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Determinants of attitude towards and purchase intention of private label brands in Ecuador

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Abstract

The purpose of this study is to explain which factors influence the attitude towards private label products and their purchase intention in Ecuador. In this regard, the hypothetical effects of store image, familiarity with the private brand, its perceived quality and risk, and customers' price consciousness, are studied. A survey distributed online was implemented, obtaining a final sample of 224 customers of the main supermarket chain in Ecuador: Supermaxi. A Confirmatory Factor Analysis was performed, and a structural equations model was tested by consistent Partial Least Squares. Among the most relevant findings, it was found that attitudes towards private brands are a critical determinant of purchase intention; that a better image of the supermarket reduces the perceived risk, fostering consumer's purchase intention. Familiarity with the private brand positively affects perceived quality, which, along with price consciousness, contributes to building attitudes towards private brands. Taken together, these results suggest that supermarkets should work on the tangible and intangible aspects that create store image to contribute to private brands sales. We also recommend marketing tactics such as product samples and testimonials to build brand familiarity among consumers, which along with meeting quality expectations will improve attitudes toward and purchase intention of private label brands. Finally, supermarkets need to be aware of those product categories in which consumers are most price-conscious in order to highlight the savings derived from private label products and promote more sales.

Keywords: private label brand; attitude; purchase intention; supermarkets.

Determinantes de actitudes e intención de compra de las marcas privadas en Ecuador

Resumen

El propósito del estudio es explicar qué factores influyen en la actitud e intención de compra de las marcas privadas en Ecuador. En este sentido, se estudian los efectos hipotéticos de la imagen del establecimiento, la familiaridad con la marca privada, su calidad y riesgo percibidos, y la conciencia de precio de los clientes. Se implementó una encuesta distribuida en línea, obteniendo una muestra final de 224 clientes de la principal cadena de supermercados de Ecuador: Supermaxi. Se realizó un Análisis Factorial Confirmatorio y se probó un modelo de ecuaciones estructurales mediante mínimos cuadrados parciales consistentes. Entre los hallazgos más relevantes, se encontró que las actitudes hacia las marcas privadas son un determinante crítico de la intención de compra; que una mejor imagen del establecimiento reduce el riesgo percibido, fomentando la intención de compra del consumidor. La familiaridad con la marca privada afecta positivamente la calidad percibida, lo que, junto con la conciencia de precio, contribuye a construir actitudes hacia las marcas privadas. En conjunto, estos resultados sugieren que los supermercados deben trabajar en los aspectos tangibles e intangibles que conforman la imagen del establecimiento para contribuir a las ventas de las marcas privadas. También recomendamos prácticas de mercadeo como muestras de productos y testimonios para construir familiaridad con la marca, lo que, junto al cumplimiento de las expectativas de calidad, mejorará las actitudes e intención de compra de las marcas privadas. Finalmente, los supermercados deben conocer aquellas categorías de productos en donde los consumidores tienen más conciencia de precio, para resaltar los ahorros derivados de los productos de marcas privadas y promover más ventas.

Palabras clave: marcas privadas; actitud de compra; intención de compra; supermercados.

1. Introduction

Private label brands (PLB) consist of products developed for and sold by a particular retail chain (Levy & Weitz, 2019). The main characteristics of PLB are their lower price, and the package distinguished by the retailer's logo (Mariño, 2016). Supermarket private brands have become very popular in the last decade, which could be an indicator that consumers are becoming more price sensitive and less brand loyal. By 2019, private labels accounted for 31.7% of fast-moving consumer goods' (FMCG) sales in Europe, 17.9% in North America, 3.1% in Asia-Pacific, and 3.5% in Latin America (Nielsen, 2021). In Ecuador, by 2012, the market share of the main four supermarkets' PLB

(Supermaxi, Mi Comisariato, Tiendas Industriales Asociadas TIA, and Santa María) reached 7.7% of their total sales (Superintendencia de Control del Poder de Mercado, 2015).

According to a report by Nielsen (2020), during the recent global economic crisis generated by the COVID-19 pandemic, it has been seen the evolution of private brands in many countries of Latin America. Changes in consumption patterns were generated due to financial pressure and job instability; most people are aware of the prices of the products they buy, and a large proportion of consumers compare prices between leading brands and PLB.

In Ecuador, the so-called private brands have been marketed, approximately, since 2002 (El Comercio, 2012). These brands arise due to the need to offer quality products at a good price, with the aim of maintaining supermarkets' customer loyalty, and taking advantage of the prestige of the supermarket chain that offers them. This trend became an option for the savings it generates in households, which range from 15% to 35% compared to leading brands, according to a study from Nielsen reported in press (El Telégrafo, 2012).

In addition, it is argued that Ecuadorian industry is favored by the development of PLBs since 90% of these products are manufactured nationally (El Telégrafo 2021). Given the growing relevance of the PLB segment in Ecuador and Latin America, we argue that better understanding customers' attitudes and purchase decision should be a major concern for supermarkets and retail business. Also, the study of supermarkets is relevant since it is a sector that meets the basic needs of households, especially in relation to food, and constitutes a link in the agri-

food chain connecting backward to producers (often micro-enterprises) and commercial or agro-industrial companies, and forward to the final consumer (Hernández et al, 2015).

Existing research in several countries shows that purchase intention or willingness to buy PLBs are directly or indirectly influenced by perceptual and attitudinal variables. Among perceptual variables, the influence of the following variables has been studied: PLB's familiarity, awareness, and associations or image; perceived quality, risk, and value of PLB's products; and store image. Overall attitude and other attitudinal variables, such as customers' price consciousness, store loyalty, PLB trust, and PLB loyalty, have been also studied in the context of PLBs.

However, the review of existing literature shows that the significance of variables affecting PLBs' purchase intention may vary between contexts (type of retailer, country). Moreover, our review evidences that Latin American countries are underrepresented in the literature about PLBs. Regarding Ecuador, there is only one study that focuses on demographic segmentation of customers of the four main PLBs (Santamaría, 2014), but none have yet focused on identifying the determinants of attitude and purchase intention of PLB.

Based on these antecedents, the aim of this study is to explain which are the main determinants of attitude towards and purchase intention of PLB in Ecuador, following an approach that considers perceptual variables as antecedents of attitude, which, in turn, may influence purchase intention. This study contributes to the scarce literature of PLB in Latin America providing evidence of the main determinants of attitudes and purchase intention. For

this purpose, we selected customers of the main supermarket chain in Ecuador: Supermaxi. Supermaxi belongs to Corporación Favorita, who also owns other retail stores (Megamaxi, AKI, Juguetón), and was the firm with the highest dollar sales in Ecuador during 2020, with an annual increase of 3.1% reaching US$ 2,170 million (Forbes, 2021).

The remaining part of the paper proceeds as follows: the next section presents a review of the relevant literature and the conceptual model; the third section describes the research methodology; the fourth and fifth sections summarize and discuss the results of the study, respectively.

2. Literature review

The following subsections summarize the main literature related to this study's purpose and elaborate on its hypotheses.

2.1. Antecedents of PLB perceived quality and risk

Brand familiarity is the consumer's personal direct or indirect experience with a specific product or brand that reflects the consumers' brand knowledge stored in their memory (Cian, Krishna & Schwarz, 2015). Usually, familiarity with a brand is generated by personal interaction with the branded products or by comments from family and friends (Trusov, Bucklin & Pauwels, 2009). Familiarity with the brand promotes consumer confidence towards the brand (Graciola et al, 2019; Vallejo-Bojorque et al, 2021), and makes it less likely that consumers depend on extrinsic cues (e.g. store name, price, packaging) to assess product quality and risk (Mostafa

& Elseidi, 2018). These arguments are supported by empirical studies showing that familiarity impacts positively on PLB perceived quality (Sheau-Fen, Sun-May & Yu-Ghee, 2012) and reduces perceived risk (Mostafa & Elseidi, 2018). Therefore, the first two hypotheses of this study are:

H1: PLB familiarity is positively associated to perceived quality

H2: PLB familiarity is negatively associated to perceived risk

Ramos and Ayala (2022) argue that the efforts of a brand by means of their marketing strategies in aspects such as customer, cost, convenience, and communication impact positioning a brand image in customers' minds. Particularly, store image is the set of perceptions that the consumer has about the store and its attributes, such as: store design, staff attention, offer quality, and (low) prices (Merrilees and Miller, 2010). According to the Associative Network Theory (Teichert & Schöntag, 2010), the information in the consumer's memory is stored in networks consisting of nodes (store brand name and its distinctive aspects) connected by links (associations). Based on this theory, it can be argued that a store image is transmitted to the products that are offered under the same brand, due to the extrapolation that the consumer makes in his memory, with respect to the associations attached to the store brand name.

Semeijn, van Riel and Ambrosini (2004) agree that the store image has a positive relationship with the perception of quality of the private brand. In a qualitative study, Sarkar, Sharma and Kalro (2016) found that the store image functioned as a powerful extrinsic cue to evaluate PLB's performance. Vahie and Paswan (2006) found that when consumers were unfamiliar with a PLB,

they used the store image as a cue for deciding whether to purchase the PLB's products. Based on these arguments and evidence, the next hypotheses are:

H3: Store image is positively associated to perceived quality.

H4: Store image is negatively associated to perceived risk.

2.2. PLB perceived quality and attitude towards PLB

The perception of quality is the impression of the consumers towards a given object, obtained through an evaluation of the excellence of the products through past use experiences, and is a relevant variable when explaining private and national brands success (Mieres, Martin & Gutiérrez, 2006). On the other hand, attitudes are overall evaluations of the brand, based on (1) the salience of beliefs a consumer has about branded products and (2) the evaluative judgment of those beliefs (Keller, 1993). Therefore, perceived quality is one of the beliefs that functions as a base for attitude formation.

According to Richardson, Jain and Dick (1996), perception of consumers regarding the quality of private brands determines their attitude towards the private brand, its purchase, and market share. Previous empirical research has established that perceived quality is positively associated to PLB evaluation (value for money) (Beneke et al., 2013; Konuk, 2018), attitudinal loyalty (Calvo-Porral & Lang, 2015), and overall attitudes towards PLB (Mostafa & Elseidi, 2018). Therefore, the following hypothesis is proposed:

H5: Perceived quality is positively associated to attitude towards PLB

2.3. PLB perceived risk as an attitudinal and behavioral antecedent

Purchase risk is one of the main factors that affect the purchase intention of consumers towards private brands. Stone & Grønhaug (1993) define the perception of purchase risk as the doubt about the unfavorable effect of acquiring a product or service. Beneke et al, (2012) provide a more detailed definition of perceived risk as a multidimensional construct comprising six types of risks: financial, psychological, social, performance/functional, physical, and time risk.

There are some studies that pose a relationship between the perceived risk and the attitude towards PLB, whereas other studies propose a direct effect over the purchase intention. The evidence is not clear on whether the perceived risk has a direct effect on purchase intention or is mediated by other variables. For example, the functional and time loss dimensions of risk have been shown to have a significant effect on the intention to purchase private labels (Beneke et al, 2012). In the Manikandan's (2020) study, perceived functional risk influenced attitude towards private labels. On the other hand, Mostafa & Elseidi (2018) showed that the relationship between perceived risk and attitude towards the private brand was not significant. Beneke et al, (2013) showed that perceived risk affected purchase intention, fully mediated by the perceived value construct. A relationship between perceived risk and purchase intention of private brands has also been shown, mediating the effect that arises from the brand image construct (Wu, et al, 2011). For these reasons, in addition to

the hypothetical relationship between perceived risk and attitude towards the private brand, a direct relationship between perceived risk and purchase intention is proposed:

H6: The lower the perceived risk of the PLB, the greater the attitude towards it.

H7: The lower the perceived risk of the PLB, the greater its purchase intention.

2.4. Price consciousness and attitude towards PLB

Price consciousness for consumers consists of the value they place on the (low) price in a given situation as a criterion for purchasing a specific product (Lichtenstein, Bloch & Black, 1988). In general, private label products are priced lower than national brand products. According to Nielsen (2014), private labels are mainly consumed by price-conscious people. Sixty-nine percent of respondents of Nielsen's global survey feel it's important to get the best price on a product, while 70% say they purchase private label to save money. Retail companies are aware of consumers' price consciousness, and have even introduced hard discount stores, which focus mainly on private brands with low prices for the consumer segment that prioritizes low prices as a purchase determinant (Meleán, 2017; Molina, González & González, 2019).

While on the one hand low prices attract consumers, on the other hand, it is also presented as an obstacle for consumers who have the opinion that price is an indicator of quality, thus supermarkets must eradicate the stereotype that private brands are of lower quality than national brands because of their lower price (Sheau-Fen et al, 2011). According to Raju

and Hastak (1995), the private label products with the highest consumption are the products with the greatest price sensitivity. Previous studies have demonstrated that price consciousness and perceived low prices positively influence PLB evaluation (Beneke et al, 2013) and overall attitude towards PLB (Mostafa & Elseidi, 2018). Thus, we formulate the following prediction:

H8: Price consciousness is positively associated to attitude towards PLB.

2.5. Attitude towards PLB and purchase intention

Brand equity literature and the theory of planned behavior (TPB) (Ajzen, 1991) have extensively explained that attitude towards an object is an antecedent of the consumer behavior. When favorable brand attitudes are created (attitudinal loyalty), consumers tend to behave accordingly (brand purchase, recommendation, and word-of-mouth) (Buil, Martínez & de Chernatony, 2013).

The attitude represents the cognitive disposition of a person to execute some behavior due to a favorable evaluation of the expected outcomes and is one of the predecessors of behavior intention within the TPB. Some authors argue that the impact of positive attitudes over intention is larger on various product categories which have low social risks such as salt, wheat, or sugar, in comparison with product categories consumed to socialize with others (wine or coffee) (Retnawati, Ardyan & Farida, 2017).
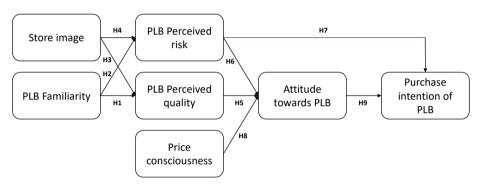
Attitude towards brands is derived from the value each consumer assigns to the brand (Keller, 1993). In this regard, several studies show that perceived

value of PLB is positively associated to purchase intention (Beneke et al, 2013). Moreover, it has also been demonstrated that overall attitude towards PLB impact its purchase intention (Mostafa & Elseidi,

2018). Based on the above, the following hypothesis is proposed:

H9: Attitude towards a PLB positively influences its purchase intention (Diagram 1).

Diagram 1
Conceptual model summarizes the proposed relationships in this section

Source: own elaboration

3. Methodology

A survey was designed to accomplish the research purposes and collect the data for a quantitative analysis. The survey was applied by an online convenience network sampling. Convenience sampling is justified in this case, considering the limitation to determine the sampling frame, given that there was no access to the supermarket's database. Potential consumers of the main supermarket in Ecuador, Supermaxi, were asked to fill an online questionnaire during August 25 and October 10, 2020, obtaining 424 initial responses. The respondent not only had to shop at Supermaxi, but also purchase Supermaxi brand's products. The final sample size consisting of

Supermaxi PLB's consumers was 224 valid responses.

The measurement items for the study constructs were taken from Mostafa & Elseidi (2018), using a five-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree) (Table 1). To ensure both accuracy and conceptual equivalence between the Spanish and English versions, all items of the questionnaire were translated, slightly adjusted after a pilot study (n=15), and back - translated. The back-translated and original versions of the items showed a high level of coincidence. Finally, socio-demographic variables (e.g., gender, household income, age, education level) were also included in the questionnaire.

Table 1
Study constructs' measurement items, Cronbach's alpha,
composite reliability (CR) and average variance extracted (AVE)

Constructs and items		Factor loadings	Cronbach's α	CR	AVE
PLB familiarity			0.835	0.838	0.565
FAM1	I can distinguish Supermaxi brand products from other brands available at the point of sale.	0.687			
FAM2	I am quite familiar with Supermaxi brand products.	0.753			
FAM3	I have a lot of experience using Supermaxi brand products.	0.812			
FAM4	I know well the available Supermaxi brand products.	0.749			
Store image			0.857	0.856	0.545
SI1	Supermaxi provides a good overall service.	0.598			
SI2	Supermaxi offers high-quality products.	0.734			
SI3	Supermaxi is close to my ideal store.	0.802			
SI4	Supermaxi has helpful and knowledgeable salespeople.	0.779			
SI5	Supermaxi provides an attractive shopping experience.	0.762			
PLB perceived quality			0.873	0.872	0.695
PQ1	Supermaxi brand products are high quality products.	0.784			
PQ2	Supermaxi brand products are trustworthy.	0.832			
PQ3	Supermaxi brand products give me the result I am looking for.	0.883			
PLB perceived risk			0.864	0.864	0.68
RISK3	I think that buying Supermaxi brand is a waste of money.	0.793			
RISK4	I am worried that it is not worth the money spent.	0.899			
RISK5	I am afraid that it may damage my health	0.776			
Price consciousness			0.743	0.747	0.5
PC1	I tend to buy the lowest-priced brand fits my needs	0.632			
PC2	When buying a brand, I look for the cheapest brand available.	0.812			
PC3	When it comes to buying, I rely heavily on price	0.664			
Attitude towards PLB			0.789	0.789	0.483
ATT1	Buying Supermaxi brand products makes me feel good	0.669			
ATT2	I love when Supermaxi brand products are available for the product categories I purchase	0.739			

Cont... Table 1

ATT3	For most product categories, the best buy uses to be Supermaxi brand products.	0.632			
ATT4	Considering value for the money, I prefer Supermaxi brand products to traditional brands.	0.735			
Purchase intention			0.789	0.791	0.559
PUR1	I would purchase Supermaxi brand products next time.	0.821			
PUR2	Although there are similar brands available, I would prefer to purchase Supermaxi brand products.	0.702			
PUR3	There is a strong likelihood that I will buy Supermaxi brand products	0.714			

Source: own elaboration in SmartPLS

To test the conceptual model depicted in diagram 1, a two-step approach was followed. First, the measurement model was tested with a Confirmatory Factor Analysis (CFA), assessing constructs' internal consistency reliability, convergent validity, and discriminant validity. Then, for the path model, a structural equations model (SEM) analysis was performed by consistent Partial Least Squares (PLS) using SmartPLS (Ringle, Wende & Becker, 2015). PLS-SEM is preferable to covariance-based SEM when the researcher aims to explore a new theory, rather than confirming established theoretical models. Other conditions that favor the use of PLS are complex models with many indicators and relationships, non-normal data, and small sample sizes (Hair et al., 2017). Moreover, consistent PLS is recommended because parameter estimates for paths between observed variables and latent variable proxies are biased upward in standard PLS, while parameter estimates for paths between proxies are underestimated (Gefen, Rigdon & Straub, 2011).

4. Statistical results

First, descriptive statistics of the sample are reported, followed by a summary of the measurement and path models' results.

4.1. Descriptive statistics

Table 2 shows descriptive statistics for the survey respondents. Most of respondents were women. Almost 80% of the sample was 34 years old or younger. Forty eight percent of respondents reported monthly household income between US$500 and US$1500. Around 69% of respondents have earned a bachelor's degree. Finally, the most bought PLB product categories were food (83% of respondents) and household cleaning products (55.8%). These categories coincide with observed global trends. Nielsen (2014) reports that, around the world, PLB sales are strongest in high-frequency purchase categories and those where consumers perceive little differentiation.

Table 2
Descriptive statistics of the sample

Gender	N	%
Female	116	51.8%
Male	108	48.2%
Other	0	0.0%
Monthly household income	N	%
Less than $500	37	16.5%
$500 - $1500	107	47.8%
$1501 - $3000	53	23.7%
More than $3000	27	12.1%
Age	N	%
Less than 25	76	33.9%
25 – 34	100	44.6%
35 - 44	24	10.7%
45 or more	24	10.7%
Education level	N	%
Secondary education	44	19.6%
Tertiary (bachelor's degree)	155	69.2%
Tertiary (graduate)	25	11.2%
Most bought PLB product categories*	N	%
Food	186	83.0%
Household cleaning	125	55.8%
Personal care	93	41.5%

* Multiple selection
Source: own elaboration

4.2. Measurement model

The measurement model was tested with all the items, but finally, two items of perceived risk (RISK1, RISK2) had to be extracted due to factor loadings less than 0.5. The following thresholds are summarized in Hair et al, (2017). Regarding construct reliability, Cronbach's Alpha and Composite Reliability (CR) exceeded the recommended threshold of 0.7 for all the constructs. Average Variance Extracted (AVE) for all the constructs except attitude towards PLB (0.483) was equal or greater than the recommended level of 0.5, which reflects the convergent validity of the proposed measurement

items (Table 1). Discriminant validity was assessed with the Heterotrait-Monotrait (HTMT) ratio of correlations, which has demonstrated to provide superior performance than the Fornell-Larcker criterion (Hair et al, 2017). HTMT ratios showed acceptable values for all the constructs; less than 0.85, or less than 0.9 as a looser criterion. Only one ratio was between 0.85 and 0.9; the rest were below 0.85 (Table 3). According to the confidence intervals of factor loadings, all of these were significantly different from zero. Overall, it is concluded that the measurement model is satisfactory.

4.3. Path model

First, multicollinearity was assessed with the variance inflation factor (VIF). All VIF were lower than 5, showing a lack of a multicollinearity problem (Hair et al, 2017). The hypothesized relationships of the path model were tested by consistent PLS. Path coefficients and their significance tests are shown in table 3. Familiarity with PLB positively influences perceived quality ($\beta=0.484$, $p<0.01$), but its effect over perceived risk is non-significant ($p=0.776$), providing support for H1, but not for H2. On the other hand, store image significantly reduces PLB perceived risk ($\beta=-0.481$, $p<0.01$), but does not affect perceived quality ($p=0.112$), supporting H4, but not H3.

Table 3
Heterotrait-Monotrait ratio of correlations between constructs

Latent variables	ATT	FAM	PQ	RISK	PC	SI
Attitude towards PLB (ATT)						
PLB familiarity (FAM)	0.496					
PLB perceived quality (PQ)	0.686	0.63				
PLB perceived risk (RISK)	0.153	0.3	0.269			
Price consciousness (PC)	0.443	0.235	0.244	0.313		
Store image (SI)	0.322	0.703	0.547	0.459	0.153	
Purchase intention (PUR)	0.857	0.481	0.617	0.136	0.297	0.427

Source: own elaboration in SmartPLS

Perceived quality is positively related to attitude towards PLB ($\beta=0.659$, $p<0.01$), as predicted by H5. Perceived risk directly affects purchase intention of PLB ($\beta=-0.147$, $p<0.05$), confirming H7. The hypothetical mediating effect of attitude towards PLB, proposed in H6, was not significant ($p=0.091$). Price consciousness positively influences attitude towards PLB ($\beta=0.251$, $p<0.01$), providing evidence for H8. Finally, attitude is a significant and positive precedent of purchase intention ($\beta=0.867$, $p<0.01$), confirming H9.

PLS seeks maximizing the coefficient of determination (R^2) of the endogenous latent variables in the path model, which reflects in-sample predictive power of the model, or model fit. In general, R^2 values of 0.75, 0.50, or 0.25 for the endogenous construct can be described as substantial, moderate, and weak, respectively (Hair et al., 2017). Results show that, except for perceived risk ($R^2_{PERCEIVED RISK}$= 0.211) the predictive power for the endogenous latent variables are moderate and substantial ($R^2_{PERCEIVED QUALITY}$= 0.428; $R^2_{ATTITUDE}$= 0.564; $R^2_{PURCHASE INTENTION}$= 0.766). The effect size (f^2) allows assessing an

exogenous construct's contribution to an endogenous construct's R^2. Values of 0.02, 0.15, and 0.35 indicate an exogenous construct's small, medium, or large effect, respectively (Hair et al, 2017). Considering the significant path coefficients of this study, perceived risk over purchase intention, and price consciousness over attitude, showed small effect sizes. The effects of familiarity over perceived quality, and store image over perceived risk, were medium. The largest effects were observed from perceived quality over attitude, and attitude over purchase intention (Table 4).

Table 4
Path coefficients, significance tests and effect sizes

	Hypotheses / Path	Coeff.	St. Dev.	T-statistic	p-value	f^2
H1	PLB familiarity -> PLB perceived quality	0.484	0.106	4.565	0.000**	0.22
H2	PLB familiarity -> PLB perceived risk	0.033	0.118	0.284	0.776	0.001
H3	Store image -> PLB perceived quality	0.221	0.139	1.591	0.112	0.046
H4	Store image -> PLB perceived risk	-0.481	0.132	3.644	0.000**	0.158
H5	PLB perceived quality -> Attitude towards PLB	0.659	0.063	10.386	0.000**	0.815
H6	PLB perceived risk -> Attitude towards PLB	0.13	0.077	1.692	0.091	0.03
H7	PLB perceived risk -> Purchase intention	-0.147	0.059	2.508	0.012*	0.093
H8	Price consciousness -> Attitude towards PLB	0.251	0.076	3.311	0.001**	0.116
H9	Attitude towards PLB -> Purchase intention	0.867	0.049	17.618	0.000**	3.212

* p-value < 0.05; ** p-value < 0.01
Source: own elaboration in SmartPLS

5. Factors influencing the attitude and purchase intention of private brands in Ecuador

Our findings indicated that six out of nine hypotheses were supported, allowing to confirm that attitudes towards private label products are a decisive determinant of purchase intention. This main result is consistent with the works of Jaafar, Lalp and Naba (2012) and Mostafa and Elseidi (2018), and aligns with the predictions of brand equity and planned behavior theories. In this study, the main product categories that respondents used to purchase were food and cleaning products. As some scholars argue (Retnawati et al, 2017), the relationship between attitude and intention may not be as strong in other product categories related to social interaction in which subjective norms may play a more important role affecting behavior intention (Ajzen, 1991). A natural progression of this work is to analyze these relationships in specific product categories, such as wine & spirits, or shoes & accessories, which are products whose consumption is usually exposed to social groups.

Regarding the variables that allow building a positive attitude towards PLB, our results showed that perceived quality of PLB and price consciousness are significant predictors. Moreover, perceived quality showed the strongest effect over attitudes (f^2=0.815). Coincidentally, Macias and Cerviño (2018) found that perceived quality was the main factor influencing attitudinal loyalty in an experimental study regarding brand equity of fast-moving consumer goods (FMCG). Further research is needed focusing in product categories

where there is a high level of product innovation, differentiation and consumers are willing to pay price premiums, since the effect of price consciousness is likely to be limited.

Perceived risk was not significant in explaining attitude towards PLB, which coincides with previous evidence (Mostafa & Elseidi, 2018), however, it was demonstrated that when perceived risk decreases, purchase intention increases. It seems that consumers can shape attitudes towards the brand according to their beliefs, but the perception of risk interferes in the stage before decision making either contributing to the purchase behavior if low risk is perceived or preventing it if the perceived risk is high, despite the good attitude the consumer may have had previously.

This finding is one of the main contributions of this work since many prior studies omitted this direct relationship, while others provided inconclusive evidence in this regard (Jaafar et al, 2012; Beneke et al, 2013).

Our results also suggest that customers' experience with PLB helps build perceptions of quality, while a positive store image reduces the perceived risk of purchasing PLB. One limitation of our study is that our measurement of perceived risk reflected mainly financial and physical dimensions.

6. Conclusions

The purpose of this study was to address the factors that directly or indirectly affect the intention of Ecuadorian consumers to purchase private label products, using Supermaxi brand as a case study. Our results show, from the consumer point of view, what should a PLB offer and what a

supermarket should consider when promoting consumers' attitudes towards and purchase of PLB.

Several conclusions draw from our findings. Supermarkets should constantly make efforts to promote its image in customers' minds, which includes staff attention, store cleanliness, products placement and availability, waiting times at checkout, and overall shopping experience. This would not only trigger more visits to the stores but also would reduce perceived risk related to purchasing PLB products since customers use store image as an extrinsic cue when evaluating purchase risk. According to our findings, as a consequence of less perceived risk, more sales of PLB's products would be expected.

Retailers' marketing strategies should consider own brand product sampling, since consumption and use experience (familiarity) improve quality perception of PLB, foster better attitudes, and, ultimately, contribute to direct purchase decision towards PLB. In addition, advertising that highlights the opinions of users who are satisfied with PLB products could also be useful, since familiarity is acquired not only from customers' experience, but also from word of mouth.

When PLBs initially emerged in the market, the preconception was that they were cheap generic brands. Since our results show that PLB consumers consider not only price but also quality when selecting brands in the supermarket, customers' quality expectations should be fulfilled. Supermarkets should highlight price savings, especially in those product categories where customers are more price-conscious. Also, retailers should select producers with high-quality standards and create enticing packaging to fit the quality image of the store and its branded products and contribute to customers' positive attitudes and purchase behavior.

Finally, this work represents a contribution to the literature on private labels in Latin America and, particularly, in Ecuador. In times of financial difficulties for households and businesses, due to the COVID-19 pandemic, the study of the determinants of attitudes and intentions toward private brands provides useful information for supermarket managers, to maintain or increase their sales while satisfying the needs of their consumers.

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