BRAND AUTHENTICITY AND THE CONSEQUENCES OF PRODUCT FEATURES

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ABSTRACT

The main intention of this thesis is to contribute to the current research on brand authenticity. The value of brand authenticity has grown as consumers attempt to differentiate between brands. This study was conducted to analyze authentic (vs. inauthentic) brands while considering the objectivist theory. There is currently minimal completed research in the field considering this theory. Building on Morhart's (2015) description of the objectivist theory, this thesis focuses on the physical object tied to a brand. The pre-test considered and compared consumers' opinions of two brands, Honda and Hyundai. Results show Honda as more authentic (vs. inauthentic) than Hyundai. The main study took those results and manipulated the product features to analyze the impact of change on brand authenticity. Numerous factors were considered during examination of the study outcome. It was expected authentic (vs. inauthentic) brands would show less favorable when the product features change. Results of the main study show theoretically change is ultimately more important than brand authenticity.

THEORETICAL BACKGROUND

Brand Authenticity

The number of brands has continued to grow, therefore leading to high levels of brand parity and brand competition (Schallehn). Morhart explains consumers are now searching for brands that are relevant, original and genuine (Morhart). These characteristics tend to define the authenticity of a brand. Brand authenticity is a fairly new concept that could potentially stand as a pillar to create both credibility and trust (Schallehn). Napoli asserts it is difficult for consumers to see the difference between 'real' and 'fake' brands, but there is not enough research yet to distinctly define the concept of brand authenticity (Napoli). Morhart supports Napoli with the emphasis it is essential for companies to fully understand the nature of their brands' authenticities. In addition, marketers must perceive the significance and the causes of the authenticity associated with their brand (Morhart).

Scott Davis emphasizes brand authenticity has always held importance in the marketplace, however its value has grown as customers search for familiarity, safety and trust (Davis). Schallehn showed perceived brand individuality, brand consistency and brand continuity is positively related to brand authenticity. Schallehn also confirmed brand authenticity is positively related to brand trust and all the relationships support the importance of authenticity in branding.

The three main outlooks currently explored in brand authenticity research are the objectivist perspective, the constructivist perspective and the existentialist perspective (Morhart). Morhart explains the constructivist perspective emphasizes the reality of authenticity is based on consumers' personal beliefs and perceptions of the world. The existentialist perspective "examines authenticity as it relates to one's identity" and focuses on relating to one's true self

(Morhart). Lastly, the objectivist perspective focuses on the product's physical features and their relationship with brand authenticity.

Product Features

Morhart, Schallehn and Napoli explain the objectivist perspective, in which brand authenticity is inherent in an object itself. Research shows authenticity can be evaluated with brand information such as age, labels of origin, ingredients or performance (Morhart). Michael Beverland also supports this, stating consumers may assume objects have authenticity, mostly based on their expectation of what a product should look like (Beverland).

Product features are commonly referred to as attributes. Keller describes attributes as descriptive features that characterize a product or service (Keller). Consumers typically associate attributes with what is involved with the product or service, as well as what the product or service has (Keller). Product-related attributes are the physical features, while non-product-related attributes are external features that relate to the purchase and/or consumption (Keller). For example, price is a non-product-related feature that may affect consumers' opinions of the brand based off comparison to prices of different brands (Keller).

Changing Features

Authentic brands have a defined purpose and often use distinctive factors, such as time-honored traditions, hand-made methods or natural ingredients, to differentiate from competitors (Napoli). Consumers typically have product expectations and have a perception of what products should look like (Beverland). An interference with these expectations may potentially push loyal customers away. Therefore, Napoli asserts fundamental changes to products have the potential to raise confusion and questions regarding a brand's authenticity.

The purpose of the pretest is to determine which brands are authentic and which brands are inauthentic. There is already some research regarding brand authenticity, but the majority of it focuses on the subjective perspective and the overall impact of authenticity on a consumer. Minimal research exists within the objective perspective, focusing on authenticity in the product or service itself. The pre-test focused on the Honda and Hyundai brands.

Method

A representative sample from Mechanical Turk (N=100, 62.6% male, 80% Caucasian) participated in the pre-test. Participants were randomly assigned to assess Honda or Hyundai through Qualtrics. The survey showed a Honda or Hyundai logo and was followed with numerous questions containing authenticity measures from (Morhart). Participants then filled out their demographics. Expectations included Honda would prove to be more authentic to customers than Hyundai.

H_1: Brands that are authentic (vs. inauthentic) will be seen as less favorable when the product features that represent their authenticity changes.

Results

On average, participants exposed to Honda evaluated this brand as more authentic (M=5.1505, SD=.95866), than those shown Hyundai (M=4.4506, SD=.86427). This difference, .6999, was significant t (98) =3.806 (p<.001).

Discussion

We found the Honda brand is recognized as more authentic, while the Hyundai brand is recognized as more inauthentic. Now, we are able to manipulate these brands in the main study.

STUDY

The purpose of the main study is to test whether authentic (vs. inauthentic) and the features that make them authentic are impacted by change (vs. no change). The study focused on the Honda and Hyundai brands. We tested the following via experimentation using a 2(authentic vs. inauthentic) X 2(change vs. no change) matrix.

Method

A representative sample from Mechanical Turk (*N*=322, 59.6% male, 78.6% Caucasian) participated in the main study. Participants were randomly assigned to assess Honda or Hyundai and change or no change through Qualtrics. The survey asked participants their initial opinion about Honda or Hyundai. Participants were then shown an advertisement stating a vehicle included "100,000-mile warranty, 30 mpg, and Vehicle Stability Assist" and "Honda" or "Hyundai." The survey then informed the participant if the company chose to keep these characteristics or if the company chose to reduce mileage of warranty, reduce miles per gallon and make the Vehicle Stability Assist optional. Participants were asked authenticity measure based questions after given change or no change. The questions focused on participants' impression of Honda's or Hyundai's decision to change/not change. Additionally, a set of questions measured participants' willingness to recommend the brand through word of mouth (WOM). Lastly, participants filled out their demographics. Expectations included participants would dislike change overall. More importantly, the change was expected to impact participants' impressions of Honda more than participants' impressions of Hyundai.

Results

For the analysis, we ran a 2X2 ANOVA with brand as one manipulative variable and change/no change as the other manipulative variable. The independent variables were the

product features (change vs. no change). The dependent variable was the authenticity of the brand (Honda vs. Hyundai). There was a significant main effect for change/no change of WOM, $F(1,321) = 59.91$, $p < .001$. Chronbach's Alpha = .974 for the WOM measurements. There was a significant main effect in the participants' impression of Honda/Hyundai after the brand's decision to change/not change, $F(1,321) = 202.32$, $p < .001$. Chronbach's Alpha = .973 for these measurements. Overall, there was a non-significant main effect on brand difference, $F(1,321)$, $p > .05$.

Discussion

We found the overall change was significant, but there was no significant difference between brands. Theoretically, change may not matter as much to authenticity. The main effect for brand manipulation and 2-way interaction between change and brand were all non-significant. The current study extends (Morhart)'s research by researching the impact of the physical object's impact on brand authenticity. (Morhart)'s study considered product performance, overall product quality, reliability, and word of mouth in its authenticity measures. This study expanded and examined those considerations.

At a first glance, some might expect the authenticity to be a primary differentiator between brands. Our hypothesis suggested this may be the case, but our findings supported a different idea. In contrast, we found consumers were able to identify authentic (vs. inauthentic) brands, but when exposed to change, that authenticity identification did not matter. Our results indicate when no consequences are applied, consumers see a significant difference between authentic and inauthentic brands.

FUTURE RESEARCH

This study can provide essential information for research to come. First off, it has provided more research regarding the objectivist theory. We were able to expand the theory by searching for relationships between products and brand authenticity. While the product features changes did not impact brand authenticity as predicted, there are still many areas of the theory that will be explored. More specifically, researchers may look at how positive changes of features impact brand authenticity. Additionally, there is the potential to study how other characteristics of a physical object affect the consumer's opinion.

Although the overall change in our study was stronger than the brand authenticity, it was only within the auto industry. There are opportunities to explore other industries, such as clothing or sporting goods. The impact of change on brand authenticity could present itself differently in these future studies. This would present an interesting challenge among research to pinpoint the factors that are most prominent to brand authenticity. All future studies conducted will assist marketing managers and researchers in understanding the contributions and consequences associated with brand authenticity.

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