Signal With Cost: When and Why Identity Signals Are Perceived to Be Authentic

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How do observers judge the authenticity of a signaling consumer? For instance, punks signal with mohawks and piercings, but sometimes they are called poseurs. We suggest that observers judge the authenticity of a signaling consumer by inferring their willingness to accept the costs associated with their signal.

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The Role of Authenticity in Consumer Behavior

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Paper #1: The Entity-Referent Correspondence Framework of Authenticity

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Paper #3: Signal with Cost: When and Why Identity Signals Are Perceived to Be Authentic

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Paper #4: Self-controlled but Not Myself: When Restraint versus Indulgence Undermines Consumers' Authenticity and Decision Satisfaction

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SESSION OVERVIEW

The quest for authenticity plays an important role in consumers’ lives. Some marketers have even called authenticity “the ‘it’ word of the decade” (Byron 2016). As an illustration, the hashtag “liveauthentic” is associated with over sixteen million photos on Instagram, and a Google search for “how to be authentic” returns over 800,000 results.

Given consumers’ obsession with authenticity, it is no surprise that it is a way to their wallets. Consumers are willing to pay more for products that they perceive to be authentic (Newman and Dhar 2014) and are more willing to buy works of art when they perceive their creators to be authentic (Moulard et al. 2014). But just as authenticity positively affects firms’ well-being, authenticity can also positively affect consumers’ well-being. For instance, feelings of authenticity are associated with higher self-esteem (Davis et al. 2015; Heppner and Kernis 2007; Kernis and Goldman 2006; Schlegel and Hicks 2011; Wood et al. 2008), life satisfaction (Boyraz, Waits, and Felix 2014), subjective well-being (Sheldon et al. 1997), and decision satisfaction (Schlegel et al. 2013), and being perceived as authentic is associated with healthy social relationships (Brunell et al. 2010; Lopez and Rice 2011).

The four papers in this session explore the important role of authenticity in consumer behavior through questions concerning the definition, antecedents, and consequences of authenticity both at the brand level (what makes brands look authentic) and the consumer level (what makes consumers look and feel authentic).

The first paper (Moulard, Raggio, and Folse) explores the meaning of authenticity. These authors present the Entity-Referent Correspondence Framework of Authenticity. This framework results in an overarching definition of authenticity and outlines three authenticity types that are consistent with the overarching definition.

The second paper (Smith, Newman, and Dhar) explores inferences of brand authenticity. How might brands maintain perceptions of authenticity? These authors find that products authentic due to their history are met with consumer backlash when they are updated—a cost of authenticity—but this backlash can be prevented when consumers perceive the change to be connected to the initial conceptualization of the product.

The third paper (Crain, Bettman, and Luce) explores inferences of consumer authenticity. How might consumers maintain perceptions of authenticity? These authors combine insights from attribution theory and signaling theory to propose and exhibit that observers discern the authenticity of a signaling consumer by inferring the consumer’s willingness to accept the costs of their signal.

The final paper (Kokkoris, Hoelzl, and Alós-Ferrer) explores feelings of consumer authenticity. How might consumers maintain feelings of authenticity? These authors demonstrate that acts of self-control may enhance or undermine feelings of authenticity depending on consumers’ lay rationalism.

Despite the public’s interest in authenticity, it is a relatively nascent topic area in consumer research. Together, these four papers, which are comprehensive in approach (theoretical and empirical) and topic (brand and consumer authenticity), advance our understanding of the role of authenticity in consumer behavior.

The Entity-Referent Correspondence Framework of Authenticity

EXTENDED ABSTRACT

While consumer researchers agree that authenticity contains various meanings, little consensus exists concerning the number of meanings and what those meanings entail (Beverland and Farrelly 2010). Thus, the purpose of this research is to introduce the Entity-Referent Correspondence (ERC) Framework of Authenticity that (1) suggests a unifying meaning of authenticity beyond synonyms such as “real” or “true,” (2) delineates three authenticity types that are consistent with our overarching authenticity definition, and (3) proposes specific theories that explain how consumers form perceptions of each type.

Based on the correspondence theory of truth (Newman 2002), the ERC Framework proposes that authenticity is the degree to which an entity (e.g., object, person, performance, claim) is true to or matches up with something else. We label this “something else” a referent—the point of reference to which the entity is compared. For instance, a bowl of gumbo (entity) is authentic if it is true to a traditional gumbo recipe (referent). Thus, we assert that authenticity is the degree to which an entity corresponds to a referent. Perceived authenticity is a consumer’s perception of this entity-referent correspondence. Additionally, the framework proposes three distinct authenticity types: true-to-ideal, true-to-fact, and true-to-self.

True-to-ideal authenticity is defined as the extent to which an entity corresponds with a socially determined standard. The closer the entity matches up with an accepted archetype, the more the entity is true to ideal. This prescribed ideal is a social construct as described by social constructivism theory (Guba and Lincoln 1994; Wartofsky 1968). Social constructs are human inventions; they are not absolutely occurring phenomena that are independent of human thought. As such, an ideal is not fixed and, thus, may change and is often debated.
These ideas are best exemplified by Brown, Kozinets, and Sherry’s (2003) finding that some Star Wars fans thought the Phantom Menace prequel was inauthentic, as the prequel (i.e., entity) did not correspond with the Star Wars’ brand essence (i.e., the ideal). The fact that fans disagreed on the brand essence underscores the notion that an ideal is a social construct that is not fixed and may differ across consumers. In addition to adhering to brand essence (Spiggle et al. 2012), prior work suggests to remain authentic, a brand’s products (i.e., entities) should match the brand’s traditional or classical design and style (i.e., ideals) (Beverland and Luxton 2005; Morhart et al. 2015; Spiggle et al. 2012). Socially determined ideals also exist at the product category level. Real wine (i.e., the ideal) is expected to be that which is “old world” (e.g., from France) and is bottled with a cork (Moulard et al. 2015). Such expectations also exist at more specific category levels (e.g., Abbey beer [see Beverland et al. 2008]), may have stronger consensus, and often specify particular production methods (e.g., champagne’s “méthode champenoise”). Thus, to appear authentic, a brand may emphasize its use of a traditional production method and its origin (e.g., “heritage”) (Beverland and Luxton 2005; Napoli et al. 2014; Spiggle et al. 2012), as these conform to the product category ideal. Categorization theory (Cohen and Basu 1987) can be used to understand perceived true-to-ideal authenticity, as an ideal is analogous to a consumer’s category structure.

True-to-fact authenticity is defined as the extent to which that which is stated or implied about an entity corresponds with the actual state of affairs. The state of affairs, or a fact, is something that is the case—what has occurred or what is (Wittgenstein 1922). Thus, true-to-fact authenticity entails the extent to which information communicated about the entity corresponds with the entity’s actual characteristics or with events that actually occurred. In contrast to the fluctuating ideal, a fact is static—unable to change. Thus, a fact is consistent with notions of realism, which suggests that phenomena exist independent of the mind—that there is an underlying reality (Halverson 1976; Stump 1996; Wartofsky 1968).

A gold-colored necklace, implying it is made of gold, is only true-to-fact authentically gold if it is actually gold (see Grayson and Martinec 2004). Yet true-to-fact authenticity extends beyond whether objects are originals versus imitations. It also refers to the degree to which one is being transparent about their activities and outputs (e.g., products). Audi’s emissions cover up and plagiarism are examples of true-to-fact inauthenticity, as are fake foods, fake news, and fake Match.com profiles. Interestingly, one may be true-to-fact authentic about the other types of authenticity; a “champagne” brand may claim its grapes are from the Champagne region (suggesting true-to-ideal authenticity) when, in fact, they are not. The truth effect (Hawkins and Hoch 1992) and reality monitoring (Johnson 2006) can explain how consumers may perceive a claim as real, whereas the expectancy-violation model (Bond et al. 1992) can explain how they perceive a claim as fake.

True-to-self authenticity is defined as the extent to which an entity’s behaviors correspond with its intrinsic motivations as opposed to its extrinsic motivations. Self-determination theory posits that being true to self involves intrinsically motivated activities—those that are innately enjoyable—as opposed to extrinsically motivated activities—those that are motivated by external rewards or punishments (Ryan and Deci 2000). Like a fact referent, one’s true self is proposed to be a fixed entity rather than a socially constructed one, as laypersons perceive the true self as a collection of immutable, innate attributes (Jung 1953; Rogers 1959). Nonetheless, a self is distinguished from a fact due to its psychological nature.

Prior research has proposed brand authenticity entails producers who are passionate about producing their products (inextricably motivated) as opposed to caving in to market demands and, thus, becoming too commercial (extrinsically motivated) (Beverland et al. 2008; Moulard et al. 2014; Moulard et al. 2016). This type is consistent with existential authenticity, yet that term has focused the consumer’s self rather than another’s self (Leigh, Peters, and Shelton 2006). Attribution theory (Kelley 1973) can be used to explain how consumers form perceptions of another’s true-to-self authenticity (Moulard et al. 2015, 2016), as it addresses whether individuals attribute another’s behaviors to one’s dispositions versus situational factors.

The Curse of the Original: When Product Change Undermines Authenticity

EXTENDED ABSTRACT

One strategy brands employ to enhance product appeal is through highlighting a product’s history or origin. Indeed, information about a product’s heritage is often an antecedent of perceptions of authenticity and value (Beverland et al. 2008; Grayson and Martinec 2004; Newman and Dhar 2014). While prior work has focused on the benefits of this “heritage branding” (Wuestefeld et al. 2012), this article explores a potential cost of making history an important part of a product’s identity. Specifically, companies often meet consumer backlash when these kinds of products are changed, even when the product is functionally or materially improved. For instance, Converse’s Chuck Taylors has benefited from its well-known history, with a design touted to have been unchanged for 100 years; at the same time, this positioning has made it challenging for the company to make desired improvements to the shoe. Perhaps most infamously, the consumer backlash Coke received with the release of “New Coke” crystalized the problem these kinds of authentic products face.

We theorize that when consumers value or are informed of a product’s heritage, changes to the product, even those that functionally improve it, decrease product value relative to the original product. This is because the product origin is seen as core to the product’s identity (or essence). Changes from the origin are thus seen as a violation of the product’s authenticity and subsequently the product is less desirable. Thus, products known for their history can find themselves stuck at an impasse, wherein, the very quality that are valued for—their connection to origin—is the same quality that prevents them from being able to be improved upon. In the following studies, we show that this backlash is driven by specifically by authenticity perceptions as opposed to quality inferences or inferences related to time or product longevity.

Study 1 tested whether highlighting a product’s history, while having an initial positive effect on authenticity perceptions and valuation, decreases product value when the original product is changed relative to the same product where no history is mentioned. Participants viewed an ad for a restaurant that specializes in burgers. Product history was manipulated by either having indexical cues (e.g., est. date, lineage of founder, historically accurate font, etc.) (Beverland et al. 2008; Grayson and Martinec 2004) present or not in the ad. Further, participants were randomly assigned to rate a burger that was unchanged or changed from the original. Results revealed the predicted interaction on willingness to purchase the burger (F(2, 395) = 16.25, p < .001). Specifically, the original burger was rated as more appealing in the history condition (M = 7.07, SD = 1.89) compared to the original burger in the no-history condition (M = 5.93, SD = 2.44; t(172) = -3.41, p = .001, d = .52). However, the changed burger in the history condition (M = 5.25, SD = 2.58) was rated as less appealing relative to the changed burger in the no-history con-
Study 2 ruled out a salient alternative explanation. Specifically, the backlash could be driven by the fact the original is seen as having "stood the test of time," and hence is rationally inferred to be of higher quality than the updated product. In all conditions, participants viewed the same backpack. Between-subjects, participants learned that the company had been making the backpack for 50 versus 5 years and, that the backpack had either changed or not changed from the original design. Further, the history of the product was otherwise held constant across all four conditions. Results revealed a main effect of change, with the original (M = 5.62, SD = 2.32) valued more than the changed bag (M = 5.12, SD = 2.44; F(1, 382) = 4.56, p = .033). Importantly, there was no main effect of time (F(1, 382) = .79, p = .374), or an interaction between time and change (F(2, 382) = 1.58, p = .210). In other words, the fact that the company was around for a long versus short time did not interact with the backlash against the changed product. In addition, mediation analysis revealed that this drop in value was mediated by perceptions of authenticity [95% CI for indirect effect = -.72 to -.26] and not perceptions of quality [95% CI for indirect effect = -.40 to -.13].

Study 3 examined how to shut off the backlash effect. We hypothesized that a change to the original would be accepted to the extent to which consumers perceive it to be connected to the initial conceptualization of the product. To manipulate this, participants watched a clip from a classic animated movie (The Lion King). In all conditions, participants were told that the version they would view had been changed from the original. Between-subjects, participants were told either that the change was a bonus scene, added to the film after the original production (less connected to origin), or a deleted scene, made during the original production of the film (more connected to origin), but withheld from the original release. As predicted, the deleted scene (M = 6.20, SD = 1.42) was rated as more enjoyable than the bonus scene (M = 5.37, SD = 1.75; F(131) = 9.00, p = .003, d = .52). Further, authenticity perceptions significantly mediated this result using monetary and social costs and different identities. These effects were mediated by inferences of the consumer’s WTAC (e.g., “How willing is this consumer to accept the potential costs of seeing ‘Blue Lightning?’”).

Study 2 extends the finding of Study 1 by exploring relative costs. Participants (N = 216) read about a consumer who either had more or less free time. Then, similar to Study 1A, participants learned that this consumer was wearing a fictional band’s t-shirt and drove 3 hours to see the band perform. Suggesting that cost is relative to resources, the consumer was perceived to be a more authentic band fan when he engaged in the more (M = 7.95) vs. less (M = 6.92) costly behavior (p < .001). Studies 1B and 1C generalized this result using monetary and social costs and different identities. These effects were mediated by inferences of the consumer’s WTAC (e.g., “How willing is this consumer to accept the potential costs of seeing ‘Blue Lightning?’”).

If WTAC drives perceptions of authenticity, only intentional costly signaling should be seen as authentic. If costly signaling is unintentional, it should not promote authenticity perceptions because the critical “willingness” element of WTAC is absent. In Study 3, we tested intent as a moderator. Participants (N = 410) were randomly assigned to a 2 (price paid: high vs. low) × 2 (intent: yes vs. no) between-subjects design. Participants read a story about a consumer who purchased an environmentally-friendly all-purpose cleaner. In the intent condition, the consumer intentionally paid a $5.99 regular price (high price) or a $2.99 sale price (low price) for the cleaner. In the unintentional, low price condition, the consumer thought that the product was regular price at the time of purchase but was surprised to find on her receipt when she got home that the product was on sale. In the unintentional, high price condition, the consumer thought that the product was sale price at the time of purchase but was surprised to find on her receipt when she got home that the product was regular price.

As expected, intent moderated the effect of signal cost (p < .001). The consumer who intentionally paid a high price (M = 6.11) was perceived to be a more authentic environmentalist than the consumer who intentionally paid a low price (M = 5.44; p < .001). The consumer who unintentionally paid the low price (i.e., expected to pay the high price; M = 6.37) was perceived to be more authentic than the consumer who unintentionally paid the high price (i.e., expected to pay the low price; M = 5.34; p < .001). Moderated mediation analysis indicated that the effects were mediated by WTAC and moderated by intent.

Study 4 explored liking and purchase intent as downstream consequences of perceptions of authenticity. Participants (N = 362) were randomly assigned to a 3 (cost: low, moderate, high) × continuous...
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(participant’s experience) between-subjects design. They read the same scenario as in Studies 1A and 2. In this study, the consumer drove 10 minutes (low), 1 hour (moderate), or 10 hours (high) to see the fictional band. Participant’s then rated the consumer’s authenticity as a band fan, how much they liked the consumer, and how likely they would be to download one of the band’s songs for $0.99. They also reported the longest (in hours) they’ve traveled to see a band. We predicted and found that cost increases perceptions of authenticity ($b = 0.38, p < .001$), which was not moderated by the participant’s experience ($p = .92$).

The consumer’s willingness to accept the costs of being a fan may be intimidating to people who themselves are not willing to accept that cost. Therefore, we expected that liking and purchase intent would diverge from perceptions of authenticity for participants who had not traveled far to see a band. As expected, the distance the participant had traveled themselves moderated the effect of signal cost ($p < .01$). For participants who had not traveled far ($-1$ SD), cost decreased liking ($b = -0.40, p < .01$). For participants who had traveled far ($+1$ SD), cost did not affect liking ($b = 0.13, p = .36$). For participants who had traveled farther ($+2$ SD), cost increased liking ($b = 0.49, p < .01$). Results for purchase intent mimicked these results.

**Self-controlled but Not Myself:**

**When Restraint versus Indulgence Undermines Consumers’ Authenticity and Decision Satisfaction**

**EXTENDED ABSTRACT**

Although the benefits of self-control for psychosocial adjustment and subjective well-being have been extensively demonstrated (Hofmann et al. 2014; Tangney et al. 2004), much less is known about its potential detriments (Kivetz and Keinan 2006). We contribute to this understudied topic by introducing the idea that self-control may undermine decision satisfaction for some consumers by making them feel less authentic.

Research shows that authenticity, i.e., the subjective experience of acting in accord with one’s true self (Kernis and Goldman 2006; Schlegel and Hicks 2011; Wood et al. 2008), is a determinant of decision satisfaction (Schlegel et al. 2013). However, not all people feel authentic under the same conditions; whereas for some the true self is revealed through reason, for others it is revealed through feelings (Newman et al. 2014). Thus, we argue that individual differences in lay rationalism, i.e., the relative reliance on reason versus feelings in decision making (Hsee et al. 2015), determine whether exerting or losing self-control makes consumers feel more true to themselves and thereby more satisfied with their decisions. We predicted that consumers would experience lower decision satisfaction after restraint (vs. indulgence) if they are low in lay rationalism, but lower decision satisfaction after indulgence (vs. restraint) if they are high in lay rationalism. We explain this effect in terms of state authenticity (Sedikides et al. 2017); consumers low (high) in lay rationalism should experience restraint (indulgence) as temporary suppression of their true selves.

In Study 1 (N = 265), we first assessed individual differences in lay rationalism ($\alpha = .80$; Hsee et al. 2015). We then asked participants to imagine experiencing a conflict between the desire to buy a cheesecake and the conflicting personal goal to lose weight, and randomly assigned them to imagine finally either buying it (indulgence) or not (restraint). We then asked them to assess their anticipated satisfaction with their decision (single item). Results indicated a significant interaction between decision (0 = indulgence, 1 = restraint) and lay rationalism ($B = 1.01, SE = 0.23, p < .001$). As predicted, restraint yielded lower anticipated decision satisfaction among consumers low in lay rationalism, whereas indulgence yielded lower satisfaction among consumers high in lay rationalism.

Study 2 (N = 252) replicated Study 1 in another consumer domain (a conflict between the desire to buy a sweater and the conflicting personal goal to save money) and further examined the underlying mechanism (authenticity). We measured state authenticity ($\alpha = .91$), that is, authenticity in a specific situation (Kifer et al. 2013), decision satisfaction (single item), and lastly lay rationalism ($\alpha = .77$) to avoid consistency effects. Results for decision satisfaction showed the same interaction pattern as in Study 1 ($B = 1.22, SE = 0.23, p < .001$). Moreover, a moderated mediation analysis (model 8; Hayes 2013) revealed that the interaction effect was mediated by authenticity (95% CI = [.269, .673]). Consumers low (high) in lay rationalism were less satisfied with restraint (indulgence) because this decision made them feel less authentic.

Study 3 (N = 248) replicated Study 2 by adding a measure of trait self-control to rule out the possibility that lay rationalism is confounded with self-control. Controlling for trait self-control, the interaction on decision satisfaction remained statistically significant ($B = 0.91, SE = 0.23, p < .001$), and so did the moderated mediation through authenticity (95% CI = [.254, .813]).

Study 4 (N = 403) tested whether this effect generalizes to real-life consumer conflicts by asking participants to recall the most recent self-control conflict they had experienced in a shopping context and report whether they resolved this conflict by buying (indulgence) or not buying (restraint) the desired item. We measured again authenticity ($\alpha = .88$), decision satisfaction, and lay rationalism ($\alpha = .79$). Results for decision satisfaction showed the same interaction pattern between decision and lay rationalism ($B = 0.61, SE = 0.19, p = .001$). The moderated mediation through authenticity was also statistically significant (95% CI = [.212, .582]). Thus, the proposed effect does not concern only anticipated satisfaction with hypothetical decisions but also satisfaction with past decisions in real-life consumer conflicts.

Finally, Study 5 (N = 265) examined whether this effect drives compensatory authenticity seeking to restore authenticity deficits. Building on compensatory mechanisms (Mandel et al. 2017), we predicted that consumers low (high) in lay rationalism would respond more favorably to an ad with an authenticity claim following restraint (indulgence). After presenting participants with the same scenario as in Studies 2 and 3, we asked them in an ostensibly unrelated study to evaluate an ad of a brand of tea advertised with an authenticity slogan (“Be true to yourself”). We created a favorability index ($\alpha = .95$) by combining measures of attitude to the ad, attitude to the brand, identification with the slogan, and purchase intention (all loading on one factor). The interaction effect was significant ($B = -.36, SE = .16, p = .028$), indicating that participants low (high) in lay rationalism who imagined restraint (indulgence) responded more favorably to authenticity advertising.

Taken together, results of five studies show that restraint decreases decision satisfaction for consumers low in lay rationalism, whereas indulgence decreases decision satisfaction for consumers high in lay rationalism. Moreover, this effect is driven by feelings of authenticity and motivates compensatory authenticity seeking affecting attitudes toward products advertised with authenticity claims. Our research advances a nuanced understanding of the psychological consequences of self-control and warns against the pitfalls of “one-size-fits-all” approaches that treat self-control as unconditionally beneficial. Moreover, our research has practical implications for policy making, and especially current discussions on nudging and choice architecture. In designing welfare-maximizing interventions (e.g., with regards to eating, spending, or saving), policy makers...
need to take a global approach to consumer welfare by taking into account not only the normative, instrumental effects of increased self-control, but also by attending to the welfare value of consumers’ subjective experiences.

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