# MASTERARBEIT

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„The Effects of Perceived Authenticity
on Consumers' Response to Brands:
Evidence from an Emerging Market"

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*For Emil*

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# Abstract

Postmodern consumers are characterized by a strong desire for authenticity in their consumption experiences. Marketing literature acknowledges the growing importance of the concept to consumers, while at the same time more and more marketers use authenticity as a brand-positioning device. Despite this growing interest in authenticity and the ubiquity of authenticity signaling cues in the marketplace, research on the potential consequences of communicating brand authenticity is still at an early stage. So far, everything that is known about the impact of the concept on consumer attitudes and behaviors has been derived from studies conducted in mature (Western) markets. Not much is known about how emerging market consumers view and react to an authentic brand positioning.

Against this background, the present study investigates whether brand authenticity cues can influence authenticity perceptions of consumers in emerging markets and whether these perceptions positively affect their response to both global and non-global brands (i.e. perceptions of brand quality and willingness-to-pay). In addition, the mediating role of brand credibility is examined, as a possible pathway through which authenticity effects materialize, as well as the influence of consumers' cosmopolitan orientation on authenticity outcomes.

To achieve this, an experimental study was conducted with 180 consumers from an emerging market, Romania. The experiment was built around a fictitious brand, belonging to a low-involvement product category (chocolate cookies). Results indicate that authenticity signaling cues can successfully influence the authenticity perceptions of Romanian consumers, which in turn, lead to an increase in the perceived quality of the brand but not in the willingness-to-pay for it. These effects are found to be fully mediated by brand credibility and to be positively moderated by consumer cosmopolitanism.

The findings of the study entail several important implications for marketing managers operating in Romania and other emerging markets. Above all, they demonstrate that brand authenticity represents a viable positioning strategy, however, not the ultimate way to achieve superiority over other brands in these markets.

**Keywords**: brand authenticity, brand globalness, brand credibility, consumer cosmopolitanism, BDM lottery, willingness-to-pay

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# 1. INTRODUCTION

Due to the *"increasingly contrived and inauthentic nature of contemporary life"* (Leigh et al. 2006, p. 481), the concept of authenticity and, in particular, the notion of consumers' *"desire for authenticity"* (Gilmore and Pine 2007, p. 5) has emerged as one of the defining characteristics of postmodern consumer culture (Gilmore and Pine 2007; Beverland 2009; Holt 2002).

Several developments are believed to be responsible for this trend. In today's increasingly digitalized world, consumers are permanently exposed to a plethora of advertisements, media images and virtual worlds. This *"increased stylization of everyday life"* (Beverland 2009, p. 23) makes it more and more difficult for consumers to distinguish between what is real and what is fake (see also Arnould and Price 2000). Simultaneously, genuine, personal life experiences are replaced more and more with commercialized, "pay-for" experiences and consumers are often placed in the position of having to interact more with machines than with people in their everyday lives (Gilmore and Pine 2007). Coupled with the ongoing homogenization and standardization of today's marketplace (Thompson et al. 2006), these trends have left consumers yearning for authentic products and experiences. Furthermore, the decline of traditional societal institutions (e.g. family, work, school, church, government), which help individuals form their identity, means that consumers are now expressing their individuality and reaffirming *"their authentic self and their desired collective identity"* (Beverland 2009, p. 23) through the ownership of goods and services which are original, innovative and different (Arnould and Price 2000; Lewis and Bridger 2001; Gilmore and Pine 2007).

Consumers' newfound interest in authenticity has several implications for organizations in today's marketplace. According to Gilmore and Pine (2007), firms must learn how to effectively render authenticity and manage consumers' perception of authenticity, in order to create and maintain a competitive edge. They call it *"the new business imperative"* of the 21st century (Gilmore and Pine 2007, p. 3). In the same vein, Time Magazine has included the concept of "synthetic authenticity" (i.e. rendered or fabricated authenticity) among the top *"10 ideas that are changing the world"* (Cloud 2008, p. 1). Broadly defined as *that which feels "genuine, real and/or true" to consumers* (Beverland and Farrelly 2010, p. 839), authenticity has been deemed by marketing scholars as *"one of the cornerstones of contemporary marketing"* (Brown et al. 2003, p. 21) and one of the most important benchmarks for judging modern brands (Grant 2000).

The importance of authenticity as an element of the brand identity has been acknowledged not only by scholars and journalists, but also by practitioners. As Linda Boff, marketing executive at GE, puts it: *"The challenge - and opportunity - for modern brands is to be their most authentic, most transparent and most engaging selves"* (Schnitzer 2012). In communicating authenticity, brand owners of both local and global brands use a variety of marketing mix elements, such as logos, brand names, packaging materials and advertising messages (Nguyen et al. 2012). The information cues range from simple terms, which connote authenticity (e.g. "Original", "Genuine", "Real"), and more subtle design elements (e.g. fonts, images, colors) to verifiable seals and certifications (e.g. "Five Star Provenance®" for Bordeaux wines) (Ewing et al. 2012). Conceptually, these cues may refer to the company's rich heritage, connection to a particular region, use of traditional production methods and natural ingredients or may be underlining the brands' commitment to quality, unique character, passion and sincerity (Alexander 2009; Beverland 2006, 2009; Gilmore and Pine 2007).

Despite the overabundance of such authenticity cues in the marketplace, empirical evidence of their influence on product judgments and purchase decisions is still somewhat limited (Nguyen et al. 2012; Ewing et al. 2012). So far, academic research on authenticity in the consumption context has been mainly interpretative in nature and has focused on conceptualizing the construct, identifying different forms, attributes and dimensions of authenticity and understanding the process through which consumers assess the authenticity of objects and experiences (e.g. Chhabra 2005; Beverland 2006, 2009; Beverland et al. 2008; Grayson and Martinec 2004; Grayson and Shulman 2000; Brown et al. 2003, Rose and Wood 2005; Leigh et al. 2006; Chronis and Hampton 2008).

Consumer researchers, in particular, have only recently begun to take a closer look at potential consequences of communicating brand authenticity and using it as a brand-positioning device (e.g. Ewing et al. 2012; Sie 2011; Zwinger 2013). Although these contributions offer valuable first insights into the topic, more research is needed to fully understand the relevance of the concept for both marketing science and practice. Furthermore, due to the emergent nature of this research stream, existing work on brand authenticity suffers from one important limitation. Everything that is known about the influence of the concept on attitudes, intentions and behaviors has been derived from studies conducted in developed (Western) countries. An extensive review of literature was not able to identify any study which examines the behavior of emerging market[1] consumers in relation to brand authenticity. Often however, the institutional contexts in emerging markets *"present significant socioeconomic, cultural, and regulative departures from the institutional assumptions of Western countries"* (Burgess and Steenkamp 2006, p. 1). This fact raises some questions related to the generalizability and practical applicability of established theories and existing empirical findings to such markets. Studying brand authenticity in emerging markets is, therefore, important from both a theoretical and a practical point of view. Theoretically, such work can contribute to the cross-national and cross-cultural validation of existing findings or it can reveal the need to challenge these findings and establish boundary conditions (cf. Burgess and Steenkamp 2006). Practically, knowledge about how authenticity affects consumers in these rapidly developing markets, in which one third of the world's population resides, can provide marketing managers and brand owners with a useful additional tool for achieving success in these markets.

### *1.1 Research objectives*

Against this background, the main objective of the present study is *to investigate the effects of brand authenticity on consumers' attitudes and behaviors in an emerging market context*. By placing brand authenticity in an experimental setting and pursuing the phenomenon in an empirical fashion, this research will assess: (a) whether authenticity signaling cues play a role in shaping consumers' perceptions of brand authenticity and (b) if so, whether this perceived authenticity can influence consumers' response to brands.

More specifically, by using signaling theory (Erdem and Swait 1998) and equity theory (Adams 1963) as theoretical foundations, the present investigation will examine the extent to which authenticity, as a brand attribute, can influence consumers' attitudes (i.e. perceptions of quality) and their actual behavior (i.e. willingness-to-pay) towards branded products. Apart from quantifying the influence of brand authenticity, a further attempt will be made to clarify the nature of these effects by exploring the underlying mechanisms of their formation. In particular, the concept of brand credibility will be introduced and examined as a potential pathway through which authenticity effects materialize.

[1] Although there is no consistent definition of the term in the marketing literature, emerging markets (EMs) usually denote countries, in which "PPP-adjusted GDP per capita, converted to U.S. dollar and smoothed for 3-year currency fluctuations, is equal or less than the highest ranked country classified as "middle income" by the World Bank […] Geographically, EMs comprise the "transition economies" of the former Soviet Union, the Eastern Bloc, and Asia and the so-called "developing countries" of Africa, Asia, the Middle East, and Latin America" (Steenkamp and Burgess 2006, p. 339).

An additional objective of the present study is to investigate the interaction between brand authenticity and one related construct, namely brand globalness. Extant literature suggests that the relationship between these two brand attributes may be ambivalent in nature. On the positive side, some scholars assume that global brands can benefit from an authentic brand positioning (e.g. Özsomer and Altaras 2008). On the negative side, others argue that the global presence of a brand may weaken its authenticity and perceived uniqueness in the eyes of the consumer (e.g. Breen 2007; Özsomer 2012; Thompson et al. 2006). Several recent studies have addressed this issue (i.e. Zwinger 2013; Sujkanovic 2014; Konstantinova 2014), however, none of them in an emerging market context.

Finally, this study also examines the influence of consumer cosmopolitanism on the relationship between brand authenticity and brand outcomes in emerging markets. Several authors have articulated the idea that cosmopolitan consumers may be more responsive to authenticity claims (e.g. Riefler et al. 2012; Özsomer and Altaras 2008), which makes this dispositional trait an important segmentation base for authentically positioned brands. With the exception of Zwinger (2013), however, no study has investigated this presumed link in an empirical manner.

### *1.2 Structure of the thesis*

The remainder of this thesis is structured as follows:

**Chapter 2** provides an overview and critical analysis of the extant literature related to both the focal construct, brand authenticity, as well as the other relevant constructs which will be investigated in conjunction with authenticity (i.e. brand globalness, brand credibility and consumer cosmopolitanism). Each concept will be presented and discussed in a separate section and at the end of each section the research objectives related to the respective construct will be further specified.

In **Chapter 3** the conceptual research model of the study is outlined and discussed. The relationships within the model are conceptually underpinned by drawing upon different theories (i.e. signaling theory, equity theory), as well as previous theoretical and empirical findings. The expected interactions are captured in a series of ten hypotheses.

**Chapter 4** provides a thorough description of the empirical investigation which was conducted to test the hypotheses. After aspects such as research design, research methods and measures are discussed, a short overview of the data collection process is provided, as well as information on the composition of the sample.

**Chapter 5** elaborates on the statistical tests and procedures used for data analysis and introduces the reader to the results of the empirical investigation.

In **Chapter 6** the findings of the study are reviewed and critically discussed in light of the literature reviewed in Chapter 2.

**Chapter 7** concludes the paper by discussing the theoretical contributions and managerial implications of the study. Furthermore, some of the study's limitations and shortcomings are highlighted, as well as some promising avenues for future research.

# 2. LITERATURE REVIEW

This chapter introduces the reader to the main theoretical concepts around which the present thesis is built: brand authenticity, brand globalness, consumer cosmopolitanism and brand credibility. For this purpose, relevant literature on these topics will be reviewed and critically discussed, followed by a more detailed formulation of the research objectives related to each of the constructs.

## *2.1 Authenticity in the Consumption Context*

Despite the growing relevance of authenticity in contemporary consumption experiences, many researchers agree that the concept is still *"not well understood in its market manifestations"* (Penaloza 2000, p. 103; see also Grayson and Martinec 2004; Rose and Wood 2005). As Chronis and Hampton (2008, p. 112) observe: *"…consumer researchers are only recently sensitized to the market's demand for the development, positioning and communication of "authentic products" and to the scholarly community's call for deeper understanding and theoretical relevance"*.

This does not mean, however, that the concept of authenticity has been completely ignored in consumer research. Since it was first introduced in academic research by MacCannell (1973) in the leisure and tourism sector, a number of studies have investigated various authenticity issues in contexts such as: advertising (Beverland et al. 2008; Chalmers 2007), subcultures of consumption (Leigh et al. 2006; Beverland et al. 2010); reality television (Rose and Wood 2005), Western movies (Pierson 2003), historical artifacts (Grayson and Martinec 2004), traditional merchandise (Chhabra 2005), luxury wines (Beverland 2005a, 2006), beer (Alexander 2009), coffee (Molleda and Roberts 2008) and iconic brands (Thompson et al. 2006; Beverland and Ewing 2005). These studies have pursued distinctive goals (e.g. conceptualizing the construct, identifying forms, types and cues of authenticity, etc.) and have generally adopted either a marketer or a consumer perspective when investigating authenticity. In other words, while some attempted to explain how firms create and maintain images of authenticity (e.g. Beverland 2005; Chhabra 2005), others focused on how consumers perceive and assess the authenticity of products or brands (e.g. Beverland and Farrelly 2010; Leigh et al. 2006). Relevant theoretical and empirical insights from these studies will be presented and discussed in the following sections of this chapter.

### *2.1.1 Consumers' Desire for Authenticity*

As outlined in the introduction, consumers now are perceived as actively seeking authentic products and experiences (Arnould and Price 2000; Gilmore and Pine 2007). However, the demand for authenticity in consumption is not a completely new phenomenon. In fact, it has existed throughout the ages has been particularly relevant in areas such as ethnic foods, heritage tourism, historical artifacts or original artwork (Grayson and Martinec 2004; Chronis and Hampton 2008). More recently, however, consumer researchers as well as marketing practitioners observe that authenticity has become an important *"evaluation and decision-making criterion that guides consumer choice"* (Liao and Ma 2009, pp. 90-91) in many other consumption areas, including consumer goods and a wide array of services (Grayson and Martinec 2004; Lewis and Bridger 2000). In trying to explain this phenomenon, academic literature provides several theories, which are built on the role that consumption plays in the postmodern era - that of enabling individuals to pursue personal identity goals (Holt 2002) and achieve hedonic fulfillment (Liao and Ma 2009).

Arnould and Price (2000), for example, identify three main characteristics of modern societies which explain consumers' newfound desire for authentic products and services:

1. Globalization: the increased complexity of today's world, triggered by the ongoing globalization of markets leads to growing feelings of uncertainty among consumers who struggle to understand their place in the wider global context;
2. Deterritorialization: the detachment of cultural and social practices from a specific place, caused by global migration and tourism, undermines consumers' identification with their place of origin;
3. Hyperreality: technological advances, especially in the area of visual communications blur the boundaries between reality and fantasy. Over time, these media-driven constructions achieve the status of reality (see also Leigh et al. 2006).

The authors acknowledge that under these conditions, consumers find it difficult to shape their self-image and define their collective identity. To compensate for the loss of traditional sources of identity they engage in creative consumption acts, in an attempt to generate new reference points for identification. In this context, brands become increasingly important. They are seen as vehicles which enable consumers to reconnect to *"a sense of time, place/space and a shared culture"* (Beverland 2009, p. 24). As a result, brands which are able to genuinely convey these desirable consumer meanings are now actively sought by consumers (Arnould and Price 2000; see also Thompson et al. 2006).

In the same vein, Lewis and Bridger (2000) argue that the major economic and social changes which have characterized industrialized economies over the past five decades have given rise to a new category of consumers – which they call "The New Consumer" – who are primarily characterized by a strong desire for authenticity in consumption, as a mean to express individuality. Although still a minority, this new consumer group - with distinctive attitudes, ideals and purchasing patterns - is said to dominate consumption in the Western World in the near future, thus, placing authenticity at the core of all future marketing efforts. New Consumers are, compared to Old Consumers, individualistic, independent and involved individuals, who reject mass-produced and mass-marketed products and services. They live in a world in which their basic needs are quickly satisfied, which means that they are more concerned with what they want and with how consumption can enhance their sense of self. As a consequence, they turn to products and services which possess originality and uniqueness and can help them express their individuality and independence. New Consumers make use of the New Media, especially the Internet, to better inform themselves about companies and brands and are therefore able to spot insincere marketing and advertising practices and actively reject them. According to the authors, manufacturers and service providers who remain ignorant to this new consumer group and its strong desire for authenticity will put their own survival in the marketplace at great risk.

By taking a more general approach, Gilmore and Pine (2007) argue that authenticity has a universal appeal and is not limited to a specific consumer group. They acknowledge that this *"new consumer sensibility"* (p. 2) is the result of a shift of most Western societies from Service Economies to Experience Economies. The underlying argument of this theory is that consumers nowadays do not simply look for goods or services to satisfy their needs and wants but instead for experiences *"that engage them in an inherently personal way"* (p. 1). Market offerings able to convey such an experience, must therefore conform to consumers' self-image and reflect *"who they aspire to be"* (p. 5). Because every person is *"intimately aware and valuing his own uniqueness"* (p. 4), the goods and services they purchase must also involve such attributes. Against this background, the authors identify several key drivers behind the demand for authenticity: (1) the increase in commercialized and therefore staged experiences in everyday life, (2) the increased frustration with the technologically mediated reality, (3) the shifting cultural conditions influenced by hyperreality, and (4) the decline of traditional societal institutions. As a result, consumers filter out those offerings which they perceive as being fake and actively look for those which are real, original genuine and sincere – in a word authentic. In this context, the authors argue that the *"authenticity of experience*" (Gilmore and Pine 2007, p. 5) has become consumers' main purchasing criterion, overtaking dominant criteria of the past, such as quality, cost affordability or availability.

### *2.1.2 Definitions of Authenticity*

Consumer researchers seem to agree that authenticity is a complex, shifting and multi-faceted concept (cf. Napoli et al. 2014; Chronis and Hampton 2008). That is why; developing a clear and generally accepted definition of authenticity in the consumption context has proven to be a particularly difficult task (Beverland 2005a; Grayson and Martinec 2004; Rose and Wood 2005). For many years, scholars concerned with the study of authenticity in the consumption context have either used the term without explicitly defining it or have created own definitions to serve their research purpose. As a result, the concept has been used in different ways to imply different meanings throughout the literature (Grayson and Martinec 2004).

Authenticity, as a scientific concept, has also been recognized as an important topic for study in many disciplines outside of marketing and consumer research, including anthropology, sociology, psychology and philosophy (Grayson and Martinec 2004). Although in these academic areas generally accepted definitions of the concept are also problematic, many consumer researchers draw on definitions and contributions from these fields when studying authenticity (Chalmers 2007).

A good starting point for understanding the complex notion of authenticity is by looking at the lexical definition of the term and its etymology. According to the *Oxford English Dictionar*y, authenticity is: *"the quality of being authentic"* which, in turn, is defined as being *"of undisputed origin and not a copy", "genuine", "based on facts", "accurate" and "reliable"* (Oxford English Dictionary 2013). The *Merriam-Webster Dictionary* complements this definition with terms and phrases such as: *"not false or imitation", "real", "conforming to an original so as to reproduce essential features"* and *"true to one's own personality, spirit or character"* (Merriam-Webster Dictionary 2013). The term is derived from the Latin word *"authenticus"* which means *"original"* (e.g. for a document) or something *"that comes from the author"* (Latin Dictionary and Grammar Resources 2013).

These definitions show that authenticity is commonly associated with the genuineness, reality, truth and sincerity of something. When used to describe tangible objects, authenticity usually refers to their historical originality. Peterson (2005, p. 207) states: *"the authentic is identified as the original and is set of against the copy"*. In this sense, what is authentic can undisputedly be traced back to its original author or place, is historically grounded in a particular time or is something which conforms to original principles or traditions without any form of alteration or dilution (Burmann and Schallehn 2008; Beverland 2009). This understanding of authenticity is linked to the museum usage of the term, *"where persons expert in such matters test whether objects of art are what they appear to be or are claimed to be, and therefore worth the price is asked for them*" (Trilling 1972, p. 93). Object-related authenticity can also be defined as an expression of the genuine intent of the creator. Hughes (2000) notes in this sense: *"An authentic thing is not fraudulent, manufactured for some ulterior purpose, or contrived. It is not simply an imitation, but is a sincere, real, true and original expression of its author"* (p. 190). Here, objects referred to as authentic are often those made by artisans or amateurs and thus set aside from the commercial sphere of mass-production (Burmann und Schallehn 2008).

When used to describe individuals, authenticity is usually associated with truthfulness, innocence and sincerity. In this sense, individuals are authentic if they are being true to themselves without being influenced by social conventions and if they are reflecting an image of themselves which is consistent with who they really are (Chalmers 2007, Burmann and Schallehn 2008). In sociology, for example, authenticity is used in reference to an individual's actions and is defined as: *"linked to an absence of cognitive understanding, creating an unmediated experience – sincere, innocent, original, genuine and unaffected, distinct from strategic and pragmatic self-presentation"* (Fine 2003, p. 155). In other words, a person is perceived as authentic, when his or her actions are untouched by external influences and are a genuine reflection of his or her value system.

In marketing and consumer research, authenticity has been defined in fairly similar ways. For the majority of authors, authenticity encapsulates *"what is genuine, real and/or true"* (Beverland and Farrelly 2010, p. 839; see also Arnould and Price 2000, Beverland 2009; Thompson et al. 2006). Others relate authenticity to concepts such as being natural, honest, simple and unspun (Boyle 2003). Based on Charles Pierce's theory of signs, which explains how individuals discern between what is real and what is not, Grayson and Martinec (2004) identify two types of authenticity of market offerings: indexical and iconical. Indexical authenticity exists when something is *"the original"* or *"the real thing"*

(p. 297). The distinction between this original and its copies or imitations is provided through the existence of a verifiable *"factual and spatio-temporal link"* (p. 298) to what is claimed. In this sense, the original version of a painting is authentic, while all its imitations are considered inauthentic. In contrast, iconical authenticity refers to something *"who's physical manifestations resemble something that is indexically authentic"* (p. 298). This 'reproduction' of the original is deemed authentic if it captures the essence of the original. In this sense, an imitation of an original painting can have iconical authenticity if it is accurate in capturing the fundamental characteristics of the original (Grayson and Martinec 2004).

To better understand how authenticity is defined in consumer research, the next section provides a review of the different theoretical perspectives on the concept, which have been adopted in previous literature.

### *2.1.3 Types of authenticity*

Working towards a conceptual clarification of the meaning of authenticity, theorists have approached the concept from different perspectives. Two of these approaches, based on the theoretical foundations of objectivism and constructivism, have generated a classification of the concept into objective and constructive authenticity (Wang 1999):

*1) Objective authenticity*

Objectivism is an ideology based on the notion that there is only one true version of reality, which is independent of the individual. Ayn Rand, the founder of objectivism, explains in this sense: *"Reality, the external world, exists independent of man's consciousness, independent of any observer's knowledge, beliefs, feelings, desires or fears. This means that A is A, that facts are facts, that things are what they are - and that the task of man's consciousness is to perceive reality, not to create or invent it."*(Rand n.d.)

From this perspective, authenticity can be viewed as an inherent characteristic of an object, person, idea or experience (cf. Postrel 2003), which denotes its degree of genuineness (Leigh et al. 2006). Wang (1999, p. 351) defines objective authenticity as *"the authenticity of the originals"* and argues that this type of authenticity assumes the existence of an *"absolute and objective criterion"* against which it can be assessed. Hence, commercial objects, for example, can either possess this attribute or they cannot, which makes authenticity a non-personal and non-negotiable concept, which is detached from the consumer (Beverland 2009). It is an absolute quality of objects, which can only be determined by authorities or experts (Wang 1999, Beverland 2009). In the context of artwork, for example, a painting is objectively authentic if it can be undoubtedly traced back to its proclaimed author by a qualified art expert or through scientific analyses. Similarly, an ancient Roman coin is deemed as authentic if it can objectively and scientifically be situated in that time era. This view mirrors Grayson and Martinec's (2004) definition of indexical authenticity or what Beverland et al. (2008) call pure (literal) authenticity.

Although relevant in a number of consumption areas such as original art for example, this *"objective ideal of authenticity"* (Postrel 2003) is somewhat detached from the realities of the commercial landscape. In Beverland's (2009, p. 15) view, commercial objects struggle for this type of authenticity, which does not allow any *"alterations, dilution and staging"*. In this context, MacCannell (1973) introduces the notion of 'staged authenticity' in relation to tourism experiences. Staged authenticity denotes a front stage area, deliberately constructed for the touristic experience and therefore artificial and inauthentic. This area is juxtaposed to the true, back stage area of the locals, which tourists usually do not experience. In defense of the objective view on authenticity, MacCannell (1973) argues that, through commodification, the modern tourism experience has lost its authenticity to great extent.

This interpretation of authenticity has been criticized, however, for not being able to entirely capture the complexity of the phenomenon (Wang 1999). Moreover, research shows that consumers can infer authenticity even in those cases where objective assessment criteria are missing or where the objects have been deemed as inauthentic by authorities. For example, consumers have been found to experience authenticity in patently fake objects (Brown 2001), evident reproductions (Bruner 1994), fictional historic sites (Grayson and Martinec 2004) and obviously staged events, such as reality television (Rose and Wood 2005). To resolve this problem, authenticity theorists have extended the definition of the concept to include a constructivist perspective.

*2) Constructive authenticity*

The basic premise of constructivism is that reality can best be seen as a result of human interpretations and constructions (Wang 1999). Therefore, *"there is no unique real world that preexists and is independent of human mental activity and human symbolic language"* (Brunner 1986, quoted in Wang 1999, p. 354).

From this standpoint, authenticity is no longer a property inherent in an object but a subjective, socially-constructed quality attributed to the object by the individual (Brunner 1994, Cohen 1988). Wang (1999, p. 351) notes in this sense: *"Things appear authentic not because they are inherently authentic but because they are constructed as such in terms of points of view, beliefs, perspectives or powers"*. Consumers project their own expectations, preferences, consciousness and stereotyped images onto the object and believe they are authentic when this projection meets their expectations (Wang 1999). This may occur even in the case when experts or other authorities oppose to this view (Cohen 1988). As a result, objects which appear authentic to some consumers may be deemed inauthentic by others. For example, a replica of an ancient Greek statue sold in a museum shop may be considered inauthentic by an art historian but this fact may not impede a tourist to view it as an authentic object because it looks exactly like the original version displayed in the museum. Similarly, one person may consider a Native American necklace authentic only if it was made by a Native American craftsman, while, to another person, the necklace is authentic if it respects a particular design and color pattern, regardless of who made it (Grayson and Martinec 2004). Furthermore, because such preferences or expectations can change over time, something which was initially perceived as inauthentic can gradually become authentic. In this sense, Wang (1999, p. 355) discusses the idea of "emergent authenticity". For example, an indoor skiing slope may be considered inauthentic at the time it is build due to the fact that it is an imitation of a natural slope but may become authentic, as more and more of such slopes appear, because it was the first one ever built.

Thus, from the constructive perspective, authenticity is a relative, negotiable and ideologically driven concept (Leigh et al. 2006; Cohen 1988), whereby consumers are active creators of meaning instead of passive receivers. In addition, constructive authenticity is also context-bound, which means that assessments about the authenticity of one object may differ depending on the contexts in which they are made (Wang 1999). This socially-constructed view of authenticity (Peterson 2005) mirrors Grayson and Martinec's (2004) definition of inconical authenticity or what Beverland et al. (2008) call approximate authenticity.

The distinction between objective and constructive authenticity helps clarify how the concept is understood in consumer research. Rather than viewing it as a property intrinsic to an object, the vast majority of authors agree that authenticity is better understood as *"an assessment made by a particular evaluator in a particular context"* (Grayson and Martinec

2004, p. 299). Although it may contain several objective elements (indexicality), authenticity is a subjective, socially constructed and contextually determined *"interpretation of the essence of what is observed"* (iconicity; Beverland and Farrelly 2010, p. 839). In this sense, consumers, marketers and others are co-creators of authenticity (Beverland 2009) in a constant dialog and negotiation of meaning (Grayson and Martinec 2004). Thus, the definition of authenticity presented earlier can be further refined into: *that which feels "genuine, real and/or true" to consumers* (cf. Beverland and Farrelly 2010, p. 839). Here, the focus shifts towards the notion of *perceived authenticity*, as experienced by consumers through the lens of their own expectations, beliefs and stereotypes.

### *2.1.4 Brand Authenticity*

The concept of brand authenticity has been the subject of much debate among marketing scholars. The term first entered the academic arena in the mid 1990ies, in reaction to the intensified market presence of so-called "me-too" products[2]. In this context, the term was related to the originality of a pioneer brand and was used to reassure consumers of the genuineness of a product (Burmann and Schallehn 2008; Beverland 2005b). Modern uses of the term, however, stretch this definition *"seeking to imbue the product with a set of values that differentiate it from other, more commercialized brands"* (Beverland et al. 2008, p. 4). Table 1 illustrates how brand authenticity has been defined in recent literature. These definitions capture several key aspects of the concept and contribute, in combination, to a holistic understanding of the term:

1) *Brand authenticity is subjective in nature*

It has been noted earlier, that consumers use brands as vehicles to affirm their desired self and collective identity (Beverland 2009). In this context, brands are perceived as authentic if they reflect *"an inner personal truth"* or if they help consumers identify with a particular community (Beverland 2009, p. 16). For example, brands like Apple or Lenovo are authentic because they reflect a sense of creativity and design-led innovation, which is congruent with how the consumer desires to be perceived. Brands like Billabong or Quicksilver are authentic because they legitimize the consumer within the surfer and skater communities (Beverland 2009). Thus, because consumers pursue different personal goals in their everyday life, perceptions of authenticity may also differ accordingly, even for the

[2] A me-too product is defined as "similar or identical to an established product with no significant advantage over it" (Merriam-Webster Dictionary 2013).

same product or brand. Beverland and Farrelly (2010, p. 839) note in this sense: *"Different perceptions of authenticity are often a by-product of the personal goals that influence which properties of a context are uniquely identified as significant and relevant"*. Research also shows that consumers actively co-create brand meaning and brand authenticity to achieve these desired identity goals, by drawing on their imagination, collective myths and personal stories (Beverland 2009). Beverland (2009, p. 16) explains in this sense: *"in seeking to solve problems or construct an identity, consumers gravitate to certain brands and in doing so confer authenticity to them"*. Furthermore, even when consumers do not seek self-authentication but simply evaluate authenticity in a situational context, perceptions of such are influenced by *"personal predilections"* (Beverland and Farrelly 2010, p. 838) which reflect consumer's personal points of view, knowledge, expectations, belief systems and stereotypes. This explains why some consumers may find brands such as McDonalds, Coca-Cola or Disneyland to be authentic, while to others these brands may represent the antithesis of authenticity.

| Definition | Source |
|---|---|
| "…brand authenticity is defined as a subjective evaluation of genuineness ascribed to a brand by consumers" | Napoli et al. (2014, p. 1091) |
| "Authentic brands have clarity of purpose that is sincerely executed." | Authentic Brand Index (2008) |
| "Brand authenticity is perceived, when a brand fulfills its brand promise in a unique, consistent and continuous way." | Schallehn (2012) |
| "Brand authenticity denotes the perceived truthfulness of the proclaimed brand positioning." | Burmann and Schallehn (2008, p. 44, translated from German) |
| "[Brand] authenticity can be defined as a story that balances industrial (production, distribution and marketing) and rhetorical attributes to project sincerity…" | Beverland (2005a, p. 1008) |
| "To be authentic, brands must be disinterested; they must be perceived as invented and disseminated by parties without an economic agenda, by people who are motivated by their inherent value." | Holt (2002, p. 83) |

*Table 1: Definitions of brand authenticity*

2) *Brand authenticity is built around both real and rhetorical elements*

This aspect is reflected in the definition of Beverland (2005a). According to the author, brand authenticity can be constructed around different attributes, such as a connection to the past or to a specific place, commitment to traditions or a passion for craft, which encapsulate both objective elements, i.e. intrinsic to the product or the production process, and subjective elements, i.e. such related to the brand essence. While these attributes will be discussed later in this section (see Chapter 2.1.5), at this point it is important to highlight the fact that these elements can be both real and stylized/fictional. In other words, brand authenticity involves *"projecting an image that is partly true and partly rhetorical"* (Beverland 2005a, p. 1008). From a marketer perspective, this aspect of brand authenticity is very important because it allows the possibility of authenticity to be fabricated (Beverland 2005a). Several authors (e.g. Brown et al. 2003; Holt 2002) acknowledge that in the marketplace authenticity is often more contrived than real and created around stylized versions of real events (e.g. through myths). Brand owners actively combine such real and stylized attributes in a rich, multi-faceted story which creates an 'aura' around the brand (Brown et al. 2003) and signals sincerity of intent, thus making it appear above commercial considerations and setting it aside from other, more commercial brands. This argument reflects the postmodern view of authenticity, which is also mirrored in Holt's (2002) definition (see Table 1).

For Holt (2002) brands are authentic if they are offered not as cultural replicas but as cultural resources, which consumers perceive as valuable and important for constructing their desired self identity. Drawing from examples of highly successful brands of the past few decades, Holt (2002, p. 84) identifies four branding techniques, which create the perception of authentic and original cultural resources *"unattained by instrumental motivations of sponsoring companies"*: (1) ironic, reflexive brand persona, (2) coattailing on cultural epicenters, (3) life world emplacement, and (4) stealth branding. Such techniques are contrasted with classical branding models, which, according to Holt (2002, p. 83), modern consumers immediately uncover as being inauthentic because *"they ooze with the commercial intent of their sponsors"*. Nevertheless, the author acknowledges that authenticity perceptions built in this way revolve mostly around subjective elements (related to the brand essence) and are therefore rhetorical in nature. *Ironic, reflexive brand persona* involves using irony and reflexive acknowledgement, at times even poking fun of the brand, to distance it from commercialism and overly persuasive conventional advertising. Volkswagen's 'Think Small' campaign for its Beetle car model or Duracell's 'Energizer Bunny' are just some examples of brands, which have used this technique to position themselves as original and disinterested. *Coattailing on cultural epicenteres* refers to creating and maintaining a credible relationship with a cultural community, such as arts and fashion communities or ethnic subcultures. Brands such as Nike, Fubu, Diesel or Apple are authentic because they are perceived by consumers as legitimate members of the urban culture and as authentic cultural producers, instead of "*cultural parasites that appropriate valued popular culture"* (Holt 2002, p. 84). *Life world emplacement* is a technique which creates the impression that the brand draws its meaning and value from everyday life situations and, thus, appears to be disinterested and amateurish in the eyes of the consumer. In this sense, branding efforts must be perceived as seemingly unrehearsed, improvised and detached from a commercially-focused marketing agenda. Brands such as Levi's, Sprite or Diet Coke achieve this by featuring amateurish athletes, actors and artists in their seemingly candid and improvised advertisements. *Stealth branding*, the forth technique employed by brand owners to claim cultural relevance, involves using individuals with a high social influence to act as spokespeople or ambassadors of the brand. This is a type of expanded product placement technique, which goes beyond the classical communication media to include important members of the urban culture, who diffuse the idea that the brand has cultural value, i.e. 'is cool' (Holt 2002).

3) *Brand authenticity is dual in nature reflecting both genuineness of product and principles*

Several definitions presented above highlight this important aspect of brand authenticity (e.g. Schallehn 2012, Authenticity Brand Index 2008). Achieving the status of an authentic brand involves more than just crafting a rich, partly true and partly stylized story. Such claims must also be supported by the company's appearance in the marketplace. Owners of such brands must demonstrate that they are driven by integrity and moral virtues (Napoli et al. 2014), have a clearly defined purpose, which goes beyond the immediate commercial gain and show consistency in their actions in a continuous way to reflect their core values and beliefs. Beverland (2009, p.27) argues that this requires a *"delicate balancing act"* from marketers and firms in general, who must level out competing perspectives and pressures on their business to achieve the status of authenticity.

Related to this aspect, Gilmore and Pine (2007, p. 96) define two standards of authenticity which exist concurrently: (1) *"being true to your own self"* and (2) *"being who you say you are to others"*. The first standard relates to the genuineness of the product. In this sense, the product itself is authentic if, for example, it respects its heritage and is committed to originality, high quality, traditions or origins. The second standard relates to the genuineness of principles and touches upon notions of trustworthiness and honesty. In this sense, no matter what the product claims or promises are, if they are perceived as sincere and truthful, than the brand is deemed as authentic by the consumer. According to Gilmore and Pine (2007), brands do not need to perform well on both standards to be perceived as authentic. This explains why brands such as Disneyland are authentic, for example. While the product itself is an obvious fake, i.e. a commercial theme park filled with fiber glass imitations of real or fictional places and actors in cartoon character costumes, the brand stays true to itself and its originator's vision of *"a place for people to find happiness and knowledge"* (Gilmore and Pine 2007, p. 109). Thus, every element of Disneyland, despite being artificial and contrived, invokes the genuine feeling of being immersed in the fantasy world of Walt Disney.

A better understanding of the complex notion of brand authenticity can be provided by uncovering and analyzing the different dimensions around which such perceptions can be built. An overview of these dimensions, as identified and described in the authenticity literature, will be provided in the following section of this chapter.

### *2.1.5 Conceptual Dimensions of Authenticity*

Conceptualizing the authenticity construct has proven to be a difficult task for consumer researchers, due to the multiplicity of meanings and highly subjective nature of the concept (Beverland 2009). However, given the fact that consumer expressions of authenticity usually reflect wider social norms and dominant cultural myths (Beverland and Farrelly 2010), several consistent themes have been identified, which are critical to judgments of authenticity across cultures and subcultures of consumption (Beverland 2009). As Beverland and Farrelly (2010, p. 848) acknowledge: *"prevailing cultural influences give rise to the standards that are applied in the conferring of authenticity to objects, brands and experiences"*. Within these dimensions, both objective (intrinsic to the product) and subjective (brand essence) attributes of authenticity are reflected (Beverland 2009).

In the following section several important contributions to this line of research are reviewed and discussed. First, a more general approach to conceptualizing authenticity will be presented, as put forward by Gilmore and Pine (2007). In a second step, the view zooms in on more brand-specific authenticity dimensions, as identified by the Authenticity Brand Index (2008). Finally, a context-specific conceptualization of authenticity will be presented, based on Beverland's (2005a, 2006) investigation of the luxury wine industry.

Related to economic offerings in general, categorized as commodities, goods, services, experiences[3] and transformations[4], Gilmore and Pine (2007) suggest that perceptions of authenticity are built around five central dimensions: (1) nature, (2) originality, (3) exceptionality, (4) reference to significant others and, (5) influence. The authors argue that

[3] Gilmore and Pine (2009) define experiences as "memorable events that engage individuals in an inherently personal way" (p. 46)

[4] Transformations are defined as "effectual outcomes that guide customers to change some dimension of the self". For example, customers of a management consulting firm do not want just the service provided by this firm but want to become a better business as a result of them. (Gilmore and Pine 2009, p. 47)

any offering appealing to authenticity will encapsulate one or more of these five dimensions, and usually all of them:

| Dimension | Description |
|---|---|
| **Nature** | "*People tend to perceive as authentic that which exists in its natural state in or of the earth, remaining untouched by human hands; not artificial or synthetic.*" |
| **Originality** | *"People tend to perceive as authentic that which possesses originality in design, being the first of its kind, never before seen by human eyes; not a copy or imitation."* |
| **Exceptionality** | *"People tend to perceive as authentic that which is done exceptionally well, executed individually and extraordinarily by someone demonstrating human care; not unfeelingly or disingenuously performed."* |
| **Reference** | *"People tend to perceive as authentic that which refers to some other context, drawing inspiration from human history, and tapping into our shared memories and longings; not derivative or trivial."* |
| **Influence** | *"People tend to perceive as authentic that which exerts influence on other entities, calling human beings to a higher goal and providing a foretaste of a better way; not inconsequential or without meaning."* |

*Table 2: Dimensions of authenticity*
*(adapted from Gilmore and Pine 2007, pp. 49-50)*

*Natural authenticity* involves notions of pureness and simplicity. Organic foods or green products appeal to this type of authenticity because they are made of pure ingredients and remain relatively unprocessed, thus appearing simple, unpolished and untamed to the consumer. *Originality* refers to market offerings which 'stand out in the crowd'. In this sense, pioneer brands which have initiated product categories (e.g. Coca-Cola, Disney), brands which look back on a long history and enjoy a rich heritage (e.g. Steinway & Sons) or those which take *"some bold new direction in product, process or practice"* (Gilmore and Pine 2007, p. 60) (e.g. Apple, Ikea) are deemed originally authentic by consumers. *Exceptionality* is closely linked with craftsmanship and the love of craft. Hand-made, customized products made from rare materials and designed to satisfy unique tastes and preferences (e.g. Swiss watches, Cuban cigars) appeal to this type of authenticity. Authenticity perceptions of market offerings can also be constructed by *referencing places, objects, personalities and events* considered important parts of human history. Themed Las-Vegas venues such as the Luxor (referencing the Egyptian city of Luxor and the pyramids) appeal to referential authenticity. Last but not least, *influential authenticity* revolves around inspiring consumers and promoting some higher cause, i.e. being motivated by more than purely commercial considerations. In this sense, market offerings which promote environmental sustainability or fair trade are, for example, influentially authentic (Gilmore and Pine 2007).

In a more brand-focused investigation, based on a large scale research study involving Australian consumers, the Authentic Brand Index (ABI, 2008) identifies seven core attributes of brands which are essential to consumer's judgments of authenticity: (1) heritage, (2) originality, (3) familiarity, (4) personal utility, (5) momentum, (6) sincerity and (7) declared beliefs. These attributes are found to consistently differentiate between brands considered to be authentic and inauthentic across product categories and industries.

According to the ABI (2008), *heritage*, as an expression of authenticity, reflects consumers' beliefs that a brand is connected to its roots and has a core story around which it has evolved. In this sense, heritage does not necessarily equate to being old, but rather to the consumer's understanding that there is a recognized history behind the brand. Coca-Cola, Nestle or Cadbury are examples of brands which perform well on this authenticity driver. *Originality*, the second dimension uncovered by the ABI (2008), refers to the creative credentials of the brand. In this sense, authentic brands are those believed to stand out in the marketplace by thinking and acting differently. Brands which perform well on this dimension are, for example, Ikea, Google or Apple. These first two attributes of authenticity are encapsulated in Gilmore and Pine's (2007) "original authenticity" genre. The ABI study further identifies *familiarity* as a core dimension around which perceptions of authenticity can be built. Familiarity refers to the brand's salience or exposure in the marketplace. The extent to which consumers share a brand or information about the brand with others in their everyday life determines its perceived degree of authenticity (e.g. McDonalds, Coca-Cola). *Personal utility*, as an expression of authenticity, reflects consumers' belief that the brand fulfills their needs better than any other brand and is therefore of high relevance for their lives. Such brands, which consumers feel 'they can't live without' are, for example, Google or Microsoft. *Momentum* reflects consumers' belief that a brand fits into the current cultural zeitgeist and is growing in popularity. In this sense, authentic brands do not stand still but adapt dynamically to new environmental conditions and always remain open for new ideas. A good example of a brand that performs well on this authenticity driver is the discount-retailer Aldi. *Sincerity*, the sixth dimension identified by the ABI, reflects consumers' belief that a brand has integrity in meeting their needs and delivers what it promises. Brands such as The Body Shop and Avis are found to perform well on this dimension. Finally, *declared beliefs*, refers to brands which have a guiding philosophy and a higher purpose that goes beyond commercial considerations (e.g. The Body Shop). This authenticity driver is similar to Gilmore and Pine's (2007) "influential authenticity" genre.

A more context-specific investigation of authenticity attributes is provided by Beverland (2005a, 2006). Based on case studies of established, premium wine brands and interviews with consumers of such brands, Beverland identifies six elements which create the image of authenticity in this context: (1) heritage and pedigree, (2) stylistic consistency, (3) quality commitments, (4) relationship to place, (5) method of production and (6) downplaying commercial motives.

Similar to the conceptualizations presented earlier, Beverland (2006) identifies *heritage* as an essential authenticity dimension. Wineries make references to heritage by highlighting and celebrating their individual histories and established traditions within their marketing programs. In doing so, they are able to create a link between the brand and its past, which adds meaning to the brand and authenticates it in the eyes of the consumer. Furthermore, for consumers such a link is important because it indicates a certain level of reliability and a consistent level of quality, which more recently established wineries are unable to put forward. When such a high level of performance is maintained over time, these wine brands gain stature or 'pedigree', which further contributes to their authenticity.

The second element identified by Beverland (2006), *stylistic consistency*, reflects the tension between staying true to the past (to the brand's heritage) while at the same time remaining relevant in the marketplace. Radical changes in wine styles, production practices and quality levels, triggered by a desire to adapt to changing consumer tastes or new market conditions, can signal a lack of sincerity to the consumer and a failure of the winery to stand behind the brand. Therefore, wine brands which are able to slowly evolve their style while at the same time demonstrating stylistic consistency and commitment to established traditions despite economic pressures are perceived as authentic by consumers.

According to Beverland (2005a, 2006), *real commitments to quality* are also essential to claims of authenticity. In the case of premium wineries, this is demonstrated by a universal focus on every aspect or detail believed to affect the product's end quality. For example, all wineries investigated by Beverland used hand harvesting techniques for the grapes and only particular types of wood for the wine barrels (i.e. French or Californian oak). Furthermore, they showed dedication to continuously improving the quality of their wines by experimenting with and replanting different grape clones, as well as a high selectivity of the raw materials which go into the production of premium wines. For consumers, such uncompromising efforts are important because they reinforce perceptions of high quality and are indicators of the sincerity of the brand and the people behind it. This results in a higher perceived credibility and thus authenticity of the wine brand.

*Relationship to place* is another attribute identified by Beverland (2005a, 2006), around which authenticity perceptions can be constructed. For premium wines, this attribute is expressed through a commitment to 'terroir', a term which denotes the special characteristics of the region in which the vineyard is located, in terms of soil composition, micro-climate, topography, grape varieties, a.o. Using place as a referent usually involves identifying the source of the grapes on the wine labels or making public claims of sourcing only from particular vineyards. Furthermore, wine makers emphasize their dedication to preserving the special characteristics of the environment by taking a non-interventionist approach to viticulture. For consumers, relationship to place is meaningful for different reasons. On the one hand, the fact that the wine has a traceable origin decreases the perceived risk of buying that brand, especially if the place has a good reputation for wine-making. On the other hand, a relationship to place adds to the uniqueness of the product, which is seen as an 'authentic expression' of that particular place. This adds value to the brand because it allows consumers the possibility to experience not only the wine but also the history and 'soul' of the brand. This dimension mirrors Gilmore and Pine's (2007) "referential authenticity" genre.

Claims of authenticity can also be created by referencing the *method of production* of a particular wine. Beverland (2006) finds that it can be very important to consumers to know what actually goes into the final product as well as to relate it to an actual identifiable person. Creating a link between the final product and its creative process differentiates the brand from more mass-produced alternatives, thus, rendering it as more 'real' to the consumer. In the case of wineries, a particular emphasis is placed on the use of traditional production methods, which are recognized and protected under the law (e.g.

Methode Champenoise). Wine makers communicate their commitment to traditional methods by projecting images of craft production and handmade techniques, while at the same time highlighting the father-son transition in wine-making. This dimension is encapsulated in Gilmore and Pine's (2007) "exceptional authenticity" genre.

*Downplaying commercial motives* is the final authenticity dimension identified by Beverland (2005a, 2006). The author finds that the overtly commercial exploitation of a wine brand diminishes its value and renders it as inauthentic to the consumer. For example, wineries which make excessive use of unsubstantiated marketing claims (e.g. of their heritage) or those who switch from small batch production to large-scale quantities to appeal to the mass-market are perceived to lack integrity and sincerity or to be 'selling-out'. Furthermore, the use of modern production techniques and targeted marketing strategies, such as formal market research or brand building activities, conflict with the images of craft production, commitment to past traditions and historical continuity which help build authenticity perceptions in the minds of the consumers. Therefore, to maintain authentic brand images, wineries deliberately downplay their scientific and technical expertise by decoupling their day-to-day operations from the outwardly presented images and publicly distance themselves from mass marketing, branding and commercialism. Beverland (2006) argues that this aspect of authenticity is mainly stylized, i.e. partly myth and partly truth, as it does not accurately reflect the real situation. However, his findings show that appearing above commercial considerations helps convey a strong sense of authenticity. This dimension bears some resemblance with Gilmore and Pine's (2007) "influential" authenticity.

The various attributes of authenticity uncovered in the literature presented above reveal the multi-faceted and context-dependent nature of the concept. Nevertheless, they capture several key elements which underpin consumer's authenticity evaluations in the commercial context. These are: (1) naturalness; (2) heritage; (3) originality, historical and creative; (4) consistency over time; (5) excellence, both in terms of quality commitments and craftsmanship; (6) a link to a particular time, place, person or event and (7) guiding principles (non-commercial motifs). As noted earlier, these attributes create a rich and multi-nuanced story around the brand, which signals sincerity and makes it appear above commercial considerations (Beverland 2006, 2009), thus, rendering it as real and authentic to the consumers.

### *2.1.6 Authenticity Cues*

Based on the argument that authenticity in the consumption context is best understood as an assessment made by consumers rather than an inherent attribute of market offerings (Grayson and Martinec 2004), consumer researchers have given considerable attention to understanding how such perceptions and judgments are formed. Specifically, research has focused on identifying and describing the different cues and stimuli used and interpreted by consumers in the process of differentiating between authentic and inauthentic market offerings. An important contribution to this line of research comes from Grayson and Martinec (2004). Their classification of authenticity cues has provided a fertile base for many subsequent studies, serving as a framework upon which new theories have been built (e.g. Leigh et al. 2006, Chalmers 2007, Beverland et al. 2008).

Following their distinction between: (1) authenticity as an expression of *"the original"* or *"the real thing"* (indexicality, Grayson and Martinec 2004, p. 297) and (2) authenticity as an expression of an accurate reproduction of the original (iconicity, see also Chapter 2.1.2), Grayson and Martinec (2004) identify and describe the cues which lead to the assessment of each kind. In an empirical investigation of two historical sites, one real (i.e. the birthplace of William Shakespeare) and one fictional (i.e. the Sherlock Holmes Museum), the authors demonstrate that consumers assess these different kinds of authenticity by relying on different types of cues and draw different benefits from each kind. At this point it is important to mention that Grayson and Martinec (2004) relate their classification to consumer's cognitive process of attributing authenticity to objects, as opposed to that of achieving self-authentication (i.e. revealing the true self).

The authors define *indexical cues* as attributes of objects which provide "*a factual and spatio-temporal link"* (Grayson and Martinec 2004, p. 298) to a given reference point. Such cues act as indices, which allow consumers to distinguish between *"the real thing"* and a copy (p. 298). In other words, when consumers form their authenticity judgments around indexical cues they look for verifiable evidence that the object is actually what it claims it is. In this sense, establishing a connection with a trusted reference point is essential to communicating authenticity via indexical cues because consumers must actually believe that the object possesses the factual and spatio-temporal link that it claims (Grayson and Martinec 2004). Indexical cues are therefore objective sources of evidence in the form of, for example, certificates, signatures or formal classifications (cf. Beverland et al. 2008, Beverland 2005a).

*Iconical cues* on the other hand, are defined as attributes which suggest conformance with an authentic object but lack a verifiable factual and spatio-temporal reference point. In other words, iconic cues *"describe something whose physical manifestation resemble something that is indexically authentic"* (Grayson and Martinec 2004, p. 298). Judgments formed around such cues are, therefore, contingent upon consumers' internal frame of reference, i.e. their preexisting knowledge and expectations of how an authentic object should be. The similarities between the object and this mental template or *"composite photograph"* (Grayson and Martinec 2004, p. 298) determine its iconical authenticity.

Grayson and Martinec (2004) illustrate the distinction between the two types of authenticity and their associated cues by using the example of a Victorian chair. If the chair was actually made during the Victorian era, it will be perceived as indexically authentic by consumers based on verifiable evidence (indexical cues) such as a certificate of provenance or a trustworthy context, e.g. an expert's opinion. In contrast, a reproduction of such a chair can also be perceived as authentic, this time in the iconical sense, if it accurately reflects the characteristics of the original. This implies that the consumer must have some idea of how such a chair should look like, in terms of historical designs, colors and materials used. To assert this type of authenticity, consumers therefore rely on more abstract information (iconical cues) and compare it with their preexisting knowledge.

Despite the fact that indexical and iconical authenticity are conceptually and practically distinct, the authors emphasize that they are not mutually exclusive and that every perceived cue can have indexical and iconic properties. Referring to the example of the Victorian chair, Grayson and Martinec (2004, p. 298) state in this sense: *"a consumer may believe not only that a chair was build during the Victorian era (indexical authenticity) but also that it is illustrative of Victorian style (iconic authenticity)"*. Furthermore, based on the subjective and socially constructed view of authenticity, the authors argue that there "*are no purely objective criteria for deciding whether a market offering is indexically or iconically authentic"* (p. 299). How these cues are perceived and interpreted depends on the *"personal predilections and perceptual imperfections"* of each consumer (p. 290). Nevertheless, the authors acknowledge the importance of both types of cues when making evaluations about the authenticity of market offerings.

As mentioned earlier, the conceptual validity and practical relevance of Grayson and Martinec's (2004) classification has been widely acknowledged in the authenticity literature. Chalmers (2007), for example, finds that consumers use both indexical and iconical cues when judging authentic advertisements for long distance running shoes. The study shows that images of real runners instead of models (indexical cue) as well as more abstract images capturing the essence of running (iconical cues) equally influence consumer's perceptions of authenticity. These findings are supported by Beverland et al. (2008) in a similar, advertising-related study. In the context of Trappist and Abbey beer brands, the authors find that informants draw on indexical cues, such as pictures of beer being brewed with traditional tools, pictures of waiters in traditional garment serving beer or historically accurate colors, font and typesetting to judge whether a brand has remained *"unchanged from the original"* (Beverland et al. 2008, p. 9) or is committed to continuing traditional practices. However, consumers are found to also make judgments of authenticity based on more *"symbolic or abstract impressions of tradition"* (Beverland et al. 2008, p. 12). In making such judgments they draw on iconical cues, such as more stylized images of production places or simple color schemes and packaging.

The distinction between indexical and iconical authenticity cues offers a first insight into how perceptions and judgments of authenticity are constructed in relation to market offerings. How these different cues are used by consumers in the process of authenticating objects, brands and experiences will be now discussed in the following section.

### *2.1.7 Authenticity Assessments*

Studies concerned with understanding how judgments of authenticity are formed in the consumption context suggest that this process is characterized by a selective and creative use of different information cues (Beverland and Farrelly 2010, Beverland et al. 2008, Beverland 2009). This argument reflects the subjective and socially-constructed nature of authenticity, which has been described in earlier chapters. One key issue within this line of research is the distinction between the processes of (1) attributing authenticity to market offerings, i.e. judging whether something else is authentic, and (2) achieving self-authentication through consumption, i.e. evaluating whether one's self is authentic (Grayson and Martinec 2004, Arnould and Price 2000, Beverland and Farrelly 2010). While some authors argue that the two processes are inherently distinct and should be examined separately (e.g. Grayson and Martinec 2004), others suggest that the two might be interrelated and need to be looked at through the lens of consumer's personal identity goals (e.g. Beverland and Farrelly 2010).

The work of Beverland et al. (2008) provides valuable insights into how consumers process cues to form judgments of authenticity. In their investigation of Trappist and

Abbey beer advertisements, the authors find evidence which supports but also challenges the distinction mentioned earlier. They identify three types of authenticity: *pure, approximate and moral*, which determine the specific mix of cues consumers draw upon and interpret when making such assessments in the marketplace. Furthermore, the authors find that in any of the three cases consumers reject overt claims of authenticity due to general cynicism and mistrust about marketing claims. However, the majority of informants in their study struggle to distinguish between real and fake advertisements, especially in the cases where subtle and non-ostentatious cues are used (Beverland et al. 2008).

*Pure authenticity* is important when consumers are confronted with the need to make quick and on the spot decisions about the authenticity of a product. In the context investigated by the authors this is an expression of the beer brand's *"unbroken commitments to tradition and place of origin"* (Beverland et al. 2008, p. 8). Here, consumers are found to give preference to historic cues, which signal that the brand has remained *"completely unchanged from the original"* (Beverland et al. 2008, p. 9), and focus on objective sources of information or indexical cues, which establish direct links between the brand and actual traditional practices. Such indexical cues are, for example, historically accurate images, colors and fonts and those suggesting the use of original ingredients and traditional production methods. Furthermore, in these cases, consumers are also likely to look for cues which signal inauthenticity when forming their judgments. Such cues can be small perceptual-level details, which dilute the claims of actual commitments to tradition. In the case of Trappist beer brands, such cues are, for example, the presence of multi-language translations or web links on the packaging, stylized or abstract images which have no direct connection to beer and modern colors, fonts or bottles (Beverland et al. 2008).

*Approximate authenticity* is important when consumers have the desire to reconnect to an idealized image of time and place. In the case of Trappist beer brands, informants defined authenticity in terms of *"a feeling that a product has its origin way back"* (Beverland et al. 2008, p. 12) and associated it with words such as 'aura' and 'mystique'. Here, the focus shifts from *"absolute fealty to historic traditions"* (p. 11) to more symbolic or abstract impressions *"that the brand is from the past"* (p. 12). Consequently, instead of looking for rationally verifiable cues, consumers draw on iconical cues when forming their judgments, which merely approximate historical references, based on their mental picture of how traditional Trappist beers should look like (cf. Grayson and Martinec 2004). Such cues are for example, stylized links to the place of production (e.g. religious abbeys), abstract connections between the product and its creators or simple color schemes, fonts and labels which create the impression of being old. In these cases, consumers are not bothered by the fact that traditions are reinterpreted and used for commercial purposes and can therefore also attribute authenticity to new objects. Furthermore, small inconsistencies in the advertisements, such as modern images (e.g. the presence of translations or web links) do not undermine claims of authenticity.

*Moral authenticity* is important when consumers have a desire to reflect their personal values and beliefs. In these cases, consumers are less interested in the history of the brand or its connection to a particular time and place, but focus more on the genuineness of its intent in the sense that *"a passionate creator is involved in making products, and is motivated primarily by their love of craft, rather than the possibility of financial reward"* (Beverland et al. 2008, p. 17). Consequently, such judgments involve primarily iconical authenticity and are based on more stylized perceptual cues which create *"a factual or emotional sense that the brand is committed to traditional moral practices"* (p. 18). In the Trappist beer setting, such cues are, for example, stylized images suggesting small and hand-crafted production methods, the use of traditional equipment, passionate people involved in the production process or solitary enjoyment of the product.

Beverland et al. (2008) observe that, for consumers, pure authenticity is important at the situational level, i.e. characterizing specific consumption situations, and is viewed as a means-to-an-end instead of an end-in-itself or a part of the extended self. In other words, consumers seeking this type of authenticity are not concerned with engaging in self-referential behavior to reflect a deeper sense of the self, but instead are looking for means to gain some control over the specific purchase or consumption situation. These findings support Grayson and Martinec's (2009) view, that the process of authenticating an object and the process of self-authentication are conceptually and qualitatively distinct. In contrast, judgments of *approximate and moral authenticity* characterize more generalized patters of consumption and are applied across product categories. In this sense, authenticity has value in itself and judgments of such resemble self-referential acts (cf. Arnould and Price 2000), which help consumers reveal their true inner self by connecting them to time, place and cultural traditions or to personal moral values. The process of authenticating objects, thus, reflects consumer's deeper search for self-authentication, which contrasts the view put forward by Grayson and Martinec (2004). To explain this, Beverland et al. (2008) argue that the distinction between object- and self-authentication is relevant depending on different types of consumer goals, ranging from purely situational to identity-based ones. Furthermore, the authors suggest that the distinction between indexical and iconical cues may not be as strong as initially suggested. In fact, they argue that the two might even be interrelated, in the sense that iconical cues are given indexical status by the consumer during the process of authentication. This means that consumers, by applying their own normative views, create what for them are objective standards of authenticity, which are then used to form positive judgments of authenticity (Beverland et al. 2008). This argument explains why consumers are able to attribute authenticity to, for example, fictional historical sites, as observed by Grayson and Martinec (2004) in their investigation of the Sherlock Holmes Museum.

In the same vein, Beverland and Farrelly (2010) argue that the process of authenticating objects, brands and experiences is contingent upon consumer's personal identity goals. With the aim of unifying the rather fragmented literature on authenticity, characterized by a high diversity of conceptualizations as well as unexpected empirical findings, the authors propose an overarching framework of authenticity manifestations, based on the notion that consumers authenticate commercial objects to realize positive identity benefits. In this sense, consumers share a common goal, the quest for authenticity, which is defined as *"what is genuine, real, and/or true"* (Beverland and Farrelly 2010, p. 839), however they search for this in different objects, brands and experiences for different reasons. As a result, the same commercial offering can be judged differently by the same or different consumers. Depending on the particular goal, consumers may give precedence to certain indexical or iconical cues when assessing offerings, while at the same time downplaying or ignoring others, which are not suitable for achieving the desired benefit. This framework highlights the inseparable link between authenticity assessments and the desire for self-authentication, which challenges the distinction made by Grayson and Martinec (2004). Figure 1 illustrates the framework proposed by Beverland and Farrelly (2010).

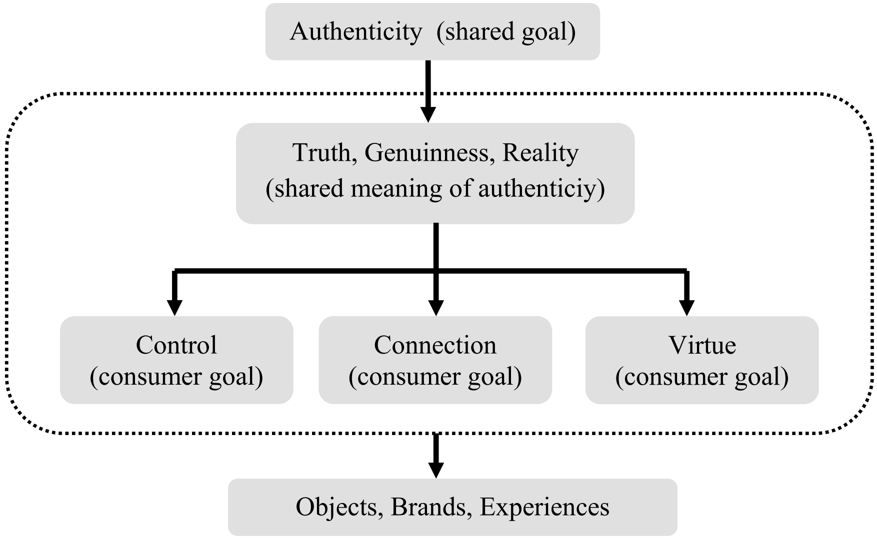


*Figure 1: Framework of authenticity manifestations*
*(adapted from Beverland and Farrelly 2010, p. 853)*

In their empirical investigation, Beverland and Farrelly (2010) identify three main benefits or goals, which determine how commercial offerings are assessed by consumers: control, connection and virtue. *Control* refers to the desire of consumers *"to achieve mastery over their environment"* (p. 841). For example, several participants in the study stressed the importance of retaining control over consumption choices, by carefully scrutinizing and rejecting false marketing claims, maintaining control over their health or being empowered to perform different tasks. In this context, consumers relate authenticity to functional performance benefits of the offerings and focus on factual information (indexical cues), which allows them to make informed decisions. *Connection,* the second consumer goal, refers to the desire of *"being connected to important others, to community, place, culture, or to society in general"* (p. 843). Here, consumers focus on cues which signal that the offering will help them engage in shared experiences and rituals with others, such as proximity, common nature or ubiquity. Participants in the study, who desired this identity benefit, attributed authenticity to many established, mass-market brands, such as Nike or McDonalds because such brands allowed them to participate in mainstream shared experiences within the social landscape. This finding contrasts previous research, which claimed that overtly perceptible commercial motivations diminish authenticity (cf. Beverland 2006). Finally, *virtue,* refers to consumers' desire of *"staying true to one's morals and the spiritual enrichment that comes from seeing desired universal values in practice"* (p. 846). Driven by this benefit, consumers apply their own set of moral principles when assessing authenticity and focus on cues which indicate purity of motive, expressed through associations with notions such as: innocence, selflessness, non-materialism, environmentalism and others (Beverland and Farrelly 2010).

The literature reviewed in this section contributes to a better understanding of how subjective judgments of authenticity are formed in the marketplace. Research shows that consumers engage in *"selective information processing and interpretation"* (Beverland and Farrelly 2010, p. 851), depending not only on the situational context in which the assessment is being made, but also on the personal identity benefits sought. Nevertheless, they share a common goal, to uncover that which is true, genuine and real - in a word, authentic.

### *2.1.8 Authenticity Outcomes*

The literature on authenticity reviewed so far shows that a theoretical foundation of the concept has already been laid. Consumer researchers have investigated a wide variety of authenticity issues to provide a better understanding of the meaning and relevance of the concept for marketers and consumers. However, most of this literature has been interpretive in nature, with the aim of conceptualizing and describing the term (cf. Leigh et al. 2006; Chronis and Hampton 2008), rather than looking into potential benefits or consequences of authenticity (Ewing et al. 2012).

Based on the notion that consumers have an increased desire for authenticity in their consumption experiences and are actively seeking out products and brands which convey such images (see Chapter 2.1.1), most scholars assume that brand authenticity can enhance the overall brand appearance and lead to favorable brand outcomes (eg. Beverland 2006, Özsomer and Altaras 2008, Burmann and Schallehn 2008). However, only a handful of studies have attempted to quantify the impact of authenticity on consumer attitudes and behaviors or pursue the phenomenon in an experimental setting (Ewing et al. 2012).

Three recent studies investigate the effects of brand authenticity cues on consumer judgments, intentions and behaviors. In the context of environmentally conscious consumption ("green products"), Ewing et al. (2012) find a positive relationship between authenticity signaling cues and brand attitudes. The authors use existing brands from different product categories (non-durables and durables) to show that both indexical and iconical cues (Grayson and Martinec 2004) can influence consumers' perceptions of authenticity which, in turn, translate into more favorable attitudes towards the brand.

Similarly, Lunardo (2007) investigates the effects of authenticity cues (both indexical and iconical), present on the product label, on young consumers in the context of existing French wine brands and identifies a positive influence of different authenticity dimensions on the purchase intentions of this consumer group. The author also finds that authentic wines are perceived as more expensive by consumers, which indirectly implies that consumers might be willing to accept higher prices for authentic brands. Zwinger (2013) examines consumer reactions to iconical authenticity cues in the case of a fictitious non-global apple juice brand and finds that the presence of such cues on the product packaging significantly increases their willingness-to-pay for the brand. For the global version of the brand, the presence of authenticity cues not only increases consumers' willingness-to-pay but also their quality and prestige perceptions (Zwinger 2013).

The effects of authentic brand stories have been investigated in three experimental studies. Sie (2011) examines brand authenticity in the context of fictitious car brands, drawing on the different authenticity dimensions identified by Beverland (2009). The author shows that authentic brand stories shape consumer's perceptions of authenticity and lead to a better brand rating and higher purchase intentions for the brand. Similarly, Sujkanovic (2014) investigates the effects of authentic brand narratives on different brand outcomes (i.e. WTP, purchase intentions, brand choice) in the context of real-life coffee-to-go brands and finds strong positive effects on all outcomes investigated, but only for global not for local brands. Konstantinova (2014) reports similar findings from an investigation carried out using existing mass-market brands from two different product categories (notebooks and skincare).

Finally, Nguyen and Gunasti (2011) examine the effects of authenticity in the context of brand imitations and counterfeit products. They employ different product categories and existing brands (both well- and less-known) to report several interesting findings. The authors show that perceived authenticity not only affects consumers' attitudes and behaviors in a positive way at all stages of the consumption process (e.g. product evaluations, purchase decisions, willingness-to-pay and post-purchase attitudes) but also creates a placebo effect of product efficacy. As a result, products which are objectively inferior but carry multiple authenticity cues are rated more favorable by consumers than their objectively superior counterparts. Schaefer et al. (2012) also report strong effects of brand authenticity from two quantitative investigations. The authors find a direct positive effect of brand authenticity on brand attitudes and an indirect effect, through brand attitude, on purchase intentions and positive word-of-mouth (Schaefer et al. 2012).

The empirical findings presented in this chapter demonstrate that brand authenticity exercises considerable influence on perceptions and decisions of postmodern consumers. In this way, they contribute to a better understanding of the concept's relevance for both marketing theory and practice. However, as noted in the introductory part of this thesis, these findings stem exclusively from research conducted in developed (Western) markets. Scholars seem to agree that such markets differ, at times considerably, from developing (emerging) markets, in terms of socioeconomic, cultural and regulative systems (Burgess and Steenkamp 2006). Furthermore, developing countries are characterized by a much faster pace of sociopolitical and economic change than their Western, more developed counterparts (Steenkamp and Burgess 2002). This hinders the cross-cultural generalizability of such findings. As a result, little is known about how brand authenticity affects consumer behavior in less developed emerging markets and how marketers can successfully influence such outcomes. Therefore, it is of paramount importance for the advancement of the research field dedicated to brand authenticity and its effects to expand the view and incorporate studies from non-Western contexts.

Against this background, the ambition of the present thesis is to investigate the behavior of emerging market consumers in relation to brand authenticity and determine, to what extent, insights gained in Western countries can also be applied to these markets. Given the fact that, the developments which have ignited consumers' desire for authenticity in Western countries (e.g. globalization, deteritorialization, hyperreality; see also Chapter 2.1.1) have also occurred in emerging markets, it can be speculated that consumers in these countries also have a general interest in and desire for authentic products, brands and experiences. The extent to which such an attribute induces positive associations and perceptions in the minds of the consumers and, consequently, influences their attitudes and behaviors, remains to be investigated empirically by the present study.

### *2.2 Global Brands*

Since the early 1980s, an accompanying phenomenon of the ongoing globalization of markets has been the emergence and rapid development of global brands. Today, such brands represent powerful institutions which exert their influence on the consumer in various economical, cultural and psychological domains (Özsomer and Altaras 2008). Nike, Sony or Coca-Cola are only a few examples of brands which have successfully transcended their national origins and are now dominating their product categories in many parts of the world, being embraced by consumers as symbols of modernity, status and cosmopolitan sophistication (Özsomer 2012). The ubiquity of global brands, which is one of the essential characteristics of today's increasingly globalized marketplace, has been referred to as *"one of the defining features of modern life and one of the core tenets of modern marketing"* (Baker et al. 2003, p. 1).

The main driving force behind the rapid expansion of global brands has been the ongoing homogenization of consumer needs and tastes across the globe, triggered by increases in (1) cross-border population mobility, both in terms of world travel and migration, and (2) electronic mobility, facilitated by advances in telecommunication technologies, the emergence of the Internet and the growth of global media (Quelch 1999, Levitt 1983). These developments have contributed to a higher interconnectedness between local cultures and a virtual break-down of national borders, which eventually culminated in the rise of a global consumer culture, with *"shared sets of consumption-related symbols"* and meanings worldwide (Alden et al. 1999, p. 75). The resulting emergence of cross-border consumer segments, which could be easily identified and marketed to in a similar way worldwide, coupled with trends towards global market integration, such as the free movement of goods and capital, as well as the rapid upgrading and standardization of manufacturing techniques, considerably increased the strategic appeal of global brands for many multinational companies (Steenkamp and Hofstede 2002, Özsomer et al. 2012).

The interest in global brands, for both marketing academics and practitioners, was first ignited by Theodore Levitt's seminal article, "The Globalization of Markets", published in 1983. Subsequent to the assumptions of a global convergence of consumer needs and tastes, Levitt argued that companies should exploit the 'economics of simplicity' and sell standardized products all over the world. This would allow them to achieve important economies of scale and secure their long-term growth in the global marketplace (Levitt 1983). Many multinational companies have followed Levitt's recommendation, slowly moving from a multi-domestic to a global marketing approach and allocating more attention and resources to fewer brands with global potential (Özsomer et al. 2012; Schuiling and Kapferer 2004). Two often mentioned examples of this strategic shift are those of Unilever and Procter & Gamble, who, over the last decades, considerably pruned their portfolios in favor of global brands (e.g. Özsomer 2012; Steenkamp et al. 2003). On the theoretical side, marketing academics have also devoted considerable attention to the concept of global branding over the past decades. In consumer research, the variety of issues investigated include: (1) conceptualizing the construct of brand globalness and identifying its dimensions (e.g. Holt et al. 2004; Dimofte et al. 2008), (2) assessing the influence of brand globalness on consumer attitudes and behaviors (e.g. Steenkamp et al. 2003; Akram et al. 2011), and (3) identifying antecedents of global brand judgments (e.g. Alden et al. 2006; Zhang and Khare 2009). The tension between standardization and adaptation of global brands has emerged as one of the central debate topics in the international marketing literature (e.g. Hollensen 2010).

### *2.2.1. Definitions*

Despite the vast amount of academic and managerial literature that has been produced on the topic of global brands over the past four decades, up until recently, a clear and generally accepted definition of the concept has been missing (Özsomer and Altaras 2008). While some authors have used the term without explicitly defining it (eg. Holt et al. 2004), others have approached it from different perspectives, i.e. a company or a consumer perspective, which has lead to considerable inconsistencies and discrepancies between definitions (Özsomer et al. 2012). The ambiguity of the concept has been further increased by differences between how marketing academics, practitioners and consumers view global brands. To overcome this and provide the reader with a comprehensive understanding of the concept, the main theoretical and managerial approaches to delineating the brand globalness construct will be reviewed and critically discussed in the following section.

From a company perspective, global brands are defined as *"brands that consumers can find under the same name in multiple countries with generally similar and centrally coordinated marketing strategies"* (Steenkamp et al. 2003, p. 53). This view is rooted in the marketing standardization literature, which advocates that the main reason behind building global brands is for companies which operate internationally to take advantage of strong economies of scale and scope in marketing, R&D, procurement and manufacturing

(Özsomer and Altaras 2008). From this perspective, the main attributes of global brands are therefore uniformity in products and product characteristics (Cateora and Graham 2007) and the extent to which they employ standardized brand positioning strategies and marketing mixes across markets or countries (Özsomer et al. 2012). In this context, Barron and Hollingshead (2004, p. 9) argue that a global brand is one that *"expresses the same values in all of its markets and owns a similar position vis-à-vis its competitors around the world"*. Coca-Cola, McDonald's and Disney are often mentioned examples of global brands which enjoy a consistent market positioning and represent the same set of values, regardless of where in the world they are marketed (Quelch 1999).

Defining global brands in terms of multi-market reach and achieved levels of standardization has, however, proven to be somewhat problematic and create some confusion among marketing scholars within this stream of research. One major critique point is the use of subjective evaluation criteria with regard to what is understood under "multiple countries" and "similar marketing strategies". Furthermore, there is no agreement among scholars as to how far the process of standardization should go (Özsomer and Altaras 2008). While some advocate complete standardization of marketing strategy and marketing mix elements when talking about global brands (e.g. Levitt 1983), the majority of authors acknowledge that such a strategy may bear considerable risks for companies operating in the global marketplace (Schuiling 2001) and that different elements of the marketing strategy may require local adaptations to cultural characteristics, tastes, customs and other market-specific elements (Alden et al. 1999; Jain et al. 2012). It remains therefore unclear which threshold of multi-market reach and standardization brands need to pass in order to be considered global. That is one of the reasons why such academic guidelines have proven to be of limited relevance for marketing practitioners. Managerial studies on brand globalness use more objective criteria for delineating the concept, including actual multi-market reach, percentage of sales coming from international activities and minimum revenue generated on the global level. Research firms such as ACNielsen, for example, define global brands as *"those which are present in the four major regions of the world – North America; Latin America; Asia Pacific; and Europe, Middle East, and Africa – with at least 5% of sales coming from outside the home region, and total revenues of at least $1 [billion]"* (ACNielsen 2001, p. 21). Here, geographical balance is added as an important characteristic of global brands. In order to be considered global, a brand cannot be particularly strong in Europe, for example, but completely unknown in other parts of the world (cf. Quelch 1999).

From a consumer perspective, global brands are defined as *"the extent to which the brand is perceived by potential and existing customers as global and as marketed not only locally but also in some foreign markets"* (Özsomer et al. 2012, p. 2). At this point, the focus shifts towards the notion of "perceived brand globalness" (hereafter PBG), a term coined by Steenkamp et al. (2003), as a pertinent indicator for assessing global brands. Many researchers (e.g. Steenkamp et al. 2003; Johansson and Ronkainen 2005) stress out that, in order for a brand to fully benefit from a global positioning strategy, consumers must actually believe that it has a multi-market presence and enjoys worldwide awareness and recognition. Such perceptions can be formed in two different ways. On the one hand, consumers can learn that a brand is available in other countries through exposure to global media, word-of-mouth and own travels abroad. On the other hand, brand owners can actively influence such perceptions through the use of marketing techniques which create the impression of worldwide availability and recognition, e.g. by using endorsers, themes or symbols associated with the global consumer culture in their marketing communications (Steenkamp et al. 2003).

Valuable insights into how consumers themselves define global brands come from Dimofte et al. (2008). In their study of brand globalness effects on U.S. consumers, the authors avoid imposing their own definition upon respondents, but instead collect unbiased, top-of-the-mind associations with the concept from open-ended responses. They identify five major dimensions of global brands: (1) *geographical reach*, which consumers define as "a worldwide presence" or "products available internationally"; (2) *wide recognition across the world*, i.e. across all cultures and societies; (3) *special image as a global brand*, which implies a special consumer appeal; (4) *universality/relevance across countries*, which translates into usefulness to all regardless of location or culture, and (5) *lack of sensitivity or adaptation to consumer needs in individual national markets*, i.e. "must be the same all over the world" (Dimofte et al. 2008, p. 118). The findings further show that worldwide recognition, availability and standardization are the most powerful identifiers of global brands in consumers' minds, consistent with Steenkamp et al.'s (2003) definition mentioned earlier.

Several other attempts to define the brand globalness construct, found in the extant literature, are illustrated in Table 3. They cover both the company- and the consumer-based perspectives.

| Definition | Source |
|---|---|
| "The global corporation operates as if the entire world (or major regions of it) were a single entity; it sells the same things in the same way everywhere." | Levitt (1983, p. 92) |
| A global brand is "the worldwide use of name, term, sign, symbol (visual and/or auditory), design or combination therefore intended to identify goods or services of one seller and to differentiate them from those of competitors." | Cateora and Graham (2007, p. 360) |
| "Global brands are defined as brands that use the same marketing strategy mix in all markets." | Schuiling and Kapferer (2004, p. 98) |
| "… a global brand must achieve more than a third of its sales outside of its home country and have a visible external market presence. A global brand is one that is available in many nations and, though it may differ from country to country, the localized versions have a common goal and a similar identity. The brand's positioning, advertising strategy, personality, look and feel are, in most respects, the same but allow for regional customization. What remains consistent from market-to-market, are the values communicated and delivered by the brand." | Interbrand (2006, p. 4) |
| "Global brand is defined as the multi-market reach of products that are perceived as the same brand worldwide both by consumers and internal constituents." | Johansson and Ronkainen (2005, p. 340) |
| "Brands whose positioning, advertising strategy, personality, look, and feel are in most respects the same from one country to another." | Aaker and Joachimsthaler (1999, p. 137) |

*Table 3: Definitions of global brands*

The review of studies on global brands reveals that each of the two perspectives has been used successfully as a basis for investigating and analyzing brand globalness and has contributed significantly to a better understanding of the concept. According to Özsomer et al. (2012), however, a working definition of the concept should incorporate both perspectives. Based on this argument, they propose the following, all-encompassing and exhaustive definition of global brands: *"Global brands are those that have global awareness, availability, acceptance and desirability and are often found under the same* *name with consistent positioning, image, personality, look and feel in major markets enabled by standardized and centrally coordinated marketing strategies and programs"* (Özsomer et al. 2012, p. 2). At the other end of the continuum, literature has defined local or national brands as those *"that exist in one country or in a limited geographical area"* (Wolfe 1991, p. 50), are designed to respond to the local market's specific needs (Schuiling and Kapferer 2004) through an adapted marketing strategy and are perceived by consumers as icons of the local culture (Steenkamp et al. 2003).

### *2.2.2 Advantages of Global Brands*

Starting with Levitt's (1983) seminal article on the globalization of markets, the appeal of moving towards a global brand strategy has been linked to several benefits, which such a strategy can provide to firms operating internationally. Over the past decades, literature has identified various such advantages, from both the supply and the demand side (Özsomer and Altaras 2008). In practice however, the drivers for building global brands have so far been primarily supply-driven considerations, linked to the firm and its operations, rather than market considerations, reflecting consumers' preference and positive attitude towards such brands (Schuiling and Kapferer 2004).

It has been noted earlier (see Chapter 2.2.1), that from a producer's perspective, the possibility of benefitting from strong economies of scale constitutes the main advantage of global brands (cf. Özsomer and Altaras 2008). By standardizing their products, firms can achieve significant cost savings along their supply chain, especially in capital intensive areas such as research and product development. Managing a single brand instead of a series of national brands also reduces the administrative complexity of the firm operating in the global marketplace and enhances the cross-border transfer of knowledge, expertise and new ideas (Quelch 1999). A unified global marketing strategy means that firms can establish a worldwide identity for their brands, which not only provides substantial savings in communication costs, for example, through global media purchases, but also facilitates the launch of line extensions and other brands within their portfolio. Coca-Cola for example, takes advantage of the leverage and recognition of its core brand to launch many national brands around the world and secure their success in these markets (Quelch 1999). A global reputation, such as the one owned by Coca-Cola, also entails several human capital benefits, gained through the recruitment and retention of talented and dedicated employees, who are attracted by such a status (Quelch 1999). Apart from basic scale economics and marketing synergies, global brands can also be launched faster into foreign markets, as they do not require any time-consuming local adaptations (Neff 1999; Schuiling and Kapferer 2004).

From a consumer perspective, research has identified several benefits of global brands, which constitute further reasons for moving towards a standardized marketing strategy. First of all, in the context of an emerging global consumer culture, with shared cultural meanings and *"shared sets of consumption-related symbols"* (Alden et al. 1999, p. 75), brands with a global image are found to enjoy a wider acceptance and preference from consumers, because they are seen as vehicles for association with and participation in this global community (Alden et al. 1999). Holt et al. (2004, p. 3) posit that *"global brands create an imagined global identity that [the consumer] shares with like-minded people"* while Appadurai (1990, p. 299) argues that global brands enable consumers to *"act out imagined or real participation in the more cosmopolitan global consumer culture communicated by the media"*. In a study, involving consumers from 41 different countries, Holt et al. (2004) provide some evidence for this argument, identifying as one key dimension of global brands their status as symbols of global cultural ideals. Based on these findings, the authors acknowledge that the main challenge of global brand owners is to create cultural myths with global appeal around their brands, which enable consumers to feel part of something bigger and give them a sense of belonging. In the same vein, Strizhakova et al. (2008) equal global brands to virtual passports for a global citizenship and find that both consumers in developed and developing countries share and value these beliefs.

Second of all, the perceived globalness of a brand has also been found to have a positive influence on consumer attitudes and behaviors. Steenkamp et al. (2003) investigate the impact of PBG on consumers' response in developed markets, i.e. the U.S. and South Korea, and find that such perceptions not only lead to higher perceived quality and prestige but also, through these pathways, to a higher purchase likelihood of the brand. Their results remain stable across different product categories and brands. Akram et al. (2011) report similar results in a study conducted in an emerging market, i.e. Pakistan. In the same vein, in a large-scale study involving consumer from 12 different countries, Holt et al. (2004) find that the global stature of a brand acts as a quality signal for consumers and is directly associated with a higher brand preference. Consumers believe that, because multinational companies are faced with fierce competition at the global level, they constantly need to push the boundaries of quality enhancement and product innovation, in order to stay relevant. The findings show that such perceptions are even stronger than country-of-origin associations, which had so far been the most powerful indicators of quality and technological prowess in consumers' minds (Holt et al. 2004). According to Johansson and Ronkainen (2005), global brands are also consistently associated with higher esteem, once a certain level of brand familiarity has been achieved. The authors find that the perceived multi-market presence of a brand acts as a 'cachet' or certification mark for consumers, which translates into a net benefit in terms of esteem and higher perceived brand value. Furthermore, especially in developing countries, the status-enhancing function of global brands has also been found to be positively related to brand preference and attitudinal liking. Batra et al. (2000) find that emerging-market consumers prefer brands of nonlocal or foreign origin, especially from Western countries, because they help them communicate social distinction and a differential status within their reference groups. In these countries, global brands are usually more expensive and scarcer than their local counterparts and are perceived as symbols of glamorous Western consumption practices and lifestyles. Owning them, thus, signals affluence, cosmopolitanism and competency with more sophisticated foreign cultures and enhances the overall social status of the consumer (Batra et al. 2000). Apart from these positive associations, global brands are also believed to be more socially responsible and carry a higher ethical burden to tackle social as well as environmental issues (cf. Holt et al. 2004; Dimofte et al. 2008). Furthermore, Rosenbloom and Haefner (2009) find that the perceived globalness of a brand reduces the uncertainty and risk associated with the purchase of high involvement products, which translates into a higher preference for such brands. Dimofte et al. (2008) identify convenience and low-risk associations as key attributes of global brands.

At this point, it is however important to mention, that PBG does not exert the same positive influence on all consumers. In fact, recent studies have identified several consumer characteristics which moderate the effects of PBG (e.g. Riefler 2012, Steenkamp et al. 2003). Among these antecedents of global brand preferences and evaluations, the concept of *consumer ethnocentrism* (hereafter CET) has received considerable attention in extant literature. Defined as *"the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products"* (Shimp and Sharma 1987, p. 280), CET is closely linked to the concept of economic nationalism (Baughn and Yaprak 1996) and differentiates between consumers based on their attitude towards local/foreign products and cultural openness. Highly ethnocentric consumers take pride in their country's brands, symbols and culture, are less open to foreign influences and believe that purchasing goods produced elsewhere directly damages their national economy, thus, threatening their individual well-being. Low-CET consumers, on the other hand, have a higher degree of cultural openness, identify more heavily with the global consumer culture and do not link purchasing local brands and products to national economic welfare (Steenkamp et al. 2003; Baughn and Aprak 1996).

Evidence, that CET plays a key role in the relationship between the globality of a brand and consumers' response, has been put forward in several consumer studies. Steenkamp et al. (2003), for example, find that PBG has no significant effect on brand purchase likelihood in the case of high-CET consumers, and only a very week effect on this group's quality perceptions. Similarly, Alden et al. (2006) find that ethnocentric consumers hold more negative views towards global brands than low-CET consumers.

Consumers' *attitude towards the ongoing globalization* process (hereafter GA; Riefler 2012) and their *global consumer orientation* (hereafter GCO; Alden et al. 2006) are two constructs, which have also been found to influence consumers' global brand associations. Rooted in the idea that, to consumers, globalization is primarily a *"state of mind"* (Friesen 2003, p. 22, cited by Riefler 2012), GA defines *"consumers' general stance towards the overall process of economic integration, including free movement of labor, capital and products"* (Riefler 2012, p. 26). The measure is used to situate consumers on an anti-globalization to pro-globalization continuum. GCO is a more consumption-oriented construct, describing a set of *"attitudinal responses to the global diffusion on consumption choices"* (Alden et al. 2006, p. 228), i.e. to the availability of global products and brands. Alden et al. (2006) distinguish four types of such responses: *(1) homogenization*, i.e. a distinctive preference for global brands over local alternatives; *(2) localization,* i.e. rejection of global brands and clear preference for local products; *(3) glocalization*, i.e. a preference for purchasing and consuming both local and global brands and *(4) alienation*, i.e. a general lack of interest in culturally-related aspects of brands or products. In two empirical studies involving real-life global brands, Riefler (2012) shows that consumers' GA exerts a strong 'halo effect' on brand evaluations, attitudes and intentions, with strongly anti-globalization consumers assessing such brands less positively, particularly in the case of high-involvement products. With regard to GCO, both Riefler (2012) and Alden et al. (2006) find that globally oriented consumers hold more positive attitudes toward global brands.

Similar to GA and GCO is the concept of *local-global identity*, proposed by Zhang and Khare (2009), as another key element for understanding consumers' attitudes towards global brands. Consumers with a pronounced local identity feel a strong connection with their local community, respect local traditions and customs and are interested in local events. Consumers with a strong global identity on the other hand, feel they belong to the global community, believe in the positive effects of globalization and identify with global lifestyles. In this context, Zhang and Khare (2009) are able to demonstrate that such activated identities directly influence consumers' preference and attitudes towards local versus global brands.

The literature presented in this chapter highlights several indisputable benefits of global brands, from both a producer and a consumer perspective. With regard to consumer-related benefits, researchers emphasize the importance of understanding consumers' psychological characteristics and their influence on global brand perceptions (e.g. Alden et al. 2006). Because consumers vary systematically and predictably in their attitudes towards global brands, using such characteristics as effective market segmentation criteria (cf. Steenkamp et al. 2003) becomes an essential condition to maximize the benefits of a brand's global presence.

### *2.2.3 Disadvantages of Global Brands*

The evolution of global brands over the past four decades has also revealed several potential pitfalls and risks associated with following a globally standardized product and branding strategy (e.g. Quelch 1999, Schuiling and Kapferer 2004, Holt et al. 2004). As a result, particularly since the start of the new millennium, global brands have been the subject of an intense debate about whether they can ever achieve the uniformity and *"economics of simplicity"* that Levitt (1983, p. 27) so fervently advocated for. In light of recent developments, such as mounting anti-globalization sentiments (Holt 2002) and consumers renewed loyalty for local brands (Quelch 2003), researchers agree that global brands are faced with a new set of challenges, which need to be mastered successfully in the next decades (e.g. Holt 2002; Holt et al. 2004). In this context, Baker et al. (2003, p. 1) acknowledges that *"the global brand is at a crossroads"* and Holt et al. (2004, p. 1) state that: *"It is time to rethink global branding"*.

One common mistake made by multinational companies, especially in the early days of global branding, has been to strive for the complete standardization of their marketing programs (Quelch 1999). This *"least-common-denominator"* approach (Holt et al. 2004, p. 1) proved however to be fairly problematic for several reasons. First of all, consumers had great difficulties relating to the resulting generic products and communication activities and turned their attention back to local brands, which were more sensitive to their cultural values, beliefs and behavioral patterns (Quelch 2003; Holt et al. 2004). Second of all, such strategies ignored the fact that a brand may be at different stages of its development cycle in different markets. Quelch (1999) argues that, usually, a global brand has reached a certain level of maturity in its domestic market but may be still in its development phase in many other markets. Such variations in market and product category development levels result in different goals and priorities for marketing managers and need to be addressed with a differentiated marketing strategy (Quelch 1999). Last but not least, a fully standardized approach meant that much of the marketing management responsibilities were transferred from local managers to global strategic business units (Quelch 2003). This usually creates a perpetual tension between global or regional headquarters and local subsidiaries and results in several disadvantages due to domestic country bias, reduced motivation of local representatives and hindered upstream learning processes (Quelch 1999). During much of the 1990s, Coca-Cola, for example, had to face poor performance in many foreign markets due to excess standardization and the resulting lack of flexibility and low responsiveness to local customer needs (Jain et al. 2012).

In light of such negative developments, many global-brand owners began to realize the importance of being more in touch with their customers in foreign markets, which, on the managerial side, implied striking a balance between global standardization and local adaptation of their product and marketing strategies (Quelch 2003; Jain et al. 2012). Consequently, while core strategic activities, such as R&D and manufacturing were kept on a global scale, specific elements of the marketing mix, such as product features and advertising messages were adapted to meet local tastes and needs (Holt et al. 2004). This meant also delegating more responsibilities back to local managers and launching many local brand initiatives (Quelch 2003). Since then, the process of integrating both global and local elements into the international marketing strategy, also known as 'glocalization', has become the axiom for most global-brand owners (Holt et al. 2004; Jain et al. 2012). Despite these proven efforts to increase their cultural sensitivity however, global brands still remain somewhat limited in their ability to respond to the particular needs of consumers in local markets, especially when compared with local brands (Schuiling and Kapferer 2004).

Consumer-related disadvantages of global brands have also been documented and discussed at length in the extant marketing literature (e.g. Schuiling and Kapferer 2004). In this context, several voices have critically challenged the initially assumed exclusively positive effects of brand globalness on consumer attitudes and perceptions (e.g. Dimofte et al. 2008), as well as the foundational assumptions of an increased worldwide homogenization of consumer tastes and needs (e.g. DeMooij 2003). In one of the few attempts to identify real differences between global and local brands, Schuiling and Kapferer (2004) find that consumers not only have a lower awareness of global brands but also perceive them as less trustworthy and reliable than their local counterparts. Local brands are also found to be more 'down to earth' and represent better value for money than global brands. Consumers perceive them as more connected to the local culture and therefore more reflective of local traditions and the local history (Schuiling and Kapferer 2004). In terms of quality and prestige perceptions, their findings indicate no significant difference between global and local brands, an argument which challenges previous findings (e.g. Steenkamp et al. 2003). An explanation for this is provided by Dimofte et al. (2008), who argue that much of the empirical research on global brand effects has involved actual marketplace brands, which allows for the possibility of a confounding brand equity effect. The authors emphasize the difficulties to conceptually and statistically isolate the pure globality effect when actual brand names are used and consequently doubt that brand globalness has any explicit role in consumers' brand evaluation process (Dimofte et al. 2008).

The assumption of a worldwide homogenization of consumer needs and tastes, which has served as the primary argument in favor of moving towards a global brand strategy (e.g. Levitt 1983), has also been challenged by various authors. De Mooij (2003), for example, contends that this assumption is based primarily on anecdotal evidence and finds considerable consumption differences between countries across a large number of product categories. In the same vein, Alden et al. (2006) argue that the process of cultural homogenization is not inevitable and should not be equated with globalization. Their findings indicate that consumers have a continued desire to maintain their local culture and prefer brands which reflect their local lifestyles, attitudes and behaviors. In this sense, consumers are more likely to integrate local and global consumption symbols rather than substitute local with global ones. Based on these arguments, the authors recommend the use of glocal marketing strategies in which global and local elements are blended together (Alden et al. 2006). Similarly, Viswanathan and Dickson (2007) contend that, in spite of the forces of globalization, differences in customer needs continue to persist even in culturally similar markets such as the European Union.

In recent years, the rise of an anti-globalization movement has been the cause of much concern for global brand owners (Holt 2002). Because global brands are visible symbols of the ongoing globalization process, they have also been associated with its negative side effects, such as exploitative wages, pollution and cultural imperialism (Holt et al. 2004). Although such negative attitudes towards global brands are still limited to a certain group of 'anti-globalization' consumers, they have the ability to seriously impact the image of global brands on a worldwide basis, particularly because nowadays information can be diffused easily and quickly through the Internet and other communication channels.

In emerging markets, the initial enthusiasm surrounding global brands seems to have also tempered down (Quelch 2003). As detailed in Chapter 2.2.2., consumers in these markets have initially embraced global brands as symbols of the sophisticated, glamorous Western lifestyles, which they desperately wanted to emulate (Batra 2000). In doing so, they often downgraded their own, local brands. However, as Quelch (2003, p. 1) observes: *"In emerging markets from China to Eastern Europe, enthusiasm for global brands proved short-lived. Local brands found new (and returning) customers as global brands saturated their markets. Local brands also started to win back customers as their quality improved in response to new competitive pressure, and, in some cases, new ownership by global corporations. And, in a classic response to an economic downturn, consumers returned their focus to local concerns—family and community—with a renewed loyalty to products made with local labor and raw materials."* For international companies this may be a clear indication that relying exclusively on the globalness benefit when positioning a brand is not sufficient anymore to achieve the desired success in these markets.

As a mean to overcome the different disadvantages and shortcomings associated with global brands, Holt (2002) emphasizes the importance of authenticity, as one central element of modern global branding efforts. According to the author, global brands will be more valuable to consumers if they are offered as authentic cultural resources, rather than cultural blueprints (Holt 2002; see also Chapter 2.1.4). Based on this argument, Özsomer and Altaras (2008) propose a conceptual framework of global brand attitude and purchase likelihood, in which brand authenticity is recognized as one of the focal constructs, able to create positive brand associations and possibly lead to brand preference. For global brands, compared to non-global brands, it might however be more difficult to influence authenticity perceptions, and therefore, ripe the benefits of an authentic brand positioning. Some authors have argued that a brand's global presence considerably weakens perceptions of uniqueness, originality and connection to a particular place (e.g. Thompson et al. 2006, Özsomer 2012; Breen 2007). Furthermore, global brands stand for standardization, mass-production and mass-customization, which many consumers view as the antithesis of authenticity. These arguments suggest that some tension might exist between the globality of a brand and its authenticity.

Against this background, an additional objective of the present study is to investigate the interaction between brand globalness and brand authenticity in an emerging market context and determine whether global brands can benefit from an authentic brand positioning here.

### *2.3 Consumer Cosmopolitanism*

In the context of an increasingly globalized marketplace, identifying and successfully targeting customer segments across national or cultural borders has become an important challenge for companies operating internationally (Riefler et al. 2012; Cleveland et al. 2009). Insights into which consumer characteristics are similar or different across markets and how such characteristics can influence consumers' attitudes towards global and foreign products can aid international marketing managers in establishing the degree to which marketing programs should be standardized on a global scale versus adapted to local conditions (Cleveland et al. 2009). Moreover, because successful marketing depends considerably on achieving a match between product attributes and customer attitudes, values and lifestyles (Keillor et al. 2001), marketing academics agree that global market segmentation efforts should be directed at characteristics of the individual consumer, rather than economic and demographic indicators (Cleveland et al. 2009).

Following this argument, researchers have investigated various socio-psychological constructs, which influence consumers' preference formation for either foreign or local product alternatives in the marketplace (Parts and Vida 2011; Riefler and Diamantopoulos 2009). While most of this work has focused on explaining either preference for products from a specific country (i.e. country-image studies; for a recent review see Roth and Diamantopoulos 2009) or general negative attitudes towards foreign products (such as consumer ethnocentrism; Shimp and Sharma 1987), in recent years, a new stream of research has emerged, which delves into the factors that lead to positive attitudes towards foreign countries and their products (Riefler and Diamantopoulos 2009). In this context, the concept of *cosmopolitanism,* which affirms a general openness towards other cultures and customs, has been recognized as a dispositional characteristic of individuals with substantial implications in the consumption context (Riefler and Diamantopoulos 2009; Parts and Vida 2011). The concept was introduced in the marketing literature from the field of sociology and has received much attention in recent years, as a potentially powerful segmentation base for companies seeking to identify and target international customer segments (Riefler et al. 2012). Despite the growing interest in the theoretical relevance and managerial importance of consumer cosmopolitanism, so far, existing research has remained largely conceptual, with only few attempts to empirically investigate its impact on consumer behavior and, thus, determine its explanatory power (Riefler and

Diamantopoulos 2009). The most important contributions stemming from this line of research will be reviewed and discussed in the following sections of this chapter.

### *2.3.1 Conceptualizing Consumer Cosmopolitanism*

Originating from the Greek words "cosmos" (= world) and "politis" (= citizen), the concept of *cosmopolitanism* generally relates to individuals who view themselves as 'citizens of the world' and who have a desire to distinguish themselves by a willingness to engage with and borrow from other cultures (Riefler and Diamantopoulos 2009; Hill 1998). The concept dates back to the early periods of Greek thought and has been prominent in various other research fields outside sociology and marketing, including political science, management or information-diffusion and innovativeness (Riefler and Diamantopoulos 2009). Because these diverse disciplines have approached cosmopolitanism from different perspectives and with different goals in mind, the construct has evolved as a rather *"elusive concept with a number of different connotations"* (Beck and Grande 2007, p. 71) in the academic literature. This becomes more evident when looking at the diverse terminology which has been used to describe individuals' cosmopolitan orientation so far: internationalism, world-mindedness, worldliness, global openness or openness to foreign cultures (Parts and Vida 2011).

In sociology, early conceptualizations of cosmopolitanism have linked the concept to the notion of cultural transcendence. Merton (1957), for example, defined cosmopolitanism as a personal tendency of individuals to orient themselves beyond their immediate geographic or cultural group. In this sense, cosmopolitans view themselves as *"citizens of the nation rather than the locality; the world rather than the nation"* (Cannon and Yaprak 2002, p. 30). Although such contributions have served as a basis for many subsequent studies on cosmopolitanism, modern theorists soon realized that the conceptual domain of the construct stretches far beyond the classical notion of cultural transcendence. Hannerz (1990), for example, distinguishes between cosmopolitans, locals and tourists and attributes an active desire to explore and experience cultural diversity to the former. According to the author, true cosmopolitans are completely freed of any bias towards their home culture, exhibiting a *"willingness to engage with the Other, an intellectual and aesthetic stance of openness toward divergent cultural experiences"* (Hannerz 1992, p. 117). They use their cultural capital, e.g. professional skills, connections to transnational networks, cultural competence, as bridgeheads for entry into other foreign cultures, which they then gradually incorporate into their own personal perspective. Hannerz (1990) acknowledges that, although some individuals may have an active predisposition towards cosmopolitanism, such an orientation can be cultivated through training and experience, as in the case of expatriate professionals, for example. In contrast, locals view and judge the world from the perspective of their home culture and remain loyal to their parochial ways of life. Tourists, on the other hand, are locals who expose themselves to other cultures but their primary motivation is curiosity, rather than the belief that such an exposure has any cultural merit or personal relevance for them. In this sense, tourists are more spectators, while cosmopolitans are active participants in a host culture. Hannerz's (1990) perspective on cosmopolitanism is particularly important because it draws explicit links to consumption. In fact, the author identifies consumption practices as a key locus of distinction between cosmopolitans, locals and tourists. Driven by a desire to actively experience cultural diversity in their everyday life, cosmopolitans tend to consume, for example, international media, foreign books and films while in their home countries (Hannerz 1990).

In consumer research, early contributions on cosmopolitanism come from Holt (1997, 1998) and Thompson and Tambyah (1999). Holt (1998) elaborates on the concept through the lens of Pierre Bourdieu's (1984) cultural capital theory, arguing that cosmopolitanism is a consumption style, which creates and maintains status distinction between high- and low-cultural-capital consumers. In the context of a small, rural, college-town community, Holt (1997, 1998) observes that consumers with a high cultural capital – cosmopolitans – are highly dissatisfied with the lack of diversity and sophistication of local consumption offerings and actively look for new and exciting experiences, such as exotic foods and music. Furthermore, they make considerable efforts to break free from the narrow and restrictive culture of their local surroundings through frequent travels and maintenance of relationship networks that span nationally and even internationally. This active cultural diversity-seeking behavior resonates with Hannerz' (1990) conceptualization of cosmopolitanism. In contrast, consumers with low levels of cultural capital remain contend with their local cultural environment and exhibit a strong preference for the familiar and traditional in their consumption patterns. Similarly, Thompson and Tambyah (1999) investigate consumption and leisure practices of expatriates in Singapore and argue that cosmopolitans rarely exist in finished form. By adopting a more dynamic approach, the authors acknowledge that cosmopolitans are usually in the process of transition from a local to a cosmopolitan orientation. Building on Holt's (1997, 1998) work, they identify status enhancement through the acquisition of cultural capital as the main motivation of consumers to seek cultural diversity and become more cosmopolitan (Thompson and Tambyah 1999).

More recently, Cannon and Yaprak (2002) developed an alternative perspective on cosmopolitanism, which they view as *"a set of acquired cultural orientations"* (p. 32). First of all, the authors challenge the assumptions that cosmopolitans are active seekers of cultural diversity (e.g. Hannerz 1990; Holt 1998) and that the transition towards a cosmopolitan orientation is primarily motivated by status enhancement (Thompson and Tambyah 1999). They argue that, instead, cosmopolitans may accept diversity as a fact of life and their transition towards such a perceptive may simply be the result of life experiences. Second of all, based on an empirical study conducted in four different countries, the authors question the assumed opposition between cosmopolitanism and localism (e.g. Merton 1957; Hannerz 1999; Holt 1998). Their analysis reveals two independent dimensions, local versus global and cosmopolitan versus parochial, which suggests that there may be two types of cosmopolitans. Global cosmopolitans are characterized as consumers who show little attachment to their local culture and who *"broadly look for standards of excellence thereby eschewing local people and culture in favor of perceived global standards"* (Riefler and Diamantopoulos, p. 409). Local cosmopolitans, on the other hand, are consumers who value both their local culture and their cosmopolitan ideals. As Cannon and Yaprak (2002, p. 35) posit: *"they can transcend their local culture without abandoning it"*.

In the marketing context, the most comprehensive conceptualization of consumer cosmopolitanism has been put forward by Riefler and Diamantopoulos (2009). Building on previous interdisciplinary contributions, the authors identify three dimensions of the cosmopolitanism construct, which are particularly relevant from a marketing perspective: (1) *open-mindedness,* (2) *diversity appreciation and* (3) *consumption transcending borders*. Open-mindedness is defined as *"an unprejudiced disposition towards other countries and cultures as expressed in an interest in experiencing their authentic manifestations"* (Riefler et al. 2012, p. 3). This dimension alludes to Merton's (1957) notion of cultural transcendence and is important in the marketing context because *"it allows for an awareness and appreciation of consumption opportunities from other countries"* (Riefler and Diamantopoulos 2009, p. 414). Diversity appreciation refers to *"a positive disposition towards the diversity offered by the availability of goods and services from different national or cultural origins"* (Riefler et al. 2012, p. 4). This aspect is consistent with Hannerz' (1990) cultural-diversity seeking argument and has considerable implications for the marketing domain, because it implies an appreciation of difference and diversity of product offerings rather than a preference for uniformity. Consumption transcending borders reflects *"a positive disposition towards consuming goods and services from foreign countries"* (Riefler et al. 2012, p. 4). Resonating with Holt's (1998) observations, this aspect implies that a cosmopolitan orientation of consumers will not only manifest itself in an awareness and appreciation of diversity in product offerings, but also in a conscious consumption of products originating from other cultures. Based on this conceptualization, Riefler and Diamantopoulos (2009, p. 3) define a cosmopolitan consumer as: *"an open-minded individual whose consumption orientation transcends any particular culture, locality or community and who appreciates diversity including trying products and services from a variety of countries"*. In this sense, consumer cosmopolitanism is viewed as an enduring personal orientation rather than a situational characteristic, fostered by ongoing exposure to other cultures, either through leisure travels or working and living abroad (Riefler et al. 2012; Thompson and Tambyah 1999). This definition is particularly important because it allows for a clear distinction between a cosmopolitan consumer and a globally oriented consumer (Alden et al. 2006; see also Chapter 2.2.2). While globally oriented consumers show a preference for worldwide available standardized products and services, i.e. for global brands, as symbols of an aspired global consumer culture, cosmopolitans are characterized by a search for contrasts and diversity in consumption, which my culminate in a rejection of such uniform offerings (Riefler et al. 2012). In a subsequent study, Riefler et al. (2012) develop a new cosmopolitanism scale, the C-COSMO scale, which incorporates all the above mentioned dimensions of the construct and which will be also used in the empirical part of the present study.

### *2.3.2 Profiling Cosmopolitan Consumers*

Apart from delineating the conceptual domain and developing an exhaustive, all-encompassing definition of consumer cosmopolitanism, researchers have also given considerable attention to establishing a profile of this consumer group. Understanding not only what but also who cosmopolitan consumers are has been recognized as a necessary prerequisite for using the construct as an effective segmentation criterion (Riefler et al. 2012). In Table 4, extant findings on some of the most important demographic and consumption-related characteristics of cosmopolitan consumers are reviewed and discussed:

| Variable | Characteristic |
|---|---|
| **Age** | Previous studies indicate that young people have a stronger cosmopolitan orientation than elderly people (Cleveland et al. 2009; Riefler and Diamantopoulos 2009). The reason for this is that young people tend to be more exposed to international media, travel more and speak more foreign languages (Riefler et al. 2012). |
| **Location** | Cosmopolitan consumers can be predominantly found in urban areas, especially large cities, where they are more heavily exposed to international influences and where they can take advantage of the variety and diversity of life they search for (Riefler et al. 2012). |
| **Education** | Extant studies identify a positive relationship between education levels and level of consumer cosmopolitanism (e.g. Cleveland et al. 2009; Riefler et al. 2012). An explanation for this is that, by encouraging stays abroad, foreign contacts and foreign language skills, education nurtures the development of a cosmopolitan orientation. In this context, cosmopolitan consumers have also been found to have more international experience than other consumer groups (Riefler 2012). |
| **Risk aversion** | Riefler et al. (2012) find that, because cosmopolitan consumers are more open minded and value diversity in their everyday lives, they are also more willing to take risks in order to experience such a diversity. |
| **Consumer innovativeness**[5] | As in the case of risk aversion, the open-mindedness and diversity appreciation of cosmopolitan consumers also makes them be more innovative, i.e. buy new and different products rather than keep their usual consumption choices and patterns (Riefler et al. 2012). |
| **Susceptibility to normative influence (SNI)**[6] | Compared to other consumer groups, cosmopolitans have been found to be less susceptible to influences from peers and rather immune to normative pressures (Riefler et al. 2012). |

*Table 4: Profile of cosmopolitan consumers*

[5] Consumer innovativeness refers to "a predisposition to buy new and different products and brands rather than remain with previous choices and consumer patterns" (Steenkamp et al. 1999, p. 56; cited by Riefler et al. 2012, p. 10).

[6] SNI has been defined as "the need to identify or enhance one's image with significant others through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions, and/or by observing others and/or seeking information from others" (Bearden et al. 1989, p. 474; cited by Riefler et al. 2012, p. 10 )

Overall, it can be said that cosmopolitans are relatively young, well-educated consumers, with international experience (e.g. through travelling and stays abroad), who live predominantly in urban areas, especially large cities. Related to their consumption behavior, they are innovative, risk taking and less susceptible to normative influences than other consumer groups.

### *2.3.3 Impact of Cosmopolitanism on Consumer Behavior*

As noted earlier, empirical evidence regarding the extent to which a cosmopolitan orientation influences consumers' attitudes and behaviors in the marketplace has so far remained scarce. This shortcoming was mainly attributed to the, until recently, lack of a consumer-research-specific conceptualization of cosmopolitanism, and consequently, to the absence of a psychometrically sound measurement instrument for the construct (Riefler and Diamantopoulos 2009).

Parts and Vida (2011), for example, investigate the effects of consumer cosmopolitanism on the foreign product purchase behavior of Slovenian consumers in three different product categories: alcohol, clothes and furniture. Their results show a strong positive impact of the concept, with more cosmopolitan consumers showing a greater tendency to buy foreign rather than local products. Interestingly though, despite their clear preference for foreign product alternatives, cosmopolitans are not found to assess the national origins of foreign brands better than less cosmopolitan consumers (Parts and Vida 2011). Similarly, Riefler et al. (2012) test the effects of cosmopolitanism on the willingness to buy foreign products of Austrian consumers and find a positive and significant relationship between the two variables. Furthermore, the authors investigate cosmopolitans' purchase intentions for global brands and, as expected, do not find any significant effect. These findings are consistent with the argument that cosmopolitans value diversity in their consumption experiences and, although they may buy global brands, just as other consumer groups, they do not necessarily favor them because of their uniformity and standardized nature (Riefler et al. 2012). Finally, Nijssen and Douglas (2011) examine the extent to which cosmopolitanism and world-mindedness affect consumers' perceptions of brand advertisements, which reflect either a local, foreign or global consumer cultural positioning (see also Alden et al. 1999). Using a sample of Dutch consumers, the authors find that such consumer orientations significantly affect attitudes toward brand positioning in advertisements. In particular, cosmopolitan consumers show more positive attitudes towards brands which are associated with the global consumer culture or a specific foreign culture, as opposed to ones associated with the local consumer culture.

Emphasizing the need for more empirical insights on the attitudes and behaviors of cosmopolitan consumers, Riefler et al. (2012) suggest investigating the concept in conjunction with authenticity as a promising new avenue for research. In fact, cosmopolitan consumers have been characterized throughout the literature as having a distinct tendency to engage in authentic consumption experiences, as a mean to establish individuality and achieve social status (e.g. Cannon and Yaprak 2002, Holt 1998). Based on this argument, Özsomer and Altaras (2008) propose that global brands which possess a high level of authenticity are more attractive to this consumer segment. Recent empirical findings support this assumption (i.e. Zwinger 2013). In his experimental study, Zwinger (2013) finds that consumers with a high cosmopolitan orientation are significantly more responsive to an authentic brand positioning, which positively influences both attitudinal and behavioral brand outcomes.

Given the importance of cosmopolitanism as a segmentation base for international consumer markets, it appears useful to examine whether such effects can also be expected in emerging markets. Therefore, the present study aims at investigating the interaction between consumer cosmopolitanism and brand authenticity in an emerging market context.

### *2.4 Brand Credibility*

In today's marketplace, consumers are faced with an increasingly varied range of products and services when making their purchase decisions (Wang and Yang 2010). At the same time, most markets are characterized by asymmetric and imperfect information (i.e. firms always know more about their products than do consumers, who cannot readily evaluate product attributes and benefits) (Erdem and Swait 1998). Such an information imbalance puts the customer at a disadvantage in the relationship with the firm because it leads to uncertainty, increasing risk perceptions, as well as information costs associated with the purchase (Erdem and Swait 1998). In this context, brands[7] play a key role in the consumer decision making process and choice behavior (Keller 2008; Erdem and Swait 1998). On the one hand, they help firms establish a unique identity for their products or services and allow them to take advantage of brand equity effects (e.g. brand awareness, brand associations, brand loyalty and other proprietary brand assets). On the other hand, brands can also be used to convey information about product attributes and signal a brands positioning in the attribute space. In this sense, one of the most important characteristics of a brand as an effective signal of unobservable product attributes is its credibility (Erdem and Swait 1998, 2004). Broadly defined, credibility refers to "*the believability of an entity's intentions at a particular moment in time"* (Herbig and Milewicz 1995, p. 7). In the source credibility literature, the concept is associated with the positive characteristics of a sender, which influence the receiver's message acceptance (Ohanion 1990). This sender or entity can be, for example, a real person, a cartoon character, a business organization or a brand (Wang and Yang 2010; Erdem and Swait 2004).

In the marketing context, brand credibility has been referred to as "*the believability of the product position information contained in a brand"* (Erdem and Swait 2004, p. 191). The concept has been most notably advanced by contributions from Erdem and Swait (1998, 2004), who view it as one of the main determinants of consumer-based brand equity. Building on prior research, Erdem and Swait (2004) identify two main dimensions of the concept: (1) *trustworthiness* and (2) *expertise.* Trustworthiness refers to the brand's *"willingness to continuously deliver what has been promised"* (Erdem and Swait 2004, p. 192), while expertise implies that it also has the ability and necessary skills for achieving that. Consequently, a brand can be used as an effective signal of a product's positioning

[7] A brand is defined as „a name, term, sign, symbol, or design, or a combination of them, [that] is intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competitors" (Kotler 1997, p. 443).

only if consumers believe that it is both willing and able to deliver what it has promised, i.e. have confidence in the firm's product claims (Erdem and Swait 2004). Both elements of brand credibility reflect the cumulative effect of not only a firm's present but also past behavior in the marketplace. In other words, *"a brand becomes a signal because it embodies (or symbolizes) a firm's past and present marketing strategies"* (Erdem and Swait 1998, pp. 135-136). According to Sweeney and Swait (2008), brand credibility represents the summary of the cumulative temporal relationship between the consumer and the firm/brand, which is built through repeated interactions over time and can easily be lost if trust is violated by the firm. A third, additional dimension of credibility has been proposed by several authors in the form of *attractiveness/likeableness*, which refers to the extent to which the brand is valued by personality characteristics, because, as Wang and Yang (2010, p. 178) argument: *"aesthetically and psychologically, people have their own judgments about brand names, logos, and symbols"* (see also Keller 2008).

Looking at potential antecedents of brand credibility, literature identifies (1) *brand investments*, (2) *marketing-mix consistency,* and (3) *clarity* as having a considerable impact on the construct (Erdem and Swait 1998). Brand investments represent the resources that a firm spends to assure consumers that the brand promises are delivered and to demonstrate long-term commitment to the brand (Klein and Leffler 1981, cited by Erdem and Swait 1998). Such investments can be, for example, expenditures associated with product design, brand logos, advertising messages, community involvement, sponsorships (Erdem and Swait 1998; Erdem et al. 2002). Because these costs need to be recouped from future sales, firms who invest heavily in their brands have a powerful incentive to provide truthful information about their products or services. When brands fail to fulfill their product promises the returns on these investments are also lost because firms are unable to command the premium associated with their reputation (Erdem et al. 2002; Erdem and Swait 1998). Therefore, as Erdem and Swait (1998, p. 137) explain: *"brand investments underlie the credibility of a brand signal by motivating firms to be truthful in their product claims and to deliver the promised product"*. Brands which demonstrate consistency over time have also been found to benefit from higher credibility in the eyes of the consumers. Consistency is suggested to contain two elements: *"the degree of harmony and convergence among the marketing mix elements and the stability of marketing mix strategies and attribute levels over time"* (Erdem and Swait 2004, p.192). Firms that make only minimal changes to a brand's quality levels over time, remain loyal to the same distribution channels, carefully consider the consequences of possible brand extensions and maintain the same style, theme and message in their advertising campaigns can successfully signal consistency to consumers (Erdem and Swait 1998; Erdem et al. 2002). Finally, clarity, which is defined as *"the absence of ambiguity in the information conveyed by the brand's past and present marketing mix strategies and associated activities"* (Erdem and Swait 1998, p. 137) has also been found to considerably enhance the credibility of a brand.

Research on how brand credibility influences consumer perceptions, evaluations and intentions is limited to only a handful of studies; however, these contributions paint a highly nuanced picture of the concept's relevance for marketing theory and practice. Using a sample of U.S. university students, Erdem and Swait (1998), for example, demonstrate empirically that brand credibility increases consumers' expected utility and, thus, impacts consumers' choice through three different pathways: (1) by increasing the perceived quality of the brand/product, (2) by decreasing the perceived risk and (3) by decreasing the information gathering and processing costs associated with the purchase decision. This framework proposed by Erdem and Swait (1998) has been validated and extended in many subsequent studies. Erdem et al. (2006) test the applicability of the framework by using data from seven different countries, which vary across several of Hofstede's (1980) cultural dimensions (i.e. uncertainty avoidance, collectivism and power distance) and find strong empirical support. The authors conclude that brand credibility generally affects consumers' choice in fairly similar ways across countries; however minor differences in the way brand credibility effects materialize can be explained by the differences in cultural orientations, especially with regard to the dimension of uncertainty avoidance (Erdem et al. 2006). Similarly, Baek et al. (2010) show that brand credibility positively affects consumers' purchase intentions across many different product categories, by increasing the perceived quality of the product and lowering the perceived information costs and risk associated with the purchase. These effects are found to be stronger for low self-expressive product categories (e.g. toothpaste, pain relievers, camera film), which provide consumers with functional and cognitively oriented benefits rather than symbolic and affective ones (Baek et al. 2010). Wang and Yang (2010) conceptualize brand credibility as a three-dimensional construct (i.e. adding attractiveness/likeableness to the two main components, trustworthiness and expertise) and investigate its effects on purchase intentions in a high-involvement setting, i.e. the automobile industry, and an emerging market context, i.e. China. Their findings show that Chinese consumers have a higher purchase intention for brands that are perceived as highly credible, which is consistent with previous results (e.g.

Erdem and Swait 1998). Furthermore, these effects are found to be positively moderated by brand awareness and brand image (Wang and Yang 2010). A more recent study conducted by Erdem and Swait (2004) investigates the impact of brand credibility on consumers' brand consideration set and subsequent brand choice behavior across a wide array of product categories (ranging from simple fruit juices to PCs). These categories vary in regard to the perceived uncertainty related to product attributes and, consequently, in regard to consumers' perceived risks and information costs. In this investigation, the authors further refine their well-established framework (i.e. Erdem and Swait 1998), by looking into the differential effects of the three credibility mediator constructs (i.e. perceived quality, perceived risk and information costs saved) on consideration and choice formation. Specifically, they show that perceived risk and information costs saved play a more significant role in the early screening stages of the choice process, increasing the probability of a brand to be included in the consideration set, while the effect of perceived quality is more pronounced at the actual brand choice stage. Strong cumulative effects of brand credibility on overall brand choice are found across all product categories investigated, regardless of the differential degrees of uncertainty attached to them (Erdem and Swait 2004). A similar approach is adopted by Erdem et al. (2002), who investigate the effects of brand credibility on consumers' price sensitivity. The relationship is tested across four product categories (juice, shampoo, jeans and PCs), which reflect different levels of perceived uncertainty about product attributes, as well as different levels of overall consumer involvement with the product category. The study reveals that brand credibility considerably decreases consumers' price sensitivity and that this effect materializes through the same three pathways as initially proposed by Erdem and Swait (1998). In addition, the authors find that such effects are stronger in categories characterized by higher perceived uncertainty and higher consumer involvement (Erdem et al. 2002). Finally, Sweeney and Swait (2008) examine the construct in the services sector (i.e. retail banking and telecommunications), looking into the role of brand credibility in maintaining current customers as well as acquiring new ones. The findings suggest that credibility positively influences not only customer satisfaction levels but also the loyalty commitment of customers to continue the relationship with the service provider. Furthermore, brand credibility is found to significantly enhance word-of-mouth intentions and reduce switching behaviors among customers (Sweeney and Swait 2008).

Against this background, the present study aims at examining brand credibility in conjunction with authenticity and determining how the interaction between these two constructs potentially affects consumers' attitudes and behaviors in the marketplace.

# 3. CONCEPTUAL MODEL AND HYPOTHESES

Against the theoretical background provided in the previous section and the research gaps identified, a conceptual model will be developed in this chapter around the notion of brand authenticity, entailing both its impact on consumer behavior, as well as its interaction with the other constructs presented earlier (i.e. brand credibility, brand globalness and consumer cosmopolitanism). The expected relationships in the model will be theoretically underpinned by drawing upon different theories (i.e. signaling theory, equity theory) as well as previous theoretical and empirical findings, and a series of ten research hypotheses will be formulated to guide the further investigation. Figure 2 illustrates the conceptual research model of the present study, which summarizes these ten hypotheses:

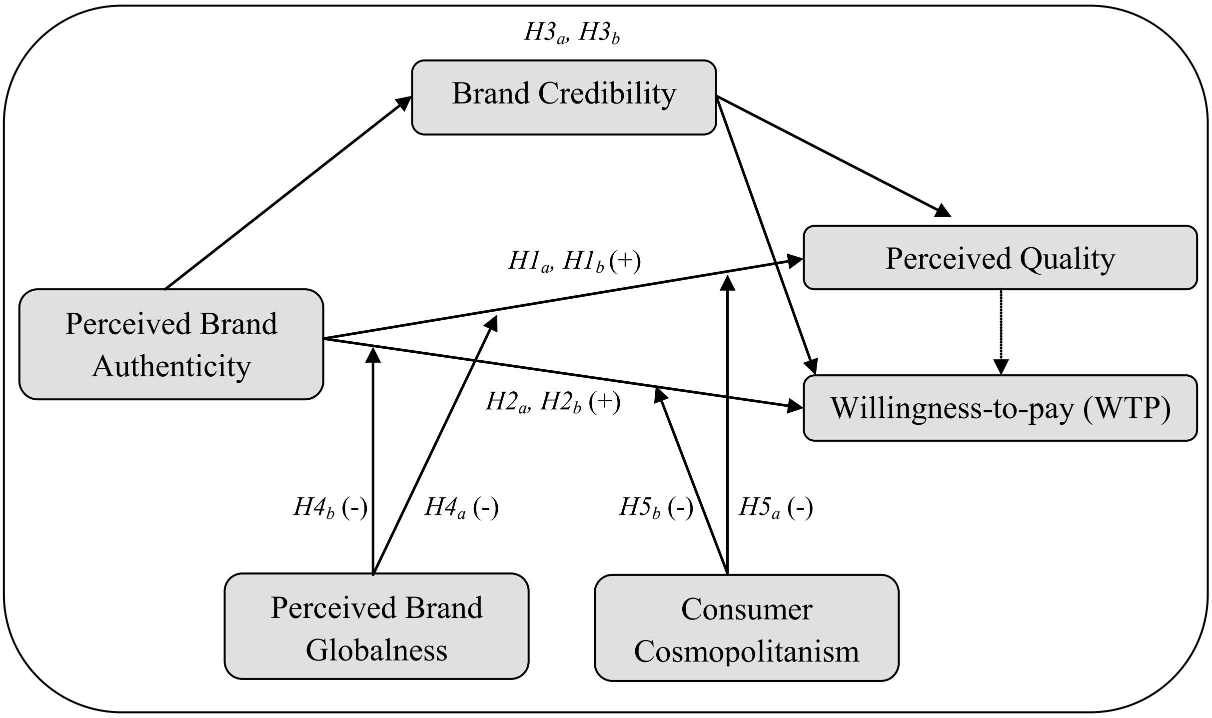


*Figure 2: Conceptual research model*

### *3.1 Outcome Variables*

As stated in the introductory part of this thesis, the main objective of this study is to examine and quantify the effects of brand authenticity on consumer attitudes and behaviors. For this purpose, two constructs, namely *(1) perceived quality* and *(2) willingness-to-pay* (hereafter WTP) were chosen to serve as outcome variables in the conceptual research model. The choice was primarily motivated by the desire to generate insights which could be useful from both a theoretical and a managerial point of view.

*Perceived quality* was chosen to reflect consumers' attitudes towards a given branded product because the concept has been recognized by both marketing academics and practitioners as one of the most important factors underlying the long-term success of products and brands in the marketplace. As a result, the concept has been the subject of considerable interest in the marketing literature so far and has been investigated in a wide variety of contexts (cf. Tsiotsou 2005). Defined as *"the consumer's judgment about a product's overall excellence or superiority"* (Zeithaml 1988, p. 3), the importance of perceived quality derives primarily from its beneficial impact on the shopping behavior and product choice of consumers (Zeithaml 1988). In fact, quality perceptions have been identified as the primary driver of purchase likelihood across product categories, consumer segments and time frames (Steenkamp et al. 2003). Research has shown that perceptions of product/brand quality have both a direct and positive effect on purchase intentions, as well as an indirect effect through customer satisfaction (e.g. Parasuraman et al. 1996; Sweeney et al. 1999).

Consumers' *willingness-to-pay (WTP)* or "reservation price" refers to *"the maximum amount of money a consumer is willing to pay for a given quantity of a product"* (Voelckner 2006, p. 137) and represents the *"subjective value"* that the consumer assigns to that particular product (Wertenbroch and Skiera 2002, p. 228). WTP was chosen as the behavioral outcome in the model for several reasons. On the one hand, unlike attitudinal or intentional variables, WTP offers insights into actual consumer behavior, which is of considerably higher relevance for marketing practitioners. Knowledge about direct price-related consequences of brand authenticity, or more specifically, the extent to which consumers will pay price premiums for authentically positioned brands, can help marketing managers in constructing viable price response functions (Voelckner 2006) and, thus, in designing effective pricing strategies within their marketing programs (cf. Koschate-Fischer et al. 2012). This is particularly important because price is the only marketing-mix element which also generates revenue, not only costs, and therefore has a direct impact on a company's profitability (Koschate et al. 2012). On the other hand, focusing on WTP as a dependent variable offers a much stricter test of brand authenticity effects than do quality evaluations or purchase intentions, for example. This is because WTP focuses not only on the 'benefit' side of the brand authenticity influence but also on the 'sacrifice' side. As consumers are reminded, that there is also a cost associated with acquiring a product or brand (i.e. the monetary price), they may be encouraged to state their preferences more carefully (cf. Koschate et al. 2012). Furthermore, the use of WTP as an outcome variable can help overcome problems associated with using intentional data in empirical studies (Koschate-Fischer et al 2012). Despite the fact that marketing researchers rely heavily on the use of intentional data to predict consumer behavior, this has proven to bear some methodological problems. As Sun and Morwitz (2010, p. 356) explain: *"intentions data often contain systematic biases; intentions change over time and may not accurately predict actual purchases"*. For this reason, the present study will focus on consumers' non-hypothetical WTP and make use of a WTP measurement technique, which is believed to be very close to the actual behavior of consumers in the marketplace (i.e. BDM lottery, see Chapter 4.3. for a detailed explanation).

### *3.2 Main Effects of Brand Authenticity on Consumers' Response*

A good starting point for investigating the relationship between brand authenticity and perceived quality is to review how consumers generally assess the quality of products and services in a purchase situation. According to Zeithaml (1988, p. 5), evaluations of quality usually take place in a comparative context, that is, *"a product's quality is evaluated as high or low depending on its relative excellence or superiority among products or services that are viewed as substitutes by the consumer"*. Research shows that consumers determine this relative excellence or superiority by relying on different intrinsic and extrinsic product attributes or cues (Olson 1977; Zeithaml 1988). Intrinsic attributes, such as product ingredients, refer to the physical composition of the product, which means that they cannot be modified without also changing the nature of the product and are consumed as the product is consumed (Olson 1977; Olson and Jacoby 1972). Such attributes are very specific to each product and may differ widely even within the same product category (Zeithaml 1988). In the case of orange juice and apple juice, for example, intrinsic cues used by consumer to assess quality would include the flavor of the product, as well as its smell, texture and degree of sweetness. The presence of fruit pulp may however suggest high quality in orange juice but low quality in apple juice (cf. Zeithaml 1988). Despite the fact that intrinsic attributes have been found to be the most important determinants of product quality in the eyes of the consumer (e.g. Richardson et al. 1994), such cues first become accessible at the point of consumption, not at the point of purchase, which makes their evaluation prior to the purchase particularly difficult (Zeithaml 1988). When consumers are unable to taste, touch, smell or generally experience the product before purchasing it, they rely on extrinsic cues as surrogate indicators of quality (Richardson et al. 1994; Zeithaml 1988). Extrinsic cues are product-related attributes, such as price, brand name, packaging, distribution channel, retailer reputation, etc., which are not part of the physical composition of the product, they are, by definition, *"outside the product"* (Zeithaml 1988, p. 6). The likelihood of using extrinsic cues in the quality assessment process is further enhanced when consumers are unwilling to spend time and effort to evaluate intrinsic cues. For example, men and single shoppers have been found to use specific product information, such as actual product ingredients, much less than other demographic segments and to rely primarily on information conveyed by brand names and packaging when assessing the quality of food products (Zeithaml 1985, cited in Zeithaml 1988).

In this context, signaling theory may provide an attractive framework through which the effects of brand authenticity on consumers' perceptions of product or brand quality can be explained. As mentioned earlier, when consumers are unable or unwilling to evaluate intrinsic quality attributes prior to the purchase decision, they search for and process other product-related cues (i.e. extrinsic cues), which can help them make inferences about the unobservable quality of products (Zeithaml 1988). From a seller's perspective, this represents a great opportunity because it allows for the possibility of using marketing-controlled product cues (i.e. marketing-mix elements) to act as *quality signals* to the consumer (Erdem and Swait 1998). According to Rao et al. (1999, p. 259), a signal is *"an action that the seller can take to convey information credibly about unobservable product quality to the buyer"*. Previous literature has identified, among others, brand name and reputation (e.g. Rao and Monroe 1989; Baek et al. 2010), warranties or guarantees (e.g. Boulding and Kirmani 1993), price (e.g. Rao and Monroe 1989) and advertising (e.g. Kirmani and Wright 1989) as marketing-mix elements, which can serve as effective quality signals to consumers. High advertising expenditures, for example, may serve as a quality signal because they demonstrate a firm's commitment to and faith in its products or services (Erdem and Swait 1998). The reasoning for this would be that consumers usually expect such considerable investments only from high-quality firms, which can also recoup them from future sales and, thus, repeated purchases. Furthermore, it wouldn't make sense for firms offering low product quality to spend large amounts of money on advertising, because, once consumers recognize this, they would refrain from repurchasing the product, leaving the firm unable to recover its initial investments (Rao et al. 1999). Similarly, product warranties may be used as quality signals by consumers based on the rationale that only sellers of high quality products would offer such advantages. In this sense, the high probability of having to actually honor such commitments is seen as a strong incentive for low-quality producers to withhold offering such guarantees in the first place (Rao et al. 1999).

Much like advertising or product warranties, it can be argued that brand authenticity can also act as a signal of unobservable product or brand quality to the consumer. Analog to Dimofte et al.'s (2008) conceptualization of brand globalness (see also Özsomer 2012), brand authenticity can be viewed as a distinct product attribute, which is considered and weighted by the consumer in the evaluation process in the same way other attributes, such as price or image, are. This requires that consumers actively recognize and process the authenticity signaling cues available and eventually assess the brand or product as authentic. Yet, why should consumers make inferences on the quality of a given brand or product based on its authenticity? In this sense, why should authenticity stand for higher quality? A viable answer to these questions can be provided by resuming the discussion on the different dimensions entailed in brand authenticity (see Chapters 2.1.4 and 2.1.5). As noted by Beverland (2005a, 2009), brand authenticity involves creating a rich and multi-faceted story, which balances both real (i.e. related to the product or production process) and stylized (i.e. related to the brand essence) attributes to project sincerity and appear above commercial considerations. Such a story can be created by connecting the brand to a specific place or historical event, by using traditional production techniques to show a commitment to traditions and a passion for craft, by emphasizing a brand's long history and rich heritage or by maintaining stylistic consistency of both the product and the marketing-mix over time (Beverland 2006). These different dimensions of authenticity can each or in combination guide consumers' inferences about product quality. A brand's long history and rich heritage, for example, may be interpreted as evidence of the brand owner's special emphasis on and consistent level of high quality over time, because only this type of behavior must have assured the continuity of the company in the marketplace (i.e. through repeated purchases, price premiums and enhanced consumer loyalty). Similarly, maintaining stylistic consistency over time may inform consumers that the producer is committed to the brand and will not easily give up principles, beliefs and established traditions, even in light of economic pressures. Consumers may interpret this also as a general unwillingness to compromise on product quality.

Based on these arguments, it is therefore expected that the presence of brand authenticity, as an additional extrinsic product attribute, will bring about positive associations in the mind of the consumer, which in turn, will lead to an increase in the perceived quality of the brand. Because consumers evaluate the quality of all available alternatives in the marketplace (i.e. from local to global brands) much in the same way, these effects of brand authenticity can be expected for all branded products, including those positioned as global. Hence, it is hypothesized that:

***H1$_a$***: *Perceived brand authenticity positively influences consumers' quality evaluations for non-global brands.*

***H1$_b$***: *Perceived brand authenticity positively influences consumers' quality evaluations for global brands.*

With regard to the second outcome variable in the model, consumers' WTP, its relationship with brand authenticity will be conceptually underpinned by drawing upon equity theory (Adams 1963). In general terms, equity theory helps explain the behavior of individuals engaged in social exchange relationships (Huppertz et al. 1978). Its origins can be found in the organizational context, where it was developed by John Stacey Adams (1963), a workplace and behavioral psychologist, who was interested in understanding the underlying factors which determine the motivation of employees in the work environment. The theory is built on the belief that in a social exchange relationship, such as the employee-employer relationship, people compare the input they provide into the exchange (e.g. time, effort, loyalty, etc.) to the output they receive from it (e.g. salary, benefits, recognition, etc.) and seek to maintain an equitable ratio between the two. Each individual determines what is an equitable return or 'equitable deal' by comparing their own inputs and outcomes with those of 'referent' others; in an organizational setting with other co-workers, for example. When the person perceives inequity in the relationship, she or he will develop a motivation to restore the equity or balance, mainly by adjusting the input they provide, so that it is proportional with the output again (Adams 1963). Since it was first proposed, the equity model has been mainly applied to different employment situations, where the variables under investigation included changes in productivity or work quality (cf. Huppertz et al. 1978). However, as Adams (1965) and Walster et al.

(1973) suggest, the theory can be applied to a wide number of other exchange relationships. Huppertz et al. (1978) propose that one such relationship can be that between a buyer (i.e. consumer) and a seller (i.e. producer, brand owner or retailer).

When the equity model is applied to the buyer-seller exchange situation, the product or brand becomes the focus of the exchange (cf. Koschate-Fischer et al. 2012). The input provided by the consumer is represented primarily by the monetary sacrifice she or he has to make (i.e. the amount of money they have to pay in exchange for the product), but also non-monetary sacrifices, such as time, search and psychic costs (Zeithaml 1988). The output she or he receives comes in the form of the actual product or brand benefits (Oliver and Swan 1989; cited in Koschate-Fischer et al 2012). As mentioned earlier, according to equity theory, consumers always strive for an equitable deal within the exchange relationship, which means that they will adjust their input (i.e. primarily the monetary price) to the expected outcome (i.e. the benefits). Therefore, when consumers believe that they are receiving a relatively high outcome or benefit from the brand, they will respond by providing a higher input, that is, by paying a higher price for it (cf. Koschate-Fischer et al. 2012).

Following this line of reasoning, it can be argued that, if brand authenticity (again, conceptualized as a distinct product attribute) is associated with a greater perceived benefit (outcome) by the consumers, this could, in turn, result in an adjustment of the input (WTP) provided at a considerably higher level than in the absences of it. In other words, it can be expected that consumers will be willing to pay more for an authentic brand than for a non-authentic one. As in the case of quality perceptions, this effect of brand authenticity on consumers' WTP can be expected for brands in general, including globally positioned ones. Thus it is hypothesized that:

***H2$_a$***: *Perceived brand authenticity positively influences consumers' willingness-to-pay (WTP) for non-global brands.*

***H2$_b$***: *Perceived brand authenticity positively influences consumers' willingness-to-pay (WTP) for global brands.*

### *3.3 The Mediating Role of Brand Credibility*

One possible pathway through which the effects of brand authenticity on consumers' attitudes and behaviors materialize is brand credibility. In the context of global brands, for example, Özsomer and Altaras (2008) suggest that brand credibility acts as a partial mediator between brand authenticity, brand globalness and perceived brand quality. Building on previous work (e.g. Holt 2002), the authors posit that one possible route through which (global) brands can enhance their credibility is authenticity. For them, brand authenticity not only creates unique perceptions in the minds of the consumers but also signals messages of legitimacy, believability and trustworthiness, helping brands to be perceived as credible cultural resources that will allow consumers to realize their distinctive and unique selves in everyday life. Consequently, the authors include authenticity as a potential antecedent of brand credibility in their model of (global) brand attitude and purchase likelihood. Özsomer and Altaras' (2008) assertions about the mediating role of brand credibility remain, however, merely research propositions because the authors do not proceed to empirically validating them. The present study addresses this shortcoming and concomitantly expands the view on brand credibility as a potential mediator by investigating the expected interactions in the context of brands in general, not only global ones.

Hence, which theoretical arguments can be put forward to conceptually underpin the relationship between brand authenticity, brand credibility and brand outcomes (i.e. perceived quality and WTP)? On the one hand, there is strong empirical evidence for the positive impact of brand credibility on consumers' perceptions of product or brand quality (e.g. Erdem and Swait 1998; Erdem et al. 2006; Baek et al. 2010). Not only that, but these effects have been found to be fairly robust across multiple product categories, which vary in regard to their degree of potential uncertainty and consumer sensitivity towards such uncertainty (Erdem and Swait 2004). Furthermore, Erdem et al. (2002) find that brand credibility considerably decreases the price sensitivity of consumers, which hints towards a direct and positive effect of the construct on WTP. In other words, it can be expected that consumers are willing to pay more for brands they perceive as highly credible. On the other hand, a link between brand authenticity and brand credibility can be established by resuming the discussion about the antecedents of brand credibility (see Chapter 2.4). Previous research has identified brands which are perceived as having greater brand investments and more consistency of the marketing-mix over time to also be perceived as more credible by the consumer (Erdem and Swait 1998). Efforts to render a brand as authentic, for example, highlighting and celebrating its individual history and established traditions within the marketing program, giving special attention to every aspect or detail believed to affect the product's end quality, maintaining traditional production methods or preserving the special characteristics of the environment to underline a commitment to the brand's origins (Beverland 2006; see also Chapter 2.1.5) can be seen as such higher brand investments, which more commercialized brands do not exhibit. Furthermore, an important attribute of brand authenticity is stylistic consistency, which means that authentic brands differentiate themselves from other brands by maintaining the same style and level of quality over time, despite changing consumer fashions or market conditions (Beverland 2006). In this sense, it can be argued that authentic brands possess many of the specific traits (i.e. higher brand investments and consistency) which allow them to be perceived as more credible by the consumers.

Thus, due to brand authenticity's impact on brand credibility and the effects of brand credibility on quality evaluations and price perceptions, it can be hypothesized that:

***$H3_a$**: Brand credibility mediates the relationship between perceived brand authenticity and consumers' brand quality evaluations.*

***$H3_b$**: Brand credibility mediates the relationship between perceived brand authenticity and consumers' WTP for a brand.*

### *3.4 The Moderating Role of Brand Globalness*

An additional objective of the present study is to investigate the interaction between brand authenticity and brand globalness and provide new insights regarding the apparently ambivalent nature of this relationship (see Chapter 2.2.3). Studying authenticity in the context of global brands is particularly interesting not only because this topic has not been addressed properly in the branding literature so far, but also because it presumes the consideration of both a positive and a negative aspect of the relationship.

On the positive side, many scholars assume a beneficial influence of authenticity on global brand outcomes (e.g. Özsomer and Altaras 2008). This assumption is based on countless examples of global brands which have used authenticity as an element of their brand identity and whose success stories have been well documented in the literature so far (e.g. Beverland 2006, 2009; Alexander 2009; Gilmore and Pine 2007). For example, luxury global brands, such as Gucci, Prada or Burberry, *"weave their heritage into their brand fabric"* by referencing their glorious past and long history in their marketing communications (Alexander 2009, p. 551). Gucci's mythical link to the de Medici dynasty and its origins as *"noble saddle-makers to medieval courts"* (Forden 2001, p. 24; cited by Alexander 2009, p. 552) are central elements of the brand image which underline its authenticity. Similarly, many luxury beverage brands reinforce perceptions of heritage and pedigree by emphasizing their commitment to terroir (e.g. Veuve Cliquet: the Champagne region of France) or the year of foundation (e.g. Bollinger: 'maison fondee en 1892'). Luxury global brands are however not the only brands which seek to build authenticity perceptions. Many global mass-market brands make authenticity claims, by referencing different authenticity dimensions in their marketing and communication strategies. Every pair of Levi jeans, for example, informs the consumer of the brands origins ("San Francisco Cal."), long history ("patented in US May 20 1873") and high commitment to maintaining the same level of quality ("original riveted quality clothing") (Alexander 2009, p. 551). Mainstream beer brands, such as Carlsberg ("brewed since 1847"), Heineken ("unchanged since 1873") and Stella Artois ("Anno 1366") all compete for recognition of pedigree in front of the consumer (Alexander 2009). Global car brands, such as Mercedes or BMW, emphasize their connection to place by referencing their country of origin, Germany (Beverland 2006). Finally, brands such as Ben & Jerry's or The Body Shop promote their commitment to social causes (environmental sustainability, fair trade, etc.) to demonstrate that they are guided by a higher purpose which goes beyond immediate commercial considerations (Beverland 2006).

To summarize, many global brands use authenticity as a brand positioning strategy and the success of these brands in the global marketplace has been interpreted as evidence that the two concepts (i.e. brand authenticity and brand globalness) are not contradictory. Özsomer and Altaras (2008), for example, suggest that, by tapping into their cultural capital global brands can create and enhance perceptions of uniqueness and authenticity, which in turn, will positively affect brand attitudes and behavioral outcomes. This aspect of the authenticity-globalness relationship is reflected and will be tested empirically in Hypotheses 1b and 2b, which were formulated earlier in this section (see Chapter 3.2).

On the negative side, evidence from the marketing practice seems to suggest that there might also be some tension between the two constructs. In other words, an argument can be made around the idea that benefits derived from an authentic brand positioning may be harder to achieve for global brands than other types of brands. Breen (2007), for example, argues that most brands struggle to remain authentic once they become big. The evolution of several brands which have gradually moved from a local status to a global one prompt the author to state that: *"Ubiquity might not be toxic to authenticity, but it certainly dilutes it. When a brand spreads far beyond its home turf, its branches almost invariably (though not inevitably) weaken. Ben & Jerry's ice cream and Tom's of Main toothpaste lose a bit of their authentic luster when they're snapped up by the likes of Unilever and Colgate-Palmolive – global behemoths trying to act local."* Breen (2007) underpins these arguments by using the example of Starbucks, the global coffee house brand. Starbucks is an often mentioned example in the literature of a brand which has been particularly successful in creating authenticity perceptions by crafting a rich story around its humble origins as a single coffee house in Seattle, its passion for craft (coffee brewing), its commitment to quality and various other authenticity attributes (cf. Thompson et al. 2006; Lewis and Bridger 2000). However, as stated by the founder and chairman of Starbucks himself, Howard Schultz, the rapid growth of the company has indubitably *"led to the watering down of the Starbucks experience"*, as the company's stores *"no longer have the soul of the past"* (quoted in Breen 2007). Thus, as the brand slowly moved towards a global status, it moved further and further away from authenticity (Breen 2007). Yet, why should this be the case? A possible explanation is that Starbuck's goal of opening 40,000 coffee houses worldwide has provoked a sense of incongruity between the genuine image of the brand, created as the quintessential 'third place' (after home and the workplace), where people could linger for hours over 'grandes' of java, and the profit-driven motives of its corporate sponsors (cf. Thompson et al. 2006). Furthermore, as Özsomer (2012) observes, perceptions of a brand's originality and connection to its place of origin (in the case of Starbucks, Seattle) are weakened when consumers become aware of its multi-market presence and globally uniform appearance. In this context, consumers may find it difficult to deal with such an *"incorporation of globalness perceptions*" (Özsomer 2012, p. 76) into brands which they perceived as authentic or may not approve of it, which further accentuates the sense of incongruity between the two brand attributes.

Following this line of arguments, it seems reasonable to assume some tension between the globality of a brand and its authenticity. In other words, while a general positive impact of authenticity on various outcome variables seems reasonable and is expected in the case of global brands (see Hypotheses 1b and 2b in Chapter 3.2), these effects are expected to be weaker when compared to other types of brands. This leads to the formulation of the following hypotheses, related to the interaction between brand authenticity, brand globalness and global brand outcomes:

***H4$_a$**: Perceived brand globalness negatively moderates the effects of perceived brand authenticity on consumers' brand quality evaluations, so that brand authenticity has a weaker (stronger) effect for global (non-global) brands.*

***H4$_b$**: Perceived brand globalness negatively moderates the effects of perceived brand authenticity on consumers' WTP for a brand, so that brand authenticity has a weaker (stronger) effect for global (non-global) brands.*

### *3.5 The Moderating Role of Consumer Cosmopolitanism*

The last construct to be included in the conceptual research model of the present study is consumer cosmopolitanism. More specifically, this dispositional characteristic is introduced as a potential moderator of the pathway between brand authenticity and consumers' attitudes and behaviors towards branded products. This assumption is based on the notion that cosmopolitan consumers tend to establish individuality through the consumption of original and authentic products (Holt 1997).

Literature consistently characterizes cosmopolitans as individuals who possess a strong desire for authenticity in their consumption experiences (Özsomer and Altaras 2008). Cannon and Yaprak (2002), for example, argue that cosmopolitan consumers have a general tendency to seek authenticity or 'the real thing'. As the authors posit, this is because *"cosmopolitans want to call it what it is, presumably because cosmopolitan values incorporate an underlying desire for building one's life around understanding the world as it is"* (Cannon and Yaprak 2002, p. 41). Indeed, if one recalls the different conceptualizations of cosmopolitanism presented in Chapter 2.3.1, an important dimension of the construct is *"an unprejudiced disposition towards other countries and cultures as expressed in an interest in experiencing their authentic manifestations"* (Riefler et al. 2012, p. 3). In other words, cosmopolitans want to experience what they believe is the genuine culture and therefore focus their attention towards products, brands or ideas which are truly representative of that culture (cf. Hannerz 1990). Furthermore, as Holt (1997, 1998) acknowledges, cosmopolitans tend to acquire goods which are high on cultural capital to enhance their status in society. Thompson and Tambyah (2002) view this as the main motivation behind being cosmopolitan. Authentic brands or products can be such high cultural-capital goods, which consumers perceive as useful cultural resources to produce the 'self' in everyday life (Holt 2002). This argument is also supported by Thompson et al. (2006), who acknowledge that consumers prefer those alternatives (in their study: local coffee houses over a global coffee house chain) which they perceive as cultural resources that allow them to acquire authentically distinctive experiences. They term this *"the cosmopolitan motif"* (Thompson et al. 2006. p. 56).

In light of these arguments, it can be assumed that brands positioned high on cultural capital, i.e. on authenticity, are likely to lead to more favorable outcomes and be generally more successful with cosmopolitan consumers than with those who score low on this dispositional trait. This allows for the formulation of the following hypotheses:

***H5$_a$**: Consumer cosmopolitanism moderates the effects of perceived brand authenticity on consumers' brand quality evaluations. As cosmopolitanism increases, the positive effects of brand authenticity on quality perceptions become stronger.*

***H5$_b$**: Consumer cosmopolitanism moderates the effects of perceived brand authenticity on consumers' WTP for a brand. As cosmopolitanism increases, the positive effects of brand authenticity on WTP become stronger.*

### *3.6 Covariates*

Apart from the main variables of interest, a series of covariates will be included into the conceptual model of the present study, to control for unwanted effects of variables which are not part of the main research design (Field 2009). Informed by previous literature, the decision was made to include: (1) price consciousness, (2) product category involvement, (3) preference for authenticity, (4) nostalgia, and (5) globalization attitude into the authenticity framework.

Price consciousness refers to *"the degree to which the consumer focuses exclusively on paying low prices"* (Lichtenstein et al. 1993, p. 235). The construct has been identified in previous studies to have a negative influence on consumers' price acceptability and WTP (e.g. Campbell et al. 2014). In the context of local foods, for example, Campbell et al. (2014) demonstrate that the more price conscious a consumer is, the less willing he or she is to pay a higher price for a product. Similarly, product involvement, which denotes *"a person's perceived relevance of the object based on inherent needs, values and interests"* (Zaichkowsky 1985, p. 342) has been linked to many different attitudinal and behavioral consumer outcomes in the marketing literature so far (for a comprehensive review, see Tsiotsou 2005), including those incorporated into the present framework. For example, Tsiotsou (2005) finds a direct relationship between product involvement and perceived quality, while Campbell et al. (2014) demonstrate that a high level of product involvement will have a direct and positive effect on consumers' WTP.

Preference for authenticity, the third construct to be included into the model, has been defined as: *"consumers' desire for products, brands, and ideas that are representative of a culture"* (Nijssen and Douglas 2011, p. 123). The construct was first introduced by Nijssen and Douglas (2011) in the context of consumers' reactions to advertisements, which reflect different types of consumer culture positioning strategies. According to Nijssen and Douglas (2011, p. 123), consumers with a preference for authenticity *"value craftsmanship, design, and character, favoring original brands and traditional products, even though non-authentic products might be superior"*. Because the present study is centered around the influence of brand authenticity on different consumer outcomes, a decision was made to eliminate potentially confounding effects of this consumer predisposition. One similar construct is nostalgia. In the marketing context, nostalgia has been referred to as *"a preference (general liking, positive attitude, or favorable effect) toward objects (people, places, or things) that were more common (popular, fashionable or widely circulated) when one was younger (in early adulthood, in adolescence, in childhood, or even before birth)"* (Holbrook and Schindler 1991, p. 330). The concept was included into the model because, consumers who are characterized by high levels of nostalgia might respond differently to an authentic brand positioning (especially one highlighting attributes such as: rich heritage, long history, commitment to traditions and connection to a particular time/event) than those who are not.

Finally, as elaborated in Chapter 2.2.2., globalization attitude refers to *"consumers' general stance towards the overall process of economic integration, including free movement of labor, capital and products"* (Riefler 2012, p. 26). The construct was incorporated into the present research model, due to its established influence on consumers' attitudes and intentions towards global brands (e.g. Riefler 2012).

# 4. METHOD OVERVIEW

This chapter provides an overview of the methodology applied to conduct the empirical investigation. The aim is not only to inform the reader of the research design and measurement techniques used in the study but also to explain why these methods were chosen as the most appropriate. The chapter ends with a detailed description of the data collection process, as well as information about the composition of the sample.

## *4.1 Research Design*

To achieve the research objectives of the present study, an *experimental research design* was chosen as the most suitable methodological approach. The main consideration prompting this decision was the present study's focus on the causal relationship between brand authenticity and different attitudinal and behavioral consumer outcomes (see Chapter 3). In this context, experiments have been recognized as the most appropriate research methods to be used because they allow the researcher to actively manipulate the independent variable of interest (i.e. brand authenticity), while at the same time controlling for all other potentially confounding factors (Wilson 2003). Thus, examining the brand authenticity effects in isolation provides a higher degree of confidence in the actual empirical findings of the study. Furthermore, multifactor experiments allow for the simultaneous manipulation of two or more factors, which was also a requirement of the present study (i.e. the manipulation of both brand authenticity and brand globalness).

Hence, the hypotheses formulated in Chapter 3 were tested via a conventional, multifactor experiment. The study employed a 2 x 2 between-subjects factorial design with Authenticity (low/high) and Globalness (low/high) as the two factors. The first factor involved the manipulation of the degree of authenticity of the product and included (1) a low condition, i.e. when authenticity signaling cues were absent, and (2) a high condition, i.e. when authenticity cues were present. Similarly, the second factor manipulated the degree of globalness of the product and included (1) a low condition, i.e. when globalness signaling cues were not present and (2) a high condition, i.e. when such cues were present. Table 4 illustrates the four experimental conditions. Treatment 1 ("Neutral") was the control treatment and carried no manipulation cues, Treatments 2 ("Global") and 3 ("Authentic") each carried either authenticity or globalness signaling cues and Treatment 4 ("Glothentic") carried both types of cues. A detailed description of the different verbal and visual cues (stimuli) used to influence respondents' perceptions of both brand authenticity and brand globalness is provided in Chapter 4.2.

| | | Factor 2: Globalness | |
|---|---|---|---|
| | | **Low** | **High** |
| **Factor 1: Authenticity** | **Low** | **Treatment 1 ("Neutral")** | **Treatment 2 ("Global")** |
| | **High** | **Treatment 3 ("Authentic")** | **Treatment 4 ("Glothentic")** |

*Table 5: Experimental treatments (2 x 2 between-subjects factorial design)*

In the early phases of the research process, two important decisions needed to be made related to the study's design, namely (1) the choice of product category to be used in the experiment and (2) the choice of brand type (i.e. real or fictitious).

Related to the former, cookies were chosen as a suitable product category for several reasons. First of all, it is because cookies are a low-involvement product[8]. In the context of the present study this is particularly important because, as research shows, in a low-involvement context, consumers tend to rely more on extrinsic cues (which are readily available and can be processed easily) when evaluating a product (e.g. Chen and Chaiken 1999). This is mainly because the perceived risk associated with acquiring a low-involvement product is considerably smaller than in the case of a high-involvement product (Chaudhuri 2000). As a result, in this context, extrinsic cues such as brand authenticity should play a more important role in the qualitative and monetary evaluation of a product (cf. Koschate-Fischer et al. 2012). Second of all, cookies are basic, everyday, products with universal appeal among consumers which enable a direct and easy manipulation on both the authenticity and globalness dimensions. The German cookie

[8] In consumer research, a general distinction is made between high- and low-involvement products (e.g. Siloy and Speech 2004). Involvement refers to the "subjective perception of the personal relevance of an object, activity or situation" (Van Trijp et al. 1996, p. 283, quoted by Koschate-Fischer et al. 2012, p. 23) in terms of basic values, goals and self-concept.

brand Leibnitz, for example, uses authenticity as an important element of the brand positioning strategy, by highlighting its originality as a pioneer brand and initiator of the butter biscuits product category (the brand slogan reads: "Nur echt mit 52 Zähnen", in English: "Only genuine with 52 jags on the edges"), by emphasizing its heritage and long history ("Since 1889"), by showing a commitment to traditions and quality (through the use of original recipes and carefully selected ingredients) and by linking the brand to its founder (Hermann Bahlsen). A good example of a cookie brand, which consumers perceive as global and which enjoys a similar positioning across markets and countries is Oreo. Third of all, although they belong in the grocery category, cookies are non-perishable products which can also be stored and transported easily. Furthermore, they are generally low-priced and affordable to everyone. These aspects were important during data collection, as respondents were also offered the possibility to purchase the product (see Chapter 4.3).

Related to the latter, an unfamiliar, fictitious brand was used as the subject of the experiment. This was done to avoid potential confounding effects, such as prior usage, experience with the brand and familiarity biases (cf. Micu and Thorson 2008, Dimofte et al. 2008). This decision required the creation of a new cookie brand, with corresponding product attributes and characteristics, to fulfill the requirements of the present experiment. In a first step, a suitable brand name was chosen. At this point, a major methodological concern was to identify a neutral name, which did not allude to any particular geographical region or country. The deliberate omission of information regarding the brand's country-of-origin (COO) follows previous research, which has identified a positive relationship between COO effects and consumers' WTP (e.g. Koschate-Fischer et al. 2012). To achieve this, several names were created (through a process of putting together different syllables) and pretested to ensure that they did not carry any specific connotations for respondents. Two pretests, using convenience samples, enabled the selection of the most appropriate brand name (see Appendix A for a full description). From a first pretest (n= 19), "GRANEO" emerged as a top candidate. Due to its strong association with Spain and the Spanish/Portuguese languages however, the name was slightly modified into "GRANA" and a follow-up pretest (n= 5) was carried out. The second pretest showed a much weaker association with the aforementioned geographical region. Consequently, the fictitious cookie brand "GRANA" was created as the subject of the experiment.

In a second step, a basic product appearance was established (i.e. the design of the product packaging) and basic product/brand characteristics were chosen, which would be common to all four experimental treatments. The product packaging was a printed cardboard cookie box, which is the typical packaging format for the product category. Along the entire process, a special attention was given to ensuring that the fictitious product had a credible and realistic appearance and that it did not differ significantly from existing real-market alternatives. The design of the packaging was inspired from a real brand of cookies called "Moravian" (Salem Baking Co. 2013). The brand is only sold in the United States and therefore practically unknown to European consumers, which means that no threat of any associations or preexisting knowledge about the product, based on its design, existed. Basic design elements and product information featured on the packaging further included: a fictitious company name (i.e. "Merba"), a product description, nutritional facts and a product illustration (see Table 6 and Appendix B). As mentioned earlier, this information was common to all experimental conditions and any reference to the country-of-origin (COO) was deliberately left out, to avoid any confounding effects.

| **Basic Product Information** | |
|---|---|
| **Company Name** | "Merba" |
| **Brand Name** | "Grana" |
| **Product Description** | "Whole-grain cookies with honey and dark chocolate chunks" |
| **Product Details** | "No preservatives or artificial flavours" |
| **Net weight** | 225 g |
| **Nutritional facts** | 92 kcal/piece |

*Table 6: Fictitious product characteristics*

### *4.2 Stimuli*

Once a suitable brand name was chosen and a general product design was outlined, appropriate authenticity and globalness signaling cues were selected to successfully influence consumers' perceptions of the two concepts.

The authenticity manipulation was built around several of the authenticity attributes identified in Chapter 2.1.5: (1) heritage/traditions, (2) the use of traditional production methods and (3) stylistic consistency (Beverland 2005a, 2006) and was achieved with the help of iconic cues (Grayson and Martinec 2004). The main goal at this point was to create a version of the target product which consumers perceived as an *"authentic reproduction"* (Grayson and Martinec 2004. p. 298) of an original created in the past. To achieve this, the authentic version of the product had to fit with consumers' preexisting knowledge or expectations of 'the original', both in terms of appearance and contents (*"schematic fit"*, Ewing et al. 2012, p. 382). This was done through both visual and textual elements.

One information cue, for example, designed to communicate the brands' rich heritage and long history was a fictitious founding year of the company: *"1832"*. Another cue stated that the cookies were *"Baked in the home-made tradition, from an original recipe, over 150 years old."*, thus emphasizing the use of traditional production methods. Stylistic consistency was expressed through the use of visual elements, such as a vintage font and vintage shapes on the product packaging (see Table 7 for a summary of all manipulated cues and Appendix B for illustrations).

The globalness manipulation was build around the main characteristics of global brands, as described in the literature review (see Chapter 2.2). The brand's multi-market reach (Johansson and Ronkainen 2005), for example, was communicated through the use of a straightforward information cue: *"Enjoyed in over 50 countries worldwide!"* It was further emphasized through key words such as *"worldwide"* and *"international"*. A trademark sign was added to the brand name GRANA, as this represents a common practice among global brand owners to protect their logos. The affiliation of the brand with a multinational corporation was achieved by adding the words *"international"* and *"incorporated"* to the company name, *"Merba"* (see Table 7 and Appendix B).

This manipulation process resulted in four mock-up cookie packs, one for each experimental condition, which were then used in the experiment. A professional illustrator designed the four versions of the product packaging with the help of the Adobe InDesign desktop publishing application. A pretest (n= 20), using a convenience sample, was carried out to identify whether the manipulation had been successful (see Appendix A). The test showed that both treatments carrying authenticity cues (Treatment 1 and 3) were perceived as more authentic than their non-authentic counterparts (2 and 4). Similarly, on a perceived globalness scale, both treatments carrying globalness cues (2 and 4) scored higher than the other two (1 and 3). Furthermore, respondents found the fictitious product packaging to fairly correspond with real existing cookie brands. The pretest further included an open-ended question regarding possible reasons for non-correspondence (see Appendix A). Based on the input gained through this question several small modifications were made to the design of the packs. The graphics were then printed in high quality and four mock-up packs of cookies were assembled, one for each experimental condition.

<table>
<tr><th colspan="2">Authenticity Cues</th></tr>
<tr><td rowspan="3">Tradition/Heritage/<br>Link to the past</td><td>“Tradition and Quality since 1832”</td></tr>
<tr><td>“Original”</td></tr>
<tr><td>“Baked in the homemade tradition, from an original recipe, 150 years old”</td></tr>
<tr><th colspan="2">Globalness Cues</th></tr>
<tr><td rowspan="4">Affiliation with a multinational corporation/<br>Multi-market reach</td><td>“International Inc.” (addition to company name)</td></tr>
<tr><td>“Worldwide pastries”</td></tr>
<tr><td>® (trademark sign, added to brand name)</td></tr>
<tr><td>“Enjoyed in over 50 countries worldwide!”</td></tr>
</table>

*Table 7: Summary of manipulated product cues*

### *4.3 Measures*

The experiment was conducted in a real point-of-purchase setting, as opposed to in a laboratory setting. Personal interviews were used and the procedure involved: (1) a BDM lottery (Becker, DeGroot and Marschak 1964), for eliciting consumers' WTP, and (2) a self-administered paper-and-pencil questionnaire for collecting data on all other relevant measures and constructs.

**1) BDM Lottery**

In the case of WTP, the choice of BDM over other value elicitation methods was guided by several of the method's benefits, including its incentive compatibility, accuracy and good applicability in an actual point-of-purchase context (Wertenbroch and Skiera 2002).

As mentioned earlier in this paper (see Chapter 3.1), consumers' WTP or "reservation price" is *"the maximum amount of money a consumer is willing to pay for a given quantity of a product"* (Voelckner 2006, p. 137). As such, it is an *"unobservable construct"* (Voelckner 2006, p. 137) and represents the *"subjective value"* the consumer assigns to that particular product (Wertenbroch and Skiera 2002, p. 228). Due to its subjective nature, producing accurate and reliable WTP estimates has proven to be a considerable challenge for both academic researchers and practitioners (Miller et al. 2012, Voelckner 2006). Despite the fact that several methods for measuring WTP have been developed in marketing research (eg. contingent valuation, conjoint analysis, Vickrey auctions), choosing the best alternative is not an easy task, because each technique *"only represents the attempt to come as close as possible to the truth"* (Voelckner 2006, p. 137) and because the performance of each technique seems to be influenced by factors such as product category or purchasing context (Miller et al. 2012).

The various methods for WTP elicitation differ on whether they are incentive-compatible, that is, whether they offer an incentive to the consumer to reveal their true WTP or not (Wertenbroch and Skiera 2002). This incentive is represented by the financial commitment involved, i.e. the obligation to also purchase the target product. When such financial consequences are absent, respondents are said to reveal their "hypothetical" WTP. When they are present, respondents reveal their "true" WTP (Voelckner 2006). Based on this difference, WTP elicitation methods can be categorized into hypothetical WTP measurement formats (contingent valuation, conjoint analysis) and actual WTP measurement formats (BDM lotteries, Vickrey auctions) (Miller et al. 2012, Voelckner 2006). Several comparative studies show that incentive-alligned mechanisms, i.e. those pertaining to the latter category, generally perform better than conventional methods (eg. Miller et al 2012, Wertenbroch and Skiera 2002). For example, WTPs elicited under BDM were found to be more differentiated and smoothly distributed than those elicited via contingent valuation, where a tendency of sticking to major price points was observed (Wertenbroch and Skiera 2002). Thus, these methods allow researchers to make more accurate and realistic predictions about real-life situations, especially because, according to Carrington et al. (2010, p. 141): *„there exists a gap between what consumers say they are going to do and what they actually do at the point of purchase"*. By compelling respondents to actually buy the product, these methods offer an additional incentive for respondents to consider their offer very carefully and state their true WTP, thus minimizing the problem of respondents' tendency to state a higher or lower WTP than their actual one (Koschate-Fischer et al. 2012).

The BDM lottery is such an incentive-compatible elicitation method, which can be easily implemented in a real point-of-purchase setting. Because it involved some potential monetary sacrifice from respondents, the technique is particularly suitable for products which *"can be made available at the site of the survey"*, such as *"inexpensive food products that are characterized by instantaneous demand"* (Wertenbroch and Skiera 2002, p. 234). As mentioned earlier, this is one of the reasons why chocolate-chip cookies were chosen as the target product in the present experiment. One potential downside of the method is that it is most suited for existing products rather than new or fictitious ones (cf. Wertenbroch and Skiera 2002). While this creates some concern regarding the WTP estimates collected, the use of the method in this particular case is justified because the focus of this study is not on generating *"representative estimates of consumers' absolute WTP values"* (Koschate-Fischer et al. 2012, p. 24) but on producing differentiated and accurate enough estimates, which can be used for hypotheses testing purposes.

To carry out the experiment and, in particular, to implement the BDM procedure efficiently, an interview guide was created for the personal interviews (see Appendix C). Respondents were approached individually and asked whether they would be interested to participate in an academic marketing research experiment. They were also informed that they might have to invest a small amount of money, as they would receive the opportunity to also buy the target product. Subjects who agreed to participate were then shown one of the four mock-up models of the GRANA cookie packs and left to study the pack for a few minutes. The four cookie packs, each belonging to one of the four experimental conditions, were randomly drawn from a non-transparent container by the interviewer to ensure that each respondent would be randomly assigned to the four experimental groups.

In the next step, instructions on the BDM procedure were provided to respondents. They were asked to picture an actual point-of-purchase situation and state the maximum price they would be willing to pay for the cookie pack if it were for sale. The interviewer explained that the final purchasing price of the product was not yet determined and that this price eventually depended on the respondents' stated WTP and a randomly selected price from an urn. Respondents were however assured that, whatever the outcome of the lottery, they would be able to buy the product at a lower price than their stated WTP. If the price drawn randomly from the urn would be higher than respondents' answer, than they would be compelled to buy the cookie pack at the price from the urn. If the price would be lower than their bid, they would not be allowed to purchase the product. At this point, it was particularly important for respondents to understand that the lottery mechanism made sure the best strategy was to state their true WTP instead of over- or underestimating it because: (1) stating a higher WTP than the true one would lead to a missed opportunity to purchase the cookie pack at a lower price than expected and (2) stating a lower WTP would lead to the obligation to buy the product at a higher price than originally intended. To ensure that respondents understood the BDM mechanism, they were asked to answer a series of test questions on the subject prior to the actual bidding. All participants agreed to further participate in the experiment after they understood the procedure.

Consequently, the actual lottery took place. The urn contained 15 price tags ranging from 0.95€ to 3.05€ (in local currency, RON), in increments of 0.15€ (1.00€ approximately equaled 4.5 RON). The price range was broad enough to include all similar products (cookie packs of similar type and weight) found on the market and was determined on the basis of a survey of local supermarkets and other retail outlets, conducted prior to the actual experiment. The price distribution was not revealed to respondents, to prevent anchoring effects and they were also offered no reward for participating in the experiment to minimize *"possible distortions caused by the windfall character of any extra compensation"* (Wertenbroch and Skiera 2002, p. 230).

Finally, the purchase transaction was carried out, in case respondents' stated WTP was higher than the price drawn from the urn. All participants agreed to fulfill their purchase obligation, although the cookie pack they finally received did not look like the manipulated version presented to them during the experiment but was a real-market cookie brand with almost identical attributes and characteristics.

**2) Questionnaire**

In addition to indicating their WTP, respondents were subsequently asked to fill out a paper-and-pencil questionnaire. The questionnaire elicited information about the other dependent variable in the study (i.e. perceived quality), the mediators and moderators proposed (i.e. brand credibility and consumer cosmopolitanism), as well as measures of perceive brand authenticity and globalness, which enabled manipulation checks. It further contained scales and measures of the covariates included in the model (i.e. price consciousness, product category involvement, globalization attitude), as well as socio-demographic variables, such as: gender, income or education.

To measure the constructs of interest, several pre-existing scales were chosen from literature and adapted to the present study. At this point, the two main methodological concerns were: (1) to keep the questionnaire as short and simple for respondents as possible and (2) to ensure translation equivalence (Craig and Douglas 2005), as all scales were originally developed in English and the questionnaire was designed for Romanian consumers. To achieve the latter, the scales were translated into Romanian and back translated into English by two different native speakers. Based on the conceptual differences between the original English versions and the back-translated ones, small changes were made to the wording of the sentences. Appendix D lists all scales, items and measurement formats used in the final questionnaire of the present study.

Within the BDM procedure, consumers' WTP was elicited in an open-ended question. The second dependent variable, perceived quality, was measured as a single item rated on a 7-point semantic differential scale, ranging from 1 = ”poor quality” to 7= ”good quality”.

To perform manipulation checks on the four experimental conditions, two measures were included in the questionnaire: perceived brand authenticity and perceived brand globalness. To measure brand authenticity, a shortened version of Girardin et al.'s (2012) scale was used, which included items such as "*The brand builds on long-held traditions."* or *"The brand is build upon a history."* Three items of the scale, which referred to the brands connection with a particular geographical region, were excluded because the brand's COO was deliberately kept hidden in the experiment (see Chapter 4.1). To measure perceived globalness two of the three items from Steenkamp et al.'s (2003) well-established scale were chosen. Both scales were used in the pretests, as well as in the final questionnaire.

Brand credibility was measured by using three items from Erdem and Swait's (1998) scale. The items were chosen to include both main components of brand credibility, trustworthiness and expertise (Erdem and Swait 2004). For consumer cosmopolitanism, the scale of Riefler et al. (2012) was used. All 12 items were included in the questionnaire.

In addition to the main variables of interest, the potentially relevant covariates, presented in Chapter 3.6, were included in the questionnaire: price consciousness, product category involvement, preference for authenticity, nostalgia and globalization attitude (see Table 8 for scale sources and Appendix D for a full list of items pertaining to each scale).

All scales used in the questionnaire were internally reliable, with Cronbach Alpha values above 0.8 (see Appendix D).

| Construct | Scale | No. of items |
|---|---|---|
| **Price Consciousness** | Shortened version of Lichtenstein et al. (1993) | 1 item |
| **Product Category Involvement** | Adapted from Zaichowsky (1985) | 3 items |
| **Preference for Authenticity** | Adapted from Nijssen and Douglas (2011) | 3 items |
| **Nostalgia** | Shortened version of Holbrook (1993) | 2 items |
| **Globalization Attitude** | Shortened version of Spears et al. (2004) | 3 items |

*Table 8: Relevant covariates*

### *4.4 Data Collection and Sample Description*

The experiment was conducted with a sample of 200 Romanian consumers. The choice of Romania as a research setting for the investigation was prompted by several considerations. First of all, Romania is one of the 'transition economies' of the formerly communist East European Bloc and is, at the moment, still classified as an emerging market by several international institutions (e.g. the International Monetary Fund). Over the past 25 years, the country has undergone a transition from a planned and centrally coordinated economy to a free market system, by implementing a wide array of economic and social reforms. Since 2007, Romania is a member of the European Union. Currently, the country is characterized by a rapid economic growth (real GDP growth rate of 3.5% p.a., compared to the EU average of 0.1%), a historically low inflation rate and an ongoing reduction of its account deficit (CIA Factbook 2014). Due to its rapidly growing economy and its relatively large population of over 21 million, Romania is a considerably large and attractive market, especially for global firms. Despite this fact, academic studies on the characteristics and behaviors of Romanian consumers are scarce, a situation which is common to most emerging economies (cf. Steenkamp and Burgess 2002, Dmitrovic et al. 2009). Second of all, there is evidence to support the idea that the initial enthusiasm of Romanian consumers for global brands, which characterized the initial phases of transition from a centralized to a market-based economy, may have worn of (see also Chapter 2.2.3). Istudor and Pelau (2013, p. 178), for example, find Romanian consumers to have a balanced attitude towards globalization and global brands and describe them as:

*"enthusiastic toward external influences, but still having moments of "awakening" when local products are cherished"*. For international firms this may be a clear indication, that using a global brand positioning strategy may not be enough anymore to achieve a competitive edge in this market. Insights into how brand authenticity affects the purchasing behavior of Romanian consumers can prove to be very useful in this context. For local brand owners, such insights may represent new and viable ways to compete with their global counterparts. Last but not least, Romania was chosen as the research setting for the present study due the author's affinity towards the country (being a Romanian native).

Data was collected in Sibiu, a middle-sized Romanian city, during the month of March and April 2013 at two different sites: (1) at the entrance of a supermarket, situated in a shopping mall area on the outskirts of Sibiu and (2) at the entrance of a small grocery shop in the city centre. The choice of two different point-of-purchase settings for the data collection was motivated by the desire to minimize sampling frame error (Wilson 2003). This was achieved by allowing different type of shoppers with different shopping habits to be included in the sample, both those who prefer large shopping outlets and those who prefer smaller neighborhood stores.

Data was collected via street interviews, also known as mall-intercept interviews (Wilson 2003). As mentioned earlier (see Chapter 4.3), subjects were approached and asked whether they would like to participate in an academic marketing research project from the University of Vienna. The first part of the interview consisted of the BDM lottery, while in the second part respondents were asked to fill out a paper-and-pencil questionnaire. Respondents were randomly assigned to the four experimental conditions. The sampling frame was restricted to respondents over 18 years of age and a systematic sampling procedure was chosen, i.e. every 3$^{rd}$ person passing by the data collection point was approached. A total of approx. 2500 respondents were approached and 200 agreed to participate, resulting in a response rate of approx. 8%. 60 cookie packs were sold to respondents through the BDM lottery.

Data cleaning involved checking for inadequate variation in responses and missing values and led to the exclusion of 20 cases, which means that the final sample used in the analysis comprised a total of 180 respondents. Subjects represented both genders and tended to be relatively young, well-educated and affluent (see Table 9).

| Socio-Demographic Variable | Frequency | Percent |
|---|---|---|
| **Gender** | | |
| Female | 99 | 55% |
| Male | 81 | 45% |
| **Age** | | |
| 18 - 24 years | 70 | 39% |
| 24 - 64 years | 105 | 58% |
| Over 64 years | 5 | 3% |
| **Education** | | |
| Compulsory School | 2 | 1% |
| A-Levels (Baccalaureat) | 79 | 44% |
| College/University | 99 | 55% |
| **Monthly Income** | | |
| Under 450 RON | 41 | 23% |
| 451-700 RON | 12 | 7% |
| 701-1000 RON | 21 | 12% |
| 1001-1400 RON | 41 | 22% |
| Over 1400 RON | 65 | 36% |
| **Location** | | |
| Urban | 164 | 91% |
| Rural | 16 | 9% |

*Table 9: Socio-demographic sample profile (N=180).*

A comparison with actual census data (see Table 10) reveals that the sample is not representative of the Romanian population, especially in terms of age, education and area of residency. This finding opens up the discussion regarding the tension between internal and external validity of empirical studies, which is a highly debated topic among consumer researchers (Reynolds et al. 2003). According to Reynolds et al. (2003), the relative importance of each validity type is highly dependent on the particular research objective of each study. Internal validity, which refers to *"the extent to which an observed relationship actually, and only, reflects the relationship between the variables of interest"* (Reynolds et al. 2003, p. 84), is of primary importance in theory application research, where the researcher is interested in testing different theories and using them to explain events beyond the research setting (Calder et al. 1981, cited by Reynolds et al. 2003). In these cases, Reynolds et al. (2003) contend that representative samples are not required because the emphasis lies more on controlling for extraneous variables, which could potentially influence the empirical results (i.e. achieving a high degree of internal validity), rather than ensuring the generalizability of results (i.e. external validity). Therefore, because the present investigation falls into the aforementioned research category, achieving sample representativeness (i.e. external validity) is not of paramount importance to the success of the project. The focus lies rather on achieving a high level of internal validity, which was insured by carefully planning and conducting the experiment and therefore minimizing the likelihood of any extraneous variable, which was not of substantial interest to the project, influencing the empirical results (cf. Reynolds et al. 2003).

| Socio-Demographic Variable | Percent |
|---|---|
| **Gender** | |
| Female | 51% |
| Male | 49% |
| **Age** | |
| 0 - 14 years | 16% |
| 15 - 24 years | 12% |
| 24 - 64 years | 56% |
| Over 64 years | 16% |
| **Education** | |
| Compulsory School | 44% |
| A-Levels (Baccalaureat) | 41% |
| College/University | 15% |
| **Monthly Gross Income** | |
| Under 700 RON | 5% |
| 701-1500 RON | 47% |
| 1501-3000 RON | 32% |
| 3001-5000 RON | 11% |
| Over 5000 RON | 5% |
| **Location** | |
| Urban | 54% |
| Rural | 46% |

*Table 10: Overall Romanian population profile[9] (INS Romania 2014)*

To provide a general overview of the data collected and facilitate an easier understanding of the statistical analyses, which will follow in Chapter 5, descriptive statistics for all variables included in the questionnaire are reported in Table 11:

[9] The data presented in Table 10 is based on the 2011 census of the Romanian population, carried out by the Romanian National Statistics Institute (INS). Data on the monthly net income was not made available by the INS, so monthly gross income was reported instead.

| Variable | Descriptive Statistics |
|---|---|
| **WTP** | Mean=6.48<br>Std. Dev.=3.16<br>(Min=2, Max=23) |
| **Perceived Quality** | Mean=5.71<br>Std. Dev.=1.08 |
| **Perceived Brand Authenticity** | Mean=4.98<br>Std. Dev.=1.34 |
| **Perceived Brand Globalness** | Mean=4.82<br>Std. Dev.=1.26 |
| **Brand Credibility** | Mean=5.37<br>Std. Dev.1.22 |
| **Consumer Cosmopolitanism** | Mean=5.87<br>Std. Dev.=0.89 |
| **Price Consciousness** | Mean=3.79<br>Std. Dev.=2.03 |
| **Product Category Involvement** | Mean=4.45<br>Std. Dev.=1.47 |
| **Preference for Authenticity** | Mean=5.28<br>Std. Dev.=1.38 |
| **Nostalgia** | Mean=3.84<br>Std. Dev.=1.68 |
| **Globalization Attitude** | Mean=5.45<br>Std. Dev.=1.30 |

*Table 11: Descriptive statistics (n=180)*

# 5. FINDINGS

### *5.1 Manipulation Checks*

Prior to the actual test of hypotheses, a series of manipulation checks was conducted to establish the validity of the study's experimental between-subjects design.

In a first step, the analysis focused on determining whether the authenticity and globalness cues were effective to induce consumer's perceptions of brand authenticity and brand globalness across the four treatments. In order for the manipulation to have been successful, both treatments which carry authenticity signaling cues (Treatment 1 and 3) should be perceived as more authentic by respondents than the other two treatments. In turn, both treatments which carry globalness signaling cues (Treatments 2 and 4) should be perceived as more global than their counterparts. The validity of the manipulation is achieved when these differences are also statistically significant.

For this purpose, two analyses of variance (ANOVAs) were conducted with the experimental manipulation, 2 (Low/High Authenticity) x 2 (Low/High Globalness), as the factor and perceived brand authenticity and perceived brand globalness as dependent variables. The F-ratios were calculated by using Welch's F test, as the assumption of homogeneity of group variances was violated in both cases (Field 2009). Between-group differences were tested for statistical significance by using the Games-Howell post-hoc procedure, as it is the test most suited for differences in group variances and provides the greatest statistical power (low probability of a Type II error), according to Field (2009).

Mean values and standard deviations (in brackets) for perceived brand authenticity and perceived brand globalness are displayed in Table 12. As can be seen, the treatments which carry authenticity signaling cues (Treatment 1 and 3) scored higher on perceived brand authenticity than their counterparts (between 5.88 and 5.92). The treatments carrying the global manipulation cues (Treatment 2 and 4) scored higher on perceived brand globalness than the other two treatments (between 5.32 and 5.70). Furthermore, the ANOVA conducted with perceived brand authenticity as a dependent variable was significant, with $F(3, 92.75)= 75.05$, $p< 0.01$. Pair wise comparisons reveal that the perceived authenticity of Treatment 3 is significantly higher than that of Treatment 1 ($M_{diff}= 1.97$, $p<0.01$) and Treatment 2 ($M_{diff}= 2.02$, $p<0.01$), respectively that the perceived authenticity of Treatment 4 is significantly higher than that of Treatment 1 ($M_{diff}= 1.93$, $p<0.01$) and Treatment 2 ($M_{diff}= 1.98$, $p<0.01$). Similarly, the ANOVA with perceived brand globalness as a dependent variable was also significant, with $F(3, 96.40)= 25.42$, $p< 0.01$. Here, the perceived globalness of Treatment 2 is significantly higher than that of Treatment 1 ($M_{diff}= 1.40$, $p<0.01$) and Treatment 3 ($M_{diff}= 1.63$, $p<0.01$) and the perceived globalness of Treatment 4 is significantly higher than that of Treatment 1 ($M_{diff}= 1.03$, $p<0.01$) and Treatment 3 ($M_{diff}= 1.25$, $p<0.01$). Thus, it can be concluded that both authenticity and globalness signaling cues perform as intended, i.e. that they manipulate respondents' perceptions across the four treatments in the right directions. The treatments intended to be authentic are also perceived as such. The same can be said about the global manipulation.

| | **Treatment 1**<br>Low Authenticity/ Low Globalness | **Treatment 2**<br>Low Authenticity/ High Globalness | **Treatment 3**<br>High Authenticity/ Low Globalness | **Treatment 4**<br>High Authenticity/ High Globalness |
|---|---|---|---|---|
| **Perceived Brand Authenticity** | **3.95 (1.28)** | **3.90 (0.87)** | **5.92 (0.60)** | **5.88 (0.81)** |
| **Perceived Brand Globalness** | **4.30 (1.07)** | **5.70 (1.04)** | **4.07 (0.93)** | **5.32 (1.22)** |

*Note: Mean values are reported (standard deviations in brackets).*

*Table 12: Manipulation checks (n=180).*

In a second step, an additional analysis investigated whether respondents differ systematically across the four experimental groups. This would be unlikely to occur, due to the fact that a probabilistic sampling technique was used (systematic sampling), which means that respondents were assigned randomly to each experimental group during data collection. However, to ensure that the effects found are based upon the cue manipulation and not upon different group profiles, a series of ANOVAs was conducted with the manipulation as factor and the control variables included in the questionnaire (see Chapter 4.3) as dependent variables. Results are not reported here, due to the fact that none of the ANOVAs were significant. Thus, it can be concluded that the four experimental groups do not differ in terms of price consciousness, product category involvement, preference for authenticity, nostalgia, globalization attitude or socio-demographic variables, such as age, gender, income or education.

Finally, the aforementioned control variables were also tested to determine their impact on the dependent variables, WTP and perceived quality. The aim was to establish whether these variables could be used as potential covariates in subsequent analyses. Bivariate correlation analyses revealed that none of the variables had any appreciable effects on the dependent variables (most correlations were insignificant and Pearson's coefficients ranged from 0.09 to 0.227), therefore none of these covariates was used for further analysis.

### *5.2 Main effects*

Hypotheses 1 and 2 predicted positive significant effects of brand authenticity on consumers' quality evaluations and WTP for both non-global and global brands. Two ANOVAs were carried out to test these hypotheses. The choice of ANOVAs over ANCOVAs (analyses of covariance) is motivated by the fact that, as already noted, none of the control variables, such as product category involvement, nostalgia, gender, income or age, were found to have an impact on the dependent variables and could be used as covariates in ANCOVAs (Field 2009).

As mentioned in Chapter 4, perceived quality was measured on a scale with values between 1 and 7 (see Appendix D) and consumers' WTP was expressed as the maximum price that respondents are willing to pay for the cookie pack offered in RON (Romanian New Lei, where 1 RON= 0.22€). Descriptive statistics on both dependent variables per experimental condition are presented in Table 13.

To test Hypotheses 1a and 1b, an ANOVA was performed with perceived quality as the dependent variable and the experimental manipulation, 2 (Low/High Authenticity) x 2 (Low/High Globalness), as the factor. Here again, the assumption of homogeneity of variance was violated (Levene's test was significant), which means that the F-ratio was calculated by using Welch's F test. Between-group differences were tested for statistical significance by using planned contrasts. The ANOVA was significant with $F(3, 95.32)=7.45$, $p< 0.01$ In both cases (i.e. for both non-global and global brands), respondents judged the authentic version of the product as qualitatively better than its non-authentic counterpart ($M_{diff}= 0.49$, respectively 0.69). The first contrast, which compared Treatment 1 ("Neutral") and Treatment 2 ("Authentic") revealed that brand authenticity significantly increased the perceived quality of the brand, with $t(88.20)=-2.08$, $p<0.05$. Similarly, the second contrast, which compared Treatment 2 ("Global") and Treatment 4 ("Global-Authentic") revealed that brand authenticity increased the perceived quality of the global brand, with t(75.71)=-3.52, $p<0.01$. Hence, both *Hypotheses 1a and 1b are supported*.

| | WTP (in RON) | Perceived Quality |
|---|---|---|
| **Treatment 1 (n= 44)**<br>Low Authenticity/<br>Low Globalness | Min= 2.00<br>Max= 15.00<br>Median= 5.00<br>Mean= 6.39<br>Std. Dev.= 3.17 | Min= 3<br>Max= 7<br>Median= 5<br>Mean= 5.30<br>Std. Dev.= 1.17 |
| **Treatment 2 (n= 40)**<br>Low Authenticity/<br>High Globalness | Min= 2.00<br>Max= 14.00<br>Median= 5.50<br>Mean= 5.99<br>Std. Dev.= 2.56 | Min= 4<br>Max= 7<br>Median= 5<br>Mean= 5.50<br>Std. Dev.= 0.99 |
| **Treatment 3 (n= 48)**<br>High Authenticity/<br>Low Globalness | Min= 2.00<br>Max= 20.00<br>Median= 6.50<br>Mean= 6.56<br>Std. Dev.= 3.20 | Min= 3<br>Max= 7<br>Median= 6<br>Mean= 5.79<br>Std. Dev.= 1.11 |
| **Treatment 4 (n= 48)**<br>High Authenticity/<br>High Globalness | Min= 2.00<br>Max= 23.00<br>Median= 6.00<br>Mean= 6.93<br>Std. Dev.= 3.55 | Min= 4<br>Max= 7<br>Median= 6<br>Mean= 6.19<br>Std. Dev.= 0.82 |

*Table 13: Main effects (descriptive statistics, N= 180).*

To test Hypotheses 2a and 2b, a second ANOVA was performed with WTP as the dependent variable and the experimental manipulation, 2 (Low/High Authenticity) x 2 (Low/High Globalness), as the factor. The assumption of homogeneity of variance was met in this case. Descriptive statistics show that, for both non-global and global brands, respondents are willing to pay a higher price for the authentic brand versions then the non-authentic ones ($M_{diff}$= 0.17, respectively 0.94). The ANOVA was however not significant, with F(3,176)=0.673, $p>0.05$, which means that these differences are not statistically significant. Thus, *Hypothesis 2a and 2b are not supported* by the data.

### *5.3 Mediation Analysis*

Hypotheses 3a and 3b predict that the influence of brand authenticity on consumers' quality evaluations and WTP is mediated by brand credibility. Figure 3 illustrates these two mediation models. As depicted in the two diagrams, paths a and b represent the indirect effect of the predictor on the outcome, while path c represents the direct effect, or the still "unexplained" part of the predictor-outcome relationship. Combined, they represent the total effect in the relationship, path c' (Field 2013, Zhao et al. 2010, p. 199).

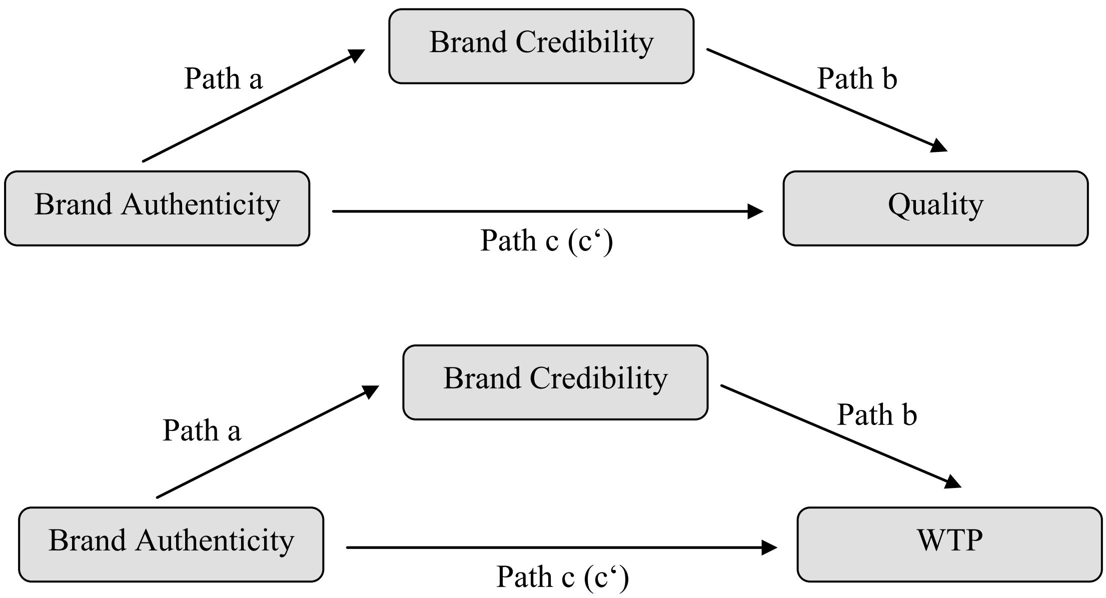


*Figure 3: Diagram of mediation models*

Most literature on mediation analyses, starting with the seminal work of Baron and Kenny (1986), assumes that a first-order significant effect of the predictor on the outcome must exist, in order to establish mediation. This is termed *"the effect to be mediated"* (Zhao et al. 2010, p. 199). As seen in the previous chapter, no significant direct effects of authenticity were found on consumers' WTP (Hypotheses 2a and 2b were not supported). Therefore, according to the classical literature on mediation, further investigations in this case would be considered unnecessary. More recently, however, several authors have argued that this direct effect is not necessary to establish mediation. Zhao et al. (2010), for example, argue that the zero-order effect of the predictor (in this case brand authenticity) on the outcome (here consumers' WTP) is in fact the mathematical equivalent of the total effect in the model (path c'). When a*x*b and c are of opposite signs (i.e. the signs of the unstandardized regression coefficients), they can level each other out so that the total effect is close to zero and the direct predictor-outcome test is insignificant. Based on this argument, both mediation models were tested (see Figure 3).

The analyses were carried out by using Preacher and Hayes' PROCESS command (Field 2013). A new dummy variable, authenticity, was created in advance, with the assigned value of 0 for the two treatments, which did not carry authenticity cues (Treatments 1 and 2) and 1 for those that did (Treatments 3 and 4). The confidence intervals for the indirect effects were 95% bootstrapped confidence intervals based on 1000 samples. To measure effect size, Preacher and Kelly's (2011, cited by Field 2013) kappa-squared ($\kappa^2$) was chosen. This measure expresses *"the indirect effect as a ratio to the maximum possible indirect effect [...] given the design [of the study]"* (Field 2013, p. 413). A small effect is situated around the value of 0.1, a medium one around 0.9 and a large effect around 0.25 (Preacher and Kelly 2011, cited by Field 2013).

The first mediation analysis was run with quality as the outcome variable, authenticity as the predictor and brand credibility as the mediator. In this case, there was a significant effect of authenticity on quality through brand credibility, b= 0.326, CI [0.17, 0.51], p> 0.05. This represents a fairly large effect of $\kappa^2$= 0.15, CI= [0.08, 0.23]. In other words, the indirect effect is about 15% of the maximum possible value given the present study design (cf. Field 2013). Table 14 shows a summary of the linear regressions performed in the analysis. The first part of the table shows the results of the simple regression of brand credibility from authenticity (path a in Figure 3). As can be seen, authenticity significantly predicts brand credibility, B= 0.87, t= 3.86, p< 0.01 and explains 13% ($R^2$) of its variance. The regression coefficient is positive which means that there is a positive relationship between the two variables, i.e. as authenticity increases, so does brand credibility (and vice versa). The next part of the table shows the total effect of authenticity on quality, that is, when the mediator is not included in the model. In this case, authenticity significantly predicts quality, B= 0.60, t= 3.86, p< 0.01 and explains about 8% ($R^2$) of its variance. The last part of the table shows the results of the regression of quality predicted from both authenticity and brand credibility. In the presence of the mediator, the effect of authenticity not only reduces from B= 0.60 to B= 0.27 but also turns insignificant (p> 0.05). Consequently, brand credibility *fully mediates* the relationship between authenticity and quality (cf. Baron and Kenny 1986). Zhao et al. call this type of mediation "indirect-only mediation" (Zhao et al. 2010, p. 200). Hence, *Hypothesis 3a is supported*.

The second analysis was run with WTP as the outcome variable, authenticity as the predictor and brand credibility as the mediator. In this case, there was no significant indirect effect of authenticity on WTP through brand credibility, b= 0.271, CI [-0.04, 0.65], p> 0.05 with $\kappa^2$= 0.04, CI [0.00, 0.08]. Thus, both paths a*x*b and c are insignificant, which means that no mediation occurs. *Hypothesis 3b is, thus, not supported.*

| **Regression 1: Authenticity → Brand Credibility (Path a)** | | | |
|---|---|---|---|
| **Model Summary** | **$R^2$** | **F** | **p** |
| | 0.13 | 26.21 | < 0.01 |
| **Model** | **B** | **t** | **p** |
| Constant | 4.90 | 39.44 | < 0.01 |
| Authenticity | 0.87 | 5.12 | < 0.01 |
| | | | |
| **Regression 2: Authenticity → Quality (Path c)** | | | |
| **Model Summary** | **$R^2$** | **F** | **p** |
| | 0.08 | 14.86 | < 0.01 |
| **Model** | **B** | **t** | **p** |
| Constant | 5.39 | 47.71 | < 0.01 |
| Authenticity | 0.60 | 3.86 | < 0.01 |
| | | | |
| **Regression 3: Authenticity and Brand Credibility → Quality (Path a*x*b)** | | | |
| **Model Summary** | **$R^2$** | **F** | **p** |
| | 0.23 | 26.89 | < 0.01 |
| **Model** | **B** | **t** | **p** |
| Constant | 3.56 | 11.04 | < 0.01 |
| Brand Credibility | 0.37 | 5.99 | < 0.01 |
| Authenticity | 0.27 | 1.79 | **> 0.05** |

*Note: $R^2$= variance explained by the model; B=Beta-coefficient; F=F-statisitc; t= t-statistic*

*Table 14: Mediation analysis (regression results, N= 180).*

### *5.4 Moderation Analyses*

Hypotheses 4 and 5 predict that brand globalness and consumer cosmopolitanism act as moderators in the relationship between brand authenticity and perceived quality, respectively between brand authenticity and consumers' WTP. Due to the fact that no evidence of a significant relationship between authenticity and consumers' WTP was found (see Chapter 5.2), there is no need to test further for a moderator in these situations. *Hypotheses 4b and 5b are, thus, not supported by the data*. Consequently, the present moderation analyses focus exclusively on the relationship between authenticity and perceived quality. Figure 4 illustrates the two moderation models:

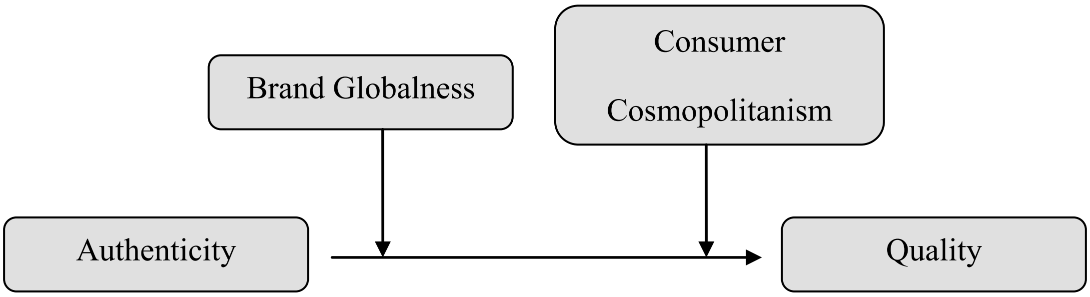


*Figure 4: Diagram of moderation models*

The analyses were carried out by using Preacher and Hayes' PROCESS command (Field 2013). Predictor and moderators were mean centered and the interaction terms were computed automatically in the PROCESS command. The confidence intervals for the interaction effects were 95% bootstrapped confidence intervals based on 1000 samples.

For the first moderation model, a new dummy variable, globalness, was created in advance, with the assigned value of 0 for the two treatments, which did not carry globalness cues (Treatments 1 and 3) and 1 for those that did (Treatments 2 and 4). Then, the analysis was run with quality as the outcome variable, authenticity as the independent variable and globalness as the moderator. The interaction term was not significant, $B= 0.19$, $t= 0.61$, $p> 0.05$, CI [-0.42, 0.80]. Thus, *Hypothesis 4a is not supported.*

To test the second mediation model, an analysis was run with quality as the outcome variable, authenticity as the independent variable and consumer cosmopolitanism as the moderator. In this case, it was also possible to produce the Johnson-Neyman significance regions, as the moderator is a continuous variable. The Johnson-Neyman procedure allows a better interpretation of the moderation effect by computing the regression model at numerous values of the moderator (Johnson and Neyman 1936, cited by Field 2013). It returns "zones of significance", which represent the areas in which the regression slopes are significant - in other words - the ranges of the moderator in which the predictor significantly impacts the outcome variable (Field 2013, p. 401).

Results reveal that the moderation effect is not straightforward in this particular case. The interaction term was again not significant, B= -0.02, CI [-0.47, 0.43], t= -0.10, p> 0.05, which means that a moderation effect is highly unlikely.

| Johnson-Neyman significance regions | | | | |
|---|---|---|---|---|
| **Cosmopolitanism (mean centered)** | **Effect (B)** | **t** | **p** | **CI** |
| -4.3667 | 0.6613 | 0.6310 | 0.5289 | [-1.4071, 2.7297] |
| -4.0917 | 0.6553 | 0.6646 | 0.5072 | [-1.2907, 2.6013] |
| -3.8167 | 0.6492 | 0.7025 | 0.4833 | [-1.1746, 2.4730] |
| -3.5417 | 0.6432 | 0.7459 | 0.4567 | [-1.0587, 2.3451] |
| -3.2667 | 0.6372 | 0.7957 | 0.4273 | [-0.9431, 2.2174] |
| -2.9917 | 0.6311 | 0.8537 | 0.3944 | [-0.8279, 2.0901] |
| -2.7167 | 0.6251 | 0.9218 | 0.3579 | [-0.7132, 1.9633] |
| -2.4417 | 0.6190 | 1.0029 | 0.3173 | [-0.5991, 1.8371] |
| -2.1667 | 0.6130 | 1.1009 | 0.2724 | [-0.4858, 1.7118] |
| -1.8917 | 0.6069 | 1.2214 | 0.2236 | [-0.3737, 1.5876] |
| -1.6167 | 0.6009 | 1.3723 | 0.1717 | [-0.2633, 1.4651] |
| -1.3417 | 0.5949 | 1.5652 | 0.1193 | [-0.1552, 1.3449] |
| -1.0667 | 0.5888 | 1.8171 | 0.0709 | [-0.0507, 1.2283] |
| **-0.9278** | **0.5858** | **1.9735** | **0.0500** | **[0.0000, 1.1715]** |
| -0.7917 | 0.5828 | 2.1501 | 0.0329 | [0.0478, 1.1177] |
| -0.5167 | 0.5767 | 2.5841 | 0.0106 | [0.1363, 1.0172] |
| -0.2417 | 0.5707 | 3.0931 | 0.0023 | [0.2066, 0.9348] |
| 0.0333 | 0.5646 | 3.4915 | 0.0006 | [0.2455, 0.8838] |
| 0.3083 | 0.5586 | 3.4543 | 0.0007 | [0.2395, 0.8777] |
| 0.5833 | 0.5526 | 2.9953 | 0.0031 | [0.1885, 0.9166] |
| 0.8583 | 0.5465 | 2.4491 | 0.0153 | [0.1061, 0.9869] |
| 1.1333 | 0.5405 | 1.9943 | 0.0477 | [0.0056, 1.0753] |

*Note: B=Beta-coefficient; t= t-statistic; CI=Confidence Intervals*

*Table 15: Moderation analysis (conditional effects, N=180).*

However, an analysis of the Johnson-Neyman output (see Table 15) shows that for values of the moderator (mean-centered) below -0.93 the relationship between authenticity and perceived quality is insignificant. Above these values the relationship turns significant, thus, revealing some interaction effect of the moderator. The relationship is positive at all values of cosmopolitanism (B>0) and remains fairly homogenous, with values ranging between B= 0.66 and B= 0.54. This means that, as cosmopolitanism increases, the effect of authenticity on perceived quality strengthens. Therefore, it can be concluded, that a moderation effect occurs, thus, *Hypothesis 5a is supported*.

# 6. DISCUSSION

In the present experiment, a fictitious cookie brand, GRANA, was created and different attributes of authenticity, both real and stylized (Beverland 2005a, see also Chapter 2.1.4), were integrated into the brand story. These attributes were communicated through a number of verbal and visual cues on the product packaging. The manipulation check performed prior to the actual test of hypotheses reveals that the presence of such cues can successfully influence consumers' authenticity judgments. The ANOVA analysis conducted on the four experimental treatments shows that the two versions of the product carrying these authenticity cues (Treatments 3 and 4) were perceived by respondents as significantly more authentic then the ones not carrying them (Treatments 1 and 2). These findings are compatible with Beverland and Farrelly's assertion that consumers' authenticity assessments involve a *"conscious negotiation or production of meaning, including the active use of brand cues"* (p. 839) and support Beverland's (2005a) arguments that the consumer understanding of authenticity incorporates both *objective* (real) and *subjective* (stylized or fictional) elements. As Beverland et al.'s (2008) found in their investigation of beer advertisements, the present study confirms that consumers are also able to make judgments of authenticity based on symbolic or abstract notions, for example, of heritage or tradition. In doing so, they draw on different iconical cues, which merely suggest a "schematic fit" with their expectations of 'how things ought to be' (cf. Grayson and Martinec 2004) rather than provide them with verifiable pieces of evidence.

With regard to the effects of brand authenticity on consumers' quality evaluations, a significant and positive effect was found for both non-global and global brands (Hypothesis 1a and 1b were supported). In the experiment, perceptions of brand globalness were created through different information cues, which gave the impression of worldwide availability and recognition. The ANOVA performed to check this experimental manipulation revealed that the two treatments which carried such cues (Treatments 2 and 4) were perceived by respondents to be significantly more global than the ones which did not feature them (Treatment 1 and 3). Despite the fact that all product versions were objectively identical, respondents judged the 'Authentic' and 'Global-Authentic' versions (Treatments 3 and 4) as qualitatively better than their non-authentic counterparts (Treatments 1 and 2). This difference can only be attributed to the presence of brand authenticity, as an additional product attribute. Overall, these findings are in line with previous results, derived from studies conducted in developed countries (e.g. Schaefer et al. 2012; Sie 2011; Nguyen and Gunasti 2011). They demonstrate that, quality perceptions of emerging market consumers can also be positively influenced by the presence of brand authenticity cues.

In the case of global brands, the identified positive effect substantiates Özsomer and Altaras' (2008) arguments that such brands, by enhancing perceptions of authenticity, can induce positive brand associations and achieve superiority in terms of perceived quality. Furthermore, the moderation analysis performed on perceived brand globalness (PBG) yielded no significant effects of the construct on the relationship between brand authenticity and perceived quality (Hypothesis 4a was not supported). In other words, the presence of PBG, as an additional brand attribute, did not weaken the positive effects of brand authenticity on consumers' perceptions of brand quality. It seems that emerging market consumers do not perceive the two brand attributes as contradictory and accept such a combined positioning. This finding counters the argument that there might be some tension between the globality of a brand and its authenticity, which some authors have assumed (e.g. Özsomer 2012; Breen 2007). At this point it is, however, important to highlight the fact that this argument is mostly based on anecdotal evidence, especially non-scientific observations made in mature (Western) markets, where the majority of global brands originate from. Before becoming global, these brands were viewed by mature market consumers as original and unique icons of their local culture (Özsomer 2012). It is, therefore, reasonable to assume that the tension between the authenticity of a brand and its globalness arises only when consumers are directly exposed to this shift from a local to a global positioning and experience 'the lost' of their local icons. In contrast, emerging market consumers have viewed global brands as symbols of the global consumer culture and as vehicles for association with and participation in the global community (Alden et al. 1999) from the beginning. Because this positioning has remained stable over time, it is possible that they do not feel any incongruity between a brand's global presence and its authenticity and, therefore, accept more easily the co-existence of these two brand attributes. In this sense, the results of the present investigation seem to suggest that the tension between a brand's global presence and its perceived authenticity is more a characteristic of a mature market context, rather than an emerging market one.

Looking at the possible pathways through which the effects of brand authenticity on consumers' quality judgments materialize, the present investigation has yielded some surprising findings. More specifically, the mediation analysis performed on brand credibility shows that the construct *fully* mediates the relationship between brand authenticity and perceived quality (Hypothesis H3a is supported). These findings suggest that, in emerging markets, authenticity might not operate so much as a distinctive brand attribute, which is considered and weighted in the consumers' evaluation process, but rather as a halo effect, which primarily affects the more objective attribute of brand credibility (cf. Dimofte et al. 2008). Because such a full mediating effect has neither been suggested nor identified so far in a mature market setting[10], one has to wonder why brand credibility plays such an important role for emerging market consumers. A possible explanation can be found when looking at the differences in the regulative systems of mature and developed markets (cf. Burgess and Steenkamp 2006). In developed countries, consumers generally enjoy a high level of protection against poor-quality products (e.g. through the reinforcement of regulations by state authorities, independent consumer organizations and publications, etc.) and therefore 'assume' that all products offered in the market fulfill some basic quality standards (Pauwels et al. 2013). Consumers in emerging markets, however, are not able to benefit from such a high level of protection, which makes them the main responsible party for ensuring the quality of the products and brands they purchase. Indeed, Khanna and Palepu (2010) acknowledge that the relatively poor consumer protection is a typical example of the 'institutional void' which characterizes product markets in developing countries. Empirical evidence demonstrates that Romania is no exception to this rule (e.g. Stefanescu and Baltatescu 2010). In a large-scale study based on data provided by the E.U. Eurobarometer[11] , Stefanescu and Baltatescu (2010) find that Romanian consumer do not trust public institutions and consumer associations responsible for protecting their consumer rights and even show discontent towards them. This situation results in an increased feeling of uncertainty related to the quality of market offerings, which in turn, increases consumers' risk perceptions and their information costs prior to the purchase (Erdem and Swait 1998). Extant literature has shown that, under such circumstances, the credibility of a brand becomes its most important characteristic in the eyes of the consumer (e.g. Erdem and Swait 1998). It can, thus, be argued that consumers in emerging markets are above all concerned with establishing the credibility of a brand and actively look for all available cues (including authenticity signaling cues), which allow them to make such judgments.

[10] Özsomer and Altaras (2008), for example, include brand credibility only as a partial mediator of the relationship between brand authenticity and global brand quality.

[11] The Eurobarometer is a research programme conducted on behalf of the European Commission since 1973, aimed at monitoring the evolution of public opinion in the E.U. member states. It usually comprises two standard surveys and several special or flash surveys on representative population samples from each member state. Major topics include: health, culture, social situation, environment, the Euro, a.o. (European Commisssion 2014)

With regard to the influence of consumer cosmopolitanism on the relationship between brand authenticity and perceptions of quality, the results of the empirical investigation are somewhat inconclusive (Hypothesis 5a received mixed support). While the moderation analysis performed on consumer cosmopolitanism was not able to identify a straightforward effect of this dispositional characteristic (i.e. the interaction term is non-significant), a careful analysis of the relationship between brand authenticity and perceived quality at different levels of the moderator revealed some interaction between the two. More specifically, the positive effects of brand authenticity on respondents' quality evaluations turned significant at a particular level of consumer cosmopolitanism. This is a clear indication for the fact that, as cosmopolitanism increases, the positive effect of brand authenticity strengthens. An additional analysis, i.e. a simple linear regression between consumer cosmopolitanism and preference for authenticity, was performed to further substantiate these findings. Results show that cosmopolitanism significantly predicts consumer's preference for authenticity ($\beta$= 0.685; $p<0.01$; $R^2$= 0.469). Thus, it can be inferred that Romanian consumers with a stronger cosmopolitan orientation are not only more interested but also more responsive to authenticity claims, which ultimately results in a more positive evaluation of authentic brands in terms of quality. These findings corroborate the assumption put forward by Özsomer and Altaras (2008), that authentic brands are more attractive for cosmopolitan consumers, and contribute to the cross-national and cross-cultural validation of recent empirical findings related to this issue (i.e. Zwinger 2013). Using a sample of Austrian consumers, Zwinger (2013) was also able to show that salient cosmopolitan oriented consumers rate the quality of an unfamiliar authentic brand significantly higher than other consumer groups. Looking at these findings, derived from a mature market context, in combination with the results of the present investigation, it can be argued that the link between brand authenticity and consumer cosmopolitanism is context-independent, which supports the idea that this dispositional characteristic represents a useful segmentation tool for international markets, especially in the case of authentically positioned brands.

With regard to the effects of brand authenticity on consumers' non-hypothetical WTP, the results of the present investigation paint a completely different picture. Hypotheses 2a and 2b, which assumed a positive impact of authenticity on this outcome variable, were not supported by the data. The comparison of the 'Neutral' and 'Authentic' treatments (1 and 3) revealed no significant differences, despite the fact that respondents were willing to pay around 3% more for the authentic version of the product than for the non-authentic one.

For the 'Global-Authentic' treatment, respondents were willing to pay around 16% more than for the purely 'Global' one; however, this difference was also not statistically significant. Furthermore, no mediation effect of brand credibility on the relationship between brand authenticity and WTP was found (Hypothesis 3b is not supported). Because no significant main effect could be detected, the moderating effects of PBG and consumer cosmopolitanism could not be investigated further, which means that Hypotheses 4b and 5b are also not supported by the data. Overall, these findings suggest that, Romanian consumers are not willing to pay higher prices for authentically positioned brands. Thus, they counter the arguments of Beverland (2005a), who asserted that authenticity is able to add value to a brand and enable the commandment of significant price premiums. They also contradict previous empirical findings from mature markets (e.g. Nguyen and Gunasti 2011; Zwinger 2013), which positively link consumers' WTP to brand authenticity. A possible explanation for this inconsistency in results can be found when looking at the systematic differences in the economic context of mature and emerging markets. Compared to developed countries, emerging markets are generally characterized by considerably lower income levels, which means that consumers in these markets are forced to spend a much larger portion of their income on ordinary day-to-day consumer products (World Bank 2010; cited by Pauwels et al. 2013). For example, the gross average income in Austria, a highly developed country, is about 5.4 times higher than that in Romania (2854€ versus 545€; INS Romania 2014; Statistik Austria 2014). As a result, emerging market consumers tend to focus more on tangible attributes, such as value and product functionality rather than brand liking, when making their purchase decisions (Pauwels et al. 2013). In other words, due to economical constrains, they simply cannot afford to let intangible attributes and emotional aspects drive their behavior in the market.

Related to brand authenticity, it can be assumed that, although this attribute induces positive associations and enhances the credibility of a brand, the attribute may not be relevant enough to influence the actual behavior of consumers in emerging markets. In contrast, mature market consumers spend only a small fraction of their income on day-to-day consumer products and can, therefore, afford to 'follow their heart' and buy the brands they love (Pauwels er al. 2013). They are more likely to consider the authenticity of a brand and other intangible attributes when making their purchase decisions. This might explain the diverging effects of brand authenticity on consumers' WTP in mature and emerging markets.

# 7. CONCLUSIONS

In light of the new empirical insights gained in the present investigation, this chapter discusses the theoretical contributions of the study, as well as its implications for the marketing practice. The last section highlights some of the limitations of the study, while providing recommendations for future work.

### *7.1 Theoretical Contributions*

The present study contributes to the research field dedicated to the concept of brand authenticity in several ways. First, it adds to the lean body of literature which focuses on the influence of brand authenticity on consumer attitudes and behaviors and extends the field's knowledge, by being (to the best of the author's knowledge) the first study to investigate the concept in an emerging market context. As noted in the introductory part of this paper, such work is particularly important for determining the generalizability of previous findings across cultures and national boundaries (Burgess and Steenkamp 2006). Overall, the results of the study confirm the importance of brand authenticity as a marketing construct, which is able to influence consumers' perceptions of brand quality and implicitly, their preference for brands which display such an attribute. However, they also reveal the need for establishing boundary conditions, especially with regard to the influence of brand authenticity on actual consumer behavior (i.e. price-related decisions). In particular, the present study suggests that the institutional context of each market, especially economic conditions, may need to be considered when examining the mechanisms through which authenticity affects consumers' response to brands. Second, by using signaling theory as a theoretical foundation, the study introduces a new conceptual basis that can further enhance researchers' understanding of the concept. This resolves one major shortcoming of existing studies on authenticity effects, namely, the lack of a sound and elaborated conceptual framework underlying them (e.g. Sie 2011; Lunardo 2007). Third, the study offers new and valuable insights into the underlying mechanisms which lead to authenticity effects. In particular, brand credibility is identified as the main pathway through which authenticity effects materialize. This suggests that, in emerging markets, brand authenticity works indirectly, much like a halo effect, by exerting a positive influence on other more objective brand attributes. In this context, the study underlines again the potential influence of the institutional context, here the regulative systems, on the way consumers use and think about brand authenticity. Fourth, the study demonstrates the compatibility of brand authenticity and brand globalness as shared elements of a brand's positioning in emerging markets. Last but not least, the present research is among the first to empirically investigate the role of consumer cosmopolitanism in the context of authenticity. The results confirm the existence of a positive link between consumers' cosmopolitan orientation and their responsiveness to an authentic brand positioning.

Related to consumer research in general, the application of the BDM mechanism for eliciting consumers' non-hypothetical WTP in an emerging market context can also be seen as a contribution in its own right, as the procedure has not been used extensively in previous investigations of price-related outcomes. The present study, thus, provides an example of how this procedure can be used for empirical investigations in the marketing research field.

### *7.2 Managerial Implications*

From a managerial point of view, the findings of this study hold interest for marketing practitioners and brand owners operating in emerging markets in several respects. First of all, the study offers interesting new insights into the behavior of consumers in these markets. Although the results are derived from a single market context (Romania) and have been conducted with only one, low-involvement product category (cookies), it is possible to transfer the results, not only to other emerging markets but also other product categories, especially in the FMCG sector. The present research empirically demonstrates that authenticity has a significant and positive effect on consumers' perceptions of brand quality, which reaffirms the practicability of using the concept as a brand-positioning strategy. By creating and communicating brand authenticity, marketing managers can not only induce positive brand associations but also, more importantly, enhance the perceived credibility of the brand, which in turn, can lead to a wide array of tangible benefits, such as brand preference, loyalty and purchase likelihood. Authenticity represents a particularly advantageous positioning strategy because, as Napoli et al. (2014, p. 1096) note: *"authenticity allows a brand to be true without being perfect"*, whereas other positioning devices, such as quality, service and product superiority, are *"too common in the marketplace"*. In other words, positioning a brand on authenticity might offer a more sustainable competitive advantage, which can generate a more pronounced differentiation in the marketplace and, thus, insure the brand's success in the long-run (cf. Napoli et al.

2014). The study also shows, however, that brand authenticity may not be the ultimate way to create superiority over other brands in emerging markets. Especially when trying to implement a premium price strategy, brand managers are advised to use authenticity as a complementary positioning strategy and also highlight other product attributes in their communication strategies, especially tangible ones, such as product functionality and safety, for example. In the empirical investigation conducted, the effect of brand authenticity was not strong enough to translate into a higher willingness-to-pay of consumers.

Second of all, from the perspective of a global brand manager, this study provides valuable insights with regard to the compatibility of brand globalness and brand authenticity as shared elements of a brand's positioning. Results show that, in emerging markets, being global and authentic at the same time is not perceived as a contradiction by consumers. Global brand managers are therefore encouraged to communicate authentic values within their marketing programs not only to differentiate themselves from other global more commercialized brands, but also to compete successfully with local brands (cf. Özsomer and Altaras 2008). In this way, global brands can improve their credibility as useful cultural resources (Holt 2002) and overcome obstacles such as being perceived as less reliable and less trustworthy in domestic markets, when compared with local brands (Schuiling and Kapferer 2004).

Third of all, maybe the most interesting insights this study entails for marketing managers are related to the methods through which brand authenticity can be created and communicated to consumers. Despite the subjective and socially constructed nature of authenticity (see Chapter 2.1.3), which theoretically puts it outside of the direct control of marketing managers, the present study demonstrates that consumers' perceptions of authenticity can be successfully influenced by deliberately weaving different authenticity attributes (e.g. heritage, commitment to traditions, stylistic consistency) into the brand story. More importantly, as this research shows, these attributes can be objective and real, but they can also reflect more stylized versions of reality (e.g. unchanged production styles, etc.). In this sense, the creation and management of authenticity represents a form of impression management, which, if done correctly, can achieve the desired effect on the consumer (cf. Beverland 2005a). The question which logically arises at this point, whether authenticity should be fabricated or faked by marketing managers, is obviously an ethical one and therefore outside of the scope of this thesis. However, as many authors point out, simply claiming to be authentic is not sufficient for the long-term success of a brand in terms of its positioning; authenticity needs to be proven as central to the brand and the company behind it (Beverland 2005a; Gilmore and Pine 2007; see also Chapter 2.1.4). Gilmore and Pine (2007, p. 90) note in this context that "*if you say you are authentic, then you'd better be authentic"*, otherwise consumers will immediately expose the brand as phony or insincere and reject it. In terms of effectively communicating brand authenticity, this research demonstrates the important role marketing-mix elements such as the product packaging, play in shaping consumers' authenticity perceptions. Brand managers can therefore actively render authenticity through the skillful use of both textual and visual information cues on the product packaging. Moreover, the successful manipulation achieved in this experimental study shows that abstract cues, which merely suggest conformance with consumers' preexisting knowledge and expectations of how an authentic object should look and feel like (iconical cues), might be sufficient to influence their assessments of real and genuine.

Fourth of all, important insights into potential positioning strategies are also provided in this study. Given the empirically demonstrated positive influence of consumer cosmopolitanism on the effects of brand authenticity, owners of authentic brands are encouraged to actively target this consumer group in emerging markets. Furthermore, if brands which have so far paid little attention to benefits derived from an authentic positioning, desire to attract this consumer group, they may consider reaffirming or improving their perceived authenticity, in order to make their brands more appealing to cosmopolitans.

Overall, the results of this study may not only encourage both global and local brand owners to consider authenticity as a viable positioning strategy in emerging markets but also aid them considerably in designing and implementing such a strategy.

### *7.3 Limitations and Further Research*

Notwithstanding the valuable contributions brought to both marketing theory and practice, the findings of the present study need to be viewed in light of several limitations, which confine their generalizability and affect their external validity. Future studies, building on the insights provided in this study, can however overcome these limitations and, thus, help paint a more comprehensive picture of brand authenticity and its relevance for consumer research and the marketing field, in general.

The first set of limitations is related to sample employed in the study. On the one hand, results may suffer from low statistical power, which may be the actual reason why no significant effect of brand authenticity on consumers’ WTP could be detected in the analysis. On the other hand, although a probabilistic random sampling method has been used to allow for all demographic segments to be represented, the sample is biased towards young, well-educated, urban consumers, who might differ in their perceptions of and preference for authenticity than older, less-educated, rural consumers. Consequently, further research should replicate the study on a larger sample, in which all demographic segments are fairly represented, to enhance the generalizability of the findings.

Another set of limitations can be attributed to the context in which the present research was conducted. More specifically, the study investigates the behavior of consumers in only one country, Romania, and in relation to only one product category, cookies. Although, as mentioned earlier, results are expected to be transferable to other emerging markets and other product categories, especially in the FMCG sector, future studies should seek to diversify and extend this research context, by including not only consumers from other emerging markets, as well as developed countries, but also other product classes. In this context, it appears particularly interesting to examine whether the effects of brand authenticity remain stable across countries which represent different cultural dimensions (e.g. uncertainty avoidance, collectivism; Hofstede 1980) or whether such dimensions moderate the investigated relationships. Furthermore, including both functional and hedonic product categories, as well as high involvement goods into the research scope, would be most welcomed and particularly useful from a managerial point of view. Replicating the study in a high involvement setting, however, poses some methodological problems, particularly with regard to the WTP elicitation technique. It has been noted before (see Chapter 4.3) that the BDM lottery is only applicable to low-involvement, inexpensive product categories, where consumers can be expected to make ‘on the spot’ purchasing decisions and also fulfill their financial obligations to actually buy the products. In the context of high involvement products, which are usually also associated with a higher cost, researchers would need to resort to non-hypothetical WTP measurement procedures. This does not diminish the validity of the results, however, because, as Koschate-Fischer et al. (2012) argue, the focus of this and similar investigations lies on the comparison of WTP, rather than an absolute estimation of it.

Another aspect which needs to be considered when analyzing the findings of the present study is the fact that a fictitious brand was used to conduct the experiment. The main reasons behind this conscious choice were the wish to eliminate possible confounding effects, such as prior usage, experience and familiarity with the brand (cf. Micu and Thorson 2008, see also Dimofte et al. 2008) and submit brand authenticity to a stricter test for effects. However, this approach hinders the examination of important outcome variables, such as brand equity or brand loyalty, which would assume an existing relationship with the brand (cf. Sie 2011), and also limits the transferability of results to actual existing brands. In this sense, it could be argued that the current investigation provides only first (hypothetical) insights into the potential influence of the authenticity concept on consumers' attitudes and behaviors, which need to be tested and extended in real-life settings, employing actual brands.

Next, the current research has not considered all attributes of authenticity which have been identified in the extant literature so far (e.g. Beverland 2006, Gilmore and Pine 2007, ABI 2008). This must not be seen as a major shortcoming of the study because, from a practical point of view, it is almost impossible to incorporate all conceptual dimensions of authenticity into one brand positioning strategy. Furthermore, as Beverland (2009, p. 26) argues: *"Brand managers should seek to fit their brands or product categories to the relevant cues. Therefore, brands such as REI (Recreational Equipment Inc.) should reference nature because they sell outdoor sporting equipment whereas luxury fashion brands should draw on cues that signal uniqueness, originality, and adoption by others."*. In other words, each dimension (here, cue) of authenticity fits better with particular product categories and brand managers are advised to search and understand which dimensions fit best to their particular brands. Nevertheless, from a theoretical point of view, further research should seek to include other attributes of authenticity into the research context (e.g. naturalness, higher purpose, momentum, etc.; see also Chapter 2.1.5) to extend the applicability of the results. In this context, the need for a better operationalization of brand authenticity and the development of a sound measurement instrument, which covers all theoretically relevant dimensions of the construct, must be highlighted at this point. The scale developed by Girardin et al. (2012), which was also used in this investigation, covers only a few of the authenticity dimensions uncovered by the literature, which has limited the ability to include more attributes into the experiment. The recently developed scale by Napoli et al. (2014) represents an improvement in this regard and should be used in future studies.

Lastly, two other important issues are worthy of future research. First of all, the present study has examined authenticity cues simultaneously and has focused exclusively on iconical ones; therefore not much could be said about the relative influence of each specific cue on consumers' authenticity judgments. Researchers investigating brand authenticity may wish to dwell further into this issue and determine not only which attributes (e.g. heritage, stylistic consistency, commitments to quality) but also which types of cues (i.e. indexical and iconical; see Chapter 2.1.6) are stronger indicators of authenticity in consumers' minds and, thus, lead to a stronger effect on attitudes and behaviors. Second of all, in line with the recently proposed framework of Beverland and Farrelly (2009), according to which the process of authenticating brands and experiences depends on consumer's personal identity goals (e.g. control, connection, virtue; see also Chapter 2.1.7), future research should examine how such goals affect the relationship between brand authenticity and brand outcomes.

Overall, it can be said that these promising avenues for future research represent a meaningful opportunity for consumer researchers and marketing academics to complement the extant, predominantly descriptive research on the concept of consumption-related authenticity and, thus, extend the discussion on a highly current topic which carries important ramifications for both consumers and marketers in today's marketplace.

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# APPENDICES

## *Appendix A: Pretests*

**Pretest 1: Fictitious Brand Names**

Method: online-survey (via Facebook), convenience sample (n=19)

Pretested brand names: Dorena, Merico, Pareo, Graneo, Sarbo

### I. Questionnaire:

**(English version)**

1. *Do you know the following brands? (Yes/No)*
2. *What do you associate with these brand names? (Open question)*
3. *Do you think these brand names come from a certain language? (Yes/No)*
4. *If so, which language do you think they come from? (Open question)*
5. *Do you think these brand names originate from a certain country? (Yes/No)*
6. *If so, which country do you think they originate from? (Open question)*
7. *How old are you? (Open question)*
8. *What nationality do you have? (Open question)*

**(Romanian translation used)**

1. *Cunosti urmatoarele marci de produse? (Da/Nu)*
2. *Ce asocieri iti trezesc in minte aceste nume? (Intrebare deschisa)*
3. *Crezi ca aceste nume provin dintr-o anumita limba? (Da/Nu)*
4. *Daca da, din ce limba crezi ca provin ele? (Intrebare deschisa)*
5. *Crezi ca aceste marci de produse provin dintr-o tara anume? (Da/Nu)*
6. *Dacă da, din ce tara crezi ca provin ele? (Intrebare deschisa)*
7. *Ce varsta ai? (Intrebare deschisa)*
8. *Ce nationalitate ai? (Intrebare deschisa)*

### II. Results

| | Q1 (% of „No“ answers) | Q2 (frequencies in brackets) | Q3 (% of „Yes“ answers) |
|---|---|---|---|
| **Dorena** | 100% | mineral water (3), cosmetics (5), dairy products (4), a.o. | 32% |
| **Merico** | 100% | apple juice (6), cookies (1), a.o. | 53% |
| **Pareo** | 95% | sun-frock (3), beach accessories (3), a.o. | 68% |
| **Graneo** | 100% | grain products (3), juice (6), a.o. | 53% |
| **Sarbo** | 100% | something Serbian (4), nothing (3), a.o. | 47% |
| | **Q4 (frequencies in brackets)** | **Q5 (% of „Yes“ answers)** | **Q6 (frequencies in brackets)** |
| **Dorena** | Spanish (2), Latin (2), a.o. | 42% | Italy (4), a.o. |
| **Merico** | Spanish (4), Italian (3), Latin (2), Spanish (2), a.o. | 47% | Spain (4), Italy (3), a.o. |

| | | | |
|---|---|---|---|
| **Pareo** | Spanish (4), Italian (3), Latin (2), a.o. | 58% | Spain (4), Italy (3), Tahiti (2), a.o. |
| **Graneo** | Portuguese (5x), Spanish (4), a.o. | 47% | Spain (6), Italy (2), a.o |
| **Sarbo** | Serbian (2), Spanish (2), a.o. | 47% | Serbia/Kroatia (2), Italy (2), Spain (2), a.o. |

| **Q7 (age)** | **Q8 (nationality)** |
|---|---|
| 0-18 years: 0%<br>18-30 years: 79%<br>31-50 years: 21%<br>50+ years: 0% | 100% Romanian |

**Pretest 2: Fictitious Brand Names (Follow-Up)**

Method: online-survey (via Facebook), convenience sample (n=5)

Pretested brand names: Anandi, Grana, Mevina, Doret

## I. Questionnaire:

*same as in Pretest 1*

## II. Results

| | **Q1 (% of „No“ answers)** | **Q2 (frequencies in brackets)** | **Q3 (% of „Yes“ answers)** |
|---|---|---|---|
| **Anandi** | 100% | not surveyed | 60% |
| **Grana** | 100% | | 80% |
| **Mevina** | 100% | | 80% |
| **Doret** | 100% | | 60% |
| | **Q4 (frequencies in brackets)** | **Q5 (% of „Yes“ answers)** | **Q6 (frequencies in brackets)** |
| **Anandi** | Italian (2), a.o. | 40% | Italy (2), a.o. |
| **Grana** | Spanish (2), a.o. | 40% | Spain (2), a.o. |
| **Mevina** | Spanish (2), Italian (2), a.o. | 40% | Italy (1), Portugal (1), a.o. |
| **Doret** | French (2), a.o. | 40% | France (2), a.o. |

| **Q7 (age)** | **Q8 (nationality)** |
|---|---|
| 0-18 years: 0%<br>18-30 years: 40%<br>31-50 years: 60%<br>50+ years: 0% | 100% Romanian |

**Pretest 3: Manipulation Cues (Product Packaging)**

Method: online-survey (via Facebook), convenience sample (n=20)

Pretested treatments: T1 (Low Authenticity/Low Globalness);

T2 (Low A./High G.); T3 (High A./Low G.); T4 (High A./High A.)

## I. Questionnaire:

**(English version)**

**Perceived Authenticity (Girardin et al. 2012)**
(7 items on a 7-point Likert-type scale, 1= "strongly disagree" and 7= "strongly agree")

1. *"The brand builds on long-held traditions."*
2. *"The brand is proud of its heritage."*
3. *"Tradition is safeguarded in the manufacture of this brand."*
4. *"The brand is built upon a history."*
5. *"An important bond exists between the brand and a particular region/culture."*
6. *"The brand expresses the characteristics of a specific place and/or origin."*
7. *"The brand is associated with the mystique of its geographic origins."*

**Perceived Brand Globalness (Steenkamp et al. 2003)**
(2 items on a 7-point semantic differential scale)

1. *1="This is a local brand." and 7="This is a global brand."*
2. *1="This brand is sold only in Romania." and 7="This brand is sold all over the world."*

**Perceived Correspondence with Reality**
(1 item on a 7-point semantic differential scale)

*1="This product packaging is not realistic at all." and 7="This product packaging is very realistic."*

**Reasons for Non-Correspondence with Reality**
(1 item, open question)

*"If this product packaging is not realistic, please explain why."*

**(Romanian translation used)**

**Perceived Authenticity**

1. *"Această marcă este clădită pe o tradiție îndelungată."*
2. *"Această marcă este mândră de istoria sa."*
3. *"Tradiția este păstrată în procesul de fabricare al acestei mărci."*
4. *"Această marcă este clădită pe o istorie îndelungată."*
5. *"Există o legătură puternică între această marcă şi o regiune/cultură anume."*
6. *"Această marcă oglindeşte caracteristicile unei anumite regiuni."*
7. *"Această marcă este asociată cu magia originii sale geografice."*

**Perceived Brand Globalness**

1. *1="Este o marcă locală." and 7="Este o marcă globala."*
2. *1="Este vândută doar în România." and 7="Este vândută peste tot în lume."*

**Perceived Correspondence with Reality**

*1="Eticheta nu este realistica deloc." and 7="Eticheta este foarte realistica."*

**Reasons for Non-Correspondence with Reality**

*"Daca eticheta nu ti se pare realistica, te rog explica pe scurt de ce."*

| **II. Results (means and standard deviations)** | | | | |
|---|---|---|---|---|
| | **T1 (Low/Low)** | **T2 (Low/High)** | **T3 (High/Low)** | **T4 (High/High)** |
| **Perceived Authenticity** | *M = 2,53 (SD = 1,22)* | *M = 2,65 (SD = 1,32)* | *M = 4,51 (SD = 0,96)* | *M = 5,62 (SD = 0,92)* |
| **Perceived Brand Globalness** | *M= 2,68 (SD = 1,23)* | *M = 4,67 (SD = 1,22)* | *M = 4,00 (SD = 1,69)* | *M = 5,45 (SD = 1,09)* |
| **Perceived Correspondence with Reality** | *M = 5,30 (SD = 1,70)* | *M = 4,90 (SD = 1,72)* | *M = 5,30 (SD = 1,49)* | *M = 6,20 (SD = 1,03)* |
| **Reasons for Non-Correspondence** | *-"design too plain, too simple, not enough colors and text"<br>-"missing information on ingredients, due date"<br>-"no further information on producer, no nutritional facts"<br>-„not suggestive enough"* | *-„worldwide and 100% natural ingredients are contradicting each other, if something is natural than it's also perishable and cannot be distributed in over 50 countries without preservatives added"<br>-„ information about geographical origin is missing to support the product claims"<br>-„ unknown producer, no previous knowledge about reliability of producer, no TV ads, unknown brand"* | *-"bad font (not commercial)"<br>-"claim „150 years old recipe" is not believable"<br>-"geographical origin unknown"<br>-„ claims should be supported with BIO label and „no genetically modified ingredients" to be more believable (that it's made like 150 years ago)"* | *-"missing information on ingredients, due date"<br>-"no further information on producer, no nutritional facts"* |

## *Appendix B: Experimental treatments*

**(Romanian versions used)**

| Treatment 1 (Low Authenticity/Low Globalness) |
| --- |
|  |

| **Treatment 2 (Low Authenticity/High Globalness)** |
| --- |

**Treatment 3 (High Authenticity/Low Globalness)**

| Treatment 4 (High Authenticity/High Globalness) |
|---|
|  |

## *Appendix C: Interview Guide for Data Collection*

**Interview Guide for Data Collection**

Method: street interviews (200 respondents)

BDM lottery and self-administered paper-and-pencil questionnaire

**English version:**

**a. Invitation to participate**

*„Hello! / Good morning! / Good afternoon! Would you be interested in participating in a short experiment which will take about 10-15 minutes of your time?“*

IF YES →

*„Thank you very much for agreeing to participate in the experiment! Before going any further, I would like to stress out that this experiment is part of an academic consumer research project carried out at the University of Vienna and there are no commercial interests involved. I am not a representative of a consumer goods company, I am a master student at the University of Vienna and I will use the information gathered from for my master thesis.”*

**b. Explanation about the experiment**

*„Now, to the actual experiment: I am interested in your attitudes, perceptions and opinions regarding a new cookie brand. For this, I will first hand you over the product and let you look at its packaging for a few seconds. You will need a small amount of money, because I will also offer you the opportunity to buy one pack of these cookies. You will not have to spend any more for the cookies than you really want to, because the purchase price is not yet determined. However, it is important for you to understand beforehand that this experiment involves a real purchase situation. Next, I will ask you to answer some questions via a paper-and-pencil questionnaire about this cookie brand. At the end, I will hand over the cookie pack to you in case the purchase transaction will take place.*

*Would you like us to proceed with the experiment?“*

IF YES → hand out a cookie pack and let respondent look at it for 30-45 seconds.

**c. Explanation about the BDM lottery**

*„Ok, so as mentioned before I would also like to offer you the opportunity to buy one cookie pack. The purchase price is not yet determined. First, I will ask you to state the highest price you would be willing to pay for this pack of cookies. Then I will ask you to draw a ball from this urn. The balls in the urn are labeled with different prices. If you draw a price that is less than or equal to the price you told me, you will have to buy the cookie pack for the price you drew from the urn. If the price you draw is greater than the price you told me, you will not be able to buy the cookies. This procedure ensures that it is best for you to truthfully reveal the maximum price you are willing to pay for the cookies. If you tell me a price that is higher, you may actually have to buy the cookie pack at a higher price than you would have wanted to. If you tell me a price that is lower, you may be disappointed because you missed an opportunity to buy the cookie pack at a lower price than that which you*

*would have been willing to pay. It is important to realize that you cannot influence the purchase price with the price you tell me. Because you draw the purchase price from the urn, it is completely random and independent of whatever you tell me. Do you have any questions?*

*Before you tell me the maximum price you would be willing to pay for this cookie pack and draw a ball from the urn, I would like to make sure you understood the mechanism I just described. For this purpose, I would like to ask you the following questions:*

1. *If your maximum price is 2,50€ and you draw a price of 3,75€ from the urn, will you be able to purchase the cookie pack? YES/NO (Correct answer: NO)*
2. *If your maximum price is 4,50€ and you draw a price of 3€ from the urn, which price will you have to pay for the cookie pack? ____ (Correct answer: 3€)*
3. *If your maximum price is 5€ and you draw a price of 2,35€ from the urn, will you be able to purchase the cookie pack? YES/NO (Correct answer: YES)"*

*IF RESPONSES ARE NOT CORRECT* → Explain BDM again, test again to see if respondent understands the mechanism

*IF RESPONSES ARE CORRECT* →

*„Ok, now please imagine you plan to purchase cookies. What is the maximum price you would be willing to pay for this pack of cookies?"*

Write stated price on questionnaire.

Let respondent draw a price from the urn, clarify transaction terms.

**d. Explanation about the questionnaire**

*„Now I would like to ask you to fill out the following questionnaire. Please note, that there are no right or wrong answers. All the questions refer to your personal assessment and appreciation. All information will be kept strictly confidential and evaluated in such a way, that no identification of the individual respondents is possible."*

Hand questionnaire to respondent.

Clarify any questions or misunderstandings related to the questionnaire.

Hand over cookie pack if transaction is taking place and thank for the participation.

## Romanian translation used:

*„Buna ziua! Ati fi interesat sa participati la un scurt experiment care va dura cca. 10-15 minute?*

*Va multumesc foarte mult ca ati fost de acord sa participati la acest experiment! Inainte de a incepe, as dori sa subliniez faptul ca acest experiment face parte dintr-un proiect academic de cercetare efectuat in cadrul Universitatii din Viena si nu exista interese comerciale implicate. Eu nu sunt un reprezentant al unei companii de bunuri de consum, ci un masterand la Universitatea din Viena. Drept urmare, voi folosi datele obtinute de la dvs. strict pentru intocmirea tezei de masterat.*

*Acum, despre experimentul propriu-zis: Eu sunt interesata sa aflu atitudinile, perceptiile si opiniile dvs. cu privire la o noua marca de biscuiti. Pentru aceasta, mai intai va voi inmana produsul si va voi lasa sa studiati ambalajul acestuia timp de cateva secunde. Veti avea nevoie de o suma mica de bani in cadrul acestui experiment, deoarece va voi oferi si posibilitatea de a cumpara un astfel de pachet. Dvs. nu veti fi nevoit sa cheltuiti mai mult pe acest pachet decat sunteti dispus sa platiti deoarece pretul de achizitie nu este inca stabilit. Cu toate acestea, este important sa intelegeti in prealabil ca acest experiment implica o situatie reala de cumparare. Apoi, am sa vă rog sa raspundeti la cateva întrebari despre aceasta noua marca de biscuiti prin intermediul unui chestionar. La final, am sa va inmanez pachetul de biscuiti în cazul în care tranzactia va avea loc. Doriti sa continuati experimentul?*

*Dupa cum am mentionat mai inainte, as dori sa va ofer posibilitatea de a cumpara un astfel de pachet de biscuiti. Pretul de achizitie nu este înca stabilit. Mai intai, am sa va cer sa indicati pretul maxim pe care sunteti dispus sa il platiti pentru acest produs. Apoi am sa va rog sa extrageti o minge din aceasta urna . Bilele din urna sunt etichetate cu preturi diferite. Daca extrageti din urna un pret mai mic sau egal cu pretul indicat de dvs., va trebui sa cumparati pachetul de biscuiti la pretul extras din urna. In cazul în care pretul pe care il extrageti este mai mare decat pretul indicat de dvs., nu veti putea cumpara produsul. Aceasta procedura garanteaza ca este cel mai bine pentru dvs. sa imi indicati sincer pretul maxim pe care sunteti dispus sa il platiti pentru acest produs. Daca indicati un pret mai mare, este posibil sa fiti nevoiti sa cumparati produsul la un pret mai mare decat ati fi fost dispus. Daca imi spuneti un pret care este mai mic, ati putea fi dezamagiti, pentru ca ati ratat o oportunitate de a cumpara pachetul la un pret mai mic decat cel care ati fi fost dispus sa il platiti. Este important sa intelegeti ca dvs. nu puteti influenta pretul de cumparare al acestui produs. Deoarece pretul de achizitie este cel extras din urna, acesta este complet aleator si independent de ceea ce imi spuneti dvs. Aveti intrebari cu privire la acest mecanism?*

*Inainte de a va cere sa imi indicati pretul maxim pe care ati fi dispus sa il plătiti pentru acest pachet de biscuiti si sa extrageti o minge din urna, as dori sa ma asigur că ati înteles mecanismul descris mai devreme. Pentru aceasta, as dori sa imi raspundeti la urmatoarele intrebari:*
*1. In cazul in care pretul maxim indicat de dvs. este 2,50€ si cel extras din urna este 3,75€, veti putea achizitiona pachetul de biscuiti? DA/NU (Raspuns corect: NU)*
*2. In cazul in care pretul maxim indicat de dvs. este 4,50€ si cel extras din urna este 3€, care este pretul pe care va trebui sa il platiti pentru pachetul de biscuiti? (Raspuns corect: 3€)*
*3. In cazul în care pretul maxim indicat de dvs. este 5€ sicel extras din urna este 2,35€, veti putea achizitiona pachetul de biscuiti? DA/NU (Raspuns corect: DA)*

*Ok, acum v-as ruga sa va imaginati ca aveti de gand să cumperati un pachet de biscuiti. Care este pretul maxim pe care ati fi dispusi sa il platiti pentru acest pachet?*
*La final, as dori sa va rog sa completati urmatorul chestionar. Va rog sa retineti ca nu exista raspunsuri corecte sau gresite. Toate intrebarile se refera la perceptiile dvs. personale si subiective. Toate informatiile colectate in acest chestionar vor fi pastrate strict confidential si evaluate in asa fel, incat nici o identificare individuala a respondentilor sa nu fie posibila."*

## *Appendix D: Questionnaire for Data Collection*

**Questionnaire for Data Collection**

Method: street interviews (200 respondents)

Self-administered paper-and-pencil questionnaire

### I. Constructs, Items, Measurement

**(English version)**

**Willingness-to-Pay**
(1 item, open question)
*"What is the maximum price you are willing to pay for this cookie pack?"*

**Perceived Quality**
(1 item on a 7-point semantic differential scale)
*1="poor quality" and 7="good quality"*

**Perceived Authenticity (Girardin et al. 2012)**
(5 items on a 7-point Likert-type scale, 1= "strongly disagree" and 7= "strongly agree")

1. *"The brand builds on long-held traditions."*
2. *"The brand is proud of its heritage."*
3. *"Tradition is safeguarded in the manufacture of this brand."*
4. *"The brand is built upon a history."*
5. *"The brand is strongly connected to a particular place and/or period of time."*

**Perceived Brand Globalness (Steenkamp et al. 2003)**
(2 items on a 7-point semantic differential scale)

1. *1="This is a local brand." and 7="This is a global brand."*
2. *1="This brand is sold only in Romania." and 7="This brand is sold all over the world."*

**Perceived Brand Credibility (Erdem and Swait 1998)**
(3 items on a 7-point Likert-type scale, 1= "strongly disagree" and 7= "strongly agree" )

1. *"This brand has the ability to deliver what it promises."*
2. *"This brand's product claims are believable."*
3. *"This brand doesn't pretend to be something it isn't."*

**Consumer Cosmopolitanism (Riefler et al. 2012)**
(12 items on a 7-point Likert-type scale, 1="strongly disagree" and 7= "strongly agree" )

1. *"When traveling, I make a conscious effort to get in touch with the local culture and traditions."*
2. *"I like having the opportunity to meet people from many different countries."*
3. *"I like to have contact with people from different cultures."*
4. *"I have got a real interest in other countries."*
5. *"Having access to products coming from many different countries is valuable to me."*
6. *"The availability of foreign products in the domestic market provides valuable diversity."*
7. *"I enjoy being offered a wide range of products coming from various countries."*
8. *"Always buying the same local products becomes boring over time."*
9. *"I like watching movies from different countries."*
10. *"I like listening to music of other cultures."*
11. *"I like trying original dishes from other countries."*
12. *"I like trying out things that are consumed elsewhere in the world."*

**Price Consciousness (Lichtenstein et al. 1993)**
(1 item on a 7-point Likert-type scale, 1="strongly disagree" and 7= "strongly agree" )
*"I am willing to go to extra effort to find a lower price for cookies."*

**Product Category Involvement (based on Zaichkowski 1985)**
(3 items on a 7-point Likert-type scale, 1="strongly disagree" and 7= "strongly agree" )

1. *1="I have no interest in cookies." and 7="I have a strong interest in cookies."*
2. *1="Cookies are not important to me." and 7="Cookies are very important to me."*
3. *1="I never buy cookies for me or other members of my family." and 7="I often buy cookies for me or other members of my family."*

**Preference for Authenticity (Nijssen and Douglas 2011)**
(3 items on a 7-point Likert-type scale, 1="strongly disagree" and 7= "strongly agree" )

1. *"I like to bring authentic products from other cultures back home for example, to put in my own interior."*
2. *"When a product is characteristic of a certain culture (e.g., Delft blue tiles, Ming China, Kashmir textile) I rather pay more for the real thing than buy a copy."*
3. *"I have an outspoken preference for foreign brands that are authentic and thus characteristic for a particular country."*

**Nostalgia (Holbrook 1993)**
(2 items on a 7-point Likert-type scale, 1="strongly disagree" and 7= "strongly agree")

1. *"Things used to be better in the good old days."*
2. *"Products are getting shoddier and shoddier."*

**Globalization Attitude (Spears et al. 2004)**
(3 items on a 7-point Likert-type scale, 1="strongly disagree" and 7= "strongly agree" )

*"In my opinion, increased economic globalization…*
*…encourages a maximum of personal freedom and choice.*
*…leads to quality and technical advances.*
*…provides consumers the goods and services they want."*

**Socio-demographics**

1. **Education** (multiple-choice question)
   *"Compulsory school/ Vocational school/ Highschool/ University/ Other"*
2. **Monthly Net Income** (multiple-choice question)
   *"Less than 450 RON/450-700 RON/ 700-1.000 RON/ 1.000-1.400 RON/ Over 1.400 RON"*
3. **Gender** (dichotomous question)
   *"Female/ Male"*
4. **Age** (open question)
5. **Area of Residency** (dichotomous question)
   *"Urban/Rural"*

**(Romanian translation used)**

**Willingness-to-Pay**
*"Care este prețul maxim pe care ați fi dispus să îl plătiți pentru acest pachet de biscuiți?"*

**Perceived Quality**
*1="de proasta calitate" and 7="de buna calitate"*

**Perceived Authenticity**

1. *"Această marcă este clădită pe o tradiție îndelungată."*
2. *"Această marcă este mândră de istoria sa."*
3. *"Tradiția este păstrată în procesul de fabricare al acestei mărci."*
4. *"Această marcă este clădită pe o istorie îndelungată."*
5. *"Această marcă este puternic legată de un loc şi/sau perioadă de timp anume."*

**Perceived Brand Globalness**

1. *1="Este o marcă locală." and 7="Este o marcă globală."*
2. *1="Este vândută doar în România." and 7="Este vândută peste tot în lume."*

**Perceived Brand Credibility**

1. *"Această marcă are abilitatea de a livra ceea ce promite."*

2. *"Promisiunile acestei mărci sunt credibile."*
3. *"Această marcă nu pretinde a fi ceva ce nu este."*

**Consumer Cosmopolitanism**

1. *"Când călătoresc, fac un efort conştient de a intra în contact cu cultura locală."*
2. *"Îmi place să am posibilitatea de a cunoaşte oameni din multe ţări diferite."*
3. *"Îmi place să intru în contact cu oameni ce provin din diferite culturi."*
4. *„Am un mare interes pentru tări străine."*
5. *„Disponibilitatea produselor străine pe pia a internă oferă o varietate valoroasă."*
6. *"Îmi place foarte mult să am acces la o gamă largă de produse ce provin din diferite ţări străine."*
7. *"Mi se pare valoros să am acces la produse din întreaga lume."*
8. *"Mi se pare plictisitor să cumpăr mereu aceleaşi produse domestice."*
9. *„Vizionez cu plăcere filme străine."*
10. *„Ascult cu plăcere muzică din alte ţări."*
11. *"Încerc cu plăcere diferite preparate culinare străine."*
12. *"Încerc cu plăcere lucruri care sunt consumate în alte părţi ale lumii."*

**Price Consciousness**

*"Sunt dispus sa depun un efort suplimentar pentru a obtine un pret mai mic pentru biscuiti."*

**Product Category Involvement**

1. *1=„Nu prezint nici un interes pentru biscuiti sau produse similare." and 7="Ma intereseaza in mod deosebit biscuitii si podusele similare."*
2. *1="Biscuitii nu sunt importanti pentru mine." and 7="Biscuitii sunt foarte importanti pentru mine."*
3. *1="Cumpar foarte rar biscuiti pentru mine sau pentru alti membri ai familiei mele." and 7="Cumpar foarte des biscuiti pentru mine sau pentru alti membri ai familiei mele."*

**Preference for Authenticity**

1. *"Cand calatoresc, imi place sa aduc produse autentice din alte culturi inapoi acasa, de exemplu pentru a-mi decora locuinta."*
2. *"Atunci cand un produs este caracteristic pentru o anumita cultura (ex. paste din Italia, trabucuri din Cuba) sunt dispus sa platesc un pret mai mare pentru original decat sa cumpar o copie."*
3. *"Prefer in mod deosebit marcile straine, care sunt autentice si, astfel, caracteristice pentru o tara anume."*

**Nostalgia**

1. *„Pe vremuri era mai bine decat acum."*
2. *"In comparatie cu mai demult, produsele devin din ce in ce mai inferioare."*

**Globalization Attitude**

*"In opinia mea, cresterea globalizarii economice…*
*…incurajeaza un maxim de libertate si alegere personala.*
*…duce la cresterea calitatii si la progrese in domeniul technologic.*
*…ofera consumatorilor bunurile si serviciile pe care si le doresc."*

**Socio-demographics**

1. **Education**
   *"Scoala obligatorie/ Scoala profesionala/Liceu/ Universitate/ Alta"*
2. **Monthly Income**
   *"Mai putin de 450 RON/450-700 RON/ 700-1.000 RON/ 1.000-1.400 RON/ Mai mult decat 1.400 RON"*
3. **Gender**
   *"Feminin/ Masculin"*
4. **Age**
5. **Area of Residency**
   *"Mediul urban/Mediul rural"*

## II. Cronbach's Alpha Values (n=180)

| Scale | Nr. of items | Alpha Value |
|---|---|---|
| **Perceived Brand Authenticity** | 5 | 0.911 |
| **Perceived Brand Globalness** | 2 | 0.870 |
| **Perceived Brand Credibility** | 3 | 0.890 |
| **Consumer Cosmopolitanism** | 12 | 0.882 |
| **Product Category Involvement** | 3 | 0.878 |
| **Preference for Authenticity** | 3 | 0.826 |
| **Nostalgia** | 2 | 0.764 |
| **Globalization Attitude** | 3 | 0.900 |

## *Appendix E: Academic Résumé*

# Simona Mihaela Katholnig (*née* Chindea)

**Personal Information**

| | |
|---|---|
| Date of birth: | 11/06/1982 |
| Place of birth: | Sibiu, Romania |
| Email: | a1047797@unet.univie.ac.at |

**Education**

| | |
|---|---|
| 2010 – present | M.Sc., International Marketing, University of Vienna |
| 2001 – 2005 | B.A., International Business, Academy of Economic Studies Bucharest (Romania) |
| 1997 – 2001 | A-levels, Samuel von Brukenthal Highschool, Sibiu (Romania) |

**Scholarships**

| | |
|---|---|
| 2005 – 2006 | MAPOW-Scholarship, Postgraduate Studies, University of St. Gallen (Switzerland) |
| 2003 – 2004 | DAAD-Scholarship, Undergraduate Studies, University of Trier (Germany) |

**Work experience**

| | |
|---|---|
| 2007 – 2012 | Marketing Manager, Euro Freight Holding, Vienna (Austria) |
| 2006 | Marketing and Sales Trainee, Johnson & Johnson, Zug (Switzerland) |
| 2004 | Marketing Intern, Staedtler Mars, Nürnberg (Germany) |

**Languages**

| | |
|---|---|
| English | Fluent (spoken and written) |
| German | Fluent (spoken and written) |
| Spanish | Fluent (spoken and written) |
| Romanian | Native language |

**Interests**

Politics, history, art

## German Abstract

Postmoderne Konsumenten zeichnen sich durch einen starken Wunsch nach Authentizität in ihren Konsumerfahrungen aus. Die Marketing-Fachliteratur bestätigt die wachsende Bedeutung des Konzepts für die Verbraucher, während gleichzeitig mehr und mehr Marketing-Verantwortliche Authentizität als Markenpositionierungsinstrument verwenden. Trotz dem wachsenden Interesse an Authentizität und der Allgegenwart von Authentizität signalisierenden Stimuli auf dem Markt, ist die Forschung über die potentiellen Folgen der Kommunikation von Markenauthentizität noch in einem frühen Stadium. Bislang stammt alles was über die Auswirkungen des Konzepts auf die Einstellungen der Verbraucher und deren Verhaltensweisen bekannt ist, aus Studien die in reifen (westlichen) Märkten durchgeführt wurden. Hingegen ist wenig bekannt, über die Art und Weise wie Verbraucher in aufstrebenden Märkten eine authentische Markenpositionierung wahrnehmen und darauf reagieren.

Vor diesem Hintergrund wird in der vorliegenden Studie untersucht, ob Authentizität signalisierende Markenstimuli die Authentizitätswahrnehmung der Konsumenten in aufstrebenden Märkten beeinflussen und ob diese Wahrnehmungen positiv ihre Reaktion auf globale und nicht-globale Marken (in Bezug auf Markenqualität und Zahlungsbereitschaft) beeinflussen. Darüber hinaus wird die vermittelnde Rolle der Glaubwürdigkeit einer Marke untersucht, als ein möglicher Weg durch den Authentizitätseffekte entstehen, sowie der Einfluß einer kosmopolitischen Ausrichtung der Verbraucher auf Authentizitätsergebnisse.

Um dies zu erreichen wurde eine experimentelle Studie mit 180 Konsumenten aus einem aufstrebenden Markt, Rumänien, durchgeführt. Das Experiment wurde um eine fiktive Marke, die einer Low-Involvement Produktkategorie (Schokoladenkekse) angehört, aufgebaut. Die Ergebnisse zeigen, dass Authentizität signalisierende Markenstimuli die Authentizitätswahrnehmungen der rumänischen Verbraucher erfolgreich beeinflussen können, was im Weiteren zu einem Anstieg der wahrgenommenen Qualität der Marke, nicht aber zu einer erhöhten Zahlungsbereitschaft, führt. Zudem wurde eine vollständige Mediation dieser Effekte durch Markenglaubwürdigkeit festgestellt, sowie eine positive Moderation durch Konsumentenkosmopolitismus.

Die Ergebnisse der Studie enthalten wichtige Implikationen für Marketing-Manager, die in Rumänien und anderen aufstrebenden Märkten operieren. Vor allem zeigen sie, dass Authentizität eine tragfähige Positionierungsstrategie darstellt, jedoch

nicht der ultimative Weg ist, um Überlegenheit gegenüber anderen Marken in diesen Märkten zu erreichen.

Ich habe mich bemüht, sämtliche Inhaber der Bildrechte ausfindig zu machen und ihre Zustimmung zur Verwendung der Bilder in dieser Arbeit eingeholt. Sollte dennoch eine Urheberrechtsverletzung bekannt werden, ersuche ich um Meldung bei mir.