

Effects of Transparent Brand Communication on Perceived Brand Authenticity and Consumer Responses

Jing Yang, Ph.D.¹ and Ava Francesca Battocchio, M.S.²

1. School of Communication, Loyola University Chicago

2. Department of Advertising and Public Relations, Michigan State University

Correspondence: jyang13@luc.edu

Abstract

This study explores the influence of transparent brand communication on consumers' perceptions of brand authenticity, and its further impact on consumers' attitude, trust, and behavioral intention towards a brand. Through a 2x2 online experiment design, this study examined the variation in consumers' perceptions and responses, while connecting the literature of brand transparency and authenticity. Individual differences in moral identity centrality was examined as a moderator in the study

Literature Review

Brand Transparency: Transparency utilizes openness[16] and brand accountability[21] to communicate information gathering, funding, sharing, access, and disclosure [17][20] [21][7]. Prior studies reveal consumer perceptions of brand transparency results in trust-building, positive attitudes, and behavioral intentions [18].

Brand Authenticity: Authenticity contributes principal positive value to a brand's image [14][3] and identity [5][13]. Authentic brands are distinguished through their sincerity, stability, endurance, consistency, credibility, originality, truthfulness, genuineness, realness, and dissociation from commercial motives [8][10][3][4][11].

Moral Identity: Individuals' moral identity (MI) centrality refers to "the degree to which being moral is a central or defining characteristic of a person's sense of self" [6]. Aquino and his colleagues [1][2], operationalized MI centrality as a set of nine moral traits that are stable to one's self-conception and guides behavior.

RQ: Which kind of transparent brand communication (production transparency vs. cost transparency vs. both) will be perceived with higher brand transparency?

H1: Brand transparency will positively contribute to consumers' perception of the brand's authenticity.

H2: Brand transparency will positively relate to consumers' a) trust, b) attitude and c) behavioral intentions towards the brand.

H3: Brand authenticity will positively relate to consumers' a) trust, b) attitude and c) behavioral intentions towards the brand.

H4: Brand authenticity will mediate the positive relationship between brand transparency and consumers' a) trust, b) attitude, and c) behavioral intentions towards the brand.

H5: Individuals' MI centrality would moderate the impact of brand transparency on consumers' a) trust, b) attitude, and c) behavioral intentions towards the brand, such that people with higher moral identity centrality are more likely to respond positively towards brand with higher brand transparency.

H6: Individuals' MI centrality would moderate the impact of brand authenticity on consumers' a) trust, b) attitude, and c) behavioral intentions towards the brand, such that people with higher moral identity centrality are more likely to respond positively towards brands with higher brand authenticity.

Methods

This study utilized an online between-subject, 2x2 experiment design

- Cost Transparency (Present or not) x Production Transparency (Present or not)

Stimuli Development

- Created fictitious apparel brand called *A_Tee* with mock-up of e-commerce website
- Participants were assigned to review one of four conditions:

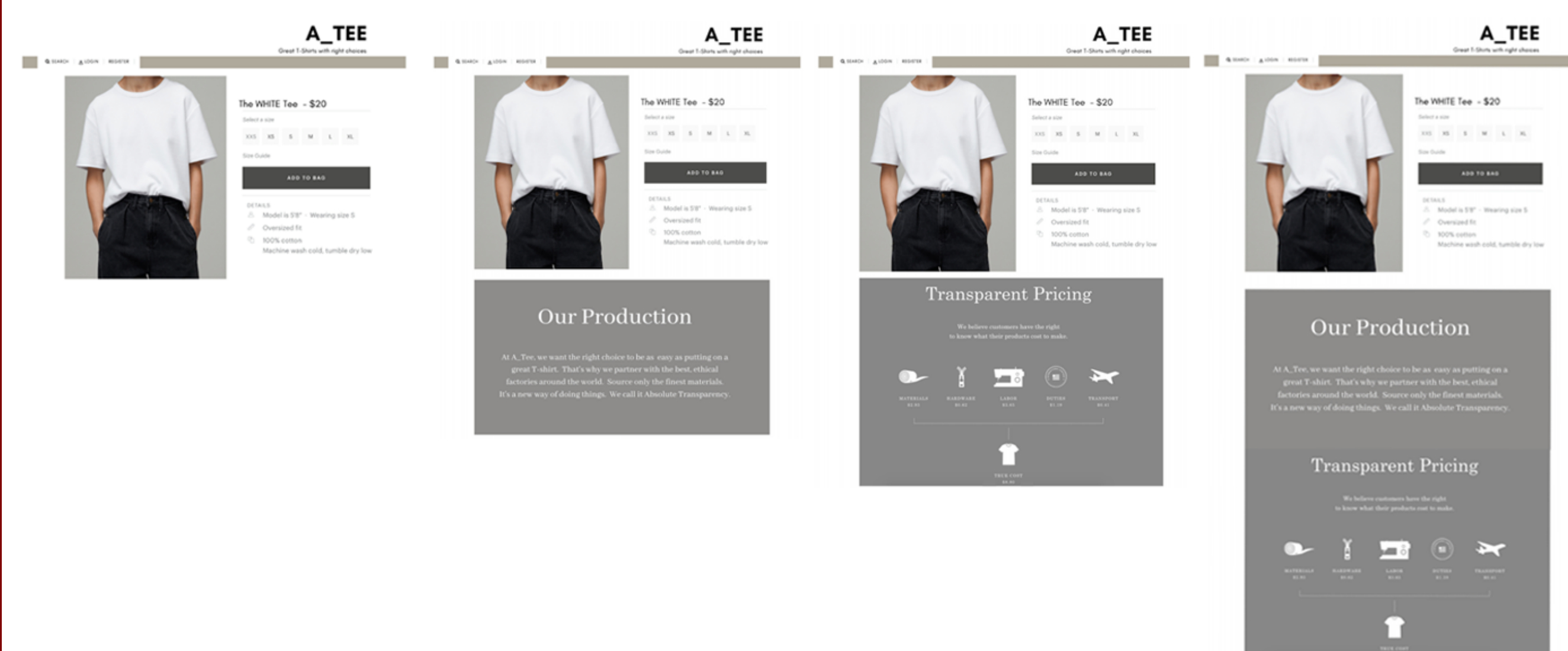


Figure 2: (far left) *Control*: unisex tee photo plus price, material and size options (left) *Transparent Production*: Control descriptors plus partnered factories and material sourcing (right) *Transparent Price*: Control descriptors plus costs of material, hardware, labor, duties, and transportation fees (far right) *Transparent Price and Production*: Control descriptors plus both price and production descriptors

Participants

- $n=172$
- Recruited on Amazon Mturk
 - US participants
 - 61.5% Male
 - 79.3% White
 - 51.7% Bachelor's Degree

- Ages ranged from 21 to 75 ($M=39.5$, $SD=12.235$)
- * 43.7% Millennials (Between 13 to 34)
- 71.3% Employed full-time
- 58.6% Annual household income under \$50,000

Measures

- **Brand Transparency:** 7-point Likert scale adapted from Kang and Hustvedt(2013)[12]
- **Brand Authenticity:** 7-point Likert scale adapted from Bruhn et al.(2012)[8]
- **Moral Identity Centrality:** 7-point Likert scale adapted from Aquino and Reed(2002)[1]
- **Brand Trust:** 7-point Likert scale adapted from Erdem and Swait (2004)[9]
- **Brand Attitude:** 7-point Likert scale adapted from Sengupta and Johar(2002)[19]
- **Behavioral Intention:** 7-point Likert scale adapted from Oh et al.(2019)[15]

Results

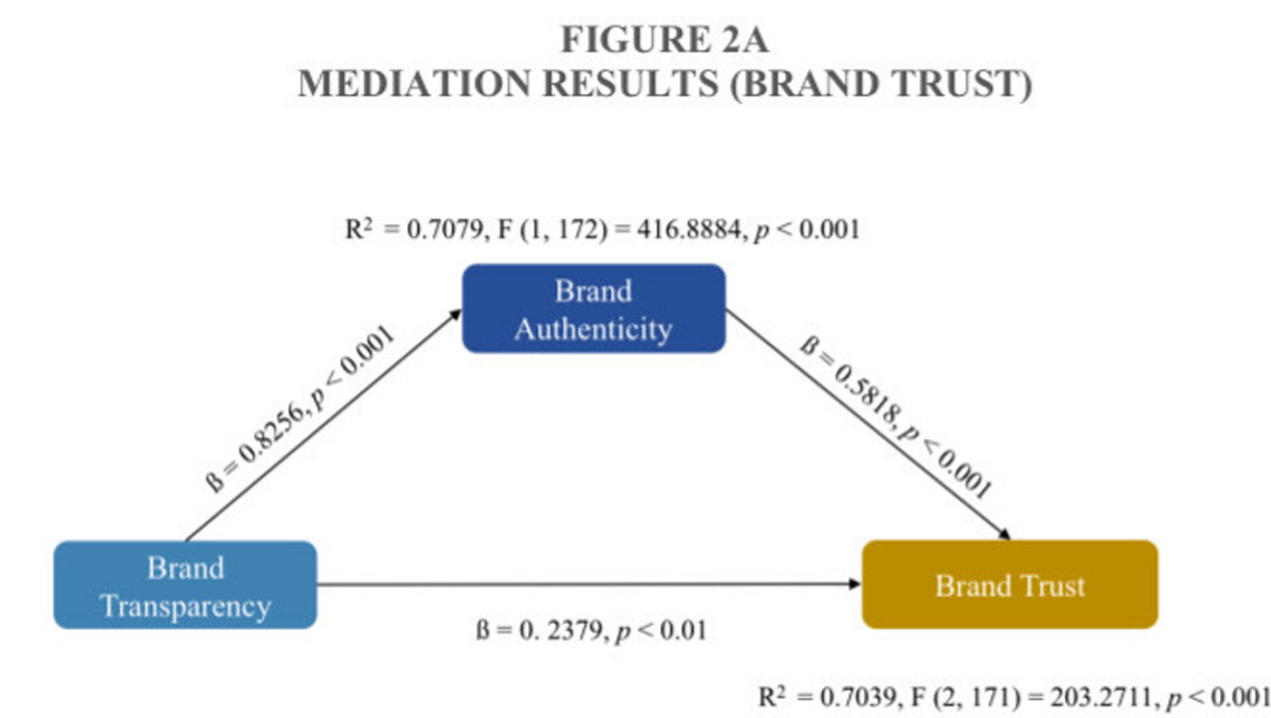


Figure 3: Mediation analyses by DV: Trust

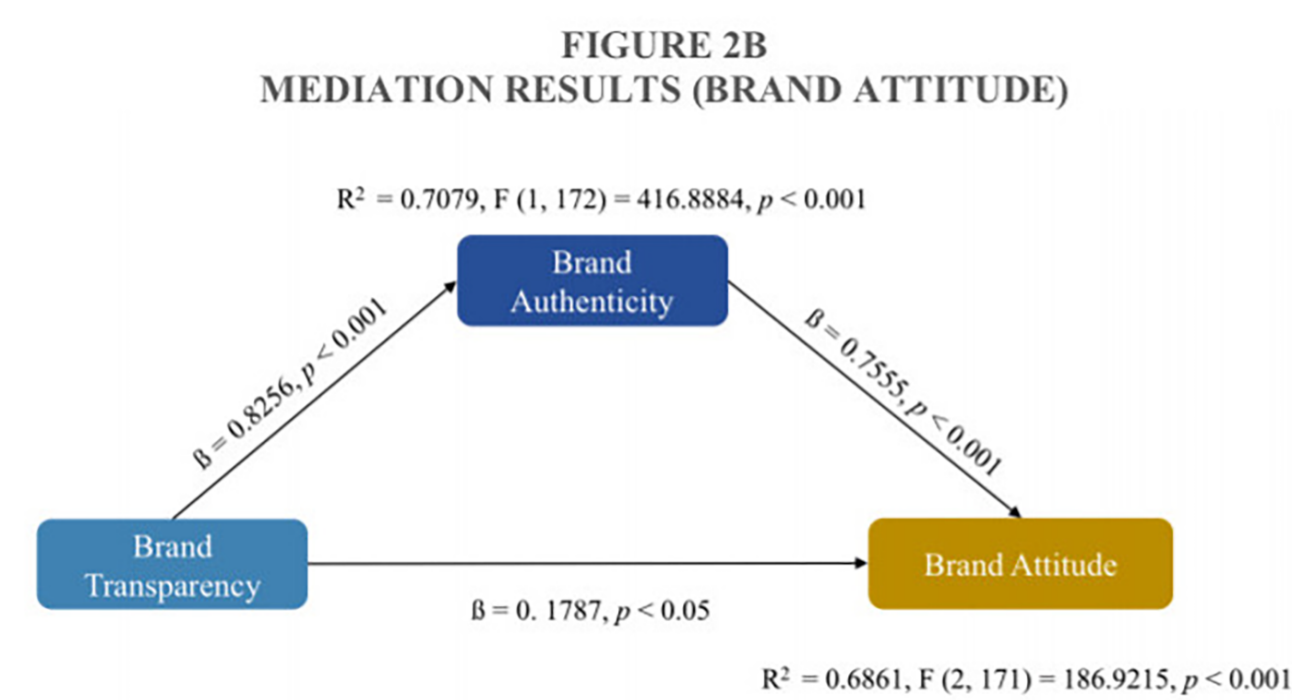


Figure 4: Mediation analyses by DV: Attitude

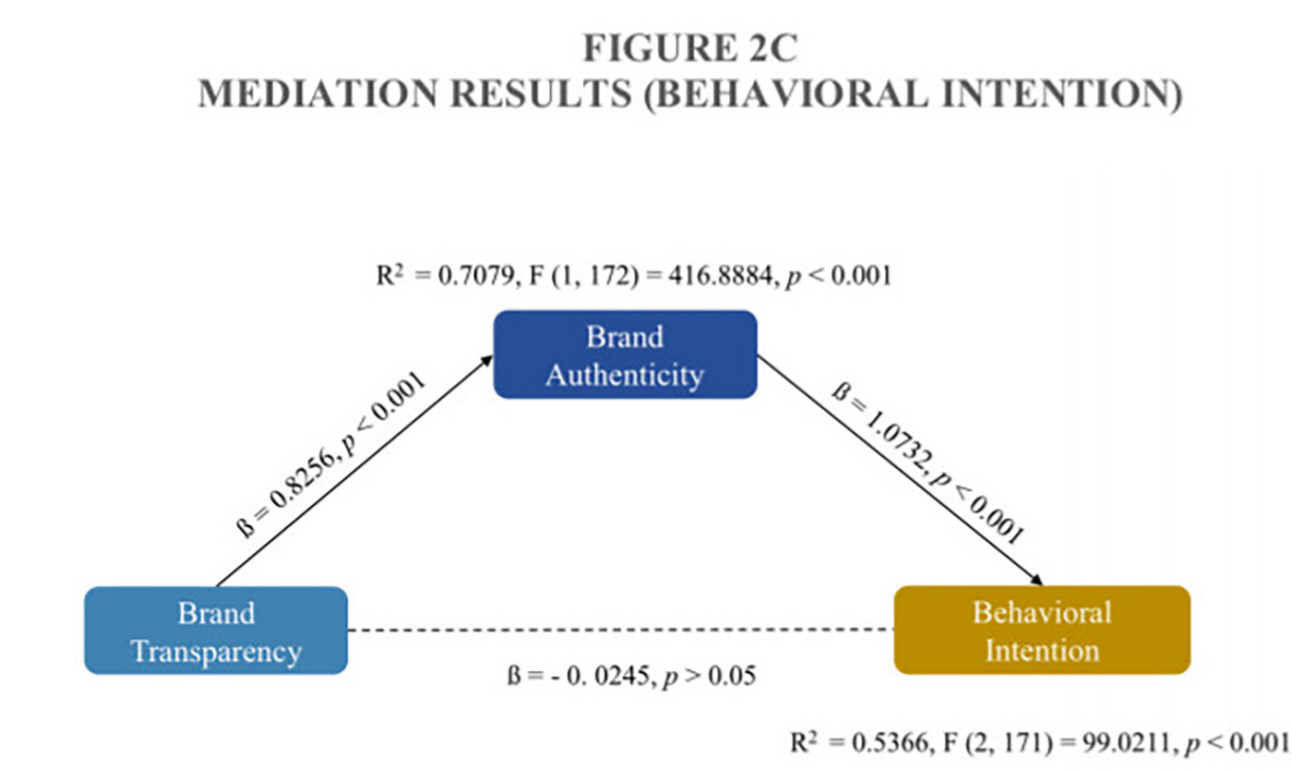


Figure 5: Mediation analyses by DV: Behavior

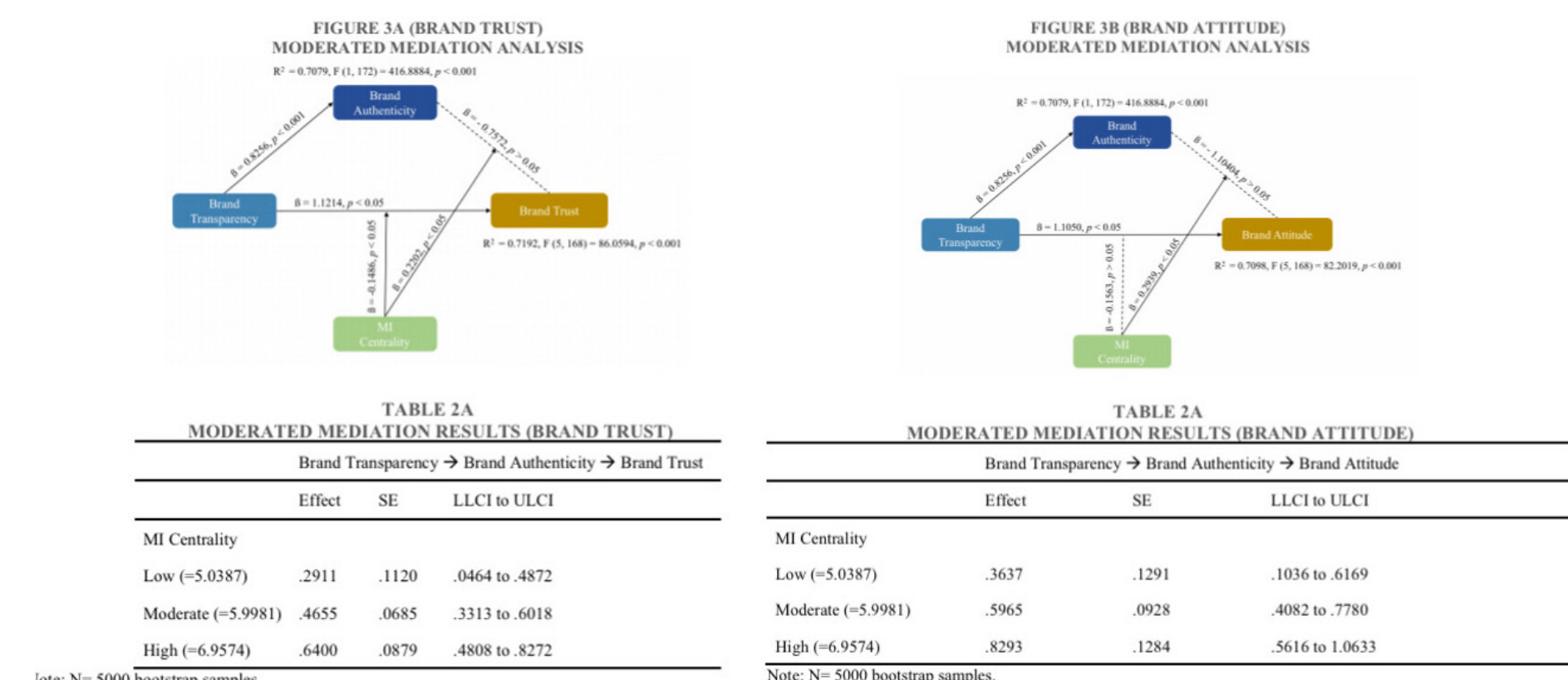


Figure 6: Moderated meditation analyses by DV: (left) trust and (right) attitude

Discussion

Our findings demonstrated that by revealing the production process and product cost, consumers would view a brand as more authentic and trustworthy. In turn, their positive attitude and purchase intention toward the brand would be more significant. These findings support previous literature that suggests the positive impact of transparent brand communication and brand authenticity on consumer responses. This study also found that individuals' moral identity (MI) centrality significantly moderated the relationship between brand transparency and consumers' responses towards the brand (i.e., trust and attitude), through the mediation of perceived brand authenticity.

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