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Consumer confidence in credence attributes: The role of brand trust

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ABSTRACT

While the concept of institutional trust has received considerable attention in different branches of the social science literature, brand trust has been somewhat neglected, particularly with respect to the food sector. Motivated by the need to further investigate the concept, this paper develops a conceptual framework that explores the effects of brand trust, trust in the food system, consumer confidence and brand loyalty. While most extant studies have examined the brand trust-brand loyalty link, this paper proposes that: (i) the impact of brand trust on consumer confidence in brand attributes is mediated by trust in the food system, and (ii) brand trust leads to brand loyalty via consumer confidence. The proposition is tested using Structural Equation Modelling techniques based on survey data from a sample of Canadian consumers of packaged green salad. Results indicate that in a food context, brand trust is positively associated with consumer confidence in brand quality and safety, largely via trust in the food system. Furthermore, confidence in credence attributes is shown to lead to brand loyalty. While previous research conceived brand trust as a multidimensional construct, the analysis suggests that trust in food brands could be better explained by a one-factor model.

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Introduction

The globalization of the agri-food industry has led to an increasingly complex marketplace, raising competitive pressures for food manufacturers and retailers who are constantly seeking new product differentiation strategies. Branding of food products is moving beyond processed, packaged foods to include branding of generic 'raw' agricultural commodities (e.g., salad, vegetables, meat). At the same time, retailer-owned private labels have grown in importance. In addition to competing with national brands for shelf space, private label brands have shifted from generic staples to premium products (AAFC, 2010). The extension and deepening of branding in food markets provides an additional quality signal for consumers. Understanding how consumers perceive food brands and how consumer trust in brands influences overall consumer confidence contributes to our understanding of the drivers and outcomes of trust in food.

Institutional trust has received considerable discussion in several branches of the social science literature where scholars have recognized trust as a key relational principle in buyer–seller relationships (e.g., Ebert, 2006; Schoorman et al., 2007). Yet, "brand trust" has escaped similar extensive attention in consumer studies, especially those positioned in a consumer-brand setting (Delgado-Ballester, 2004). The neglect may be attributed to the

lack of understanding of how theories of institutional trust can be applied to objects such as brands (Delgado-Ballester, 2004). For instance, there is a host of studies in food economics examining trust in market actors with responsibility for food safety and product quality (Frewer et al., 1996; Mazzocchi et al. 2004; Berg et al., 2005; Dierks and Hanf, 2006; De Jonge et al., 2004, 2007, 2008a,b; Kjærnes et al., 2007). Other studies (e.g., Innes and Hobbs, 2011) recognize the role of quality signals such as brands in shaping consumer preferences and purchasing behaviour, particularly for credence attributes where consumers rely on brand images, labels, advertising and social networks to form opinions. Yet, little attention has been given to a detailed analysis of brand trust. Motivated by the need to further investigate the drivers and outcomes of brand trust, this paper explores the antecedents of brand trust, how brand trust influences consumer confidence in credence attributes and how it impacts brand loyalty.

No real consensus exists from other disciplines, including psychology, sociology, economics, marketing and management, either on a standard definition of brand trust, on its dimensionality, or approaches to its measurement. For instance, Chaudhuri and Holbrook (2001: 82) define brand trust as "the willingness of the average consumer to rely on the ability of the brand to perform its stated function", while Delgado-Ballester et al. (2003: 11) view brand trust as a: "Feeling of security held by the consumer in his/her interaction with the brand, that it is based on the perceptions that the brand is reliable and responsible for the interests and welfare of the consumer".

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Unlike the marketing perspective that legitimises the brand as a partner and personifies it (e.g., Fournier, 1998), this paper draws upon the economics of information literature in recognizing the informational aspects of a brand. A brand is a quality cue on which consumers may rely to form expectations about the product's quality, including safety. Indeed, with incomplete and asymmetric information, credibility is expected to be a key determinant of consumer-based trust in a brand. To alleviate information problems, private firms have developed their own codes of practice and branding strategies. With investments in brand name capital, they have a stronger incentive to maintain product quality, to avoid damage to brand reputation and to boost consumer confidence in their products (Alam and Yasin, 2010). Furthermore, and unlike much of the food economics literature that has dealt with trust in the context of a particular food safety event (e.g., De Jonge et al., 2008a,b) or with risk perceptions towards biotechnology (e.g., Lang and Hallman, 2005), this study examines the role of brand trust during the course of normal consumption. Indeed, consumers may be concerned about production-related features beyond specific food safety events (Drescher et al., 2011; Innes and Hobbs, 2011)¹.

While most of the existing marketing and business literature has focused on the direct relationship between brand trust and brand loyalty, the novel contribution of this paper is to examine how consumer confidence in quality attributes is expected to affect the relationship between brand trust and brand loyalty. The research premise is that consumer trust (related to values and intentions) in brands may evolve to confidence (related to performance) about the brands' attributes through experiencing the product and its benefits, which ultimately drives a consumer to be committed to that brand. On the other hand, while others, for example, Lau and Lee (1999) have modelled institutional trust as an antecedent of brand trust, this paper proposes that trust in the food system acts as a mediator between brand trust and consumer confidence.

The rest of the paper is organized as follows: the section 'Literature review and conceptual framework' presents a review of literature on the postulated drivers and outcomes of consumer confidence in food. Eight hypotheses mapping the key expected relationships between brand trust, consumer confidence, trust in the food supply and brand loyalty are developed. The hypotheses yield a theoretical model of the determinants of brand trust. The section 'Methodology and data collection' describes the Structural Equation Model (SEM) used to test the hypotheses and the process of data collection. The results of the SEM analysis are presented in the section 'Results and discussion'. The paper concludes with a discussion of the implications of the analysis for policymakers and for researchers.

Literature review and conceptual framework

The underlying conceptual framework for this analysis explores a number of postulated relationships between brand trust and consumer confidence, between consumer confidence and brand loyalty, as well as the antecedents of brand trust. These relationships are presented below, beginning with the hypothesized determinants and outcomes of consumer confidence in brands.

¹ The treatment of brand trust in this paper differs from the traditional notion of 'brand equity' as discussed in the marketing literature, where brand equity refers to the additional value created by a brand. Marketing scholars have suggested that brand loyalty is a driver of brand equity (Aaker, 1991; Bello and Holbrook, 1995). As the food industry must build brand trust in order to enjoy the competitive advantages provided by brand equity, there is a need first to understand how trust in food brands is formed and how it affects brand loyalty. In this sense, the relationships examined in this paper are a precursor to brand equity.

Confidence in food attributes refers to trust that is embedded in food products and brands as well as to the main actors that provide these final consumer products. As Poppe and Kjærnes (2003: 16) point out "when we talk about trust in food the underlying understanding is that food is not merely a material and biological "thing" (...) above all, the food eaten is the outcome of what has been done with it at all stages of production and distribution until it ends up on somebody's plate." This suggests that consumer confidence in food is affected directly by trust in the food system (regulatory institutions and market actors) and by trust in food products and brands. Stated differently, when a consumer is content with a brand or trusts a particular retailer, that trust (which involves risk of disappointment and uncertainty) may evolve into confidence (which involves specific knowledge and faith). As such, it is expected that an important element of public confidence in food is a matter of trust in food actors as well as in quality signals such as brands. Thus, the following hypotheses are proposed:

H1: An increase in brand trust increases consumer confidence in the credence attributes of that brand.

H2: An increase in trust in the food system increases consumer confidence in the credence attributes of that brand.

Trust in brands, and more generally in food products, is expected to depend on the trust placed in the different actors within the food system. This led Sodano (2002: 7) to argue that: "Consumers who pay a premium price for high quality products which have quality characteristics they can check neither before nor after the purchase, need a certain amount of "blind" trust in suppliers." While the relationship between trust in the system and brand trust could be bidirectional (e.g., in a longitudinal study that examines changes in these relationships in response to external shocks), this paper examines the causal relationship from brand trust to trust in the food system². As such, it is postulated that:

H3: An increase in brand trust increases trust in the food system.

Researchers have argued that by investing in branding strategies firms seek to build and sustain brand loyalty as a way to gain consumers' trust (Sodano, 2002). Thus, brand loyalty is modelled as an indirect outcome of brand trust and a direct outcome of consumer confidence in credence attributes. Indeed, trust is expected to predict future intentions and guide consumers' decision-making. This process may evolve to confident expectations resulting from positive experiences and ongoing satisfaction and lead to customer loyalty. For instance, in their analysis of over 100 brands, Chaudhuri and Holbrook (2001) found a strong positive relationship between brand trust and brand loyalty. Morgan and Hunt (1994) posited that brand trust leads to brand commitment because trust creates highly valued exchange relationships. In this study, brand loyalty is defined as consumer commitment to repurchase a preferred brand consistently in the future. While trust is more about perceptions, loyalty is conceptualized as the behaviour engaged in over sequential transactions (Fournier, 1998). It is expected that this commitment is generated by a certain level of confidence in food brands. Stated differently, it is expected that:

² The necessary and sufficient conditions to identify models with reciprocal effects are complex (Kline, 2005). In practice acyclic models are always identified (Rigdon, 1995). The analysis focuses on the relationship between brand trust and food system trust both to avoid technical issues with cyclic models and to retain food system trust as a mediator to determine whether the latter mediates the link between brand trust and consumer confidence. Indeed, non-recursive models add an additional level of potential problems, including identification issues and excessive multicollinearity among the instruments and the exogenous variables (Schaubroeck, 1990).

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