



# Conceptualizing country-of-ingredient authenticity of luxury brands



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## ABSTRACT

The research investigates the influence of country-of-ingredient authenticity towards product judgement and ultimately how the construct influences the willingness to buy and recommend luxury branded products. This research is divided into 2 studies where the methodology takes on a  $2 \times 2 \times 2$  experimental research design looking at the raw materials acquired to craft Alpaca wool sweaters from brand and country of origin (COO) such as Prada (Made in Peru), Prada (Made in Italy) and Touchè (Made in Peru) and artisan skills used for Chikan-embroidered dresses from Prada (Made in India), Prada (Made in Italy) and Touchè (Made in India). Some findings indicate that Alpaca wool sweater 'made in Peru' does improve consumers' judgment of the branded product however country image and brand image played a part in authenticating the Chikan-embroidery that is 'made in India'. Sustainable and ethical practices also positively improve product judgement of the products.

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## 1. Introduction

Some consumers are now moving towards an authentic country perspective of ingredient branding. The concept of ingredient branding is arguably a powerful marketing strategy used by high quality branded exports and more recently luxury branded products in order to justify low country image perceptions as trade-offs for high quality raw materials or expert artisan techniques (Anholt, 2003; Kim, Shin, Cheng, Lennon, & Liu, 2015). Therefore, conducting research can be important for understanding how the effects of authenticity in ingredient branding, craftsmanship and ethical sustainability can become a more epigrammatic style of decision making involving COO cues.

The present study investigates the consumer's need for ingredient authenticity and its influence on product judgment as well as consumer's willingness to buy and recommend luxury branded products that are of multi-country affiliations. The study answers these issues using the following three key research objectives: (1) examining the concept of authenticity in ingredient branding; (2) modelling the antecedents and moderator of ingredient authenticity and relating that construct to product judgment and brand attachment; and (3) measuring the influence of ingredient authenticity on consumer's willingness to buy and recommend luxury branded products.

This research adds to the literature on country of origin (COO) effects in several ways. First, by drawing upon congruency theories, attachment theory and the brand strength hypothesis, the research develops a theoretical framework with the relevant sociological and

psychological theories to rationalise consumer's behaviours, specifically showing how and why individual needs for authenticity in ingredient branding enhances product judgment, brand attachment as well as their impacts on willingness to buy and to recommend on luxury branded products (Perrouty, d'Hauteville, & Lockshin, 2006). Second, the research adds further understanding of how marketers can enhance brand attachment to a specific brand by manipulating the COO cues in relation to ingredient branding (Newman & Dhar, 2014). Third, past studies do not explicitly examine closely the relationship between ingredient branding and its corresponding COO image perceptions (Anholt, 2003; Kim et al., 2015). While past research on authenticity and COO has focused on certain antecedents relating to consumer personality traits and in other specific contexts, the model developed for this research examines consumer's need for ingredient authenticity as three congruent factors in order to explain consumer's product judgment, brand attachment and their buying intentions.

## 2. Conceptual background and hypotheses development

The adoption of schema congruity theory is useful particularly in understanding how a country's information affects the evaluation of its products (Fiske & Linville, 1980). COO is as a form of stereotype that simplifies information processing and subsequently reducing risk-aversion to assist in the purchase decision (Anholt, 2003; Kim et al., 2015). As consumers evaluate branded products originating from a particular country with ingredients branded or sourced from another country, they will draw on existing knowledge or pre-existing beliefs of that country which in turn affects their perception that results in the evaluation of the overall "product category" of that particular country. Therefore, a positive level of congruency is usually achieved when a

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comparable fit is found between the country perceptions of the ingredient authenticity and the country of brand (Newman & Dhar, 2014).

However, a comparable fit is not always found or easily recognized especially when material, craftsmanship or ingredient are sourced from a developing or less developed country, for example, 'a made in France' Louis Vuitton Pashmina Coat with the key material Pashmina wool originating from Tibet. While the quality and aesthetic dimensions do not suffer from the economic development of the country and in most cases are proven to be superior, it creates a less optimistic view of the branded product when pre-existing schemas and knowledge are to be challenged and built. Therefore, this is an opportunity for companies and brands to choose and identify with the strength of the countries whose raw materials, artisan skills and sustainable and ethical practices are deemed to be synonymous in terms of superiority and authenticity in relation to the country it is known for, regardless of the country's image.

Individuals can form emotional attachments to brands (Thomson, MacInnis, & Park, 2005), and that an emotional attachment to a brand will predict their level of commitment. Thus, a relevant indicator of commitment is the extent to which the individual remains loyal to the brand that encompasses the strength of emotional attachment or investment towards the branded product. To this extent, a valid measure of brand attachment should predict consumer's investment in a brand, such as their willingness to buy or willingness to pay a price premium to obtain it (Thomson et al., 2005). According to the brand strength hypothesis, significant brand-by-country-of-origin interaction effects exist. In this regard, brand strength hypothesis supports the notion that COO effect will tend to work in the favour of and be stronger for branded products with a brand that is less known compared to a brand that is better known (Perrouy et al., 2006). Fig. 1 presents the conceptual framework.

### 2.1. Country image and ingredient branding

Country macro and micro images affect perceived product quality differently, depending on the product category (Pappu, Quester, & Cooksey, 2007). While the economy has waned in recent times, France associates with prestige luxury and has a high country image in terms of luxury branded goods, agriculture and tourism hospitality. In comparison, Sri Lanka has a low country image in terms of economic development is however still highly regarded and sought after for its "world class" tea (Shimp, Samiee, & Madden, 1993). Consequently, the distinction between low country image and high country image is blurred when each country is well known for different products and

specialties (e.g. France for luxury, Sri Lanka for tea) regardless of its economic stability (Pappu et al., 2007). With the increase of hybrid/bi-national products (Andersen & Chao, 2003), the recognition of a product's origins beyond the "made-in" cue has procured new avenues emphasizing ingredient branding as an important consideration and cue in consumer product evaluation.

### 2.2. Consumer's need for ingredient authenticity

Consumer's need for authenticity in acquiring luxury brands is a topic within luxury branding literature that is garnering attention over the last decade (Liapati, Assiouras, & Decaudin, 2015; Napoli, Dickinson, & Beverland, 2012). Luxury branded products are perceived by consumers to be handmade or manufactured by artisans (Beverland, 2005, 2006) using time honoured traditions (Postrel, 2003), and/or natural ingredients (Han & Stoel, 2016; Miller-Spillman, Lee, Graham, & Cho, 2016). Luxury brands with a long standing culmination of history, traditional cultures, regions and beliefs can exude a distinct uniqueness and nostalgic impression that adds to its authenticity (Han & Stoel, 2016; Napoli et al., 2012; Postrel, 2003). Therefore, this research conceptualises consumer's need for ingredient authenticity and defined it as a set of generic consumer characteristics or traits (that is to seek, peruse or consume) products and or services that is deemed to be superior, authentic, and synonymous to a specific location in the pursuit of one's self-image and social standing (Napoli et al., 2012). More importantly, a strong ingredient brand from a favourable image country can elevate the perceptions of a brand from an unfavourable image country.

The findings in the prior studies support development of the following hypotheses.

**H1.** Authenticity of raw materials has a positive effect on product judgment of luxury branded products.

**H2.** Authenticity of artisan skills has a positive effect on product judgment of luxury branded products.

**H3.** Authenticity of sustainable/ethical practices has a positive effect on product judgment of luxury branded products.

**H4.** Product judgement of luxury branded products has a positive effect on consumer willingness to buy luxury branded products.

**H5.** Product judgment of luxury branded products has a positive effect on consumer willingness to recommend luxury branded products.

**H6.** Consumer willingness to recommend luxury branded products has a positive effect on consumer willingness to buy luxury branded products. [All these hypotheses are shallow. The study needs consider (model) contrarian cases that occur in your set of data. For example, authenticity has a negative effect on judgments for some consumers. You need to go beyond the NHST—go beyond testing against the null hypothesis.]

### 2.3. Brand attachment

"Brand attachment" is the strength of the relationship between the brand and the consumer self (Thomson et al., 2005). Some consumers who have high attachments or emotionally bonds to a brand are more motivated to expend resources (Thomson et al., 2005) and are more likely to make a favourable purchase decision. Therefore, this research expects an individual's attachment to a brand will moderate their product judgment and willingness to buy and recommend a branded product. More specifically, the effect of favourable product judgement towards willingness to buy and recommend a branded product should be relatively stronger for a well-known brand, regardless of country and image perceptions (Pappu et al., 2007).

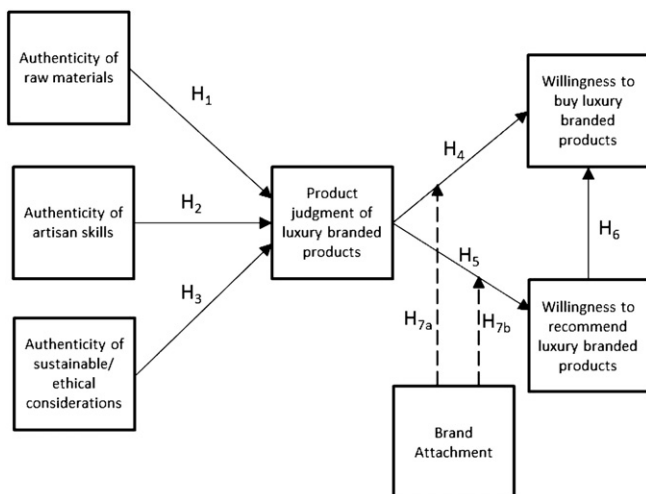


Fig. 1. Conceptual Model.

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