



New Trends and Issues Proceedings on Humanities and Social Sciences



Volume 4, Issue 10, (2017) 164-171

www.prosoc.eu

ISSN 2547-8818

Selected Paper of 6th World Conference on Business, Economics and Management (BEM-2017)

04-06 May 2017, Acapulco Hotel and Resort Convention Center, North Cyprus

The influence of perceived risk on brand addiction: A research on cosmetics products

Ahmet Gurbuz^a, Faculty of Economics and Administrative Sciences, Karabuk University, Karabuk 78050, Turkey

Tugba Yegin^b, Institute of Social Sciences, Karabuk University, Karabuk 78050, Turkey

Ilknur Kilic^{c*}, Vocational School, Cankiri Karatekin University, Cankiri 18200, Turkey

Suggested Citation:

Gurbuz, A., Yegin, T. & Kilic, I. (2017). The influence of perceived risk on brand addiction: A research on cosmetics products. *New Trends and Issues Proceedings on Humanities and Social Sciences*. [Online]. 4(10), 164–171. Available from: www.prosoc.eu

Selection and peer review under responsibility of Prof. Dr. Cetin Bektas, Gaziosmanpasa University, Turkey.

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Abstract

Consumers prefer certain brands like price, quality, image, environment and personal expectations, and therefore it is important to determine the reasons that are effective in brand loyalty in terms of both producers and intermediary institutions. In recent years, there have been many studies on brand loyalty. Investigations are generally carried out on the condition of showing brand affiliation and on the stages of the formation of this commitment. The relationship between consumers' risk perceptions of cosmetic products and brand dependency will be examined in our research. This study aiming to determine the effect of consumers' cosmetic product risk perception on brand dependency will be realised in Karabuk. Within the scope of the research, the data obtained by the questionnaire method will be analyzed with statistical methods and interpreted in tables.

Keywords: Perceived risk, brand, brand dependence.

* ADDRESS FOR CORRESPONDENCE: **Ilknur, Kilic**, Vocational School, Cankiri Karatekin University, Cankiri 18200, Turkey.
E-mail address: ilknurkilic@karatekin.edu.tr / Tel.: +90-376-218-11-23

1. Introduction

In today's competitive environment, businesses are implementing strategies to realise profitable, productive and effective sales, and all the necessary details are starting to investigate and plan ahead of time. The perceived risk that has an important place in the literature, which starts before the production of the product and continues to the market until the end of the production, is examined in a wide perspective when the literature is examined, decision-making, product preferences and brand preferences and brand dependency. And specifically with this, uncertainty, risk communication and a wide range of consumer's behaviour literature on consumer's decision-making as well as the importance of risk in consumer's decision-making. Academicians working in the field of marketing and business people realizing this business have accepted the concept of risk and strategies have dealt with risk. The main goal of marketing is to increase customer motivation for a product, that is, creating positive effects on buying behaviour and brand dependency with repetitive purchasing behaviour.

In this study, research has been conducted on women using cosmetic products under the heading 'Perceived Risk in Brand Dependence'. The 285 users have been reached with the survey method.

2. Literature review

Considering the marketing world, companies develop marketing strategies in order to promote consumers' purchasing behaviours in order to be able to stay strong in the competitive environment and to carry out risk management activities without risking uncertainty. Risk concept in marketing (Vann, 1984) and the effect on risky decision-making have been investigated since 1960 (Taylor, 1974) rather than a certainty when there is a possibility. Risk is an important factor for affecting the buying behaviour of the individual (Park & Jun, 2003, p. 545). Because consumers are at risk when they are forced to make purchasing actions (Cox & Rich, 1964). Perceived risk can be thought of as a function of the uncertainty about the potential consequences of a behaviour and the likely dissatisfaction of these results. Represents consumer uncertainty with respect to loss or gain in a particular transaction (Murray, 1991). Cox and Rich (1964) conceptualised the perceived risk as the amount and quality of the perceived risk when a consumer considers a particular purchase decision. The amount at risk is a function of the size or importance of the targets to be reached, the severity of the penalties that can be imposed against failure and the amount of means committed to achieving the targets (Cox, 1967, p. 38). Six different risk dimensions related to purchasing in the market are seen (Brooker 1984; Chaudhuri, 1998; Garner 1986; Gronhaug, 1993; Jacoby & Kaplan, 1972; Mitchell 1992; Peter & Ryan 1976; Peter & Tarpey, 1975; Roselius, 1971; Schiffman & Kanuk 1994; Simcock, Sudbury, & Wright, 2006).

2.1. Functional risk

Risks related to product performance. The fact that the consumer is unaware of the benefits of buying the product while it is in the process of buying is causing the consumer to be confronted with a risk. If the product is purchased for the first time, if there is no information about the product, or if the use of the product requires expertise, functional risk is expected to increase.

2.2. Financial risk

Possible financial loss related to the price of the product depends on the risk. It is directly proportional to the price. As each purchase transaction is financed, the financial obligations consumers consent to purchase constitute financial risk.

2.3. Social risk

Risk that a consumer gets a product or brand and uses it in the event of a negative reaction from the consumers. This risk is also referred to as image risk (Sjodin, 2007) and ego loss (Roselius, 1971).

2.4. Physical risk

Risk of experiencing any health or physical problem that the consumer will experience when using the product he or she purchases.

2.5. Psychological risk

Risks related to the consumer's confidence. While social risk is a risk to other people's negative thoughts about the consumer, psychological risk is the concern of the consumer that he is not satisfied with ownership of the product or using the product. It is possible that the selected product is not compatible with the self-image that the consumer perceives.

2.6. Time risk

The risk of time lost due to the choice of the wrong product.

These are physical risks other than physical risks (Akturan, 2007, p. 51). When the consumer feels all of these risks, 'perceived total risk' occurs. Situations in which the risks perceived by the consumer tend to increase (Odabasi and Baris, 2003, p. 154):

- if awareness of the acquired knowledge, experience, brand or product is insufficient,
- if a new product or technique is difficult to understand,
- if the consumer can't feel safe,
- if the quality perceived by the consumer in the case of comparison is low,
- if the price applied is high,
- when purchasing is important to the consumer.

The type and amount of the perceived risk varies depending on the situation of the consumer. One way of mitigating the perceived risk is to create dependencies for brands. One of the commonly accepted views is that brands reduce the perceived risk of consumers. Markets reduce the buying preference by creating meaning according to customer preferences and requests, thus affecting perceived risk. In this context, brand dependency, in a particular decision-making process, in an environment with an alternative brand, as a non-random and behavioural response, usually resulting in purchases. The consumer brand that is satisfied with the brand performs repetitive acquisitions without regard to any lack of confidence and risk, which makes purchasing behaviour a habit. Brand addiction is the emotional attachment to a brand. Creating and understanding brand addiction, loyalty and attitude are possible with power and permanent relationship with consumers. Before the consumer who is satisfied with the brand, buys another brand; time cost, monetary costs and performance risk. Consumers who love emotionally connected brands and see consumers as friends, and consumers who are proud of using brands are very important in emotionally expressing the customers themselves. In the context of branding, consumers continue to buy previously purchased brands. In this context, brand dependence can be examined from two perspectives (Eru, 2007).

2.7. Brand loyalty as behaviour

Behaviour that customers show consistently with the same brand. Repeated purchases represent the frequency of purchase of a particular brand by the total number of purchases of other brands or

by the volume of purchases. Continuation of service from the original company, development of all aspects of the relationship, examples of recall adherence.

2.8. Brand attitude as attitude

Emotions are influential in a person's commitment to a product, service or company. Even with these feelings, the degree of loyalty of the person can be determined. Loyalty and trust are also gaining importance, as ensuring brand loyalty is not based on strategies such as program development or giving gifts to these customers for ongoing customers. Research shows that brand loyalty is not only a recurrence of purchasing behaviour but also is a result of a multifaceted attitude towards the brand (Eris & Kutlu, 2007).

3. Methods

The main purpose of the research is to determine the effect of the perceived risk concept on brand equity, which has been investigated a lot. The research model is descriptive research, and necessary data were obtained by questionnaire. Surveys were conducted by researchers with female consumers who use cosmetic products in Karabuk province centre in February–April 2017. The 290 consumers responded to the survey, but 277 of them were taken into consideration.

In this study, a five-point Likert-type scale was used to measure the perceptions of perceived risk to influence brand dependence. This scale was created by the researchers by scanning the relevant field literature (Demir, 2011), followed by expert opinions. The general confidence coefficient of the test was calculated as Cronbach's $\alpha = .917$. Table 1 presents descriptive data on consumers' personal information.

Table 1. Personal information

	Variables	N	%
Age	18 altı	10	3.6
	19–25	74	26.7
	26–32	88	31.8
Education status	33–39	63	22.7
	40–46	39	14.1
	47–53	3	1.1
	Total	277	100.0
	Primary education	2	0.7
Household income status	High school	35	12.6
	Associate	70	25.3
	License	128	46.2
	Graduate	42	15.2
	–1,500	25	9.0
	1,501–2,500	61	22.0

As seen in Table 1, 31.8% of the participants in the survey are in the age-group of 26–32 years, and about 63% of them are younger than 32 years. Based on this, it can be said that the participants in the survey are quite young. Forty six percent of those surveyed are undergraduates. It is observed that 27% of the participants have monthly household income between 2,501 and 3,500 Turkish Liras and 22% between 1,501 and 2,500 Turkish Liras. It can be said based on the data in the table that 30.7% of the survey participants did not work a significant part.

Table 2. Data according to perceived by age and brand loyalty

Age	Source of variance	Squares total	Standard deviation	Squares cover	F	p
Functional risk	Between groups	4,308	5	0.862	2.000	.079
	Inside groups	116,771	271	0.431		
	Total	121,079	276			
Financial risk	Between groups	6,702	5	1.340	2.689	.022
	Inside groups	135,084	271	0.498		
	Total	141,785	276			
Social risk	Between groups	5,299	5	1.060	0.739	.595
	Inside groups	388,815	271	1.435		
	Total	394,114	276			
Physical risks	Between groups	4,074	5	0.815	1.701	.134
	Inside groups	129,792	271	0.479		
	Total	133,867	276			
Psychological risk	Between groups	14,045	5	2.809	3.225	.008
	Inside groups	236,067	271	0.871		
	Total	250,112	276			
Time risk	Between groups	6,705	5	1.341	1.098	.362
	Inside groups	330,938	271	1.221		
	Total	337,643	276			
Brand	Between groups	3,530	5	0.706	2.023	.076
	Inside groups	94,546	271	0.349		
	Total	98,075	276			

The differences between the risk dimensions perceived by age and brand loyalty are given in the table. Perceived risk, the financial risk and psychological risk dimensions vary according to age ($p < .05$) but do not change for other dimensions. While the financial risk and psychological risk that the consumer believes should be undertaken in the case of purchasing a certain goods or services increases with age, the perception of brand loyalty does not change with age ($p > .05$).

Table 3. Data according to perceived risk dimensions and brand loyalty according to the last education level

Education status	Source of variance	Squares total	Standard deviation	Squares cover	F	p
Functional risk	Between groups	2,096	4	0.524	1.198	.312
	Inside groups	118,984	272	0.437		
	Total	121,079	276			
Financial risk	Between groups	1,330	4	0.332	0.644	.632
	Inside groups	140,456	272	0.516		
	Total	141,785	276			
Social risk	Between groups	31,413	4	7.853	5.889	.000
	Inside groups	362,701	272	1.333		
	Total	394,114	276			
Physical risks	Between groups	1,824	4	0.456	0.939	.442
	Inside groups	132,043	272	0.485		
	Total	133,867	276			
Psychological risk	Between groups	24,508	4	6.127	7.387	.000
	Inside groups	225,603	272	0.829		
	Total	250,112	276			
Time risk	Between groups	37,544	4	9.386	8.507	.000
	Inside groups	300,099	272	1.103		

	Total	337,643	276			
Brand	Between groups	5,249	4	1.312	3.845	.005
	Inside groups	92,826	272	0.341		
	Total	98,075	276			

The differences between perceived risk dimensions and brand loyalty according to the last education level are given in the table. Perceived risk, although the dimensions of social risk, psychological risk and time risk vary according to participants educational status variable ($p < .05$), they don't change for other dimensions. The brand loyalty perception varies according to the education-level variable ($p > .05$). The group with the highest brand loyalty is graduate graduates (=3.95) and the lowest group consists of primary graduates (=3.35). Those with lower education levels don't care about brands, and those who are more educated tend to be more prone to brand dependency. Consumers who have undergraduate and graduate education have lower brand dependency compared to those who are educated at associate degree level because the consumers who have undergraduate and postgraduate training compare products more before purchasing and make purchasing decision after comparing them.

Table 4. Data according to perceived risk dimensions and brand loyalty according to occupation variables

Job	Source of variance	Squares total	Standard deviation	Squares cover.	F	P
Functional risk	Between groups	4,652	9	0.517	1.185	.304
	Inside groups	116,428	267	0.436		
	Total	121,079	276			
Financial risk	Between groups	5,167	9	0.574	1.122	.347
	Inside groups	136,619	267	0.512		
	Total	141,785	276			
Social risk	Between groups	33,776	9	3.753	2.781	.004
	Inside groups	360,338	267	1.350		
	Total	394,114	276			
Physical risks	Between groups	1,903	9	0.211	0.428	.920
	Inside groups	131,964	267	0.494		
	Total	133,867	276			
Psychological risk	Between groups	26,655	9	2.962	3.539	.000
	Inside groups	223,457	267	0.837		
	Total	250,112	276			
Time risk	Between groups	19,039	9	2.115	1.773	.073
	Inside groups	318,604	267	1.193		
	Total	337,643	276			
Brand	Between groups	7,916	9	0.880	2.605	.007
	Inside groups	90,160	267	0.338		
	Total	98,075	276			

The differences between perceived risk dimensions and brand loyalty according to occupation variables are given in the table. While social risk and psychological risk dimensions differed from perceived risk dimensions to participants' professions ($p < .05$), this difference wasn't observed for other perceived risk dimensions ($p > .05$). The products with psychological risks overlap with the results of the final research using branded products while being purchased. Brand loyalty varies according to occupation variable of participants ($p < .05$). While the occupational groups with the highest brand commitment are workers, engineers and nurses, the lowest group consists of non-working participants. The group with the lowest brand dependency for cosmetic products are women who don't work.

Table 5. Data according to the effect on the perceived risk brand loyalty in the above

Dependent variable	Independent variable	B	p	F	R ²
Brand loyalty	Risk perception	0.369	0.000	43.307	0.136

The results of the regression analysis conducted to determine the effect on the perceived risk brand loyalty in the above table are given. According to the findings, only 13% of the change in perceived risk brand equity is independent variable ($R^2 = .136$). It can be said that there is a relationship between perceived risk and brand loyalty according to the results, but perceived risk is a relatively small role in explaining the change in brand loyalty.

4. Conclusion

Of the survey participants, 31.8% are in the 26–32 age-group, and 63% of the respondents are younger than 32 years of age. Based on this, it can be said that the participants in the survey are quite young. Forty-six percent of those surveyed are undergraduates. It is observed that 27% of the participants have monthly household income between 2,501 and 3,500 Turkish Liras and 22% between 1,501 and 2,500 Turkish Liras. It can be said based on the data in the table that 30.7% of the survey participants did not work a significant part.

The differences between the risk dimensions perceived by age and brand loyalty are given in the table. Perceived risk, the financial risk and psychological risk dimensions vary according to age ($p < 0.05$) but do not change for other dimensions. While the financial and psychological risk that the consumer believes should be undertaken in the case of purchasing a certain goods or services increases with age, the perception of brand loyalty does not change with age.

Differences between perceived risk dimensions and brand loyalty according to educational background are given in table. The perceived risk did not change for the other dimensions, while the social risk, psychological risk and time risk dimensions varied according to participants' educational status variable ($p < 0.05$). The brand loyalty perception depends on the educational status variable ($p > 0.05$). The group with the highest brand loyalty is the associate degree graduates ($=3.95$) and the lowest group consists of the elementary school graduates ($=3.35$). Those with lower education levels do not care about brands, and those who are more educated tend to be more prone to brand dependency. Consumers who have undergraduate and graduate education have lower brand dependency compared to those who are educated at associate degree level because the consumers who have undergraduate and postgraduate training compare products more before purchasing and make purchasing decision after comparing them.

The differences between perceived risk dimensions and brand loyalty according to occupation variables are given in the table. While social risk and psychological risk dimensions differed from perceived risk dimensions to participants' professions ($p < .05$), this difference was not observed for other perceived risk dimensions ($p > 0.05$). The products with psychological risks overlap with the results of the final research using branded products while being purchased. Brand loyalty varies according to occupation variable of participants ($p < 0.05$). While the occupational groups with the highest brand commitment are workers, engineers and nurses, the lowest group consists of non-working participants. The group with the lowest brand dependency for cosmetic products are women who do not work.

It can be said that there is a relationship between perceived risk and brand loyalty according to the results, but perceived risk is a relatively small role in explaining the change in brand loyalty.

Perceived risk dimensions and brand loyalty do not change according to participants' household income ($p > 0.05$).

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