals (Fox and Ward 2008); Secondly, personal wellbeing and/or health issues, including taste, pleasure and curiosity (Fox and Ward 2008; Micha et al. 2010), and, finally, environment-related motives: concern about climate change and resource depletion (Hopwood et al. 2020; Ruby et al. 2013). Jansen et al., in a research focused on vegan consumers added “social justice” motives, (i.e. motives related to human rights, world hunger, etc.), as well as aversion to capitalism or the food industry as motives (Janssen et al. 2016, p. 6), despite highlighting that ethical and health-related motives were the most frequent primary motives. Among ethical motives, animal-related motives were the most relevant in the decision to follow a vegan diet. That being said, over 80% of consumers in their research were found to be driven by several motives at the same time.

Moreover, there is evidence that many people evolve their motivations for vegetarianism over time, “*later modifying, adding, and sometimes dropping motives*” (Ruby et al. 2013). Differences have also been found across cultures, as meat is culturally embedded in the food culture of western countries (Fiddes 2004), and religion and tradition have

a strong liaison with food in eastern countries (Ruby et al. 2013). For instance, Ruby et al. showed that Euro–American vegetarians are more concerned about animal welfare and the environment, while Indian vegetarians were more strongly concerned about pollution as a result of eating meat and thus, most relevant values were purity and tradition for Indians and environmental sustainability and animal welfare for Euro-American vegetarians.

During the 21st century a paradigm shift occurred when scientific evidence showed that vegetarian diets not only did not lead to malnutrition as it was believed previously, but reduced the risk of many diseases (Leitzmann 2014). It has been appraised that the substitution of meat and processed meat with plant proteins reduces the risks associated with certain illnesses such as cancer (Petti et al. 2017), consequently enhancing the health motif. Yet, Vainio et al. (2016) found that convenience and price motives stop consumers from adopting a plant based diet.

2.3 Sustainable Consumer Behaviour

A prevalent definition of sustainability is “*meeting the needs of the present without compromising the ability of future generations to meet their own needs*” (Brundtland 1987). Minton et al. (2015) classified the different supporting consumer behaviours into two factors: The first factor, Eco-Friendly Purchase and Disposal Behaviours describes the consumer’s sustainable purchases (i.e. “*I seek to reduce the overall number of purchases I make*”; “*I choose energy efficient appliances*”). The second factor are intangible behaviours to the consumer but still supporting sustainability initiatives like “*sustainability is very important to me*”, “*I volunteer time to organisations and causes that support sustainability*” and “*I donate money to organizations and causes that support sustainability*”.

Those who practice plant-based diets are influenced in their shopping and consumer habits not only by abstaining from all animal products, such as leather goods, wool, silk and animal fur, but also from many other animal-related products, such as cosmetics and toiletries that were tested on animals (Greenebaum 2012).

2.3.1 Leather Products and Clothing Made of Animal Parts

People who avoid leather products and clothes made of animal parts are not always aware that this behaviour supports sustainability as well, apart from caring for animals. However, as described by Dixit et al. (2015), leather manufacturing and processing cause the creation of solid waste. Moreover, the process creates wastewater containing toxic and hazardous chemicals. Consequently, they conclude that the leather industry leads to harmful effects on the environment.

The ethical aspect of using animal parts in clothing, such as fur, wool and even silk is not a regular topic in public concern. Noteworthy, in addition to the fact that animals are killed, they are also kept in poor conditions and treated with cruelty: they are often skinned alive, especially in the manufacture of leather and fur. As for wool, thousands of sheep undergo a shearing procedure, during which they are also treated with cruelty, and, for instance, hair clippers leave wounds on the skin of animals (Dahlstrom 2020).

Regarding silk, people least understand why using it can be unethical, but the fact is that silkworm caterpillars also die in the process of collecting silk threads (Тугаєнко 2020).

2.3.2 Cosmetic and Household Products Tested on Animals

The healing of human ailments by using medicines obtained from animals is known as zootherapy (Alves and Rosa 2005), animal populations have become depleted or endangered as a result of their use as experimental subjects or animal models. (Costa-Neto 2005). This use requires invasive experimental laboratory procedures, and spreads not only to medicine but to drug testing, military field surgery, psychological experiments, research in bioengineering and cosmetic use (Castricano 2018). From all these practices, one of the most public objection is against experiments on animals in the cosmetic and household products (Min et al. 2018; Weisskircher 2019).

2.3.3 Eating Meat Substitutes

In the last years, scholars have observed an increasing demand for vegan food, i.e. those products without any animal-based ingredients. The consumption of alternative protein options can help achieve a reduction in the consumption of meat (Circus and Robison 2019). In particular, meat substitutes (also called “novel protein foods”) are products, generally based on plant proteins, (e.g., tofu, corn). which are developed to replace meat in the diet (Elzerman et al. 2013). Such products may help vegans and vegetarians in particular in the transition period, which is often described as a difficult experience. Furthermore, animal product alternatives can help overcome the barriers for meat-eaters towards more sustainable diets, as long as they offer “*high sensory quality, low cost and wide availability*” (Bryant 2019, p. 12).

However, the adoption of these alternatives is quite slow, partly because their taste, texture and smell are different to those of meat (Hartmann and Siegrist 2017; Rööös et al. 2018). Michel et al. (2021) suggest that to be successful, meat alternatives should resemble highly processed meat products in taste and texture rather than imitating meat cuts. They also highlight the relevance of offering meat alternatives at an affordable price. Weinrich (2019) suggests that the appearance and taste of meat substitutes conform to the key aspects for consuming these types of products on a regular basis, beyond the fact that health, environmental concern and animal welfare factors work as persuaders for consumers to try meat substitutes.

3 Method

3.1 Sample and Procedure

The combined sample included 628 respondents: 311 respondents in Spain (191 vegetarians and 120 vegans), and 318 respondents in Israel (154 vegetarians and 164 vegans). The responses were taken from larger samples in both countries, but were reduced in order to obtain similar age samples in both countries. Thus, in both countries, the age ranged from 20 to 40 years, 29 years old being the average age in Spain and in Israel,

28. To avoid biases, the socio-demographic composition traits were very similar in both groups: half of the respondents were men and half were women.

In Spain, the respondents were approached using a purposive sampling method, as well as through Social Media platforms. In Israel they were acquired by e-mail panel. In both countries, anonymity and confidentiality were promised and respected all along the process.

3.2 Measurements

The questionnaire consisted of 3 question blocks. In the first block, we asked about the different types of diet and how much time had passed since the current diet had been adopted; Secondly, we asked about their shopping and consumer behaviours supporting sustainability (avoiding leather, wool, silk products and animal tested cosmetics and eating meat substitutes). Finally, we included 15 questions (reduced to 10 questions after pre-test analysis) grouped in 3 constructs on motives for choosing their diet, following Janssen (2016). A final block collected socio-demographic features of study informants.

3.3 Analysis

The data in both countries were subject to exploratory factor analyses and validity tests. Then, we performed independent-samples t tests aiming to compare vegetarians with vegans as well as Spain with Israel results. The final test used Amos 25 to empirically test the theoretical model.

4 Conceptual Model and Hypotheses

As the vegan diet is much stricter and more difficult to follow than the vegetarian diet, we would expect vegans to have stronger motivations, and thus, we formulated the following hypothesis (Fig. 2):

H1: Vegans will have stronger motives to choose their diet for both caring about animals or the universe as well as caring for their health than vegetarians.

Moreover, as the motivations of vegans are stronger compared to vegetarians, the assumption is that:

H2: Vegans will behave in a more responsible way as they are more willing to protect the universe and therefore, they will more strongly avoid buying products that harm the universe.

Finally, due to the fact that Spain and Israel, according to Hofstede's model, share a similar culture in regard to power distance, individualism, masculinity, uncertainty avoidance, long term orientation, and indulgence (Hofstede 2011), one would expect little difference in meat-free dieter values between the two countries. For this reason, our hypothesis was formulated as follows:

H3: No significant differences in results will be found between Spain and Israel.

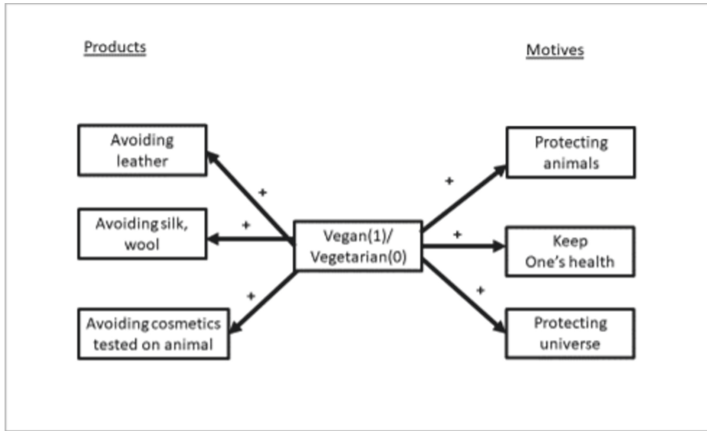


Fig. 2. The theoretical model representing relations between types of diets. Motives and responsible consumption.

5 Results

5.1 Validity and Reliability

First, the items of motives for choosing the diet were subjected to an Exploratory Factor Analysis with Varimax rotation and tested with Cronbach's alpha reliability tests. Three factors were produced, including 10 items, explaining 64% of the cumulative variance. Those factors were protecting animal rights (6 items, $\alpha = .891$), protecting the universe (2 items, $\alpha = .635$) and keeping one's health (4 items, $\alpha = .817$). Cronbach's alpha reliability test results were confirmed.

5.2 Comparison of the Results

Comparing the samples in the two countries, similarities were found between Spain and Israel regarding the characteristics of their vegetarian and vegan groups. Both in Spain and Israel these groups hold their diets for between 6–7 years on average. Most of the vegans in Spain (75%) and in Israel (77%) had been vegetarians that moved later to a stricter diet.

Mutually, the strongest motive (6.1 average out of 7) for choosing the diets in Spain and Israel was caring about animals and avoiding cruelty towards them. The second in line motive was protecting the universe (5.8) and the last motive was caring for one's health (5.5). In general, vegetarians in Israel compared to Spain, cared significantly less for the environment (5.8; 5.62, Sig. < .01). Regarding vegans, in Israel they cared more for animal (6.45; 6.11, Sig. < .05) however, less for health (5.48; 6.12, Sig. < .00).

In both countries, vegans had significant stronger marks in their motives for choosing their diets than vegetarians (in Spain between 7% to 11% more and in Israel, between 11% to 17% more). Thus, hypothesis H1 was accepted.

With regard to the shopping features, Table 1 below shows specific characteristics of the shopping behaviour of vegetarians and vegans. It compares those consumers who

state they always try to avoid buying products that may harm animals or the universe. We found significant differences in the buying behaviour between vegetarians and vegans in leather, clothing and cosmetics in both countries: vegans avoid animal related products such as leather, silk, wool and certain cosmetics to a higher extent than vegetarians (Sig. < 0.01). Therefore, hypothesis H2 was accepted.

Table 1. Percentages of those who never buy “harmful” products.

	<i>Israel</i>		<i>Spain</i>	
	<i>Vegetarian</i>	<i>Vegan</i>	<i>Vegetarian</i>	<i>Vegan</i>
<i>Leather products</i>	39.0	79.9	52.4	81.5
<i>Silk, wool products</i>	35.1	72.0	26.2	63.9
<i>Cosmetics tested on animal products</i>	49.4	72.6	46.5	73.1

With regard to eating meat substitutes, no significant differences were found between vegans and vegetarians in Spain and vegans in Israel: approx. 1.5 product per month. However, in Israel vegetarians used less meat substitutes (Sig. = 0.014).

It can be asserted that hypothesis H3 is also accepted. Results are similar, mainly regarding motives and buying behaviour. However, there are slight differences in responsible behaviour of vegetarians between these countries, where vegetarians in Spain are more open to buying silk and wool products than in Israel, while they are more flexible towards leather products in the latter country. It is also noticeable that vegans in Spain are also more relaxed with regard to silk and wool products than their peers in Israel.

5.3 Empirical Results of the Model

The model was tested on the combined data of Spain and Israel. The path analysis results show that the overall fit statistics (goodness of fit measures) exhibit an acceptable level of fit in all parameters (χ^2 value 8.818 (25), $\chi^2/Df = 1.764$. $p = .117$); CFI = .995; NFI = .988; RMSEA = .035, indicating that the path model is valid. The path model, regression standardised coefficients, and their significance are illustrated in Fig. 3. Tables 2 and 3 show the significant relationships of the variables and the statistical measures.

Results show that both motives caring for animals and caring for the universe are strongly connected to the type of diet. However, regarding responsible behaviour such as avoiding leather goods, silk or wool products and cosmetics tested on animals, the strongest motivation resulted from caring about animal welfare and avoiding cruelty to animals. This motive is enhanced by choosing a more severe diet, such as veganism. The health related motive, has been observed to have a lesser influence on this buying behaviour, except for avoiding animal-tested cosmetic products. No significance relations were found between protecting the universe and buying behaviour.

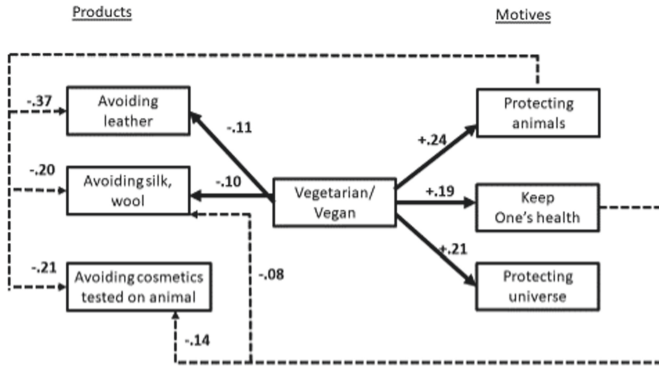


Fig. 3. Path model

Table 2. Relationships between type of diet and motives for choosing diet

	Regression standardised Weights (β)					
Independent:	Being vegans					
Dependent: motive	For animals		Keeping healthy		For the universe	
	Weight	Sig.	Weight	Sig.	Weight	Sig.
Sig. *** < .000	.238	***	.192	***	.259	***

Table 3. Relationships between independent (type of diet and motives) and dependent behaviour variables

	Regression standardised Weights (β)					
Independent:	For animals		Keeping healthy		For the universe	
	Weight	Sig.	Weight	Sig.	Weight	Sig.
Dependents:						
1. Avoiding leather	0.372	***	0	NS	0.197	*
2. Avoiding silk	0.197	***	0.076	*	0.166	**
3. Avoiding cosmetics	0.208	***	0.136	***	0.076	NS

Sig. *** < .000, Sig. ** < .01, Sig. < .05

6 Discussion, Limitations and Further Research

Consistent with Rosenfeld (2019) and Ploll (2020), our study shows that vegans have stronger motivations than vegetarians and, thus, it was confirmed that the stricter the diet, the more implications on consumer behaviour. Furthermore, motivations to follow a meat-free diet are confirmed to be mainly related to animal welfare, sustainability and health related concerns, consistent with previous studies. A relevant contribution of this study is that it highlights the relevance of health related motives when acquiring cosmetics by vegetarian and vegan consumers. Interestingly, the motive of keeping our planet safe, was not influencing shopping behaviour of products that, besides being cruel to animals, have bad effects on our planet. One can assume that the knowledge of these harming effects was not widely spread till now. The Covid 19 pandemic aroused recent awareness of the connections between the human race, nature and sustainability, and maybe universe concern will lead in the future to wiser consumption.

The similarity of values and behaviour that was exhibited between Spain and Israel is indicating that at least the more developed countries are moving in the same direction with variations along the way; In Spain there is more awarded to health and universe issues, while in Israel, the motive of regarding animals as partners in living life is still stronger.

The theoretical contribution of the research is in building an integrated conceptual model to explore the relations between the issue of avoiding eating meat and supporting sustainability and finding out how these factors influence shopping habits of products made from animals. There are empirical contributions for suppliers; today promotions are using cognitive elements, moral and health arguments, when approaching consumers. However, there is not a general agreement among consumers about the moral views on using animals or the health benefits of avoiding animal products; a strategy change is needed to include the issue of sustainability in marketing and promotional tools, as sustainability includes cognitive and emotional elements and is accepted by the majority of the consumers.

We can therefore conclude, for both Israel and Spain, that manufacturers and retailers aiming to appeal to vegan and vegetarian consumers, should highlight animal welfare and sustainability benefits of meat-free products at the same time as reinforcing health benefits when offering vegan cosmetics.

There are some limitations to the research. It was conducted in 2 countries, which according to Hofstede's five dimensions' model are similar in culture. Furthermore, it was focused in young people. As found in research, today people, regardless of age, are adopting meat-free diets due to the COVID 19 pandemic (Ginsburg 2020; Rodriguez-Perez et al. 2020), Thus, future similar research needs to be done among older people and in more individualistic countries. A longitudinal study would also shed light on the evolution of dietary changes.

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When Measuring the Actual Purchase of Private Labels: Attitude Dethrones the Price Sensitivity

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Abstract. The aim of this study is to investigate the behavioral influence of four different factors presumably affecting the purchasing behavior of private-label brands (PLB), namely the price sensitivity, consumer trust, attitude toward PLB, and store brand loyalty. A quantitative research was conducted with shoppers who purchase from French retail chains (Carrefour, Casino, Leclerc, and Intermarché). Data derived from 479 respondents have been analyzed using the binary logistic regression technique. Results indicate that attitude toward PLB and less loyalty positively influence the actual purchase behavior of PLB, while no significant effect has been found on the price sensitivity. Moreover, logistic regression analysis reveals that the attitude toward PLB predicts the event $Y = 1$ (actual purchase), exceeding other factors. Findings of this study challenge the traditional belief toward PLB, showing that consumers no longer buy PLB because they are cheap.

Keywords: PLB · Price dominance · Consumer attitude · Loyalty · Odds ratios

1 Introduction

A study of the existing literature on PLBs shows that they are generally low cost and inferior, targeting mainly low- and middle-income consumers, offering them a good alternative to other national and branded products (Calvo-Porrall and Levy-Mangin 2016; Veloutsou et al. 2004; Manzur et al. 2011; Bao et al. 2011; Walsh et al. 2012; Rubio et al. 2019). It has been noticed that in some countries, PLBs are cheaper than similar national brands sometimes by up to 50% (Manzur et al. 2011). Price-sensitive consumers are often seen as a typical segment of the PLB (Calvo-Porrall and Levy-Mangin 2016). However, over time the perception toward PLB has evolved favourably in proportion to the improvement of the product quality. Previous studies have shown that consumers choose PLBs not only for their lower price but also because they often develop emotional bonds with them in the same way that they become emotionally attached to other well-known national brands (Veloutsou 2015; Gangwani et al. 2020). The literature shows

that positive attitude towards PLBs (Burton et al. 1998; Zielke and Dobbelstein 2007; Calvo-Porrall and Lang 2015), consumer trust (Muruganantham and Priyadharshini 2017; Calvo-Porrall and Levy-Mangin 2016; Mostafa and Elseidi 2018), and store brand loyalty (Rondán Cataluña et al. 2006; Huang and Huddleston 2009; Calvo-Porrall and Lang 2015) are positively associated with the purchasing intention of PLB. According to Fornari et al. (2016), if soft prices have great meanings in the store brand purchase, loyalty and long-term physiological relationship are very determining as well.

Due to the various studies addressing factors that lead to consumers choosing PLBs instead of other brands, there is still considerable ambiguity regarding which factors lead more to the consumers' purchasing behavior. In other words, is it only the reduced prices that make consumers more prone to buy PLB?

Another key point addresses the purchasing intention/actual purchasing behavior debate. PLB literature has so far relied on intention rather than the real behavior when assessing the PLB purchasing action. Despite intention being considered as a strong indicator of the real purchasing behavior, some discrepancies between the declarative and the actual behavior are sometimes observed (Jiménez Torres and San Martín Gutiérrez 2007; Chandon et al. 2005).

In order to fill these gaps, the present paper aims to assess the important role of the prices on the actual purchasing behavior of PLB by comparing it with the roles of some other behavioral predictors, such as attitude, trust, and store brand loyalty.

The first part provides a literature review of the assumptions about the development regarding variables shaping the conceptual model of this research. The second part, details the methodology and data analysis procedures. Lastly, the final section delineates the results discussion and theoretical as well as practical implications.

2 Literature Review

2.1 PLB and Price

It has been extensively assumed that consumers buy PLB mostly because they are money-saving (Walsh and Mitchell 2010; Koschate-Fischer et al. 2014). While seeking more autonomy, more profit and consumers' loyalty, retail chains have introduced their own products (Sutton-Brady et al. 2017, Walsh et al. 2012; Ailawadi et al. 2008). PLBs do not require large investments, as is the case for national brands; this is generally due to the quasi inexistence or at least reduced promotional and marketing costs (Baltas 1997; Dimitrieska et al. 2017). For this reason, PLB could be sold for competitive prices that are only slightly different from their marginal cost of production, which makes them significantly less expensive than the other competitors' products (Davies and Brito 2004). However, PLB retailers often position their products in the average price range, thus avoiding unfavorable ratings from consumers (Dimitrieska et al. 2017). Previously, there have been debates regarding the PLBs quality. The thought placing PLB are no longer regarded as products of second or third choice; they are now seen as good-quality and affordable products (Beneke 2010; Rubio et al. 2019; Walsh et al. 2012, Kwon et al. 2008). However, price-sensitive or price-conscious consumers are often seen as typical PLB buyers (Koschate-Fischer et al. 2014; Thanasuta 2015). They are the kind of consumers who think twice about the cost of products and spending

money before purchasing something. Despite discovering many other demographic, socio-demographic or psychographic incentives behind the purchasing behavior of PLB, price remains the dominant factor explaining their successful promotion all around the world (Dimitrieska 2017; Boyle and Lathrop 2013). Thus, we hypothesize that:

H1: Soft prices are positively associated with the actual purchasing behavior of PLB.

2.2 PLB and Consumer Trust

Trust has been recognized as a potential factor of success for any business relationship (Sutton-Brady et al. 2017; Berry 1996). Trust has been defined by Kanji and Ganesan (2017) as “a set of beliefs held by a person and is derived from his or her perceptions on certain attributes” (p. 6). Kanji and Ganesan (2017) assert that in marketing, trust may involve products, services, and even some marketplaces, which means that trust can include specific brands, stores, and sometimes the retailer itself. According to Hernandez-Fernandez and Lewis (2019), the literature defines consumer trust towards a particular brand as the “feeling of security held by the consumer in his/her interaction with the brand, that it is based on the perceptions that the brand is reliable and responsible for the interests and welfare of the consumer” (p. 227). Usually, consumers trust a brand when it is reliable and when they feel secure and confident about its positive intentions towards them (Delgado-Ballester et al. 2003). Walsh and Mitchell (2010) explain the metamorphosis of consumer trust towards PLBs over time. In the past, when the PLB image was attached to the cliché of “low price, low quality,” consumers usually perceived PLB products as risky. However, when retailers started to invest more in quality and store reputation, the situation changed in favor of PLBs and consumers began to trust such brands in a manner similar or even better to national brands (Marques et al. 2020). According to Rubio et al. (2019), several studies have shown that consumers find no differences between PLBs and manufactured brands when it comes to objective quality. Despite these findings, some researches argue that PLBs remain simply an alternative to national brands as consumers still perceive them as a risky product class (Calvo-Porrall and Levy-Mangin 2016; Rubio et al. 2019). Classical thought in marketing literature emphasizes that the more a consumer expresses trust toward a particular brand the more likely that he or she will buy and re-buy it in the future (Chaudhuri and Holbrook 2001; Nyadzayo and Khajehzadeh 2016). The Nielsen report (2018) titled “*The Rise and Rise Again of Private Label*” shows that the global demand for PLBs is in fact growing; furthermore, the report projects good prospects for PLBs in the future, especially with the ongoing internet trade and spread of e-commerce. This means that consumers are actually trusting PLBs. Thus, we hypothesize the following:

H2: Consumer trust positively determines real PLB purchasing behavior.

2.3 PLB's Loyalty

Consumer loyalty is a strategic tool used by companies to improve their financial performance (Nyadzayo and Khajehzadeh 2016; Fournier and Yao 1997; Aaker 1991).

As such, many marketing scholars (Sirohi et al. 1998; Aaker 1991; Reichheld 1996) have addressed questions of how to maintain the consumers' loyalty to their brand. Oliver (1999) defines *brand loyalty* as a "deeply held commitment to re-buy or repatronize a preferred product or service consistently in the future, thereby causing repetitive same-brand set purchasing, despite situational influences' and marketing efforts' having the potential to cause switching behavior" (p. 34). Brand loyalty is often linked to the repeated purchasing behavior of the same brand even though some consumers may feel loyal to a brand without buying it frequently (Sheth and Park 1974; Jacoby and Kyner 1973; Bloemer and Kasper 1995). For this reason, Chaudhuri and Holbrook (2001) distinguish between attitudinal loyalty and behavioral loyalty. While behavioral loyalty refers to an actual repeated purchasing behavior, attitudinal loyalty refers to a consumer's positive feelings, commitment and strong buying intention towards a particular brand. The more a consumer is attached to a brand, the more she or he will likely purchase it over time (Aaker 1991; Goldsmith et al. 2010). Traditionally, brand loyalty has been linked to national and well-known brands (Manzur 2011; Garretson et al. 2002). However, with quality improvement, an enhanced image, an increased consumer satisfaction and a positive word of mouth brand loyalty has been extended to PLBs as well (Calvo-Porrall and Lang 2015; Choi and Huddleston 2013). Still, PLB buyers are typically described as non-loyal (Baltas 1997). Ahlert et al. (2009) found that many consumers want to choose PLBs just because they feel loyal to them; therefore, they assume that brand loyalty can reduce consumers' proneness to purchase PLBs.

If trust usually leads to loyalty over time (Nyadzayo and Khajehzadeh 2016; Calvo-Porrall and Levy-Mangin 2016), a more than two generations of market success with a PLB could be explained, at least to some extent, by both consumer trust and brand loyalty; thus, we hypothesize the following:

H3: Brand loyalty predicts actual PLB purchasing behavior.

2.4 PLB and Consumer Attitude

Since the publication of Engel et al.'s work (1980) consumer attitude has been defined as the positive or negative orientation of a consumer towards a product or brand and it has been associated with cognitive, affective, and conative components (Belaid and Lacoecilhe 2015). It has been found that when a consumer holds a positive attitude towards a brand he or she will probably purchase it in the future (Walsh and Mitchell 2010). In the PLB context, attitude toward PLBs was defined by Burton et al. (1998) as "a predisposition to respond in a favorable way to retailers' private label brands" (p. 238). Like any other brand, a positive attitude toward a particular PLB raises its purchase intention (Burton et al. 1998; Liu and Wang 2008; Calvo-Porrall and Lang 2015). As the reputation, familiarity and quality of PLBs have sufficiently increased, they are no longer seen as a separate class of products and consumers have started to rate them more favorably (Walsh and Mitchell 2010; Garretson et al. 2002; Choi and Huddleston 2014; Gangwani et al. 2020). Goldsmith et al. (2010) reported that PLB buyers tend to evaluate PLBs even more favorably than national brands. Along this line, Walsh et al. (2012) found that a positive attitude toward PLBs is negatively associated

with manufactured brands. Likewise, Walsh and Mitchell (2010) assert that according to the planned behavior theory (TPB) of Ajzen (1991) attitudes are the major determinants of human behavior. Thus, we could assume the following:

H4: A positive attitude toward PLBs increases consumers' actual buying behavior.

3 Research Methodology

3.1 Participants and Measurement Scales

Data was collected via an online survey questionnaire delivered to a panel gathering nearly 5,000 shoppers with the aid of a specialized data consultancy office. These shoppers are recognized as regular costumers of four store chains: Carrefour, Casino, Leclerc, and Intermarché. To test our research hypotheses, a focused sample comprising 479 actual and not actual consumers of either juice or cosmetics PLBs (50.7% juice; 49.3% cosmetics) was selected as the final sample study. Participants involved were mix-gendered, between 18 and 65 years old and claiming to be regular visitors of one of the four above-mentioned retail chains at least once a month. In France, juice is known to represent a successful case of a PLB product category, with a high market penetration rate in comparison to national branded juices, while the reverse is true for PLB cosmetic products according to Belaid and Lacoeyllhe (2018). These two PLB categories were selected in the same sample to draw wider conclusions about PLB predictors for either high or low product classes as it has been established that consumers' perspectives of PLB may vary from one product category to another (Chaudhuri and Holbrook 2001; Konuk 2018; Sarantidou 2018).

3.2 Measurement Scales

To assess the statistical influence of the four main predictors of actual LBP purchasing behavior, we used the measurement scales presented in the table below. All items were measured using a 7-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree) (Table 1).

Table 1. Measurement scales details

Predictors	Scale	Items number
Price sensitivity	Batra and Sinha (2000)	3
Private label loyalty	Cristau (2006)	3
Trust in the retail chain		5
Attitude towards private labels	Belaid and Lacoeyllhe (2015)	5

4 Data Analysis and Hypotheses Testing

After conducting a factor analysis aimed at reducing the initial amount of raw data, binary logistic regression analysis techniques were used to test research hypotheses and results interpretation. Logistic regression was selected as Y the dependent variable is a dummy one summarizing tow dichotomous opposed buying behavior toward PLB (purchasing vs. not purchasing PLB products).

4.1 Factor Analysis, Reliability, and Validity

A principal component analysis (PCA) was initially conducted to explore data underlying factors, using the oblique-orthogonal rule (Brown 2009) and α Cronbach was used to test the reliability of the scales. Next, a confirmatory factor analysis was conducted (AMOS.24). Results showed a good model fit in general as well as a valid construct structure with GFI = 0.938; AGFI = 0.908; TLI = 0.957; CFI = 0.967; SRMR = 0.049; $\chi^2/df = 2.92$ (Hair et al. 2010; Forza and Filippini 1998; Hu and Bentler 1999) (Table 2).

Table 2. Factor analysis output

Variables	Items number	α Cronbach	AVE	MSV
Price sensitivity	3	0,744	0,468 \approx 0,5	0,339
Attitude	4	0,890	0,671	0,613
Trust	5	0,917	0,727	0,457
Loyalty	3	0,834	0,639	0,613

4.2 Logistic Regression Analysis

As summarized in the next table, the logistic regression analysis revealed that at the level of significance of $p < 0.1$, only consumer attitude and brand loyalty are significant predictors of the effective purchasing action of PLB juice and cosmetics; therefore H3 and H4 are accepted. However, the same analysis showed non-significant effects for both consumer trust and price sensitivity, with p -values significantly above 0.1, especially for price sensitivity; thus, H1 and H2 are rejected (Table 3).

In the current study, the logistic regression analysis aims to determine which factors among the four independent variables-price sensitivity, trust, consumer attitude, and brand loyalty-contribute more to real PLB purchase action. By focusing specifically on the odds ratios (Exp (β)), we found that consumer attitude has the greatest odds ratio in the model, followed by brand loyalty. In contrast, price sensitivity and consumer trust, which already hold insignificant regression coefficients, have the lowest odds ratios, with values clustering around 1 for price sensitivity and even less for consumer trust.

Table 3. Regression analysis output

Predictors	Hyp	β (not standardized)	SE β	Wald (χ^2)	df	p	EXP(β)
Price	H1	0,033	0,093	0,124	1	0,725	1,033
Trust	H2	-0,176	0,119	2,201	1	0,138	0,839
Loyalty	H3	0.192	0,116	2,723	1	0,099	1,212
Attitude	H4	0,728	0,125	33,309	1	0,000	2,062

In a logistic regression, the odds ratio “tells us how many times higher the odds of $Y = 1$ is if X_1 increases by one unit” (Mood 2010 p. 68). Therefore, consumer attitude would normally have the biggest predictive power over the actual PLB purchasing behavior among all the variables involved in this current study, as its Exp (β_3) equals 2.034, significantly above 1. This means that an increase by one unit in the consumer’s attitude (otherwise when it becomes more positive) will enhance the odds of a $Y = 1$ event, which corresponds to the real PLB purchase action by at least two times. The brand loyalty effect also has an odds ratio slightly above 1, meaning that a rise in brand loyalty will also increase the odds of PLB purchase but not as much as we could expect in a case of positive consumer attitude toward PLB.

Overall, the logistic regression model showed a high percent-correct prediction (more than 80%). Both the R^2 of Cox-Snell and Nagelkerke are within the accepted range (>0.2). However, the Hosmer Lemeshow (H-L) test was found significant ($p < 0.001$), which could be explained by the use of a large sample size (nearly 500) (Nattino et al. 2020).

5 Discussions and Conclusion

PLB demand was mostly attributed to price impulse and price-sensitive consumers were accordingly identified as the main segment (Walsh and Mitchell 2010; Kwon et al. 2008; Ailawadi et al. 2008). However, PLB purchasing intention has also been correlated with many other demographic, sociodemographic, or psychographic characteristics of consumers (Baltas 1997). With general quality improvement, enhanced image, increased popularity, and positive word of mouth, consumers have started to develop psychological and emotional links with PLBs, just like any other national or branded products. Beyond the price effect, PLB buying propensity has been positively associated with consumer attitude (Huang and Huddleston 2009; Burton et al. 1998), brand loyalty (Burton et al. 1998; Hansen and Singh 2008; Jin and Suh 2005; Fornari et al. 2016), and trust (Beneke 2010; Egele et al. 2017).

The aim of the present research was to test whether price orthodoxy continues to exist for PLBs; then, the price effect was compared to that of consumer trust, consumer attitude, and brand loyalty using real PLB purchasing behavior, not just intention, as the model-dependent variable. Surprisingly, no significant relationship between price sensitivity and actual PLB purchasing behavior was found, contradicting the price -PLB theory. Instead, it was found that consumers’ positive attitudes and private label loyalty both significantly predict true PLB purchasing behavior.

Although consumer attitude and loyalty are recognized within the PLB literature as significant predictors of PLB purchasing intention, priority is given to price, value consciousness, or perceived risk as ultimately more determinant factors for PLB consumption (Thanasuta 2015). Globally speaking, the findings of this study show that PLB consumers are no longer concerned mainly with price or quality separately but rather they hold a general attitude toward PLBs. Indeed, the consumers' positive attitude toward PLBs has been conceptualized under Burton et al. (1998) as a consumer's predisposition to respond more favorably to PLB categories. It was found here that favorable consumer attitude increases the odds of PLB purchase by at least two times. Previous studies show that consumer attitude is among the main factors influencing the intention to buy PLBs (Jaafar et al. 2012; Chaniotakis et al. 2010). Nevertheless, Walsh and Mitchell (2010) found that consumer attitude is of minor significance for German students. The authors explain this in terms of the possible discrepancy between attitude and intention which sometimes occurs because of situational factors, especially since PLBs are usually sold in large stores. This is why, in the current study actual purchasing behavior replaced simple intentions to add more value and accuracy to the study's conclusions.

In addition to consumer attitude brand loyalty was found to be a significant predictor of PLB purchasing behavior, while no effect was established for consumer trust. These results are in line with previous PLB works regarding trust. Trust is often seen as a loyalty antecedent in marketing studies. However, brand loyalty is more correlated with a repeated purchasing action and consequently more related to purchasing behavior rather than to trust. Loyalty was already identified as PLB purchase predictor (Calvo-Porrá and Lang 2015; Ali 2019), especially for less share in the market for PLBs categories (Ahlert et al. 2009).

The findings of this study indicate that PLB marketers should not overestimate the role of price as a strategic "weapon" to keep attracting more consumers. Instead, chain-store managers have to invest in marketing strategies that achieve a more favorable consumer attitude toward their PLB, such as quality enhancement, brand image promotion, and positive consumer experience. It is also paramount for these marketers to better implement an attitudinal modification approach in the case of negative consumer attitude. Moreover, PLB sellers need to preserve consumer loyalty through such means as loyalty cards or loyalty rewards (Baltas 1997).

Limitations of this study mainly concern the generalizability of results, as previous research in PLB has shown that consumers' perception toward PLBs may vary across countries (Mostafa and Elseidi 2018; Nielson 2014; Cuneo et al. 2019). Consumers in France may be more prone to rate PLBs more favorably than other ones given the presence of many famous French based PL brands. Moreover, only two categories (juice/cosmetics) of products were included in the analysis. Thus, testing the same model paths using different product categories and cross-national sample provides scope for a potential project. Future research may investigate other less-researched factors influencing the PLB buying behavior such as the supply-side levers. As it was found, the assortment share (whether in width or in depth), the use of a multi-tier PL portfolios and a rebranding strategy could significantly enhance the PLB's acceptance (Fornari et al. 2013; Rubio et al. 2019; Marques et al. 2020).

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Private Label and Brand Equity. Opportunities in New Trends

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Abstract. The global pandemic has reshaped the scenario for marketing organizations across several industries, as the former apparently represents one of the most remarkable environmental changes in modern marketing history, with relevant consequences on consumer behaviour. Overall, the latter had more time at home, which resulted in new habits and new opportunities of engagement. In this context it is becoming more and more important to study the relationship between the magnitude of brand loyalty and store loyalty as PLs enhance customer store loyalty. PLs have been able to build brand equity throughout their development, with considerable differences across product categories. The aim of the paper is to analyse the components of Private Label equity and the positive relation between PL loyalty and store loyalty: PLs enhance customer store loyalty, setting the basis for further research in this field. Higher level of PL brand equity reduces the price competition between PLs and NBs and enhances their differentiation, which allows more market power for both.

Keywords: PL loyalty · Brand equity · Store loyalty · New trends

1 Introduction

Traditionally, leading national brands (NB) and private labels (PLs) belonged to different strategic groups. Consequently, national manufacturing brands never really had to take private labels into account when formulating their brand strategies; their focus would be on the competition with other national brands.

The quality gap between the two has decreased, and consequently new strategic reactions by leading manufacturers are required (Morris and Nightingale 1980).

Private labels are owned and sold by the same retailer that markets the manufacturer's leading brand, and retailers and suppliers have different promotional objectives. Suppliers perform marketing communication to promote their brand, to increase awareness, and improve sales and loyalty. Retailers, on the other hand, are not generally as concerned about the performance of a single brand, as they are likely offering alternative brands within a product category. The focus of their interest will be the performance of the category as a whole and the sales of self-branded products.

Before COVID-19, distributors could not count on competitive advantage based on the geographic position, forced to new positioning elements interpreting new demands:

the product lines with high levels of differentiation represent an opportunity for PLs to build brand equity. Even NBs do not generally directly attack private labels using price reductions, but by introducing innovations and strengthening the brand. The results of an empirical study using a sample of 101 Dutch national brand manufacturers suggest that national brands should increase the distance from private labels through innovations and brand strengthening (Verhoef, Nijssen, and Sloot 2002).

A higher level of PL brand equity reduces the price competition between PLs and NBs and enhances their differentiation, which allows more market power for both (Amrouche et al. 2008).

2 PL Brand Equity

PL brand equity includes components such as perceived brand quality, CSR, brand loyalty, brand awareness, and brand associations (e.g. Beneke and Zimmerman 2014). The PL brand equity research shows two key antecedents to preserve brand equity: store image and perceived price (de Wulf et al. 2005). Store image is determined by the product mix, pricing, store location, physical facilities, and customer service (Lee and Hyman 2008). The perceived price is a more powerful influencer than store image (Beneke and Zimmerman 2014). Store image can be used by retailers to influence all components of store brand equity (Beristain and Zorrilla 2011).

PLs enhance customer store loyalty (Hansen and Singh 2008). However, the relationship between PLs and store loyalty tends to be quite situational (Martos-Partal and Gonzalez-Benito 2011) and complicated (Koschate-Fischer et al. 2014). PLs can play a role in increasing store-switching costs, which leads to greater store differentiation and better retailer loyalty (Corstjens and Lal 2000). Seenivasan, Sudhir, and Talukdar (2016) demonstrated a robust and positive relationship between PL loyalty and store loyalty. However, PL impact on loyalty may not always be significant, depending on the retailers' market positioning. Over time, the loyalty factors that contribute to store loyalty are not homogeneous across the different loyalty stages as well (do Vale and Matos 2017). In addition, studies also show that the relationship between PL share and store loyalty is more complicated than what previous research has suggested (Koschate-Fischer et al. 2014).

By introducing PLs, the retailer abandons its pure status of being a client to become a direct competitor with NB manufacturers (Pauwels and Srinivasan 2004). The competition between NBs and PLs has become one of the main research streams in PL management (Brazauskaitė and Auruskeviciene; Gerbutaviciene 2014). While past analytical work suggests PLs should not be promoted (Rao 1991), practical evidence shows some retailers do promote PLs (Dunne and Narasimhan 1999). Similarly, either NB manufacturers or retailers may implement appropriate advertising programs to improve brand equity.

There is a great deal of theoretical modelling research published on this topic, including several excellent literature review and meta-analysis papers about broad economic/analytical models in studying NB-PL competition (e.g., Sethuraman 2009; Sethuraman and Raju 2012; Ailawadi et al. 2010).

PL brands are found to be in a weak competitive position compared to NBs regardless of the category and retail chain brand assortment strategies (Juhl et al. 2006). But since

retailers essentially control the entire marketing mix for PLs and much of that for NBs sold at their stores, the role of PLs in this context is rather complicated. While retailers may favour their PLs by making NBs less attractive, doing so engenders risks of losing category profit as well as overall competitiveness to rivals (Akcura et al. 2019). A research shows that PLs can mitigate the promotion competition between the NBs and possibly provide benefits for all members in the channel (Wu and Wang 2005).

For retailers, advertising is found to have an indirect impact on perceived quality of PL products (Levy and Gendel-Guterman 2012) and can be an important consideration to build a strong PL.

2.1 Forecasts: Italian Trends

The 2021 forecasts are the result of two surveys conducted in December 2020 by the Rapporto Coop 2020 - Economia, consumi e stili di vita degli italiani di oggi e di domani and its partners. The first, realized using the CAWI method, involved a sample of 800 individuals representing the population between 18 and 65 years. The second survey “2021 Restart. The new start for Italy and the Italians” turned to the community of the italiani.coop website and involved 700 opinion leaders and market makers using the past editions of the Report. Among these, the survey involved 280 subjects with managerial/executive profiles (entrepreneurs, CEOs and directors, freelancers) able to anticipate more than others the future trends in the country.

The surveys confirm the long wave of “slow cooking” the new strategy by Italians to spend less, buy more basic ingredients and less ready-made dishes, and temporarily defend quality and healthiness of their food, often cooking it on their own and planning to devote more time to preparing meals.

Purchases will focus more on food produced with Italian and natural/sustainable raw materials (53% and 48% of the sample respectively believe that these categories will record the best performance compared to the previous year) as well as fresh ingredients (+52%).

The concept of sustainable product becomes more articulated and the general respect for the environment is accompanied by the concept of local production or production linked to the territory.

The digital jump does not stop, but instead finds new lymph even in the 2021 forecast: almost one Italian out of two will invest in new smartphones, tablets, PCs, smart TVs; and even online payments, e-grocery and delivery will be growingly frequent. Italians seem to be increasingly looking for new, actually smart solutions (Rapporto Coop 2020 - Economia, consumi e stili di vita degli italiani di oggi e di domani).

Even in the 2021 scenario, the most critical points according to the managers of the food supply chain are, especially, the threat of the economic crisis and its negative effects on final demand (27% predicts a decline in purchases of food or consumer goods), and in 2021 – with the gradual exhaustion of the health emergency – a 2.6% decline (–1.6% if you also consider e-commerce) in the turnover of the physical network of large retailers is expected.

Positive trends in the physical network are only expected for discount stores (+1.8%) and drug stores (+2.9%). The South is certainly in greater difficulty, while the loss of the

northern regions will be less pronounced also thanks to the strong growth of e-commerce that is concentrated in such territories.

A strong growth in the online market in 2021 is once again expected (+62% is the Nielsen estimate of increase in 2021 online sales) along with the opportunity to give better service to consumers, but at the same time such channel risks cannibalizing the physical network and adding additional costs to the already rather precarious budget balances of the sector.

3 Opportunities to Enhance Differentiation of PL Brand Equity

The green sensitivity of Italians is the first area on which PLs are strongly investing, and this was reconfirmed by sales both during and after the lockdown. The organic product brand *Vivi Verde* (Coop PL) is the first organic brand sold in large-scale distribution in Italy with a turnover above 150 million in 2019, and it has not ceased to grow during and after the lockdown, with a +9% increase in value (Rapporto Coop 2020 - Economia, consumi e stili di vita degli italiani di oggi e di domani).

Coop continues to work on its offer in this direction, by strengthening the assortment with advanced and innovative Coop products in terms of quality and sustainability, affordable and accessible to the weak sections of society, and redesigning the stores following the logic of the new needs shown by the population.

Retailers have responded to the ethical concerns of consumers by developing products that meet their concerns and by changing the way in which they operate as organizations. For some, a strategy of differentiation on the basis of operating sustainably and ethically has been indeed implemented. Ethical retailers can lead the way towards achieving the triple bottom line by ensuring that the production methods and supply chains used to get products on the market are socially sustainable, thus do not exploit workers and further the well-being of people and communities. They can also ensure that supply chains are sustainable by minimizing their environmental impact.

For ethical consumers, lower priced alternatives are not acceptable substitutes. Good practice, cost benefits, and the support of the growing ethical concern by consumers will ensure the commercial sustainability of ethical retailing in the future.

4 Conclusions and Future Research

In conclusion, it would be helpful for future research to investigate these important results, possibly using moderating factors such as market and category characteristics, business environment, and social/cultural factors.

There are two conclusions presented in our earlier discussions which could be widely clarified and generalized:

- (1) the role of store image in influencing PL brand equity: increasing the frequency of visits to the store is an opportunity to generate a virtuous circle between store loyalty and PL brand equity.

Vice versa, PL brand equity enhances customer store loyalty (Hansen and Singh 2008), setting the basis for further research in this field;

- (2) Higher level of PL brand equity reduces the price competition between PLs and NBs and enhances their differentiation, which allows more market power for both (Amrouche et al. 2008).

It would be interesting to see how retailers optimize the allocation of marketing budget, among different categories. What is the retailer's optimal pricing and promotion strategy in conjunction with the NB manufacturer's marketing activities? (Karray and Martin-Herran 2009). How might intra-store competition be optimally balanced? The cross-brand advertising impact (between PLs and NBs) and CSR can be another stimulating future research topic.

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Examining the Network of Visitors' Traffic in a Mall: Frequency of Visits and Educational Level

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Abstract. This study suggests an alternative method to mall managers and investors that might be helpful to find an ideal tenant mix. Paths of 700 customers in a super-regional shopping mall were determined and their interactions were analyzed by using network analysis techniques. Interaction patterns of the visitors among stores according to the frequency of visits and educational levels were compared. The findings highlight emergence of different patterns between groups.

Keywords: Tenant mix · Shopping malls · Network analyses

1 Introduction

It is a challenging business to adapt to external changes for complex, large, and old organizations due to structural inertia (Hannan and Freeman 1977, 1984). Shopping malls are specific examples of such complex organizations that face adaptation problems right after the start-up process. The relevant literature (Scott 1970; Dawson 1983; Brown 1991; Alexander and Muhlebach 1992; Kirkup and Rafiq 1994; Bruwer 1997; You and Lizieri 2006) emphasizes the importance of finding the right tenant mix for the shopping malls. The start-up configuration of stores representing different types of brand names may determine whether malls survive or die because it may be not possible to make radical changes in the established tenant configuration. Therefore, it can be concluded that initial decisions of the mall investors or entrepreneurs concerning tenant mix will determine the fates of these organizations.

An alternative research methodology for the solution of the tenant mix problem of shopping malls is required. It was claimed that finding the right configuration is closely related to examining the natural paths emerging with the movements of customers from one store to another inside a mall (Sozen and Devrani 2020). If a sufficient number of visitor routes can be determined, patterns of interactions based on customer choices in a mall can be examined. Applying network analysis to such data may help to determine centrality (Bavelas 1948; Leavitt 1951) of stores, relations between brands and the stores that have brokerage positions (Freeman 1977; Burt 1992) in the network. A mall having over 190 stores and several recreational areas were selected for this research. The data

of 700 customers concerning sequential visits traveling from one store to another were gathered. The respondents who made more than three visits to the mall were selected to isolate possible effects of architectural design.

Quota sampling technique was used in this research and data from various subgroups of the respondents-age, gender, level of education, frequency of visits, income, day, and time of the visit- were gathered. In this study, it was examined that whether the frequency of stay and educational status of the customers have different network patterns or not. Whole network data were analyzed previously in an article to examine whether key brand configurations exist in successful shopping malls (Sozen and Devrani 2020). It is possible to examine the interactions of subgroups. That is a challenging business and requires separate data entry, but it gives researchers a chance to compare networks of visitors having different characteristics such as marital status, educational level, frequency of visits, income,... etc. This method will help to determine the brand and consumption choices of different groups based on their interactional routes in a mall.

2 Shopping Malls and the Ideal Tenant Mix Puzzle

Shopping malls have emerged as a modern type of organizational form in the second half of the 20th century to meet the mass consumption needs of the people especially those living in urban areas. These organizations promised fast, low cost and diverse shopping opportunities to modern-day people and have quickly become significant substitutes for street shopping. These organizations perceived as attractive investment options for entrepreneurs but when mall population had considerably increased, selective forces of competition started to define optimal responses to survive in the sector (Hannan and Freeman 1977).

Today there are various types of shopping malls in the form of regional, super-regional, vertical, strip, or outlet. Internal and external complexity can be denoted as a common challenge for all types of malls. Demographic characteristics of the population they serve, regulations, demands of multiple stakeholders, relationships with the national and local authorities are among the external factors that entrepreneurs have to cope with. The existence of many tenants, which are representatives of different corporations, is a major source of internal complexity for such organizations because, this dispersed structure must be centrally governed and all processes should be integrated under a common purpose (Beddington 1990; Singh and Bose 2008; Teller and Thomson 2012). There is also a mutual dependence between the performance outcomes of the mall's tenants and central administration. The survival rate of tenants is closely linked with the success of a mall, and decisions of central administration directly influence the faith of tenants. This special feature of shopping malls may increase the burden of managers and entrepreneurs, especially at the start-up stage.

A potential mall entrepreneur should think about important factors such as choice of location, selection of anchor stores, operating hours, services and promotional activities, site layout, and design (Fin and Louviere 1996). Shopping mall's image and the existence of hedonistic activities (Arnold and Reynolds 2003; Stoel et al. 2004) are among other factors that must be considered before the start-up phase. Decisions of mall entrepreneurs and managers about tenant mix seem to be the most important factor among others

according to the relevant literature (Scott 1970; Dawson 1983; Brown 1991; Howard 1995). It is more rational to seek strong anchors – usually big international retailers – for the initial step and then mall investors can think about basic and other types of tenants (Bruwer 1997). Each year billions of dollars are spent for mall investments both in developed and developing countries. Ineffective management, competition, changing consumer habits, or environmental pressures can lead to the failure of these huge investments. Starting with the ideal tenant mix can increase the survival chances of these organizations and may decrease competitive pressures. Some researchers (Muhlebach and Alexander 1992; Kirkup and Rafiq 1994; Bruwer 1997) have spent significant efforts to generate knowledge that can be helpful for the critical decisions of the mall investors concerning tenant mix. However, ideal tenant mix puzzle has remained unsolved. It is required for the shopping mall entrepreneurs and managers to analyze the consumer group they intend to serve in detail before the start of the business.

Each year billions of dollars are spent on mall investments both in developed and developing countries. Ineffective management, competition, changing consumer habits, or environmental pressures can lead to the failure of these huge investments. Starting with the ideal tenant mix can increase the survival chances of these organizations and may decrease competitive pressures. Some researchers (Muhlebach and Alexander 1992; Kirkup and Rafiq 1994; Bruwer 1997) have spent significant efforts to generate knowledge that can be helpful for the critical decisions of the mall investors concerning tenant mix. However, ideal tenant mix puzzle has remained unsolved. It is required for the shopping mall entrepreneurs and managers to analyze the consumer group they intend to serve in detail before the start of the business.

Researchers have generally used traditional reductionist research methods to suggest alternative solutions to this problem. A semi-experimental research method can be helpful for the initial decisions of mall investors and managers concerning the ideal tenant mix. Langrehr (1999) claimed that customers not only search for their needs in the malls but also mix their feelings and experiences while shopping. Gathering data from the real-time movements of the visitors in a mall could be helpful to reveal patterns of their brand choices. The network research methodology was used to map visitors' paths among stores inside a mall. In this study interaction patterns of the visitors according to their frequency of visits and educational level were compared.

3 Method

Traditional research techniques have generally been used to reveal and understand consumer behavior. A majority of the research efforts were concentrated on analyses of individuals' responses to certain scales in questionnaire forms. It might be a good idea to apply some of the methods that have been frequently used to gather and analyze network data to examine patterns of consumer choices.

Matrix algebra is a common method used for data entry and analyses in network research (Hanneman 2001). A significant number of basic techniques were borrowed from graph theory, which is a subfield of mathematics (Scott and Carrington 2011). 1 and 0 in a matrix represent the existence or absence of social interactions among individuals, groups, departments, and organizations. It is also a preferred method to indicate the

strength, frequency, and importance of relationships by assigning weights to the existing connections. In this study, it was decided to assume the shops representing different brands as nodes and paths of mall visitors among these shops as interactions or ties. Figure 1 is an example of a representation of visitors' interactions among shops. 3 visits were made from shop 1 to shop 3, 2 visits from shop 1 to shop 3, 1 visit from shop 2 to shop 1, 1 visit from shop 3 to shop 1, and 2 visits from shop 3 to shop 2.

	Store 1	Store 2	Store 3
Store 1		3	2
Store 2	1		
Store 3	1	2	

Fig. 1. Representation of the network

A shopping mall, having over 190 shops was chosen for this research. It was planned to reach a sample of 700 visitors because of the budget limitation of the study. Our team distributed 700 visitors to subgroups according to age, gender, days of the visit, and hours by using the quota-sampling technique. A group of interviewers was selected among undergraduate level management students and they were equipped with a diagram showing the names of the stores and their locations on each floor of the mall. Students waited near the exits and used these diagrams to gather data from the visitors who were about to leave the mall. The data were gathered from the customers who visited the same mall more than three times. UCINET software was used for data entry and analyses (Table 1).

Table 1. Sample characteristics

		N	%
Gender	Female	422	60,3
	Male	278	39,7
Age	18–27	188	26,9
	28–37	240	34,3
	38–47	130	18,6
	48–57	91	13,0
	58 and over	51	7,3
Educational status	Primary school	7	1,0
	Secondary school	13	1,9
	High school	126	18,0
	Bachelor D.	427	61,0
	Master's D.	110	15,7
	Philosophy D.	17	2,4

To test whether there are differences or not in terms of frequency of visits and educational status of the customers' choices, separate matrices were prepared for each

variable for the comparisons. Four separate matrices representing individuals with the low and high frequency of visits per month, the ones whose educational statuses are below and above undergraduate level were obtained from the network of visitor interactions.

Indegree and outdegree centrality scores, to determine incoming and outgoing ties to a focal actor (Wasserman and Faust 1994; Jablin and Putnam 2001) were calculated by using the software. Betweenness centrality scores of each store were calculated to examine mediation levels (Scott and Carrington 2011). Therefore, incoming traffic - indegree- to a specific store and outgoing traffic flowing from a store to others -outdegree- were simply visualized by using these basic measurement items. Betweenness centrality views an actor as being in an effective position to the extent that the actor falls on the geodesic paths between other pairs of actors in a network (Scott and Carrington 2011). Betweenness is a good way to measure the brokerage roles of stores (Burt 1992) in terms of traffic in the mall. UCINET (Borgatti et al. 2002) social network software was used for data entry and analyses.

4 Findings

First, it is required to determine the stores that are located at the central positions of the network of all visitors' paths in the mall. By using this method it is possible to understand the anchor tenants, which are critical in terms of the survival of the mall. Comparison of the key brands with the centrality analyses of the four matrices—low and high frequency of visits, low and high educational status—can show us the changes that occurred in terms of brand choices of the four visitor groups.

Table 2. Betweenness and degree centrality scores of all visitors (Top 10)

Store	Betweenness	Outdegree	Indegree
Zara	10,224	224	153
Bershka	4,142	164	145
Pull and Bear	3,617	134	134
Boyner	7,268	131	124
D&R	4,568	130	95
Mudo	2,578	85	87
Koton	2,736	84	74
Cinemaximum	2,400	71	81
Mark's & Spencer	3,300	74	62
Polo Garage	3,182	61	70

The key stores both sending and attracting visitors' traffic in the mall is highlighted below. A multi-national corporation owns the top three stores, which is in the fashion clothing, and textile industry. Boyner is a local brand of department store selling a wide range of products from electronics to cosmetics. D&R is another local retail store selling books, hobby material, and other media-related stuff. The figures in Table 2 highlights that most of the key tenants are well-known international and local clothing brands. It

is evident from the findings that local and international department stores also act as anchor tenants in the mall.

Table 3 indicates the degree centrality scores of the visitors who made frequent and rare visits to the mall. It is evident from the figures that the visitors had significantly shifted their attentions from clothing firms to the media retailer D&R shop after reaching a certain level of visits. The individuals who made their first or second visits to the mall were more interested in fashion clothing firms. The findings highlight that people who visited the mall more frequently, had paid their attention to spending their leisure time in the mall's cinema – cinemaximum. Another finding states that experienced visitors generally prefer to visit peripheral stores such as Mavi Jeans, Watsons, Benetton, and Massimo Dutti.

Table 3. Degree centrality scores according to frequency of visits (Top 20)

7 or more visits per month			1 or 2 visits per month		
Name	Outdegree	Indegree	Name	Outdegree	Indegree
Zara	25,0	16,0	Zara	28,0	21,0
Boyner	18,0	16,0	Boyner	25,0	17,0
D&R	19,0	14,0	Pull & Bear	19,0	19,0
Mudo	17,0	14,0	Bershka	21,0	15,0
Bershka	16,0	13,0	Koton	13,0	12,0
Pull & Bear	12,0	12,0	Mark's & S	12,0	13,0
Koton	9,0	10,0	Mudo	11,0	10,0
Cinemaximum	9,0	10,0	Mc Donalds	11,0	9,0
Mark's & S	1,0	7,0	Stradivarius	8,0	12,0
Stradivarius	7,0	8,0	D&R	9,0	10,0
McDonalds	5,0	9,0	Lacoste	7,0	9,0
Burger King	4,0	9,0	Kipa	7,0	7,0
Mavi Jeans	7,0	5,0	Nine West	6,0	8,0
Nine West	4,0	8,0	Polo Garage	8,0	5,0
Kipa	3,0	9,0	İnci	6,0	7,0
Lacoste	6,0	5,0	GAP	6,0	7,0
Watsons	4,0	6,0	Cinemaximum	4,0	8,0
Adidas	6,0	3,0	Batik	7,0	4,0
Benetton	4,0	5,0	İpekyol	6,0	5,0
Massimo Dutti	4,0	4,0	Beymen	5,0	6,0

In this study betweenness, centrality scores were used to reveal the brands, which have important mediator roles between the stores that do not have direct connections. When the scores in Table 4 are examined closely, some of the stores having mediator roles differ depending on the increasing frequency of visits. Parallel with the findings concerning degree centrality, it is possible to observe an important shift in the structural position of D&R, which is a media store. It simply means D&R attracted experienced customers who had different visit plans in their minds. Another finding that verifies previous analyses is the significant increase in the betweenness centrality scores of the mall's cinema - Cinemaximum - and the coffee shop Starbucks. The visitors who visited

more than 7 times per month prefer to use the mall for leisure time activities. A high frequency of visits also leads to a minor shift from international fashion clothing stores to some of the local brands such as Koton, Sarar, and Pentti.

Table 4. Betweenness centrality scores according to frequency of visits (Top 20)

7 or more visits per month		1 or 2 visits per month	
Zara	1889,08	Zara	3100,59
Boyner	1556,88	Boyner	2563,24
D&R	1387,98	Mark's & Spencer	1827,15
Mudo	1321,19	Bershka	1737,69
Bershka	979,18	Mc Donalds	1627,47
Cinemaximum	881,91	Lacoste	1622,79
Koton	648,60	Pull & Bear	1522,61
Kipa	604,42	Mudo	1434,59
Sarar	544,21	D&R	1171,91
Mark's & Spencer	538,20	GAP	1037,30
Nine West	531,22	Tommy Hilfiger	930,20
Adidas	507,88	Beymen	884,81
Lacoste	507,56	Kipa	866,60
Nike	467,97	Burger King	855,56
Starbucks	416	Nine West	792,92
Pentti	409	Polo Garage	763,65
Benetton	408,84	Koton	718,68
Polo Garage	398,99	İpekyol	676,93
Burger King	395,22	Burberry	667,83
Zeynel	364,57	Waffle Shop	663,51

Table 5 shows degree centrality scores of the visitors who have high and low educational levels. There are some considerable changes in terms of brand choices of the two groups. Mudo -a local department store-, which is one of the most central stores in the mall as it can be seen in Table 2 is not among the popular stores lower educational level visitors prefer to visit. Therefore it is evident that decreasing level of education may create a negative impact on local department stores in terms of visitors' interests. A significant increase in the centrality score of Cinemaximum can also be observed in the group that has lower educational levels.

The figures both in Table 5 and Table 6 verify that the existence of cinema in a mall is an important factor for the individuals who are holding high school and lower degrees. The more educated visitors didn't prefer to visit the cinema as much as the other group. The betweenness centrality scores indicate that Starbucks has an important mediator role among other stores, especially for the more educated group. This group tends to stop in this popular coffee shop somewhere in the middle of their paths. Both degree and betweenness scores highlight an interesting finding for the fast food industry. Higher educated visitors generally preferred Burger King instead of McDonalds.

Table 5. Degree centrality scores according to educational level (Top 20)

High educational level			Low educational level		
Name	Outdegree	Indegree	Name	Outdegre	Indegree
Bershka	14	14	Bershka	13	9
Zara	18	9	Zara	12	10
Pull & Bear	11	9	Pull & Bear	10	9
Boyner	10	10	Stradivarius	8	11
Adidas	10	9	Koton	9	7
Nike	10	8	Adidas	9	7
D&R	11	5	D&R	9	7
Stradivarius	6	7	Cinemaximum	8	8
Burger King	4	9	Boyner	8	7
Polo Garage	7	5	McDonalds	7	8
Batik	6	4	Batik	6	5
Koton	6	3	Polo Garage	4	6
Mark's and S	5	4	Burger King	3	7
Mudo	4	4	Nike	4	5
Cinemaximum	4	4	Kipa	3	6
Jeans Lab	4	4	Guess	5	3
Lacoste	4	3	Nine West	4	3
Kipa	4	3	Arbys	3	4
Forever New	3	4	GAP	3	4
Mc Donalds	2	5	Forever New	3	3

Table 6. Betweenness centrality scores according to educational level (Top 20)

High educational level		Low educational level	
Zara	1894,11	Zara	1269,90
Boyner	1556,88	D&R	730,79
Bershka	1116,65	Boyner	671,82
Burger King	984,87	Cinemaximum	534,11
Pull and Bear	962,05	Mc Donalds	498,65
D&R	745,37	Koton	459,94
Nike	723,99	Kipa	427,94
Starbucks	601,36	Stradivarius	398,78
Polo Garage	562,43	Bershka	392,17
So Chic	474,26	Batik	335,75
Nine West	455,20	Adidas	331,86
Adidas	453,32	Pull & Bear	278,74
İpekyol	453,26	Mavi Jeans	202,55
Beymen	424,41	Nine West	196
Mark's & Spencer	399,99	Starbucks	192,08
Stradivarius	381,36	Nike	184,75
Batik	330,85	İpekyol	178,33
Koton	309,85	Vodafone	162
Lacoste	284,40	Faik Sönmez	161,06
Kıgılı	265,54	Burger King	140,34

5 Summary and Discussion

An alternative research approach was used in this study to reveal the consumer behavior of the shopping mall visitors. The common methodology to analyze social networks to map the interactions of visitors among stores in a shopping mall was adopted. The centrality calculations of the two networks - visit frequency and educational levels - were compared. The findings indicated that visitors who made more visits focus more on the peripheral shops instead of anchor tenants and they decide to visit the mall to spend their leisure time in places such as cinema and media shops. We don't have an idea whether the visitors who entered the stores spent money or not. However, it is possible to think that the anchor tenants - well-known brands of the fashion clothing industry - seem to be more influential on the group, which made rare visits to the mall.

The other objective of this study was to examine whether high and low educated visitors' patterns of interactions differ from each other or not. The findings indicate that the visitors who have lower educational levels prefer to watch films in the cinema and to have meals in fast-food chains. If we assume a correlation between the level of education and income levels, shopping malls give the low-income group a chance to watch film, to have meals, and to look for closely located shops without paying for transportation. On the contrary, cinema was not at the top of the list of more educated visitors. This group decides to visit the stores having strong brand images and to they prefer to have a break in the famous coffee retailer. In addition to that, the value attributed to Burger King and Starbucks is considerably high among the more educated visitors.

This study represents how to generate rich information by analyzing the movements of visitors from one store to another in a mall. That type of knowledge may have various applications not only for the researchers in different academic disciplines such as marketing, management, location analysis, and operations research but also for the investors, managers, planners, and entrepreneurs of shopping malls.

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Sustainable Communication and Customer Engagement on Social Media

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Abstract. Given that there are increasing concerns regarding the ethical issues and sustainability of fashion products, fashion retailers are communicating their sustainable efforts on social media on a larger scale. Through analyzing 12,744 tweets from six fashion brands, we find that the tweets about sustainability positively affect consumer engagement on social media. Compared to the tweets about environmental sustainability, the tweets about social sustainability have a significantly positive effect on customer engagement. Regarding the type of fashion brands, we find that the tweets from luxury brands can increase customer engagement. Therefore, we suggest managers, especially in luxury fashion brands, should put more effort into communicating sustainability with consumers on social media.

Keywords: Sustainability communication · Customer engagement · Twitter analytics · Fashion industry · Luxury · Social sustainability

1 Introduction

Fast fashion brands have grown rapidly in the last decade, and such phenomena have developed an over-consumption consumer behavior on apparel products. 85% of garments and textiles today end up in a landfill. Thus, more people have raised concerns about the environmental impacts of the fashion industry and would like to resolve the problem by sustainable fashion. Consumers nowadays are more concerned about the manufacturing process of the products they purchased. For example, there is an uprising trend of boycotting brands that produced unethical animal fashion products (Davies et al. 2012). In the era of social media, brands' marketing activities should stress communication and the delivery of the brand value to the targeted group of customers (Kotler and Armstrong 2010). Because of the increasing concerns regarding the ethical issues and sustainability of fashion products, sustainability has now become an essential concern when developing the marketing strategy for business enterprises.

Social media platforms enable consumers to be more knowledgeable on products and production process sustainability. Customers can proactively research different brands' sustainability efforts through social media (Kitchen et al. 2008). Lam et al. (2019) further

find that the more resources on social commerce, the higher the firms' stock returns. This proves that social media is an effective marketing tool for promoting brands and communicating marketing messages (Heine and Berghaus 2014). In addition, brands always communicate their sustainability efforts via social media platforms (Manetti and Bellucci 2016). Thus, we aim to examine the effectiveness of sustainability communication through measuring customer engagement and provide insights to conduct sustainability communication on social media. By exploring the sustainability communication on social media of different types of fashion brands, it shed light on how to develop a better strategy to engage customers in this context.

2 Literature Review

2.1 Customer Engagement

Customer engagement is defined as “a consumer’s positively valenced brand-related cognitive, emotional and behavioral activity during or related to focal consumer/brand interactions” (Hollebeek et al. 2014, p. 154). Because of the interactive and co-creative nature of social media, the customer engagement on social media platforms is shown by the number of ‘likes’, ‘share’, and ‘comments’ (Barger et al. 2016; Lee et al. 2018a). Increasing customer engagement potentially relates to improving consumer satisfaction, loyalty, retention, customer lifetime value, and profitability (Barger et al. 2016).

2.2 Sustainability Communication on Social Media

Sustainable development becomes an important issue nowadays. Consumers are now caring more about the story behind and materials used for the product they purchased. Social media creates a platform for the public to discuss the ethical aspects of fashion and promote sustainable clothing development (Shen et al. 2014). Social media is influential in affecting consumers' attitudes, which is shown by people's responses on social media (de Lenne and Vandenbosch 2017). Thus, we predict:

H1: The tweets mentioning sustainability have more significant effects than the tweet without mentioning sustainability on customer engagement.

2.3 Environmental Sustainability versus Social Sustainability

Consumers feel that ethical purchase allows them to live in a socially responsible lifestyle and express their ethical identity (Niinimäki 2010). About ninety percent of respondents were willing to buy sustainable clothes and use them for a longer time to decrease the negative impact on the environment (Niinimäki 2010). Moreover, Hill and Lee (2012) find that reduce purchasing, recycling, and saving natural resources are some common

ways to make your life greener. When people think about sustainability, environmental aspects are more important than the other two aspects. Thus, we predict:

H2: The tweets mentioning environmental sustainability have more significant effects than that mentioning social sustainability on customer engagement.

2.4 Luxury Fashion Brands versus Mass Fashion Brands

Mass fashion brands discuss sustainability more often on Twitter than luxury brands, but luxury brands often received more *likes* and *shares* in general (Lee et al. 2018b). 30% of luxury products customers cared about sustainability when they purchase the luxury product (Kapferer and Michaut-Denizeau 2014). We observed a growing trend that luxury brand also promotes sustainability in their latest collections. Thus, we predict:

H3: The tweets of luxury fashion brands mentioning sustainability have more significant effects than mass fashion brands on customer engagement.

2.5 Sportswear Brands versus Mass Fashion Brands

Increasing sportswear companies have put emphasis on adding sustainability value into their product design, developing sustainable practices, and promoting sustainability messages on social media (Baier et al. 2020). Baier et al. (2020) find that most respondents are more willing to pay for eco-conscious sneakers than for conventional ones. Casadesus-Masanell et al. (2009) show that the customers are more willing to buy the product made of organic cotton. On the other hand, mass fashion brands always use materials with lower quality and shorten the manufacturing process to accelerate the obsolescence of the products because mass fashion consumers care more about the style and price and have less concern about sustainability (Cachon and Swinney 2011). Thus, we predict:

H4: The tweets of sportswear brands mentioning sustainability have more significant effects than mass fashion brands on customer engagement.

3 Methodology

Figure 1 presents the process of research methodology. We run Twitter Application Interface (API) to collect data on Python 3.7. Then, we use Python 3.7 to search the keywords and classify the tweets. Finally, we use multiple linear regression to test the hypothesis on the IBM Statistical Package of the Social Science 25 (SPSS 25).

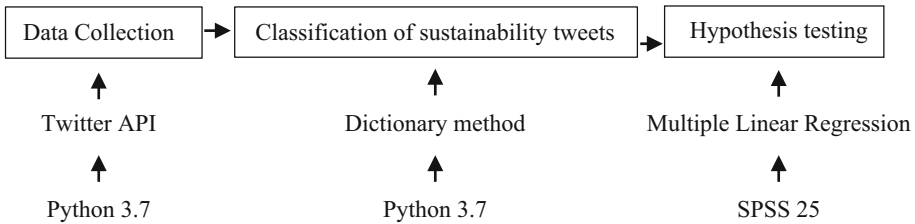


Fig. 1. The process of research methodology

3.1 Data Collection

Regarding the scope of fashion brands, we select two mass fashion brands (i.e., ZARA, Uniqlo), two luxury fashion brands (i.e., LVMH, Gucci) and two sportswear brands (i.e., Nike, Adidas), which are the world's major clothing manufacturers and retailers and communicate with consumers on social media for a long time. In addition, they have all put much effort into sustainable development and are committed to developing a sustainable company. After running Twitter API on Python 3.7, we collected a total of 35,243 tweets and remove 22,499 tweets that are brands' replies or retweets to others. These data cannot represent the brands' opinions and their sustainability practices. We select Twitter because of its easy access to data (Lee et al. 2018a, b) and a huge number of Twitter users¹.

3.2 Dictionary Method

The Dictionary method classifies tweets based on keywords that appear in the text (Grover et al. 2019). We use the sustainability keyword list developed by Lee et al. (2018a, b). If a tweet contains any keywords from the list, it is considered a sustainability tweet.

3.3 Hypothesis Testing

We adopt multiple linear regression because we use more than one independent variable. We summarize the variables in this study in Table 1. We built four regression models. Model 1 examines if sustainability tweets positively affect customer engagement. Further, we tested whether the strength of sustainability information has a positive association with customer engagement in model 2. Then, model 3 figured out which tweets about environmental sustainability or that about social sustainability have more effects (positive or negative) on customer engagement. Finally, model 4 compared the effect of sustainability tweets in different types of fashion brands. Moreover, since customer engagement includes giving *likes* and *retweets*, we separated the number of *likes* and *Retweets* as two dependent variables in two separate models.

¹ <https://www.statista.com/statistics/282087/number-of-monthly-active-twitter-users/>.

Table 1. Variables in this study

Variable	Description
Dependent variable	
Like	Number of a tweet's likes
Retweet	Number of a tweet's retweets
Independent variable	
Sustainability tweet	A tweet related to sustainability
Sustainability strength	Number of sustainability-related keywords in a tweet
Social sustainability	Number of keywords related to social sustainability in a tweet
Environmental sustainability	Number of keywords related to environmental sustainability in a tweet
Luxury	Luxury fashion brands
Mass	Mass fashion brands
Sports	Sportswear brands
Luxury \times Sustainability tweet	A tweet related to sustainability from luxury brands
Mass \times Sustainability tweet	A tweet related to sustainability from mass fashion brands
Sports \times Sustainability tweet	A tweet related to sustainability from sportswear brands
Control variable	
Text length	The length of a tweet's text

4 Findings

Table 2 presents the results of multiple regression with *Like* as the dependent variable, while Table 3 shows the results of multiple regression with *Retweet* as the dependent variable. Sustainability Tweet positively affects the number of likes and the number of retweets. Thus, H1 is supported. Further, Sustainability Strength positively affects the number of retweeting only. Model 3 in Tables 2 and 3 show that the significantly positive effect of Social Sustainability on the number of likes and the number of retweets. Thus, H2 is rejected. Model 4 on Tables 2 and 3 show that Luxury \times Sustainability Tweet affect the number of like and the number of retweeting positively. Thus, H3 is accepted while H4 is rejected.

Table 2. Results of multiple regression with the number of like as the dependent variable

	Model 1			Model 2			Model 3			Model 4		
	Coefficient	SE	p	Coefficient	SE	p	Coefficient	SE	p	Coefficient	SE	p
Sustainability tweet	595.652	300.531	.048*									
Sustainability strength				152.119	114,982	.186						
Environmental sustainability							-152.554	269.356	.571			
Social sustainability							884.243	346.423	.011*			
Luxury × Sustainability tweet										1195.997	399.216	.003**
Mass × Sustainability tweet										-326.803	496.187	.510
Sports × Sustainability tweet										532.052	942.687	.572
Text length	1.003	.928	.280	1.12	.928	.228	1.073	.927	.247	.941	.929	.311

Notes: “Sustainability Tweet”, “Luxury”, “Mass” and “Sports” are excluded by SPSS in model 4.; *p < 0.5; **p < 0.01.

Table 3. Results of multiple regression with the number of retweeting as dependent variable

	Model 1			Model 2			Model 3			Model 4		
	Coefficient	SE	p	Coefficient	SE	p	Coefficient	SE	p	Coefficient	SE	p
Sustainability tweet	331.862	117.696	.005**									
Sustainability strength				90.889	45.033	.044*						
Environmental sustainability							-48.021	105.484	.649			
Social sustainability							460.109	135.664	.001**			
Luxury × Sustainability tweet										620.334	156.327	.000**
Mass × Sustainability tweet										-100.655	194.299	.604
Sports × Sustainability tweet										262.714	369.142	.477
Text length	-.378	.363	.298	-.322	.363	.375	-.341	.363	.347	-.408	.364	.261

Notes: “Sustainability Tweet”, “Luxury”, “Mass” and “Sports” are excluded by SPSS in model 4.; * $p < 0.5$; ** $p < 0.01$.

5 Discussion

Firstly, our findings indicate that sustainability tweets can affect social media engagement positively. In addition, the average number of likes and shares of sustainability tweets are more than that of normal tweets, although less than 3% of tweets mentioned sustainability messages. This reveals that there are increasing concerns regarding the ethical issues and sustainability of fashion products. Thus, fashion brands have to adopt sustainability marketing practices in the strategic making in order to fulfill the ‘sustainability needs’ of customers and maintain a long-lasting relationship with the customer (Kumar et al. 2012). Previous studies have highlighted that it is vital to consider sustainability when developing a marketing strategy (Charter et al. 2002). Our study extends sustainability communication to the area of social media marketing since social media is a tool for brands to market their brands and communication the brand or product value with the targeted consumer group (Kumar et al. 2012).

In addition, we find that social sustainability messages are able to generate more likes and share from customers than environmental sustainability tweets. This may suggest that customers are more interested in fashion brands’ social sustainability measures such as putting an end to child labor, donating money to charity, and providing clothes for the needs. Therefore, the future sustainability efforts of fashion companies should focus on the social aspect such as providing education and training, social justice, participation and health, quality of life to the society and their workers (Dempsey et al. 2011). Moreover, we prove that sustainability tweets from luxury brands can affect customer engagement on social media positively. In addition, luxury brands received about four times more the number of likes and retweets than of normal tweets when their tweets talked about the sustainability. This reveals that customers tend to respond more to luxury brands’ sustainability efforts.

6 Limitation and Implication

Firstly, future studies can examine our findings based on a larger scope of data from more brands and more social media platforms. Secondly, the dictionary approach can be further improved by machine learning and AI classification. Finally, future research can focus on more specific social sustainability topics such as animal welfare, human rights, etc. Finally, our research can be replicated to other national brands’ consumer products.

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Marketing Attribution in Omnichannel Retailing

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Abstract. Although for years the marketing science community has been actively proposing models for measuring the effectiveness and return on marketing investment (ROI), marketing attribution remains one of the major issues today. In fact, the Marketing Science Institute has identified attribution marketing as the number one priority since 2016. In this research we use the calibrated structural equations from a partial least squares model from previous research to estimate the impact of advertising on web and store sales for an omnichannel retailer of electronic consumer goods. From this model, as a novelty, the research derives the marketing metrics on percentage of sales attributable to each advertising channel, including, online, offline, paid search advertising and branded search queries. Finally, we present some managerial implications of our model. We find that not considering the simultaneous cross effects of the different advertising media, managers may make incorrect decisions inferring attribution from misleading calculations.

Keywords: Marketing attribution · Omnichannel retailing · Marketing ROI · Advertising optimization

1 Introduction

Before the advent of the Internet, retailers calculated the impact of advertising on sales, or return on investment (ROI), using multiple regression models with sales as the dependent variable versus the rest of the marketing mix variables (Méndez-Suárez and Estevez 2016). After the Internet, retailers evolved from single-channel to multichannel and started optimizing marketing investments channel by channel, but nowadays retailers become omnichannel, where marketing optimization must be done simultaneously across all distribution and communication channels (Zhang et al. 2019). For this reason, some authors (i.e. Ghose and Todri-Adamopoulos 2016; Hanssens and Pauwels 2016) modelled the advertising effects by avoiding the use of aggregate metrics. Other authors used hidden Markov models to evaluate the impact of various channels at different stages of decision making (Abhishek et al. 2012). Studies conducted by Danaher et al. (2020) developed Tobit models to understand within-brand and within-channel correlations in

responses to multimedia advertising. In this line, other research has attempted to provide causal evidence on the complementary online-offline effects of multimedia advertising (Dinner et al. 2014; Naik and Peters 2009) and cannibalization between these same channels.

But still omnichannel sales attribution remains one of the Marketing Science Institute's (MSI) priorities since 2016 and is one of the main unresolved problems for omnichannel retailers, among others reasons, because the purchase funnel is traversed by customers in a nonsequential manner and although we have information on the internet journey, we may not have equivalent information for television or other forms of offline advertising (Cui et al. 2021). With this problem in mind, in the specific context of omnichannel retailing, Méndez-Suárez and Monfort (2020) proposed an alternative modelling framework based on partial least squares structural equation modelling (PLS-SEM) to simultaneously assess the effect of online and offline advertising on web and store sales for an electronic consumer omnichannel retailer.

The present research is based on the data and model proposed by Méndez-Suárez and Monfort (2020), the authors used data from a European multichannel retailer containing information on 120 weeks containing Google branded queries, spending on online advertising and social media also spending on offline advertising as TV and store flyers.

The article is organized as follows. The next section explains the modelling approach. Subsequently, research method and results are described. Finally, conclusions are presented, the implications of our research are discussed, and future lines of research are proposed.

2 Modelling Approach

PLS-SEM, a methodology that has been proved successful in the marketing literature (Martínez-López et al. 2013), uses an iterative optimization algorithm, until convergence is achieved, to solve the structural equation model by estimating the latent variables in alternating steps to maximize the variance explained (i.e. R^2), this way creating composite variables as a linear combination of the variables chosen (Hair et al. 2016). The structural model estimates the relation between the variables by means of simple or multiple linear regression.

PLS-SEM has the ability to measure direct and indirect impact of variables: Direct effects are the relationships linking directly two variables; indirect effects are those relationships that involve a sequence of relationships with at least one intervening variable involved.

3 Data and Model

The data used (Méndez-Suárez and Monfort 2020) is unique because contains over 120 weeks of web and store sales from an European consumer electronic omnichannel retailer, including web and store sales and Google branded queries. Additionally, data on Internet advertising spending in display, retargeting, and paid search, also as opposed to previous literature, include spending on social media advertising as Facebook, Twitter,

and YouTube. Furthermore, offline spending on TV advertising and unaddressed direct mail store flyers.

The model measures the online and offline advertising direct effects on sales, but also their indirect effect when mediated by queries, additionally includes the impact of the mediation of Paid Search. This way the real contributions of advertising Online as well as Offline are captured by the model.

Equation 1 shows the resulting optimized structural equation model for each one of the endogenous variables and including only the significant exogenous:

$$\begin{aligned}
 \text{Queries}_t &= \beta_{1,0} + \text{Online}\beta_{1,1} + \text{Offline}\beta_{1,2} \\
 \text{WebSales}_t &= \beta_{2,0} + \text{Queries}\beta_{2,1} + \text{Online}\beta_{2,2} + \text{Offline}\beta_{2,3} + \text{PaidSearch}\beta_{2,4} \\
 \text{StoreSales}_t &= \beta_{3,0} + \text{Queries}\beta_{3,1} + \text{Online}\beta_{3,2} + \text{PaidSearch}\beta_{3,3} + \text{Christmas}\beta_{3,4}
 \end{aligned}
 \tag{1}$$

Next are explained the different variables included in the model: Queries are the indexed branded search queries per week. WebSales and StoreSales are the weekly online and offline sales of the retailer. Online and Offline are reflective variables representing the online and offline weekly advertising. PaidSearch is the weekly investment in paid search advertising. Christmas is a dummy variable to account for the impact on the retailer sales of the Christmas season.

4 Highlights of Preliminary Results

Once the PLS-SEM model is created and validated, the next step is to calculate the contribution of each one of the advertising variables to the online and offline sales channels using the traditional marketing mix modelling contribution calculation approach (Méndez-Suárez and Estevez 2016), the graphical representation of the results is on Figs. 1(a) for Web sales and 1(b) for the Store sales. The charts show the weekly contribution to sales of each significant variable. Base line represents the amount of marketing information not explained by the model, in the case of Web sales this amount is very low. In both cases is clear the cannibalization of sales from Online advertising to in-store sales and conversely with Offline advertising to web sales.

The contribution of each variable includes direct and indirect effects on sales of the marketing levers but measured simultaneously. Once the percentage contribution is known, the economic contribution of each of the variables can be calculated using the obtained information (Table 1).

As an important remark, if managers do not consider the indirect impact of the advertising variables, i.e., of Offline advertising on Queries and of those on the Store sales, their erroneous conclusion would be that the ROI of Offline advertising on Store sales was of -100% .

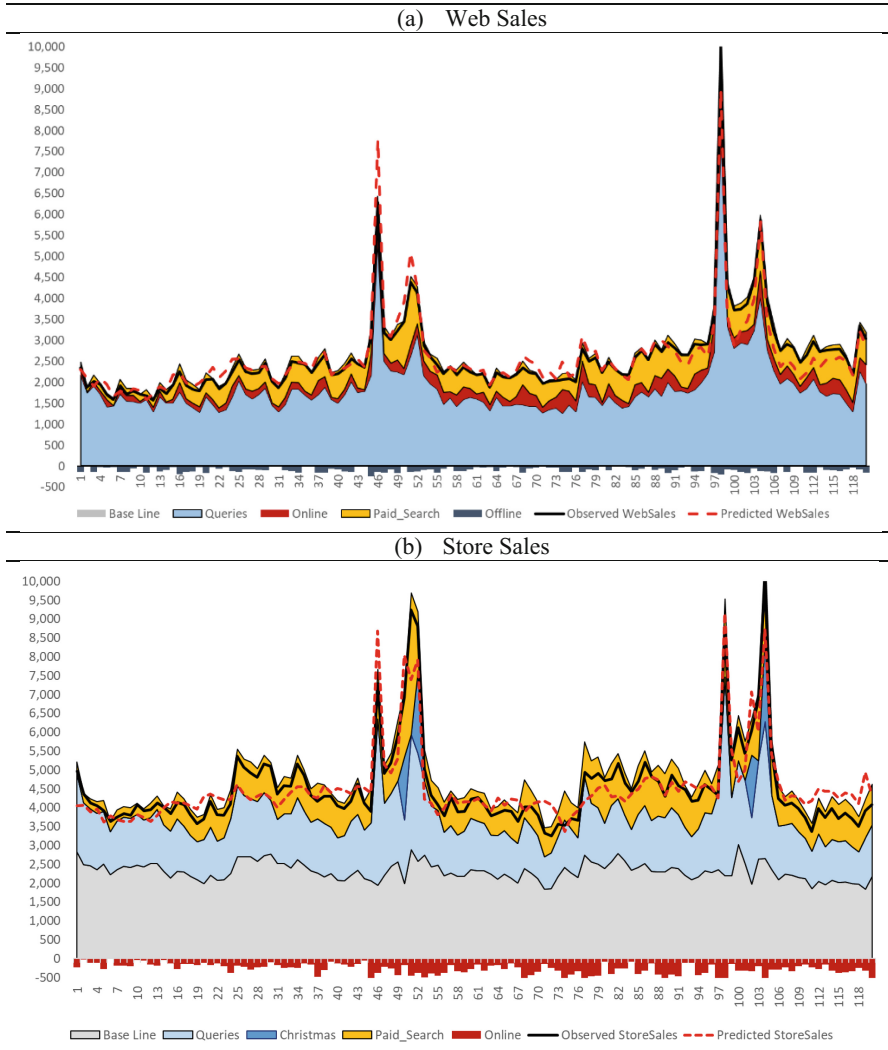


Fig. 1. Weekly contribution of each one of the variables to Web sales (a) and Store Sales (b), values below 0 indicate negative contributions. The model explains 92% of the Web sales variance and 79% of the variance of the Store sales. Note: Data are indexed from the original to maintain confidentiality.

Table 1. Percentage and economic contribution of each channel to sales

	Contribution to web sales		Contribution to store sales	
	Percentage	Euros/week	Percentage	Euros/week
Paid search	23.1	165,999	21.0	2,324,099
Online	8.3	59,537	-6.3	-699,335
Offline	-3.2	-22,930	0.0	0
Queries	72.3	520,297	33.3	3,687,019
Average weekly sales	-	719,672	-	11,065,278

5 Discussion and Conclusions

This research yields results that prove that the use of traditional marketing mix metrics can provide data that is challenging to read. Specifically, a negative ROI of offline advertising on both online and store sales when not considering other forms such as queries. According to Verhoef and colleagues (2015) omnichannel retailing requires taking into account synergistically the different channels and customer touchpoints to optimize the customer experience across all channels. This statement can be taken into the field of metrics.

The marketing managers, as seen in the results, are faced with the absence of a model that includes each variable simultaneously, which can lead to difficult-to-interpret marketing mix analysis results, such as this negative ROI. Therefore, this research, by analysing this type of situation of lack of simultaneous measurement, highlights the importance of continuing to delve deeper into the processes.

Thus, the challenge is to find if the negative ROIs of Offline advertising is in reality negative or is compensated by the mediating effect of Queries. These results reinforce previous attempts to systematize this simultaneous aggregate ROI. In particular, those developed by Méndez-Suárez and Monfort (2020) who simultaneously evaluated the effect of offline and online advertising on web and store of an omnichannel retailer and demonstrated the role of each form of online and offline advertising and the effects of queries.

Moreover, these results reinforce other studies that have highlighted the chain of effects that impact queries and, therefore, their effects. Previous studies have shown that there is an increase in queries when people are exposed to display advertising (Fulgoni 2015) or social media (Mukherjee and Jansen 2017; Pashkevich et al. 2012). However, what is more surprising is that offline advertising, specifically TV ads, increases the queries related to the advertiser (Joo et al. 2016; Zigmond and Stipp 2010). For this reason, it seems that the measurement of attribution and ROI models should take into consideration their measurement models and opt for new models that include simultaneous and aggregated effects. Otherwise, there is a risk of interpreting the data incorrectly, as this research has shown by disaggregating the negative effects that offline advertising

studied in isolation would have on ROI. A fact that demonstrates the need for a clearer modelling framework as PLS-SEM.

In addition to the development of these measurement models, we also propose to extend our analyses further and generate metrics including other variables as competitor's queries and disentangle the impact of the different composite variables or add additional social networks variables to account for the impact on sales of influencers (Ruiz-Gomez 2019). The present research also has managerial implications: understanding the impact of advertising in the different channels will help multichannel retailers to optimize the advertisement of promotions across the different channels specially if the promotions differ across channel (Breugelmans and Campo 2016). Additionally, in light of the results could be recommended to review TV and store flyers policy, because although it has a very high impact on generating queries as a precursor of sales, cannibalizes the sales from the web site.

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South America: An Opportunity for Growth of Private Labels?

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Abstract. Food retail occupies a transcendental place in economic and business activity around the world. As a region, South America has stood out in recent years for its sustained economic growth. In this context, countries within this region, such as Chile, Colombia, and Peru, have changed consumer preferences and behaviors. Based on a bibliographic review of secondary sources and using data from the Euromonitor Passport portal, this article analyzes the most relevant figures and characteristics of the food retail and private label sectors in South America from the perspective of supply and domestic consumption. To this end, an assessment of modern food channels in Chile, Colombia, and Peru is carried out, followed by an analysis of the most critical factors that affect the development of these sectors in these countries, how companies develop in these markets, and the window of opportunity afforded to private labels.

Keywords: Retail chains · Modern channel · Food retail · Private label · FMCG

1 Assessment of Large Food Retailers and Private Labels in South America

1.1 State of the Sector

Most South American countries have faced significant economic and political challenges in recent years. Although, beyond the South American economy, the food retail sector has performed favorably in several countries in this region (Euromonitor 2020). South America offers a promising future and excellent opportunities for the growth and development of the food retail sector. Chile leads the food retail sector in this region, and its large chains have a presence in other South American countries such as Argentina, Brazil, Colombia, and Peru, as these economies offer sustained growth and low retail penetration (De Simone 2017). According to the 2019 Global Retail Trade Development Index (GRDI) by AT Kearney, South America is an important region for international retail expansion, in which countries like Peru and Colombia were ranked among the top 13

countries in terms of highest GRDI in 2019. In countries with more stable economies, such as Chile, Colombia, and Peru, the food sector has enjoyed a compound annual growth rate (CAGR) above the world average over the last five years. According to Euromonitor (2020), the food retail sector in Colombia grew by a 6.4% CAGR in the period 2014–2019, while Peru saw similar performance values with a 5.4% CAGR. Although Chile's growth rate was lower, at 4.3% CAGR, it was still higher than the world average of 3.9% (Fig. 1).

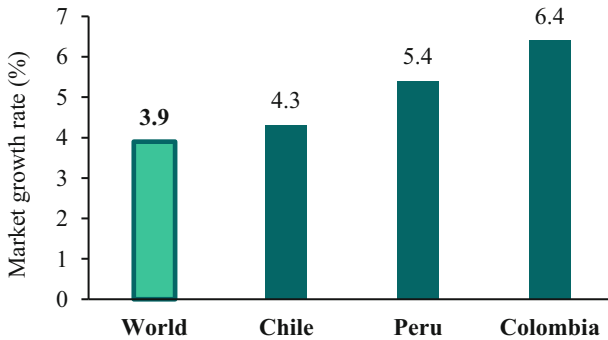


Fig. 1. Growth of the food retail sector in South America and the world (CAGR 2014–2019)
Source: Own compilation based on Euromonitor data

Retail companies have grown their activity during this period of sustained economic growth in South America by developing new store formats and the spread of outlets (Euromonitor 2020). Moreover, a common factor between Chile, Colombia, and Peru is the opening up of their markets due to free trade agreements to stimulate the economy and strengthen participation in regional trade (Kearney 2019).

The structure of the food retail sector in South America is different in each country and is dependent on the economic situation of each national market, as well as on the size of the middle class and the purchasing power of consumers (Dobson 2015). As shown in Fig. 2, the large food retailers in Chile are more developed than in other countries in the region, encompassing 60% of the total food retail sector in 2019 (Euromonitor 2020). In recent years, this development is mainly associated with expanding large sales formats in various cities, and Chile having one of the highest levels of purchasing power in the region (USDA 2019a).

In contrast, traditional channels are more prevalent in Colombia and Peru, representing more than 70% of the market; this can be explained by the influence of local customs and cultures in the choice of purchase in which greater importance is given to proximity, lower prices and consumer confidence in small independent businesses (Equilibrium 2017). The lack of modernization in the supply chain of fresh produce in these two countries is also evident, leading to most fresh food being sold in traditional local markets (Delgado 2015).

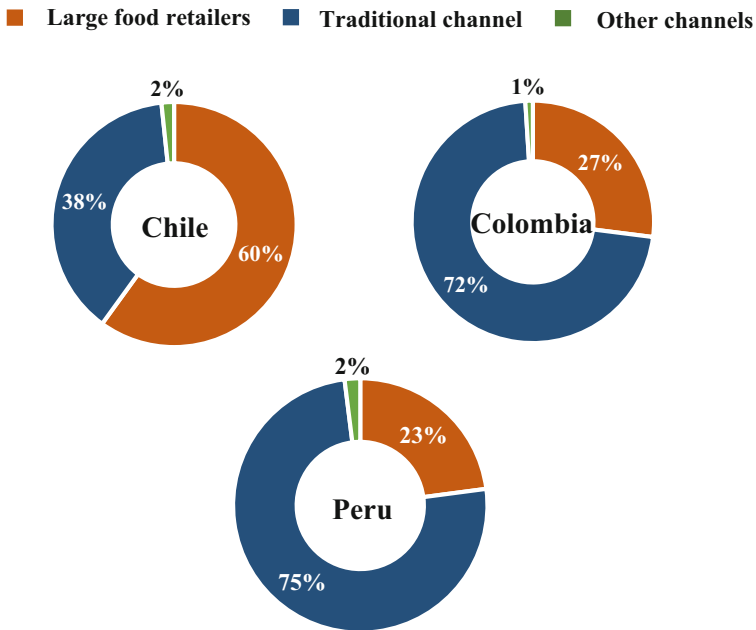


Fig. 2. Market share of the food retail sector (2019) in South America by type of channel Source: Own compilation based on Euromonitor data

1.2 Evolution of the Sector

In recent years, the large food retailers, composed of supermarkets, hypermarkets, and discounters in South America, have been continuously evolving. According to Euromonitor (2020), the data shows that, in Chile, this sector grew by 2.8% in 2019 (Fig. 3). In addition, although it has faced a slight slowdown since 2016, the sector is experiencing stable growth. According to the USDA (2019a) report on food retail in Chile, this evolution is associated with higher levels of household expenditure and increased GDP per capita, wherein consumers spend most of their food budget in modern retail channels.

Given this improved performance, since 2015, the evolution of large food retailers in Colombia has remained above 6% per year. In addition, in 2019, this sector grew 6.4% compared to 2018 (Fig. 3) (Euromonitor 2020). This solid growth in the sector has been fueled by a robust economy and a reduction in poverty levels, leading to a growing middle class in Colombia that, in turn, has led to increased household disposable income and consumer consumption (USDA 2019b).

Like the Colombian market context, Peru has experienced annual growth of more than 5% in the modern food channel in the last six years, except 2015, reflecting an increase of 6.2% in 2019 (Fig. 3) (Euromonitor 2020). The sustained increase of this sector in Peru is mainly due to the strategic expansion of supermarkets into low- and middle-income urban areas, where increases in household consumption and the population's purchasing power were evident (Tupayachi 2015).

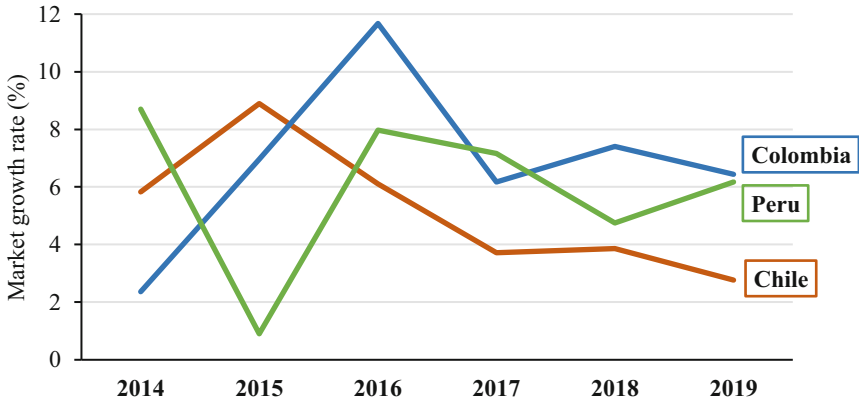


Fig. 3. Growth of large food retailers in South America (2014–2019) Source: Own compilation based on Euromonitor data

1.3 Retail Formats

In Chile, supermarkets and hypermarkets have a greater presence in the market, constituting 90% of the sector in 2019 (Fig. 4) (Euromonitor 2020). This solid penetration into the modern channel is due to customer loyalty to these large retail stores. To maintain the

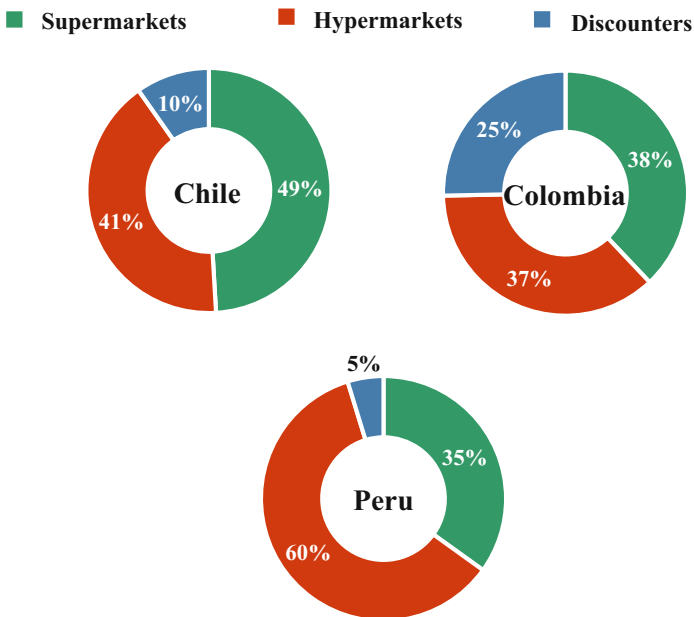


Fig. 4. Market Share of large food retailers in South America (2019) by retail formats Source: Own compilation based on Euromonitor data

preference for these formats and encourage consumption, Chile's Walmart and Cencosud retail chains increasingly offer a wide range of products and brands and implement promotional strategies based on prices and consumer needs (USDA 2019a).

The modern channel structure is more balanced in Colombia; although supermarkets and hypermarkets predominate (38% and 37% share, respectively), discounters have become more significant, reaching 25% of the sector in 2019 (Fig. 4) (Euromonitor 2020). The rapid expansion of discounters across the country (as is the case of the company, D1) has been the main reason for this scenario, and this format has managed to change customers' habits, adapting to consumers' needs and offering private label products at even lower prices than in supermarkets and hypermarkets (Sánchez Duarte 2018).

Hypermarkets lead the sector in Peru with 60% of the modern channel, followed by supermarkets representing 35%, and finally, discounters with a 5% market share (Fig. 4) (Euromonitor 2020). The context in Peru evinces a range of market positioning strategies. Hypermarkets such as Metro and Tottus offer a wider range of products at low prices aimed at middle-class and lower-class consumers. Supermarkets have two sub-formats, one targeting consumers in the high socioeconomic levels through better quality of service and higher prices (for example, Vivanda and Wong), and other supermarkets such as Plaza Veá aimed at consumers in the average socioeconomic level and which offer a wider variety of products and reasonable prices. Finally, discounters like Mass provide a small range of products aimed at consumers in the lower income bracket (Tupayachi 2015).

1.4 Market Share

Multinational chains play an essential role among the large food retailers in South America, establishing intense competition with local companies. This is the case of the Chilean company, Cencosud, which has expanded to Peru and Colombia. Large American chains like Walmart have even managed to dominate the market in Chile. However, the presence of these foreign companies has contributed to the development of the South American modern food retail channel, leading to the rapid growth of the sector and increased local competition (Delgado 2015).

In Chile, this sector is increasingly concentrated in four chains that dominate the market. According to Euromonitor (2020), in 2019, Walmart was the sector leader with a market share of 36.1% through Leader supermarkets and hypermarkets and the aCuenta discounters. The second-ranked company is the Cencosud group with a 22.5% market share and includes Santa Isabel supermarkets and Jumbo hypermarkets, followed by SMU (22.5% market share), which comprises Unimarc supermarkets and Mayorista 10 and Alvi discounters. Finally, Tottus hypermarkets belonging to the Falabella group have a 6.3% market share (Fig. 5).

In contrast, the modern channel in Colombia is more fragmented, with more retail companies having a presence in the market and more widespread market share figures (Euromonitor 2020). As shown in Fig. 5, in 2019, among the four highest-ranked companies, Grupo Éxito has the largest market share at 23.4% through various retail formats. Olympic follows the group with a 15.5% market share through supermarkets and hypermarkets. Ranked third is the company D1, whose discounters have a market

share of 10.7%. Finally, ranked fourth is the Chilean company, Cencosud, through its hypermarkets with a 7.9% market share.

Peru presents a similar scenario to that of Chile, with its modern food channel reflecting a high concentration of players. Three large companies control the Peruvian market. The first, Supermercados Peruanos, encompasses 38.1% of the sector through its Plaza Vea supermarkets and hypermarkets, Vivanda supermarkets, and Mass discounters. Likewise, the Chilean company, Cencosud, is ranked second, with 29.5% market share, through its Metro supermarkets and hypermarkets and Wong supermarkets. Finally, the third-ranking company is the Chilean company, Falabella, encompassing 27.1% of the market and competing intensively through its Tottus hypermarkets (Fig. 5) (Euromonitor 2020).

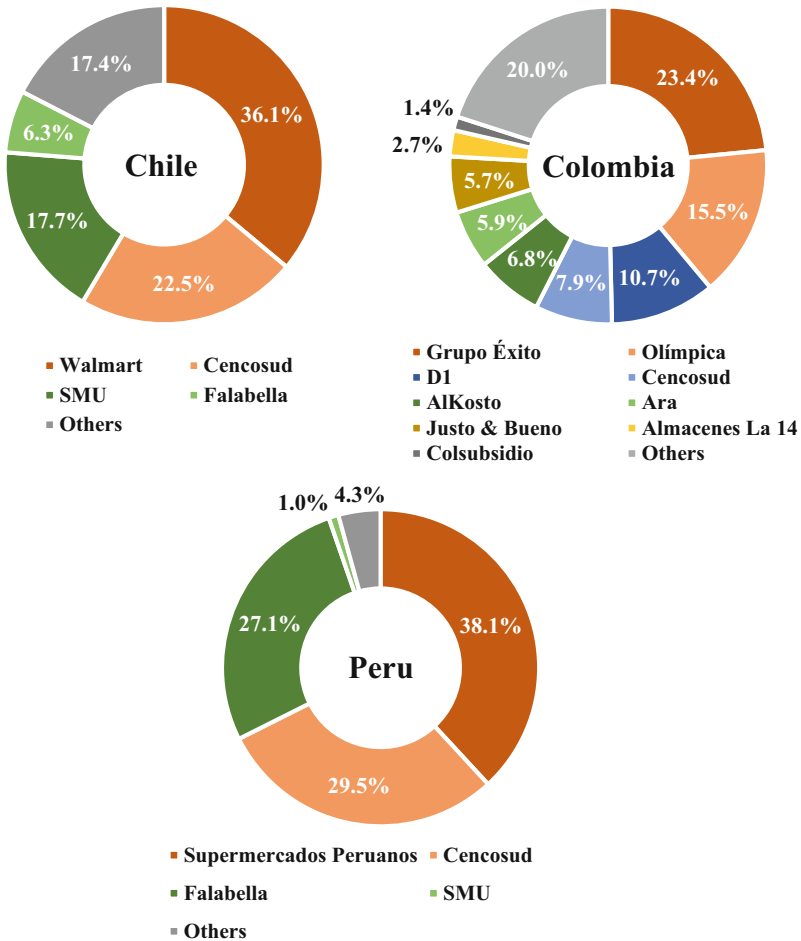


Fig. 5. Market share of large food retailers (2019) in South America Source: Own compilation based on Euromonitor data

1.5 Consumption and Purchasing Preferences

The economic situation has led South American households to look for new alternatives that meet their needs and allow them to save money, resulting in an increased preference for cheaper brands and private labels (Kantar Worldpanel 2018). Likewise, preference for local brands and products is highly accentuated in South America, particularly with regards to food and beverages. This is in addition to increased health concerns in South American households, taking into account the nutritional value of food and the health benefits that food can bring (Nielsen 2015).

In this dynamic context, it is evident that the Chilean consumer spends more than half of their food budget on meat (20.7%), bread and cereals (18.8%), and fruits and vegetables (17.1%). Interestingly, while its spending on meat is one of the highest in the region, spending on alcoholic beverages such as beer is the lowest, accounting for only 4.4% of the budget (Fig. 6) (Euromonitor 2020).

Colombian consumer spending on beverages is the highest in the region (Euromonitor 2020). As evidenced in Fig. 6, spending on water, juices, and soft drinks accounted for 12% of Colombian households' food budget in 2019, while expenditure on alcoholic beverages (beer, wine, and spirits) was 13.9%. On the other hand, spending on seafood was the lowest in the region (2%). Fruits and vegetables (17.3%) are in high demand in Colombia, reflecting the Colombian consumer's preference for fresh products.

In line with this trend of preferring fresh products (Euromonitor 2020), households in Peru allocate most of their food budget to fruits and vegetables (21.3%), meat (15.4%), and bread and cereals (17.4%), representing more than half of the expenditure on FMCG products. Also, Peruvian households spend more on fish and seafood (7.3%) than other South American countries, while their spending on wine and spirits (1.3%) was the lowest in the region (Fig. 6).

1.6 Importance of Private Labels

Price is a crucial factor in the supply of FMCG products and the purchasing decision. This has led to the development of private labels around the world, providing households with cheaper alternatives. Retail companies also invest in these brands to differentiate themselves from the competition and adapt their products to consumer needs, attaining more attractive margins (Nielsen 2018).

Private Labels have had a more remarkable development in Western Europe and the United States, reaching 34.9% and 22.7% market share, respectively, in 2018 and largely exceeding the world average (14.1%). They have become an essential element of the household shopping basket (Fig. 7) (Christou 2020).

A different context is evinced in South America because private labels have a lower market share than in Western Europe and the United States, although the levels are higher than in Eastern Europe and, in fact, are similar to the world average. According to the 2018 Kantar Worldpanel report on the FMCG market in Latin America (Garavaglia 2018), the private label sector in Colombia is the fastest growing country in the region with a 14.3% share of the total consumer market in 2018. In contrast, as a region, South America had an average of 3.4%, similar to the world average (14.1%) and higher than Eastern Europe (6.9%) (Fig. 7), mainly due to the expansion of discounters throughout

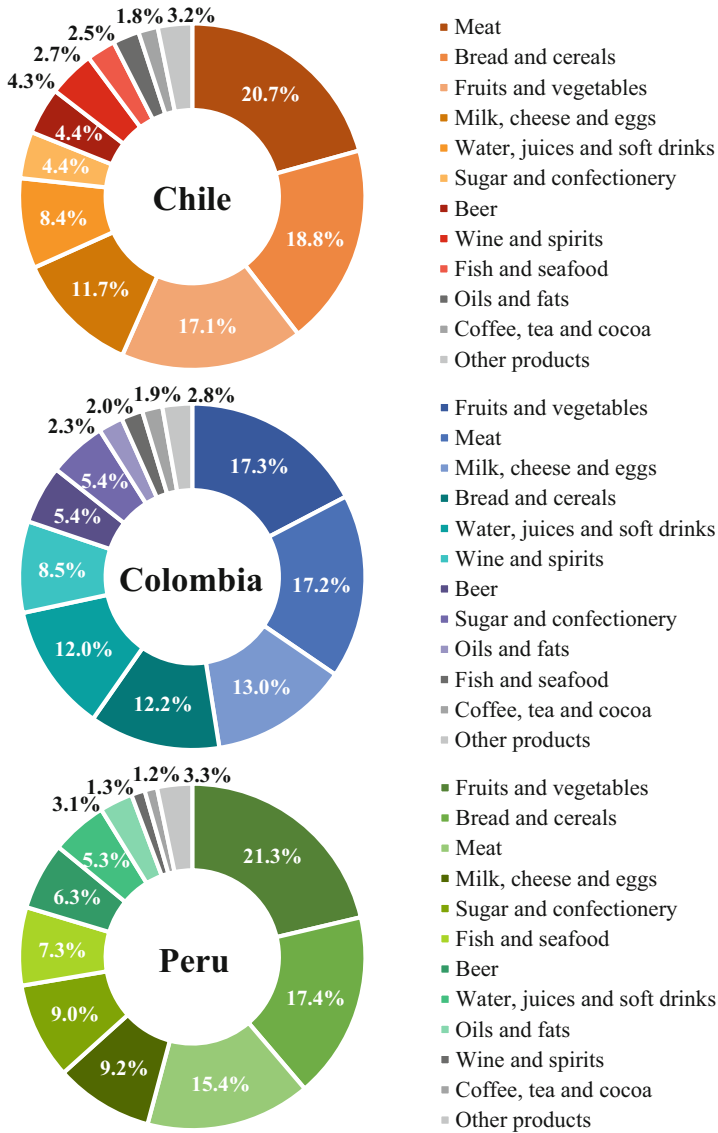


Fig. 6. Expenditure on FMCG (2019) in South America Source: Own compilation based on Euromonitor data

the country (USDA 2019b). In Chile, retail companies have increased the variety of private label products, reaching 7.3% of market share in 2018, a figure that is similar to that of Eastern Europe (6.9%). They are also expanding these brands to other categories of food products (USDA 2019a). In contrast, in Peru, the presence of private labels is one of the lowest, with a mere 2.1% of the total consumer market in 2018 (Fig. 7).

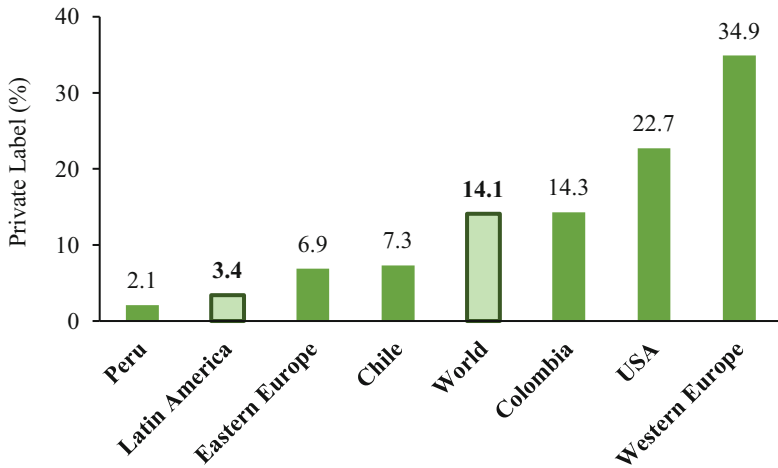


Fig. 7. Share of the Private Labels (2018) Source: Own compilation based on Kantar Worldpanel data

2 Conclusion

This work has shown that South America presents solid growth among the large food retailers, with favorable figures that reflect significant opportunities for the consolidation of retail chains, as well as for the entry of multinational chains with a more significant global presence that can generate greater dynamics and competitiveness in the sector. Chile has the most developed sector in the South American region, while the traditional channel has a greater weight in Colombia and Peru. However, increases in consumption, purchasing power, and the growth of the middle class reflect changes in buying habits and increasing interest in modern format stores.

The significant growth of discounters and private labels in Colombia with its developing strategies and variety of private label products reflects a trend that could expand to other South American countries. A preference for fresh products and products with health benefits are common consumption trends in Chile, Colombia, and Peru and could be considered by retail chains as an opportunity to develop innovative strategies for private label products. While initially, private labels emerged with a value proposition based on lower prices, the industry has evolved, and these brands now provide other competitive advantages oriented towards differentiation. Likewise, even in markets where private labels are more consolidated, as in several European countries and the United States, many of these have evolved into premium brands, competing in terms of image and quality with domestic brands. Everything points to the fact that this could also be a future strategy for the growth of private labels in certain South American countries, where this type of brand has already reached a certain level of maturity.

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Correction to: Brand Architecture: Strategy for the Development of a City Brand

Sandra Milena Sánchez Cárdenas, Diego Andrés Álvarez Oliveros,
Néstor Fabián Díaz Huertas, and Jose Armando Deaza Ávila

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This book was inadvertently published with the incorrect author’s affiliation in Chapter 4 The affiliation for Jose Armando Deaza Ávila and Néstor Fabián Díaz Huertas is given as La Salle University, Philadelphia, USA whereas it should be La Salle University, Bogota, Colombia. This has now been corrected.

The updated version of this chapter can be found at
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