

# Exploring the Consequences of Brand Authenticity

*by* Luki Adiati Pratomo, Ovy Noviati Nuraini Magetsari

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# Exploring the Consequences of Brand Authenticity

Luki Adiati Pratomo\*, Ovy Noviati Nuraini Magetsari

Faculty of Business and Economics  
Universitas Trisakti  
Jakarta, Indonesia

\*luki.trisakti@gmail.com

**Abstract**—Brand Authenticity is essential for luxury brands. This study aims to explore the consequences of Brand Authenticity in luxury brands. Furthermore, it will analyse the effect of Brand Relationship Quality and Brand Trust toward Purchase Intention for data collection; this study conducts a survey that generates 280 datasets and used SEM to test the hypotheses. The results demonstrate that Brand Authenticity positively effects Brand Relationship Quality, and Brand Trust and brand trust have an impact on purchase intention. Brand Relationship Quality did not influence the purchase intention of luxury brands. It demonstrates how Brand Authenticity impact to a luxury brand through Brand Relationship Quality and Brand Trust. This study also indicated brand authenticity might offer benefits to purchase intention by influencing consumer's trust in the brands. Also, the findings confirm the positive consequences of Brand Trust on consumer behaviour ascribed to the authenticity concept by marketing literature.

**Keywords**—brand authenticity, brand relationships quality, brand trust, purchase intention

## I. INTRODUCTION

Brand authenticity is essential for branded products and services to achieve high quality and differentiation in customer perception [1]. It happened because products and services are getting more homogeneity, and companies need to differentiate it using the authenticity of their product [2]. To achieve it, much importance to explore the antecedence and consequences of brand authenticity [2-4]. Nowadays, luxury products and services considering authenticity are significant challenges [5]. Some economic crises change the behaviours of luxury consumption. Therefore, the segment of a luxury product is seeking brand authenticity [5].

Brand Authenticity is an authentic character that a brand has in the form of a logo, design, or packaging in its product so that the product becomes easily recognizable because of the uniqueness and truthfulness [6,7]. Previous studies found that brand authenticity has a strong influence on enhancing brand credibility and trust [8]. For example, Coca-Cola mentions it as "the real thing," Adidas state it as a product that once innovative, now classic, always authentic," and Nike guarantees that their merchandise is "authentic athletic performance" [9].

Another study explained the importance of brand authenticity because it drives brand relationship quality and consumer's behavioural intentions [8,10]. Brand relationship quality is a process of how a brand can convey the relationship between producers and consumers through products so that the bonds will be established between producers and consumers [11]. The relationship is channelled from the product, as well as a continuation of consumers who can make consumers satisfied and faithfully use the product [12].

Brand Authenticity also is proven to have a positive and robust influence on Brand Trust [9]. Brand Trust reveals its importance in the establishment of the desired relationship between the brand and consumer [13,14]. One exciting research stated purchase intention is a buying interest which is influenced by the level of consumer confidence in certain products [15]. Besides, the study conducted at RMIT Melbourne Australia on British Food further explains that buying interest is related to the level of consumer trust and loyalty. There are numerous and successful applications of the concept of Brand Authenticity in the marketplace; it is fascinating to exploring the consequences of Brand Authenticity in academic marketing research, especially how its impact on the luxury brand.

## II. LITERATURE REVIEW

Brand authenticity is an authentic character that a brand has in the form of a logo, design, or packaging in its product so that the product becomes unique and easily recognizable [7,16]. One study about Luxury Wine products circulating in Australia and New Zealand found that wine products from various countries have tastes and aromas with unique characteristics and authentic characteristics of each wine or wine producer [16]. Brand authenticity is related to the producer's commitment to the quality of their products, supported by the statement of the world wine producers to remove products that are of less quality [16]. Brand authenticity gives a sense of satisfaction to consumers when a product has authentic characteristics so that the product used is easily recognized through the logo, design, symbol, or taste contained in the product. Producers must have authentic attributes of their products as a sign that the product is different from other brand products [16]. A study that supports the statement through its research that increasingly fierce market competition requires

producers to have an authentic characteristic of their products [10]. It aims to make its products different from other brands and make it easier for consumers to recognize the desired outcome. Authentic characteristics influence the quality of consumer relations in certain brands [10]. The exciting finding mention there is a positive and robust relationship between brand authenticity and brand trust [9]. Based on theoretical support from previous research, the hypothesis is stated as follows:

- H1: Brand Authenticity has a positive effect on Brand Relationship Quality
- H2: Brand Authenticity has a positive effect on Brand Trust

Brand Relationship Quality is a quality relationship with consumers of the products used so that the consumers are still willing to consume the products used, where a quality relationship between consumers and brands consumed makes consumers high buying interest towards these products [11]. The quality of a good relationship from consumers to the brand can trigger high buying interest in products from particular brands. Consumer buying interest arises based on the existence of consumer interest in a product [15]. The interest is triggered by the presence of other factors, one of which is the authentic characteristics of a product so that consumer interest in the product is high. Also, consumer buying interest arising based on interest in particular products can trigger the purchase of the product [10]. A better relationship quality for customers with a weaker relationship with the retailers leads to more definite purchase intentions. In contrast, stronger intentions lead to higher buying behaviour for customers with more durable relationships with retailers [3]. Many earlier studies found that brand trust has a strong influence on brand attitude, brand extension acceptability, relational commitment, and purchase intention [13,14,17]. A survey about the halal product proved that halal brand trust enhances customer intention to buy the halal brand [13]. Other study found that one dimension of brand trust, namely character presence will lead to purchase intention [17]. Based on the theoretical support from the research, the hypothesis is stated as follows:

- H3: Brand Relationship Quality has a positive effect on Purchase Intention
- H4: Brand Trust has a positive effect on Purchase Intention

Based on the description explained, it can be concluded that this research will use the conceptual framework shown in the following figure:



Fig. 1. Conceptual framework.

III. METHODS

This study aims to test the hypothesis. The sampling method uses purposive sampling with criteria respondent who already bought an Adidas's attire or an Adidas's shoes in the past year. Adidas was chosen because it represents the brand selected in the 2019 Top brand released by The Top Brand Award site [17], in the category of attire clothing, sports bags, and shoes. Adidas has a long brand history, famous for its three stripes. Adidas is also recognized for its collaboration with another luxurious brand to produce new products. This study conducted a survey that generates 280 datasets and using Structural Equation Modelling (SEM) to test the hypotheses. This research used confirmatory factor analysis to do measurement validity. The results are all statement items used in the Brand Authenticity, Brand Relationship Quality, Brand Trust and Purchase Intention variables are declared valid, because the result of the factor loading value of all of these statements is more than 0.35 [18]. All variables also stated reliable, because the results of the Cronbach's Alpha value of all these variables more than 0.60, which means that all the respondents are consistent in answering these statements.

TABLE I. GOODNESS OF FIT MODELS

Goodness of fit index	Criteria (cut-off value)	Indicator	Conclusion
Chi-Square (X <sup>2</sup> )	Closed to 0	211,032	Poor Fit
Probability	≥ 0,05	0,000	Poor Fit
NFI	≥ 0,90	0,883	Marginal Fit
IFI	≥ 0,90	0,908	Goodness of Fit
TLI	≥ 0,90	0,877	Marginal Fit
CFI	≥ 0,90	0,907	Goodness of Fit
RMR	≤ 0,10	0,040	Goodness of Fit
RMSEA	≤ 0,10	0,107	Poor Fit

Source: Data Processing Result by AMOS

The results from table 1, the approach of IFI, CFI, and RMR produce Goodness of Fit, so it can be determined that the model is fit, therefore the theoretical hypothesis testing is continued and feasible.

IV. RESULTS AND DISCUSSION

A. Result

The result of hypothesis testing shows in table 2.

TABLE II. HYPOTHESIS TESTING

Hypothesis		Estimate	P	Label
Brand Authenticity	→ Brand_Relationship Quality	0,709	0,000	H1 Supported
Brand Authenticity	→ Brand Trust	0,798	0,000	H2 Supported
Brand_Relationship Quality	→ Purchase_Intention	0,082	0,292	H3 Not Supported
Brand Trust	→ Purchase_Intention	0,706	0,000	H4 Supported

Source: Data Processing Result by AMOS

H1: Brand Authenticity has a positive effect on Brand Relationship Quality

Based on statistical test results, it is acknowledged that the coefficient of Brand Authenticity is 0,709, meaning that when customers have a high perception of Brand Authenticity, it will make the impression of Brand Relationship Quality getting higher. The test results show the p-value of  $0,000 < 0,05$ ; then, it decided statistically at a 95 percent confidence level that Brand Authenticity has a positive influence on Brand Relationship Quality. The result describes that brand authenticity crucial to increase customer perception of brand relationship quality. When the customer found that Adidas has a strong commitment to the quality of their product, the customer will have strong love and passion. The customer will put Adidas as their partner when they think Adidas is reliable and sincere. Finally, this finding confirms another study that shows Brand Authenticity has a positive effect on Brand Relationship Quality [6].

#### H2: Brand Authenticity has a positive effect on Brand Trust

Based on statistical test results, it is identified that the coefficient of Brand Authenticity is 0,798, meaning that when the customer perception of Brand Authenticity is high, then their perception of Brand Trust will be getting higher. The test results show the p-value of  $0,000 < 0$ ; then it settled statistically at a 95 percent confidence level there is a positive impact of Brand authenticity on Brand Trust. Based on the result, it can find that when the consumer feel that Adidas have strong love and passion, then it makes consumer build their trust in the brand. Moreover, when the customer perceived that the Adidas brand is very reliable and has a long tradition, they will believe more on Adidas. More than that, the customer will depend on the Adidas brand for shoes and other products. This result approves that brand authenticity positively impacts on brand trust [9]. Their study on beverages and fast-food brands found that when customers have a strong perception about the authenticity of the brand, they will develop higher brand trust [9].

#### H3: Brand Relationship Quality has a positive effect on Purchase Intention

Based on statistical test results, it is recognized that the coefficient of Brand Relationship Quality is 0,082, which means that the relationship is positive but very small, so even the customer perception of brand relationship quality is good it will not drive them to have the intention to buy. It proves by the test results that presented a p-value of  $0,292 > 0,05$  (alpha 5%), so it concluded statistically that at a 95 percent confidence level, there was no significant effect of Brand Relationship Quality on Purchase Intention. Surprisingly the result shows Brand Relationship Quality does not affect Purchase Intention. The result indicates, even the customer think that they have good relationship with Adidas brand, it still difficult to persuade the customer to buy Adidas products. It means, even consumers consider Adidas has love and passion for them; it cannot drive them to have the intention to purchase the product. The customer probably feels that Adidas is a good friend in their daily life, but it could not make them decide to buy the product. One possibility of why it happened, most of the

respondents are young consumers who did not have a lot of money, and it makes them careful to spend their money on luxury shoes. This finding also explains by a previous study that mass production of luxury products will reduce the brand experience that lost their exclusivity and prestige [19].

#### H4: Brand Trust has a positive effect on Purchase Intention

Based on statistical test results, it is acknowledged that the coefficient of the Brand Trust is 0,706, which means that the higher the customer perception on Brand Trust, than the more elevated customer perception of the Purchase Intentions. The result of the hypothesis test showed a p-value of  $0,000 < 0,05$  (alpha 5%), so it decided statistically at a 95 percent confidence level that brand trust has a positive effect on Purchase Intention. It means, when the consumer has strongly believed in the Adidas brand, it will increase the possibility of buying the product. Moreover, customers depend on the Adidas brand and feel secure with Adidas, and then it will influence them to have a firm intention to purchase. Finally, it can conclude that brand trust has a positive impact on purchase intention [20,21].

### B. Discussion

The positive and significant relationship between brand authenticity, brand relationship quality, and brand trust proved in this research provides the support that brand authenticity can be viewed as a vital success factor for brand management, especially in luxury branding. It's interesting to explore the consequences of Brand Authenticity to know its impact on the consumer-luxury brand relationship. In this study, the result shows Brand Relationship Quality does not affect Purchase Intention. This finding, in line with the previous research about luxury branding that found how mass production leads to weakening caused by a brand experience that loss of prestige and exclusivity. The result of the progressive changing behaviour of the luxury customer and increasing imitation of luxury brands leads luxury to become a common thing. Collaboration between luxury brands could increase the perception of Brand Relationship Quality, to give a better experience of prestige and exclusivity.

### V. CONCLUSION

The various result of the consequences of Brand Authenticity shows the importance of exploring the consequences of Brand Authenticity, especially in luxury branding. These findings enrich the scientific research of Brand Authenticity, Brand Relationship Quality, Brand Trust, Purchase Intention, and Luxury Brand. The positive and stable relationship between brand authenticity, brand relationship quality, and brand trust found in this study provides the support that brand authenticity can be regarded as an essential success factor for branding, especially in luxury branding. Further research is needed to examine other consequences of brand authenticity and its relationship with the type of contractual setting and environmental elements such as industry-level competition or product maturity level [3].

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