Brand authenticity versus brand reputation: automobile sector

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Abstract

The current study aims to analyze the effect of both brand authenticity and brand reputation on brand attachment considering the automotive sector. A sample of 376 participants, members of car brand communities, collaborate in a survey. Findings reveal that the perception of authenticity could be more effective than brand reputation on enhancing brand attachment. However, the effect could depend on the car brand strategy. Limitations and suggestions for further research are also provided.

Keywords: Brand authenticity, Corporate brand reputation, Brand attachment, Automotive industry

Track: Industrial and business relationship marketing

Introduction

Attachment theory emerges from the close relationship and the works done by Bowlby and colleagues. Attachments can be understood beyond the person-person relationship context (Belk, 1988). Brand attachment is regarded as emotional feelings that consumers have toward a brand or a product. Those feelings could become stronger to create truly loyalty and passion for customers to the brand. (Loureiro et al., 2012; Batra et al., 2012).

Following Park et al. (2010), the current study considers two dimensions to measure brand attachment: brand-self connection and brand prominence. The latter represents the extent to which positive feelings and memories about the attachment brand are perceived as the top of mind Prominence reflects "the salience of the cognitive and affective bond that connects the brand to the self" (Park et al., 2010, p. 2). The former involves the cognitive and emotional connection between the brand and the self (Chaplin & John 2005; Escalas 2004).

In the current study, we analyze the effect of both brand authenticity and brand reputation on brand attachment considering the automotive sector. Could the emotional bonds between a brand and a customer be more depending on the perception of authenticity (the cars are genuine, real, or true regarding the tradition of the brand) or the perception of brand reputation (the way customer view the organization and interactions with it)?

Brand authenticity

Authenticity is becoming a marketing argument for companies in a globalized world. The idea of authenticity can give more attractiveness and wealth/singularity to a product/brand (Roth & Romeo, 1992). Brands are important cultural objects (Holt, 2002) and significant symbolic value (Belk, 1988). Therefore, to fit with these symbolic values, companies needs to make their product authentic and different from others. Authenticity is a core component of successful brands because it forms part of a unique brand identity (Aaker, 1997).

Authenticity is also viewed as a quality inherent in an object (Grayson & Martinec, 2004), the ability to deliver what it promises (Erdem & Swait, 2004), or the virtue reflected in the brand's intentions and in the values it communicates (Beverland & Farrelly, 2010). Although lot has been written about authenticity, past research brings together around the idea of what is genuine, real, or true (Newman & Dhar, 2014).In the current study, we analyze whether or not consumers regard cars as meeting certain quality and characteristics standards traditionally associated with the brand. The perception of authenticity may be related to an emotional attachment toward a brand (Thomson et al., 2005; Morhart et al., 2015). Thus (see figure 1):

H1: The perception authenticity is positively relatedd to consumers' emotional car brand attachment for Tesla (H1a), Volvo (H1b) and Toyota (H1c).

Brand reputation

The reputation of brand's name has been described as an extrinsic cue, that is, an attribute related to the product (Zeithaml, 1988) but not of the physical composition of the product. Brand reputation evolves all the time, and it is mainly created by the flow of information from one user to another (Herbig & Milewicz, 1993). Reputation embodies the general estimation in which a company is held by employees, customers, suppliers, distributors, competitors and the public (Fombrun & Shanley, 1990). Thus, firms compete for brand reputation knowing that those with a strong reputation across their products can assume highest sales prices, thereby being more powerful than another competitor.

In order to capture the perception of consumer about the reputation of a brand, Walsh and Beatty (2007, p. 129) propose "the customer's overall evaluation of a firm based on his or her reactions to the firm's goods, services, communication activities, interactions with the firm and/or its representatives or constituencies (such as employees, management, or other customers) and/or known corporate activities." In this study we consider four dimensions to measure corporate reputation: customer orientation, reliable and financially, product and service quality and social and environmental responsibility. Reputation refers to the more general emotional response that an individual has toward an organization as a consequence of its action over a longer period of time (Amis, 2003). Thus, reputation can be seen as a driver to emotional brand attachment (Japutra et al., 2014).

H2: The perception of reputation is positively related to consumers' emotional car brand attachment for Tesla (H1a), Volvo (H1b) and Toyota (H1c).
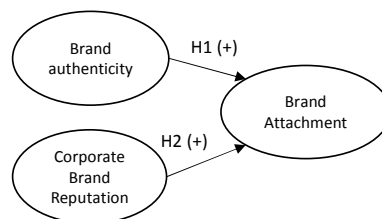

Figure 1. Proposed model.

Method
First, a questionnaire was created including the items of the constructs elicited by the previous studies and a section for socio-demographic variables. Then the questionnaire (before launched) was pilot tested with the help of 6 individuals as managers and members of the car brand communities to ensure that the questions were well understood by the respondents and that there were no problems with the wording or measurement scales. Only a few adjustments were made. The members of the communities were invited to participate in an online survey.

The car brands considered in this study are Tesla, Toyota, and Volvo. The criteria for choosing such brands refer to the fact that the three brands are representative of three main concepts: Volvo (born in Sweden-Europe) and the safety and social responsibility programs; Toyota (born in Japan-ASIA) and quality, reliability and carbon reduction and social responsibility programs; Tesla (born in United States of America) and electric sport car programs.

We measured the constructs with multi-item scales (6 points Likert-type scale). Corporate brand reputation is assessed using a scale presented by Walsh and Beatty (2007). Brand authenticity is based on Newman and Dhar (2014), and brand attachment is adapted from Park et al. (2010).

Of the overall participants (376), 93% are male what represent the proportionality of the total members of the communities contacted. Almost 60% (61.1%) range from 31 to 50 years of age. However, this is acceptable due to the type of product in question. The number of participants using each of the three brands is divided almost evenly.

Results
The model proposed in the current study presents a large number of manifest variables and formative factors and therefore PLS is the appropriate approach for data treatment (Chin et al.,

2003). The repeated indicators method was applied to test the model with second-order formative factors (Chin et al., 2003).

The adequacy of the measurements is assessed by evaluating the reliability of the individual measures and the discriminant validity of the constructs (Hulland, 1999). All items with loadings have values above 0.7. Table 1 shows that all constructs are reliable since the composite reliability values exceeded the 0.7 (Nunnally, 1978).

At the second-order construct level, we have the parameter estimates of indicator weights and multicollinearity of indicators. Weight measures the contribution of each formative indicator to the variance of the latent variable (Roberts & Thatcher, 2009). A significance level of at least 0.001 suggests that an indicator is relevant to the construction of the formative index. Table 1 shows that all indicators have a positive beta weight above 0.2.

The degree of multicollinearity among the formative indicators should be assessed by variance inflation factor (VIF). The VIF indicates show values lower than 10, and so the results did not seem to pose a multicollinearity problem.

Table 1. Measurement results

Construct	Tesla			Volvo			Toyota		
	LV Mean	AVE	CR	LV Mean	AVE	CR	LV Mean	AVE	CR
Customer Orientation	5.3	0.877	0.955	5.3	0.900	0.964	5.3	0.871	0.953
Product and Service Quality	5.2	0.754	0.902	5.2	0.775	0.912	5.2	0.726	0.888
Reliable and Financially	5.4	0.711	0.880	5.2	0.730	0.890	5.2	0.719	0.885
Social and Environmental Responsibility	5.0	0.702	0.876	4.4	0.718	0.884	4.4	0.692	0.871
Brand Authenticity	5.5	0.703	0.826	5.0	0.855	0.922	4.6	0.934	0.966
Brand-self Connection	4.6	0.719	0.938	4.6	0.721	0.939	4.5	0.749	0.947
Brand Prominence	4.4	0.804	0.925	4.4	0.827	0.935	4.1	0.916	0.971
First order construct	Weight		VIF	Weight		VIF	Weight		VIF
Customer Orientation	0.362***		3.343	0.346***		3.087	0.342***		2.031
Product and Service Quality	0.305`***		3.585	0.301***		3.622	0.309***		2.310
Reliable and Financially	0.297***		3.938	0.288***		3.813	0.307***		2.880
Social and Environmental Responsibility	0.205***		1.625	0.230***		1.828	0.246***		1.961
Brand-self Connection	0.691***		2.713	0.681***		2.904	0.652***		3.798
Brand Prominence	0.360***		2.713	0.366***		2.904	0.383***		3.798

CR: Composite Reliability; ***p<0.001

The measures demonstrated convergent validity as the average variance of manifest variables extracted by constructs (AVE) is at least 0.5. The criterion used to assess discriminant validity

was proposed by Fornell and Larcker (1981), suggesting that the square root of AVE should be higher than the correlation between the two constructs in the model. This criterion is met.

. Table 2. Structural results

Path	beta	t-value	Result
B. authenticity→ B. attachment Tesla	0.376***	3.327	supported
CB reputation→ B. attachment Tesla	0.102ns	0.806	not supported
B. authenticity→ B. attachment Volvo	0.377***	3.987	supported
CB reputation→ B. attachment Volvo	0.212*	2.133	supported
B. authenticity→ B. attachment Toyota	0.489***	4.730	supported
CB reputation→ B. attachment Toyota	0.205*	2.072	supported
R^2Tesla=0.198	Q^2=0.658	GoF=0.66	
R^2Volvo=0.293	Q^2=0.679	GoF=0.70	
R^2Toyota=0.388	Q^2=0.731	GoF=0.73	

*$p<0.05$; ***$p<0.001$

Regarding structural results (see Table 2), all path coefficients were found to be significant except for CB reputation→ B. attachment in the case of Tesla. Thereby, hypothesis H2 is partially supported. All values of Q2 are positive, so the relations in the model have predictive relevance. The model (for the three brands) also demonstrated a good level of predictive power (R2) and a good value of GoF.

Conclusions and implications

Although authenticity and reputation are positively related to brand attachment for both Volvo and Toyota, in the case of Tesla the influence of reputation on brand attachment is not significant. The reason my lie in the way customers see the brands. Toyota and Volvo are more concerned about communicating the reliability of the cars (in the case of Toyota) and vehicle safety (Volvo) than Tesla. Tesla Motors is the only of the three brands founded in the 21th century. Therefore, do not have yet a tradition on communicating brand reputation in a way others do.

Corporate brand reputation and brand attachment are measured as second order constructs; the first contains four factors (Customer Orientation, Product and Service Quality, Reliable and Financially, Social and Environmental Responsibility) and the second comprises two factors (Brand-self Connection and Brand Prominence). Table 1 shows the standardized estimate (weight) for the formative paths. In order to access the Std. estimate a nonparametric bootstrapping procedure with 500 re-samples was employed (Fornell & Larcker, 1981). Regarding the four dimensions of corporate brand reputation used in this study based on Walsh and Beatty (2007). Customer Orientation reveals as the most significant in shaping the overall corporate reputation. Customer Orientation includes the concerns about customers, the fairly treatment and the courtesy. Thus, the quality of the direct interaction between the company and the customers becomes very important in creating reputation about a car brand. Very close to Customer Orientation in contributing to the overall corporate reputation is the dimension of Product and Service Quality. This dimension deals with offers high quality products and services, stands behind the services that company offers and develops innovative services. The last contribution comes from Social and Environmental Responsibility. This is noticeable, since the three car brands are committed to social and environmental issues, but customers tend to mostly value the quality of the relationship and the quality and innovation of goods/services.

In what concerns to brand attachment, Brand-self Connection emerges as the most relevant in shaping the overall brand attachment. These findings highlight a kind of overlapping between the car brand and what it represent and the inner self of the customers. The car becomes and extended self, as Belk (1988) and Park et al. (2010) propose. This is particularly true in the

case of Tesla sports cars. This bond between a car brand and customers represent more than positive emotions and feelings; it is about to share the same "soul". Following Parl et al. (2010) this happens when the connections between the brand and the customer self become close and also when brand-related thoughts and memories become more prominent.

In this vein, the perception of authenticity could be more aligned with this attachment conceptualization than the perceptions of corporate reputation. The results (see table 2) stress a higher strength between the perception of authenticity and brand attachment. Therefore, the way customers evaluate the "truth" of a car brand, or even, the more is the evaluation of genuine of the car as a product of the identity system of the car brand, the greater tends to be the attachment between the car and the customer. Aligned with Newman and Dhar (2014), Tesla seems to be more effective in transferring the essence of the brand to the product (car) and consequently the perception of authenticity is more effective in enhancing brand attachment. The reason could lie in the fact that Tesla has its production located in the same country and place as the origin of the brand (United States of America). The other two brands (Toyota and Volvo) relocated the production of some car models to other countries. According to what was possible to get from participants of this research, customers are informed of this situation and so could have a perception of a lack of essence of the brand in the products. In this last case, the reputation of a brand can gain relief to attract customers.

The findings of this study could be important for those who manage car brands. A brand like Tesla should focus more on the originality and the essence of the brand to enroll customers on attachment bonds. The brands with a long-term relationship with customers should reinforce such relationship providing more interactions and new experiences with them.

As any other research, the current one has limitations that could be inspirations for further research. First, other car brands could be considered to get a better understanding this phenomenon. Second, future research could also consider the corporate reputation dimension of Good employer proposed by Walsh and Beatty (2007). Third, it will be interesting to explore how the authenticity and attachment could influence brand equity. Finally, it will also be interesting to analyze the model regarding situations when relationships between car brands and customers are problematic.

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