

## Extending the Innovation Characteristic Model to Private Label Products: Brand Trust as the New Innovation Characteristic

*(Kesinambungan Model Karakteristik Inovasi ke Produk Private Label: Brand Trust Sebagai Karakteristik Inovasi Baharu)*

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### ABSTRACT

*In innovation adoption, potential adopters are expected to rely on the brand name of the innovation to determine its quality level. Because risks are involved in most innovation adoption, dependency appears between the consumer and the brand. With little attention being put to analyze brand trust in consumer brands and diffusion studies, this study conceptually proposes an innovation characteristic model which includes brand trust as the new innovation characteristic and mediates existing characteristics to adoption intention in the existing literature. Certain private label products are also selected as the innovation subject herein and are expected to draw retail practitioners' attention to the importance of brand management. Retailers' efforts are deemed worthless if retailers do not pay attention to brand trust, which is the underlying cause of private label failure in developing markets. The empirical results herein are expected to aid in augmenting the influence of brand trust on any innovation adoption and further highlight the importance of brand management for retail and private label brands.*

*Keywords: Adoption; brand trust; diffusion of innovation; hierarchy of effects; private label.*

### ABSTRAK

*Dalam penerimaan inovasi, pengguna dijangka bergantung kepada jenama inovasi untuk menentukan tahap kualitinya. Disebabkan risiko, muncul pergantungan antara pengguna and jenama dalam penerimaan inovasi. Kajian ini secara konseptual mencadangkan satu model baharu yang merangkumi 'brand trust' sebagai karakteristik inovasi baru kepada literatur dalam Model Karakteristik Inovasi. Produk private label telah dipilih sebagai subjek kajian inovasi dengan harapan untuk menarik perhatian pihak pengurusan peruncitan kepada kepentingan pengurusan jenama. Usaha peruncit dianggap tidak bernilai jika peruncit tidak menangani punca kegagalan produk private label yang digariskan dalam pasaran membangun, iaitu 'brand trust'. Keputusan empirikal kajian ini dijangka membuktikan pengaruh 'brand trust' kepada mana-mana penerimaan inovasi dan seterusnya mengesyorkan kepentingan pengurusan jenama untuk peruncit dan private label mereka.*

*Kata kunci: Penerimaan inovasi; kepercayaan jenama; penyebaran inovasi; hierarchy of effects; private label*

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### INTRODUCTION

Poor economic conditions and higher living costs due to the recent Coronavirus pandemic are expected to create a large amount of 'value mindset' consumers that shop more regularly in Everyday Low Price (EDLP) stores with then tendency to be unusually frugal. This economic slowdown initiates price consciousness among consumers, causing them to focus more on lower prices and assign lower priorities to perceived quality. As a result, consumers are more willing to try unfamiliar brands and switch to cheaper alternatives, such as private label products (PLMA 2021). Private labels (hereafter referred to as PLs) are brand names created, fully owned, and controlled by retailers to market products that are sold exclusively at their retail stores (AAM 2011;

Chakraborty 2013; PLMA 2017). PLs are commonly sold at cheaper prices in retailers' chains of outlets and are often cheaper than national brands (referred to as NBs) to compete directly with them under the same roof (Sharma et al. 2020). Today, the quality of PL products has significantly improved; PL materials are said to be just as good, if not, better than NBs (Olsen et al. 2011).

When the value of money is shrinking, PLs are said to have certain advantages over the NB goods as consumers want better value and become more sensitive to cheaper alternatives in the market. However, consumers in developing markets are unable to see the advantages of PL over NB (PLMA 2021). In Asia, consumers are showing higher trust towards NBs. Successful NB manufacturers are seen as superior in coming out with new innovative products, instilling a belief among

consumers in the Asian market that they will not get leading-edge products from PL manufacturers (AAM 2011; Chou & Wang 2017; Olsen 2011). The lack of trust towards PL is notably seen in scenarios where PLs are perceived as high risk and consumers do not want to face physical risk by trying PL, bear the financial risks, or even most of them do not have sufficient disposable income to try new products (Mostafa & Elseidi 2018; Nielsen 2014). To Asians, the low prices of PL products may be attractive, but it also signals possibility of hidden low-quality which may cause consumers to avoid purchasing them (Fan 2014).

The failure of PL in developing markets, particularly in Asia, is deemed to be caused by the Asian market's lack of trust in the PL brand (Aw & Chong 2019) and retailers' replication of the Europe PL model to the Asia market (Nielsen 2014). To date, literature on PLs still gravitates towards PL purchase from intentional or behavioral perspectives (Aw & Chong 2019), with extensive literature attention focusing on developed markets instead of developing ones (Mostafa & Elseidi 2018). However, to improve market share and enhance market penetration in developing markets, retailers need a more detailed understanding of how to tackle PL trust issues and persuade non-PL users to adopt PL products. Thus, unlike most past PL studies, this study prioritizes the following: (1) extending the existing innovation characteristic model to the PL product context; and (2) conceptualizing PLs as an innovation from the perspective of the Rogers' Theory of Diffusion-of-Innovation (hereafter referred to as the "DOI").

This extension also aims to overcome the gaps in trust-based and affective-based innovation characteristics in DOI literature, which is practically crucial to business marketing given that the feeling of satisfaction restrains risk in the consumer purchasing process (Afzal et al. 2010), consumer loyalty formation (Li et al. 2008), and commitment to building solid buyer-seller relationships (Afzal et al. 2010). The subsequent sections of this article review the important literature on PL and DOI, discuss the absence of affection and trust in the traditional innovation characteristic models, conceptualize brand trust as the new affection innovation characteristic, and propose the innovation characteristic research model for private label products.

## LITERATURE REVIEW

### PRIVATE LABEL

PLs are trademarks of the retailer's name or are symbols seen on the product's packaging as commonly sold in a specific chain of retail stores (PLMA 2022; Siti Nurafifah Jaafar & Lalp 2012). PLs are universally named under store-brand and separate-brand strategies (Chou & Wang 2017; Sarkar et al. 2016). Store-brand strategy tends to name the PL upon the retailers' actual name, where it is

commonly called "store brand", "umbrella brand", "own brand", or "house brand". Meanwhile, the separate-brand strategy, commonly known as "vice-brand" or "sub-brand", uses a new brand name other than the retailer's to become a stand-alone brand (Sarkar et al. 2016).

The concept of the PL was born out of retailers' competitive response to high-priced NBs (Fitzell 1982). To directly compete with NBs in the same retail outlet, PLs are frequently priced lower than NBs (Sharma et al. 2020). However, in the early 1920s, due to intense competition from NBs, many retailers began to prioritize price over PL quality (Fitzell 1982). This price-driven marketing strategy diluted PL into a low-cost image (Chou & Wang 2017; Sarkar et al. 2016), which was related to a low-quality perception, making it unable to pose a substantial threat to NBs in retail outlets (Sutton-Brady et al. 2017). Today, PLs have nearly equaled the quality of NBs due to retailers' efforts in controlling the product quality of their PL (Sansone et al. 2021).

Universally, retailers who offer PL are not the manufacturer of their products (PLMA 2022; Sansone et al. 2021; Sharma et al. 2020). PL products are produced by outside manufacturers, either from exclusive PL manufacturers who produce only for resellers or by brand manufacturers, who are the producers of NBs, that use their production expertise and excess capacity to produce PL on behalf of retailers. Only a hand full of PL products are produced by retailers themselves using their production facilities (AAM 2011; PLMA 2022). As retailers take full ownership and control of their PLs, they have complete authority to decide on PLs' marketing activities such as selecting the product's producer, deciding the brand names, fixing the products' attributes, prices, packaging design, promotions, and advertising (Siti Nurafifah Jaafar & Lalp 2012).

### PRIVATE LABEL AS AN INNOVATION IN DEVELOPING MARKET

In developing markets, consumers are seen as familiar and comfortable with NBs that meet their needs and, due to convenience, repeat their NB purchases without having to look for alternatives (Mostafa & Elseidi 2018). The dominance of NB goods in certain product categories reflects the supremacy of NB in consumers' perceptions (Nielsen 2018) and, with the substitute nature of PL over NB, consumers will usually pick either one of the brands to purchase and consume, with NBs appearing to be the preferred choice most of the time (Beneke et al. 2012). Therefore, PLs conceptually fit Rogers' (2003) definition of innovation in the DOI context. For Rogers (2003), the determinant of innovation is decided by the perceived novelty of adoption participants, and not by the lapse of time since the first discovery or use of said innovation. In retailing, PL is seen as something novel or unusual, particularly in developing markets where the average volume share of PL is still below the 5% threshold (Oracle

2020). This poor market share conceptually supports PL as an innovation and indicates its non-adoption in most developing markets, where PL is seen to be an unfamiliar new idea with very little knowledge and information in local communities.

The unfavorable results of PL in developing markets call for a better grasp of how to encourage PL brand adoption among non-PL consumers, should PL market penetration be aimed (Aw & Chong 2019). Retailers must comprehend the attitudes and switching patterns of non-PL consumers before developing marketing strategies for their PL products (Martinez-Ruiz et al. 2014). Thus, following Aw & Chong (2019) and Martinez Ruiz et al. (2014), the study of PL adoption focuses on consumers who have yet to adopt PL products and are believed to have different perceptions, beliefs, attitudes, and behaviors about PL compared to those who are more familiar. This selection of non-adopters is also consistent with DOI literature, as the data on the innovation characteristics are said to be valuable only when it is collected before or concurrently with the adoption decision of the respondents (Rogers 2003, p. 227). The exclusion of the existing-adopter may also be due to the following: (1) The respondent's 'self-reported recall data where the experienced respondents may end up forgetting how they first learned about the innovation, how they collected the information, or the behavioral result (Rogers 2003, p. 127); (2) Methodological limitation where respondents tend to explain previous adoption behavior with the current attributes of new product (Brand & Huizingh 2008); and (3) The low feasibility in measuring patterns of PL consumption behavior due to the impracticality of observing respondents' pattern of usage or repeat usage (Lau & Lee 1999).

#### DIFFUSION OF INNOVATION AND INNOVATION CHARACTERISTIC MODEL

The Diffusion of Innovation (DOI) is an enduring social science theory that seeks to explain the adoption of new ideas, how and why these ideas spread among people, and the diffusion's rate of speed within the community (Rogers 2003). The DOI is said to be distinctive as it focuses on new ideas (Rogers 2003), which suggests an involvement of uncertainties and is weaker at predictability compared to the other consumer behavior models in marketing literature. Foundational DOI literature is credited to Everett Rogers (1958; 1962), who classified diffusion research into eight major typologies. One of Rogers' DOI typologies emphasizes the attributes of different innovations and gradually attracted the attention of DOI scholars, being later renamed the "innovation characteristic model" (Flight et al. 2011). This diffusion typology focuses primarily on how the innovation's characteristics affect the adoption rate.

Consumers are expected to evaluate the innovation's characteristics before making an adoption decision. The characteristics or attributes of innovation are claimed to be

important to a new product and the social system as they may either speed up or delay the diffusion of innovation in a community (Rogers 2003). "Innovation characteristic studies" are important in predicting the responses of people to a new idea, wherein these predictions can help marketers in changing the way innovation is named and positioned, and how it is linked to the current beliefs and previous experiences of potential adopters (Rogers 2003). Innovation characteristic studies began with five universal innovation characteristics: relative advantage, compatibility, complexity, observability, and trialability (Rogers 1958 & 1962). Perceived risk was then added by Bauer (1960) and Ostlund (1974) as the sixth characteristic. Innovation characteristic studies then continued to grow with numerous characteristics adapted into the adoption model such as clarity of results, initial and continuing cost, ease of operation, flexibility, importance to the user, mechanical attraction, radicalness, pervasiveness, and others (Flight et al. 2011). To synchronize the characteristics in DOI literature, Flight et al. (2011) outlined four higher-order innovation characteristics: (1) information; (2) relative advantage; (3) compatibility; and (4) risk/complexity.

#### AFFECTION AND TRUST IN INNOVATION CHARACTERISTIC MODEL

The existing innovation characteristics as summarized in Flight et al. (2011) indicate a cognitive orientation in the innovation characteristic models. For example, the characteristic-adoption model of Flight et al. (2011) suggests that adoption intention is mainly influenced by the innovation's compatibility, relative advantage, and risk/complexity, whereas these characteristics are commonly conceptualized as cognitive constructs in current literature (eg. Komiak & Benbasat 2006; Parthasarathy et al. 1995). In the innovation adoption context, the reliance of consumer decision on "affective" characteristics has appeared to be unquestionable due to the following reasons: (1) Human experience includes both cognitive and emotional aspects (Komiak & Bensabat 2006); (2) The Rational Choice Theory's claim that consumers' conscious decisions usually involve both reasoning and feeling; (3) The unfamiliarity towards the innovation makes the consumer decision less cognitively dominant (Jiang & Benbasat 2004); and (4) the adoption of innovation may not be a purely cognitive decision as consumers' affective reaction resulted from the innovation may affect their choices (Derbaix 1995).

In the innovation characteristic literature, diffusion scholars mainly determine the universal innovation characteristics based on the innovation's intrinsic values instead of the extrinsic characteristics. As the innovation is supposed to be novel and unusual to potential adopters (Rogers 2003), the novelty is believed to cause decision difficulty to adopters, such as the inability to judge the innovation's intrinsic attributes (such as features, quality, and performance) and difficulty to decide whether

the innovation can solve their needs. With little or no experience with the innovation, potential adopters are thus forced to form quality expectations and trust on the extrinsic attributes of the innovation, such as the seller's reputation, brand name, and price (Chocarro et al. 2009; Speed 1998). This formation of quality expectation based on extrinsic attributes is commonly conceptualized as a form of trust in marketing literature, which is theoretically defined as a state of dependence between two parties when risk is involved (Komiak & Benbasat 2006). In innovation adoption, trust is formed when the trustor's (or potential adopter) knowledge about the trustee (innovation seller) allows the trustor to predict the trustee's future behavior (Gefen et al. 2003). Thus, the innovation adoption decision will largely rely on how much potential adopter trusts in innovation's seller.

With the current gap in affective-based and trust-based characteristics in innovation characteristic studies, this study applies a trust-centered recommendation to supplement "brand trust" as the new innovation characteristic to DOI literature.

#### BRAND TRUST

Brand trust is defined as a "*consumer's feeling of security*" during contact with the brand that perceives the brand as reliable and responsible for consumers' interest and welfare (Delgado-Ballester et al. 2003). Brand trust is also associated with the "confident expectation" of the reliability and intentions of a brand. Here, it is seen not as a form of predictability, but is instead the confidence in taking the risk to depend on a another party's brand (Afzal et al. 2010). Consumers rely on a brand as a quality signal to formulate expectations and judge a product's quality (Lassoued & Hobbs 2015). With inadequate information in the purchase decision, credibility is expected to play its role in consumer trust in a brand and serve as a determinant of consumer confidence in quality attributes. Consumers' trust in the brand may elevate to confidence in the brand performance throughout the entire product consumption experience, which finally leads to consumer commitment to the brand (Lassoued & Hobbs 2015).

Brand trust plays an important role in innovation adoption. Adoption, which is associated with the repetition usage behavior of the adopter (Schiffman & Wisenblit 2015), is often conceptually paralleled to loyalty. It is logical to assume that brand trust influences adoption behavior as brand loyalty is often proposed as the indirect outcome of brand trust (Lassoued & Hobbs 2015). Brand trust is expected to determine consumers' future adoption intentions and lead them in their decision-making. As a result, confidence is derived from the positive experience and continuous satisfaction that contribute to consumer loyalty and the repeat usage of a brand (Lassoued & Hobbs 2015).

When PL appears to be the studied innovation, its brand is believed to play a certain influence on consumer

decisions to signal what consumers can expect of a specific brand of PL product. As most PL products are offered in the experience goods category where their attributes can only be assessed after consumers begin consuming them (Nelson 1974), its brand becomes even more important to consumers to infer the quality of PLs. The consumption decision is not only about materials used in the PL products— it also includes the entire production and distribution process. This indicates that consumer confidence in PL is affected by the material attributes and by the brand of the food. Trust in a brand is thus likely to rely on the trust retained by different actors within the industry (Lassoued & Hobbs 2015).

Furthermore, as most PLs are named upon the retailers' existing brand name, the PL brand represents the summative consumer perception towards the retailer and often serves as a cue of expectation of a specific PL product. Trust in the PL brand serves as an emotional state containing the willingness to be aware of vulnerability upon the intention or behavior of the retailers (Afzal et al. 2010; Rousseau et al. 1998). As long as the reliability and integrity of the PL brand are positively perceived by consumers, commitment towards the brand will be formed (Afzal et al. 2010) and consumers become confident to take the risk of depending on the PL brand (Lewis & Weigert 1985). Therefore, this study proposes that "*the more trustworthy the brand is, the likelier the customer adopts the PL*".

#### RESEARCH MODEL AND PROPOSITIONS

##### CONSTRUCT CONCEPTUALIZATION AND RESEARCH MODEL

It is common in DOI that the models for innovative decision-making follow the Hierarchy of Effects model (hereafter referred to as HOE) and are centered on the "think-feel-do" process (Parthasarathy et al. 1995). Innovation adoption is understood to be non-automatic and deliberate as consumers go through a series of phases or "stages" that are conceptually similar to awareness, information gathering, and information evaluation. Specifically, consumers are expected to actively seek out information about a product and then assess its suitability based on the predispositions (or affections) already present in them (Parthasarathy et al. 1995). Consumers' decisions are more likely to be affective-centric than cognitive-oriented when presented with unfamiliar innovations: this explains the existence of affection assessment between information processing and consumers' inclination to adopt (Klonglan & Coward 1970), thus supporting the DOI's innovation-decision process' adherence to this think-feel-do chain of HOE.

The research model herein (Figure 1) concludes five innovation characteristics namely: information, compatibility, relative advantage, perceived risk, and brand trust. Using HOE as the theoretical foundation,

the innovation characteristics herein are classified into cognitive, affective, and conative stages based on the ‘think-feel-do’ chain. The classifications are mainly divided into three: (1) Compatibility, relative advantage, and perceived risk conceptualized as the cognitive-based constructs that explain the mental or rational state of the innovation assessment; (2) Brand trust conceptualized as the affective-based construct that explains the emotional or feeling state of innovation assessment; and (3) Adoption intention conceptualized as the conative construct that works as the target behavior herein.

The conceptualization of brand trust as an affective construct is based on three justifications. First, brand trust is defined as a form of “consumer’s feeling of security” during contact with the brand (Delgado-Ballester et al. 2003). Second, brand trust is explained as a form of consumer affective evaluation that measures the willingness of consumers to depend on the brand’s ability to perform its promised functions (Komiak & Benbasat 2006). Third, brand trust is labeled as an ‘emotional state’ containing the willingness to be aware of vulnerability

upon the intention or behavior of the other party (Afzal et al. 2010). This affective conceptualization of brand trust becomes fundamental in the context of PL adoption due to PL’s unfamiliarity to most consumers in developing markets, where its adoption decision is believed to rely more on affective than cognitive assessment (Chocarro et al. 2009). Thus, the affective assessment of consumers, particularly on PL’s brand trust, is proposed to mediate secondary-level characteristics on the adoption intention of PL products.

This study considers the functional-level recommendation of Flight et al. (2011). In this study’s research model, three functional-levels of innovation interpretation were applied: (1) The information construct as a primary-level characteristic that works as a trait that is universally recognized across all potential users; (2) Cognitive-based constructs as secondary-level characteristics that are uniquely perceived across all potential adopters; and (3) the affective construct as a tertiary-level characteristic that mediates the secondary-level characteristic to the target behavior herein.

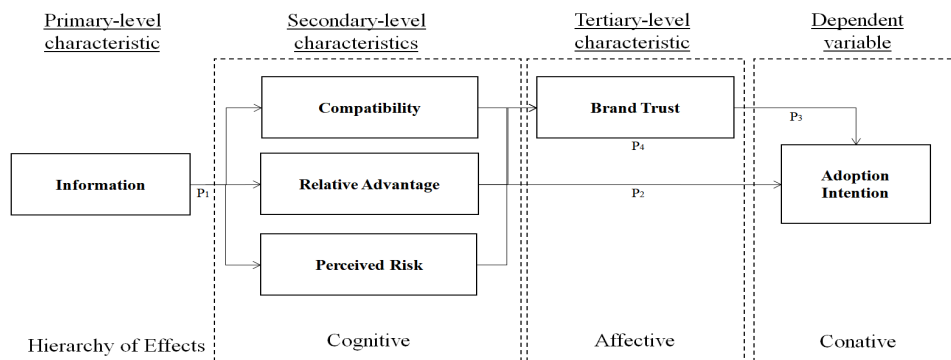


FIGURE 1. The research model

PROPOSITIONS

Information construct has been defined by Flight et al. (2011) as the characteristics that aid the flow of innovation information to potential innovation adopters. This construct is theorized based on the idea that potential adopters learn about the innovation’s benefits and use through information received via their internal and external communication channels. The information about the innovation is crucial to consumer adoption as it affects the awareness and consideration process on whether it is worth trying the new product. In PL context, with higher accessibility of information, individuals may be confident that the PL is suitable to their lifestyle, see better benefits in the PL compared to the current brand used, and dismiss the negative uncertainties towards the PLs. Thus, proposition 1 is forwarded as:

$P_1$  The amount of information can affect the compatibility, relative advantage, and perceived risk of PL products.

When PL is perceived as an innovation, its adoption depends on how the potential consumers perceive its compatibility, relative advantage, and perceived risk. Compatibility, defined in DOI as the perceived level of consistency with the adopters’ present values, experience, and actual needs (Roger 2003: 240; Jaakkola & Renko 2007), is often linked to consumers’ nature of resistance to change. This resistance to change is further attributed to innovations that do not fit the current habit likely being rejected, while a compatible innovation instead enhances the adoption (Flight et al. 2011). When PL is perceived with higher compatibility, the PL creates less uncertainty for the adopters and usually fits well with the situation of the potential adopters, thereby directly leading to its adoption (Rogers 2003).

Relative advantage in the DOI context is defined as the perception of value that the innovation can bring to the adopter compared to the current alternatives (Flight et al. 2011), or how the innovation is perceived as better in comparison to the idea replaced (Rogers 2003; Hansen 2005). In the PL context, its relative advantage is judged

based on the benefits a consumer gains from all or part of the PL's quality and attributes in comparison to the current product used (Flight et al. 2011). When the advantage of the PL is perceived to be greater than the current alternatives, the adoption is seen as more likely to happen (Rogers 2003; Holak & Lehmann 1990).

The risk of innovation in past diffusion studies has been proven to retard the rate of adoption (Flight et al. 2011; Rogers 1962). When consumers decide to adopt a new product, they are exposed to uncertainties of positive and negative consequences of the adoption, thereby forming a risky decision (Mitchell et al. 1999; Zinkham & Karande 1991). Perceived risk is often associated with PL products because PL products were once linked to inexpensive prices, inferior quality, and deficient performance (Beneke et al. 2012). When the information on innovation owned by potential adopters is limited, the uncertainty also tends to be higher (Beneke et al. 2012). Thus, risk has been identified in slowing down the adoption rate of innovation (Ostlund 1974). Following the idea that PL will only be adopted if it has higher suitability, superiority, and lower uncertainty (Rogers 2003), this study proposes proposition 2 as:

$P_2$  The level of perceived compatibility, relative advantage, and risk can affect the adoption intention of PL products.

The absence of brand-related characteristics in the established model has led to brand trust being supplemented as the new innovation characteristic of the new PL adoption model. Brand trust is said to be one of the commonly discussed psychological factors that lead to satisfaction and loyalty (Delgado-Ballester & Munuera-Aleman 2001). Today, almost all products are marketed with a brand, and the influence of brand trust is somehow undeniable in most consumer behavior contexts. With PL being deemed to be unfamiliar to most consumers in developing markets (such as Malaysia), its brand usually becomes an important quality indicator to assist consumers in making purchase decisions (Mitra 1995; Chocarro et al. 2009), thereby signaling what consumers can expect of a specific product (Chocarro et al. 2009). Thus, the study's proposition 3 is forwarded as:

$P_3$  The level of brand trust can affect the adoption intention of PL products.

Lastly, the dependency of consumer decisions on "affective" characteristics seem to be undeniable in most adoption contexts. This is especially true on a 'brand-based' innovation such as PL, which signifies the dependency of consumer evaluation on the trustworthiness of the retailer's brand before adopting the PL products. The proposed mediation effect of brand trust in the PL adoption model is justified by the consumer's reliance on the brand of retailers before adopting PL products into daily use. This is explained as when consumers perceive PL as superior (in compatibility, relative advantage, and risk) compared to the brand being replaced, with said

cognitive assessment being perceived as able to create the "feeling of security" for consumers to rely on PL and ultimately adopt their products. By proposing "brand trust" as an affective-based characteristic to mediate the secondary-level constructs and dependent variable, proposition 4 is defined herein as:

$P_4$  The impact of compatibility, relative advantage, and perceived risk on adoption intention can be affected by brand trust.

## RESEARCH METHODOLOGY

### TARGET RESPONDENT

To preserve the innovation novelty of the PL products, this study has fixed non-PL adopters as the target respondent. The respondents are expected to fulfill the "novelty" criteria of non-regular users must have not repurchased any PL product. Additionally, the respondent must be classified as a non-adopter under the following classifications set by Labay & Kinnear (1981): (1) "Unknowledgeable non-adopters" unaware of the existence of PL; (2) "Unknowledgeable non-adopters" who aware, but have little or no information about the PL; and (3) "Knowledgeable non-adopters" who have interest and information, but are not regular users of a PL." Existing adopter" is excluded from this study due to their current adoption experience that defies PL as an innovation. This target respondent selection supports Rogers' (2003, p. 227) claim that data on innovation characteristics can only be useful if they are collected either in advance of concurrently with the respondents' adoption decisions.

### SAMPLING PROCEDURE

The sample selection herein was done through a hybrid sampling technique of probability and non-probability. The application of the probability sampling method alone is impractical, as it is difficult to compile a comprehensive list (or sampling frame) of consumers who have not adopted PL products in Malaysia. Thus, as illustrated in Figure 2, the sampling process was separated into three stages: (1) The first stage divides all Malaysian states (population) into multiple clusters and then selects some states (samples) based on a simple random sampling technique; (2) The next stage divides all hypermarkets in the selected states in Malaysia (population) into multiple clusters and then selects some hypermarkets (samples) based on a simple random sampling technique; and (3) In the final stage, convenience sampling (non-probability sampling) was used to select the samples of consumers from the selected hypermarkets in each of the states.

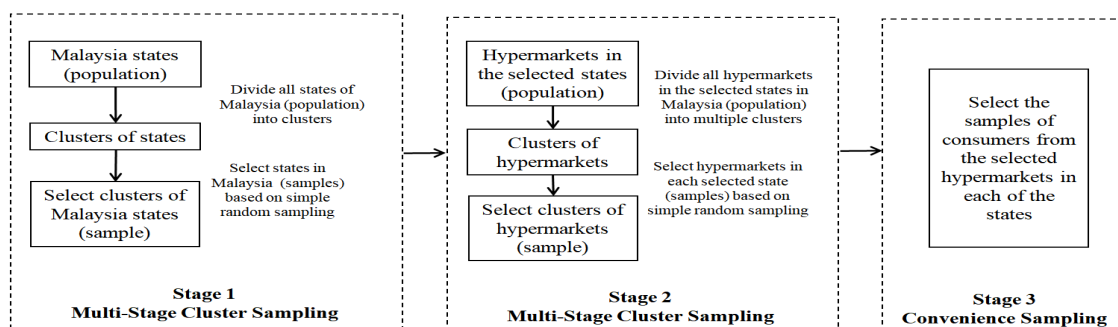


FIGURE 2. Sampling process

DATA COLLECTION

A self-completion survey method was used herein, with primary data being collected using structured questionnaires. A structured questionnaire allows for better administration of the respondents’ answering processes, regulation of the sample, and delivers a higher response rate compared to surveys and traditional mailing methods. To improve the way the questionnaire answering is managed, the researcher follows the following procedure during the face-to-face contact with targeted respondents: (1) Explaining the objective of the study in brief, (2) Defining PL products, (3) Explaining answering instructions, (4) Passing the questionnaire to the respondent for self-completion, (5) Re-confirming the status of respondents with the filtering questions, and (6) Collecting the questionnaire back from the respondent.

THEORETICAL AND PRACTICAL IMPLICATION

Theoretically, this study fills the gap in traditional DOI studies by highlighting the need for “trust-based” and “affective-based” characteristics in the characteristic-adoption model. “Brand trust”, which is often neglected in DOI literature, is expected to have a stronger or equal influence on the adoption of PLs compared to the conventional innovation characteristics of compatibility, relative advantage, and risk/complexity. Brand trust is also expected to show at least a partial mediation effect in mediating the existing innovation characteristics to PL adoption intention, therein illustrating two main findings: (1) Consumers’ purchase decision relies on both reasoning and feeling, and (2) The innovation-decision process is grounded on the “think-feel-do” process of HOE. Moreover, this study contributes to filling the existing gap of adoption studies in the PL context. Numerous studies have been carried out in the context of PL, with most of them focusing solely on the purchase intention and purchase decision of PL (Aw & Chong 2019) instead of its adoption. The analysis of PL from purchase intention and purchase behavior is said to be insufficient as both are linked to transactional behavior, which is explained as a one-time action that

does not reflect the acceptance of PL from a long-term perspective.

Practically, this study aims to draw retail practitioners’ attention to the importance of brand management for their retail and PL brands. PL retailers today are seen managing their PLs with proper care and innovation (Nielsen 2018) and are also investing in improving the PL’s quality, repairing its image, and educating consumers on the benefits of PLs through promotional campaigns (Au-Yeung & Lu 2009; De Wulf et al. 2005; Nielsen 2018). However, these retailers’ efforts are deemed to be worthless if retailers do not tackle the underlying cause of PL failure in developing markets, which is brand trust. With the attributes of PL products remaining unidentified until after consumer consumption, brand trust appears to be an important cue in inferring the quality of PL and works as an affective evaluation criterion in supporting consumer adoption decisions. Thus, the empirical result of the current study is expected to prove the influence of brand trust in the PL adoption context and further recommend practical solutions to retailers on how improving brand trust in their PL products.

CONCLUSION

Although adoption diffusion literature as a whole has struggled to keep up with affective innovation characteristics, the dependency of consumer decisions on brands as an emotional bonding is somehow undeniable in the consumer behavior context. To improve PL market share and enhance PL market penetration in developing markets, retailers must know how to tackle the PL trust issue, understand how to persuade non-PL users to switch brands, and build the PL marketing strategies surrounding the innovation characteristics.

The proposed model herein pioneeringly integrates DOI’s characteristic-adoption model and HOE model, with said model serve as a reference point for academics, specifically diffusion scholars, to pay attention to both cognitive and affective-based constructs in determining consumers’ long-term brand commitment. With brand trust being touted as influencing consumers’

purchase behavior, the inclusion of brand trust into DOI's characteristic-adoption model is deemed to be an enhancement to the predictive power of adoption decision.

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