

**The Role of Anthropomorphism and Authenticity in Value Creation:
The case of Artisanal Luxury Brands**



Thesis presented in fulfilment of the requirements of the degree of Master of
Commerce in the Department of Business Management, Faculty of Economics and
Management Sciences at the University of Stellenbosch

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April 2019

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ABSTRACT

Brand authenticity represents a new consumer consciousness for the commitment toward real, honest and genuine brands. In a world that is teeming with the fake, contrived and false due to a sheer overload of global crises such as political injustice, global warming, financial instability, poverty and income inequality. Consumers are no longer accepting brands at face value but rather exhibit an inherent search for what can be confirmed as authentic in an effort to reduce uncertainties. In addition, the concept of anthropomorphism has been brought forth as another means to which consumers diminish uncertainty. However, brand authenticity and anthropomorphism are sorely under researched. The present study aims to investigate what role if any brand authenticity and anthropomorphism play in the creation of consumer value.

In the evaluation of a brands authenticity, consumers adhere to a number of cues. In particular, three brand authenticity cues have been identified namely indexical, iconic and existential. Although past studies have attempted to identify antecedent factors of brand authenticity, previous research is scant in categorising such factors as indexical, iconic or existential. Therefore, a secondary objective of the present study was to identify and categorise brand authenticity antecedents according to the three major authenticity cues. In addition, little research has investigated brand authenticity and anthropomorphism in a luxury context. Luxury research has called for more studies into ‘newer’ avenues of luxury. The focus of the present study, therefore examines the role of brand authenticity and anthropomorphism in the creation of value in the context of artisanal luxury brands, specifically that of craft gin brands.

A total of 315 South African Generation Y respondents were recruited to complete an online questionnaire about craft gin brands, asking questions about brand authenticity, anthropomorphism and value. The results revealed a plethora of findings that led to a number of managerial implications. Yet the primary objective that is whether authenticity and anthropomorphism have a role in the creation of value amongst South African Generation Y consumers in the case of artisanal luxury craft gin brands was supported. From the findings, managerial implications were formulated and opportunities for future research were suggested.

Keywords: Brand authenticity, iconic, indexical, existential, anthropomorphism, value creation, artisanal luxury, craft gin, South Africa, Generation Y.

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CHAPTER 1

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Globalisation, commercialisation, mass creation and hyper-materialistic experiences are progressively becoming the norm to consumers' everyday life (Guevremont, 2015:79). Consumers in modern society are also forced into dealing with a surplus of the fake, the artificial and the contrived on a scale never experienced previously. But, in this light, consumers are increasingly in search for genuine, real and authentic experiences as a means to stay true to their inner selves (Guevremont, 2015:79). As long-established by Brown, Kozinets and Sherry Jr (2003:21), consumers basic search for authenticity has become one of the "cornerstones of contemporary marketing". For this very reason, it is essential that marketing academics and practitioners research and understand the nature of authenticity providing direction for engaging in meaningful branding efforts. The current study aimed to address this need.

Besides seeking authentic brands, another means by which people try to alleviate uncertainty and make sense of the world is through the concept of anthropomorphism (Hede & Watne, 2013; McGill & Aggarwal, 2007). Anthropomorphism is the attribution of human-like characteristics, emotions and intentions to non-human entities (Morhart, Malär, Guèvremont, Girardin & Grohmann, 2015:207). Research by Morhart *et al.* (2015:207) established a link between brand authenticity and anthropomorphism. A higher degree of anthropomorphism made it easier for consumers to recognise the values of and symbolism of a brand, which in turn increased the perception of authenticity. According to Brown (2003:19), Guido and Peluso (2015:2) and Letheren, Kuhn, Lings and Pope (2016:974), the concept of anthropomorphism is poorly understood in marketing literature and further research is thus required to shed light on the possible relationship between brand authenticity and anthropomorphism.

Brand authenticity is perceived by consumers by means of employing strategies and cues to attribute authenticity to an object or brand (Napoli, Dickinson-delaporte & Beverland, 2016:1201). Past research has shown that consumers evaluate authenticity according to three major cues, namely indexical (evidence-based

attributes), iconic (impression-based attributes) and existential (self-referential attributes) (Carsana & Jolibert, 2017; Morhart *et al.*, 2015). Previous studies showed factors such as heritage, quality commitment and sincerity can have differential effects on the authenticity of brand positioning (Beverland, 2006; Napoli *et al.*, 2016). In past studies, such factors or antecedents were not exhaustive. There is limited research available in categorising the various antecedents under the three major authenticity cues. A research opportunity exists to investigate various authenticity antecedents and consequently categorise them according to these three significant authenticity cues. In addition, it is noteworthy that brand authenticity and anthropomorphic literature is scant within the luxury sector and even less prolific regarding new modern concepts such as artisanal luxury.

Several desirable effects of brand authenticity have been proposed, such as brand attitude and willingness to buy (Carsana & Jolibert, 2017; Webster & Llicic, 2014), brand relationship quality, purchase premium and forgiveness (Fritz, Schoenmueller & Bruhn, 2017), emotional brand attachment and positive word-of-mouth (Morhart *et al.*, 2015). Such effects or outcomes are proposed as a means to create value for both the brand and consumer. Yet the concept of value creation has yet to be studied in relation to brand authenticity. Furthermore there is little to no research in the public domain on the role of brand authenticity and anthropomorphism in value creation in the case of artisanal luxury brands. Therefore the present study has endeavoured to address this research gap.

1.2 BACKGROUND

The following section explains where brand authenticity fits within academic literature as well as a reason for the role anthropomorphism has to play. Context is provided how authenticity can lead to value creation and also the relevance of studying these constructs in the case of artisanal luxury brands and in a South African Generation Y context.

1.2.1 Brand Authenticity

The concept of brand authenticity refers to the perception of a brand as being genuine, real and honest (Guevremont & Grohmann, 2016:604). The desire to escape commercialism, the increasing political and social uncertainty as well as a search for meaning and 'real' experiences are some reasons for the increasing

importance of authenticity to consumers in modern societies. Compared to so-called conventional brands, authentic brands have powerful auras through which they connect with their customers on a deeper level (Pace, 2015:1167). For example, by combining heritage, craftsmanship, superior quality and authenticity positioning, Hermès, as a brand enjoys an iconic status in the world of luxury (Cooper, Braithwaite, Moreno & Salvia, 2015:30).

Fritz, Schoenmueller and Bruhn (2017) suggest the increased desire for authenticity is particularly strong in periods of change and uncertainty, leading consumers to search for something that offers them continuity. However the concept of brand authenticity has only recently (since 2015) captured the attention of marketing researchers and managers alike (Fritz *et al.*, 2017:324). A critical question that arises is what determines brand authenticity and what outcome can be attributed to the concept.

Traditionally, authenticity refers to something physical; but previous researchers suggest authenticity is more often contrived than real. Consumers formulate mental frames of what ought to be authentic (Beverland, 2006; Grayson & Martinec, 2004). Postmodernist thinking on the presentation of brand meaning and essence has contributed to authenticity being considered as subjective. Nevertheless more recent conceptualisations of authenticity define the concept both objectively through physical materials and subjectively through consumer perceptions (Carsana & Jolibert, 2017; Fritz *et al.*, 2017; Portal, 2017). Managing consumer perceptions of authenticity is a critical avenue of research, considering past studies remain silent on how marketers are to achieve an authenticity positioning that seems above commercial gain.

Growing consumer demand for authenticity in purchased goods and services has warranted academic research on the concept within a branding and marketing context (Guevremont & Grohmann, 2016; Morhart *et al.*, 2015). A variety of reasons exist for the development of such a stance. One explanation is the reaction to the increasing number of global crises. Specifically financial crises, threats of climate change, scandals caused by managerial transgression and unethical business practices by large corporates as well as the progression of globalisation leading consumers to lose their national identities (Fritz *et al.*, 2017:325). The need for

authenticity is particularly strong during such times when consumers seek brands that offer them stability and consistency. Meaning consumers are likely to purchase authentic brands that provide them with something that offers continuity during times of change and uncertainty.

The desire for authenticity has further been explained as a consequence of the growing homogenisation and standardisation in the marketplace (Beverland & Farrelly, 2010:839). In this sense, authenticity thus serves as a means of differentiation for consumers. With the opportunity the Internet has provided for increased market transparency, consumers are more informed than before and thus are no longer prepared to accept artificial brand behaviour, such as unethical corporate behaviour and misleading advertising claims (Fritz *et al.*, 2017:325). The acknowledgement of the growing relevance of brand authenticity merits further academic research, as the concept is becoming a guiding principle of contemporary marketing (Fritz *et al.*, 2017; Hartmann & Ostberg, 2013).

Despite Grayson and Martinec's (2004) affirmation of the longstanding market appeal of authenticity, marketers and managers have little indication of factors influencing brand authenticity or what positive benefits might arise from emphasising authenticity in their brands. Review of the past literature has revealed three perspectives incorporating all identified authenticity conceptualisations, in other words, objectivist, constructivist and existentialist (Guevremont & Grohmann, 2016; Kolar & Zabkar, 2010; Morhart *et al.*, 2015). The three perspectives can be used as a basis to identify antecedents of brand authenticity.

An objectivist perspective denotes authenticity as an objectively measurable quality of an entity that can be evaluated by experts. This perspective, further uses indexical cues (evidence-based characteristics) to identify authentic brands (Morhart *et al.*, 2015:201). As per a constructivist perspective, authenticity is the projection of one's own beliefs, expectations and perceptions onto an entity, making use of iconic cues (impression-based characteristics) to seek out authenticity (Morhart *et al.*, 2015:201). The existentialist perspective refers to authenticity as related to the self (not the external entity) and being true to one's self (Morhart *et al.*, 2015:201). As such existential cues (self-referential characteristics) are used to ascertain brand authenticity (Morhart *et al.*, 2015:201). For the purpose of this study indexical, iconic

and existential cues are identified as categories under which authenticity is driven. These three cues were investigated further.

Previous research also identified many factors that impact the formation of brand authenticities such as heritage, nostalgia, stylistic consistency, quality commitments and sincerity (Beverland, 2006; Fritz *et al.*, 2017; Napoli, Dickinson-delaporte & Beverland, 2016). Little research has endeavoured to distinguish the various factors influencing authenticity according to indexical, iconic and existential cues. Just as consumers use authentic brands to provide some sort of continuity, they use the concept of anthropomorphism to mitigate uncertainties and make sense of the world (Hede & Watne, 2013:208). Anthropomorphism can be argued to have a role to play within the concept of brand authenticity. The current study identified authenticity antecedents and categorised them under indexical, iconic or existential. The study also aimed to establish whether a (significant) relationship existed between brand authenticity and anthropomorphism.

1.2.2 Anthropomorphism

Anthropomorphism can be defined as an individual tendency to perceive non-human objects as human-like entities (Guido & Peluso, 2015:2). Anthropomorphism commonly occurs within marketing by marketers either humanising their products and brands or by consumers perceiving a brand or product to hold human-like qualities (Aggarwal & McGill, 2012:308). Furthermore brands are known to possess distinctive humanlike personality traits (Aaker, 1997) and consumers are known to enter significant relationships with brands similar to that of human relations (Fournier, 1998). The effects of such well-known constructs seemingly originate out of the act of anthropomorphising a brand. Thus, providing an opportunity for anthropomorphism to be researched in relation to brand authenticity as what can be perceived as human-like could be deemed as authentic.

McGill and Aggarwal (2007) argue people are generally more comfortable with things they are familiar with (knowledge of themselves and other people) and they tend to intuitively assign human-like attributes to entities or events to better interpret and explain for outcomes and uncertainties. Fritz *et al.* (2017) suggest that people seek out authenticity in times of transition, change and making sense of uncertainties. A link can be argued to exist between brand authenticity and anthropomorphism. The

concept of anthropomorphism has been presented previously as a means by which people make sense of the world around them (Mcgill & Aggarwal, 2007; Hede & Watne, 2013). Moreover, attributing brands with human-like characteristics has been discovered to enhance the perception of authenticity (Morhart *et al.*, 2015). Morhart *et al.* (2015) present the only research confirming the link between authenticity and anthropomorphism. Therefore a more critical analysis of anthropomorphism in relation to brand authenticity is needed.

As previously mentioned, consumers use various cues with which to evaluate the authenticity of a brand. Indexical cues, which are physical and associated with fact, are used as a means to evaluate an entity as the 'real thing' separating it from imitations (Grayson & Martinec, 2004; Stiehler, 2017). Examples of indexical cues include brand behaviour and attributes, country of origin, labelling strategies and physical stores (Carsana & Jolibert, 2017; Fritz *et al.*, 2017; Webster & Llicic, 2014). A study by Chen, Jin and Wen Wan (2017) asserts product attributes which had been anthropomorphised result in positive consumer behaviour, expressly the willingness to pay a premium price and preferred choice. Anthropomorphism also can be argued to link to iconic and existential cues.

Iconic cues reflect both the origin of a brand and its symbolic quality. The iconic character Hello Kitty, for example, symbolises youthful innocence and further allows adult women a taste of childhood (Hosany, Prayag, Lee & Martin, 2013:62). Brand characters such as Captain Morgan and Tony the Tiger are ubiquitous in marketing and are some of the most widely used forms of anthropomorphism. Finally existential cues refer to self-referential attributes of a brand and such cues have been established to be provided through anthropomorphism (Morhart *et al.*, 2015:207). There is no known research quantifying the link between anthropomorphism and brand authenticity cues. The current study explores what role, if any, anthropomorphism has to play and to shed light on the possible relationship between that of anthropomorphism and brand authenticity.

Previous studies found consumers who purchase luxury products (so-called luxury consumers) are particularly interested in product/brand cues when they evaluate products and/or brands (Shukla, 2011; Wiedmann, Hennigs & Siebels, 2007). A study by Audrin, Brosch, Chanal and Sander (2017), for example, maintain luxury

consumers are highly responsive to extrinsic cues as opposed to intrinsic cues. Extrinsic cues are factors that relate to the attributes of a brand, for example, brand name, price and country of origin. Intrinsic cues refer to attributes inherent in a particular product, for example materials used (Audrin *et al.*, 2017:115). A study by Chartrand, Fitzsimons and Fitzsimons (2008) recognises anthropomorphism influences consumers' consideration of the appearance attributes of a brand. Considering luxury consumers are motivated by physical appearance as well as symbolism when choosing a brand, and thus there is an opportunity to apply anthropomorphism in a luxury brand context.

As it stands, there is little to no research on anthropomorphism as applied in a luxury branding and marketing context. Anthropomorphism and its marketing appeal are still poorly understood (Jain, Bhandari & Be, 2017). Research is needed to gain insight into the possible relationship between anthropomorphism and brand authenticity. To date, there is little research on anthropomorphism in a luxury setting, and most studies on authenticity and anthropomorphism have been conducted in developed markets. There is opportunity to gain valuable insight by applying anthropomorphism and authenticity in an emerging market and in an artisanal luxury brand context.

1.2.3 Artisanal Luxury

Artisanal luxury can be described as hand-crafted goods, produced in small quantities, untainted by commercialisation and should by default be entirely authentic (Beverland & Luxton, 2005; Cooper, Braithwaite, Moreno & Salvia, 2015). Authentic consumption can be achieved through a wide range of products and services that hold potential for meaning creation. The potential for meaning creation refers to the ability of a brand to add to a consumers life in a way that creates value, for example by reflecting values that people deem important (Morhart *et al.*, 2015:204). A perfect example of an industry that strives to create meaning for their customers is that of luxury brands (Morhart *et al.*, 2015:201). Luxury brands (such as Jaguar, Tanqueray and Ralph Lauren) convey images of quality, performance and authenticity as well as providing an experience (Atwal & Williams, 2009:338).

A singular definition for luxury does not exist, as it is context dependent. In essence, luxury is associated with conceptions of creativity and art, craftsmanship and traditions, quality, respect for materials and timelessness (Janssen, Lindgreen,

Vanhamme & Lefbvre, 2013:5). A common notion though, is that quality is a defining characteristic of luxury consumption. Fritz *et al.* (2017) suggest quality no longer differentiates but rather authenticity does. Authenticity serves as an indication of quality and differentiation for many consumers. Research by Heine and Phan (2016) state a major symbolic characteristic that luxury brands must fulfil is that of authenticity. Considering consumers' increased desire for meaning and search for 'real' brands, authenticity has become a central challenge to luxury brands (Heine & Phan, 2016:179). Despite its growing importance, there is little research in marketing literature on how to enhance or create (luxury) brand authenticity.

Heine and Phan (2016) argue that traditional artisanship techniques are not solely reserved for older more established luxury brands but also for new luxury brand members. Such a notion is best illustrated by the 'artisanal' or 'craft' trend that is catching on globally. Artisanal or craft refers to products made using the highest quality materials and usually results in a product that is regarded as something special and unique (Bhaduri & Stanforth, 2017:177). Some trending examples of what consumers desire as artisanal or craft include drinks, food, fashion and interior décor.

Luxury brands are increasingly positioning their offerings as artisanal or craft to differentiate their brands from those of competitors (Bhaduri & Stanforth, 2017:177). In particular, luxury brands are producing artisanal products highlighting their superb craftsmanship indicating their superior quality and so justifying a premium price (Bhaduri & Stanforth, 2017:177). Because of the monetary expense owning luxury brands, research into the luxury sector has naturally been within the context of developed markets. Spending power and disposable income is higher in these countries. As acknowledged by Stiehler (2017) luxury brands are seemingly unaware of the untapped potential of emerging economies.

The globalisation of luxury has however, led to new consumers emerging in a plethora of new markets. An example illustrating this phenomenon is that 42 per cent of the worlds billionaires are now living in emerging markets (Cristini, Kauppinen-räisänen, Barthod-prothade & Woodside, 2017; Freund & Berglof, 2016). In particular the concept of 'new luxury' has developed and entails goods and services possessing increased levels of quality, taste and aspiration yet not so expensive to

be out of reach (Cristini *et al.*, 2017:101). New luxury implies luxury is no longer too exclusive or too unreachable and therefore allows middle market consumers to trade up for products and brands that meet their aspirational needs (Atwal & Williams, 2009:339). For example, Belvedere Vodka undergoes four rounds of distillations for a smoother taste, which allows it to demand a 75 percent price premium over its competitors. The concept of new luxury has further lead to the emergence of new luxury consumers who start to purchase luxury at a younger age than their parents before them (Giovnnini, Xu & Thomas, 2015). These younger luxury consumers (known as Generation Y) have become highly brand conscious and are willing to trade up to higher levels of quality and taste through luxury consumption (Giovnnini, Xu & Thomas, 2015:23). For the purpose of the present study, artisanal luxury is applied in a South African Generation Y context.

South Africa in particular has been identified as the most promising developing market in Africa for luxury goods (Stiehler, 2017:2). In 2016, the South African luxury brand market was estimated to be worth about R30 billion; the highest in luxury sales in Africa (Govender, 2017). A shift in consumer preference from commercially produced products to artisanal, hand-crafted and locally produced goods has also taken trend within the South African market (Green, 2015:5). A further trend or rather 'revolution' that has taken hold in South Africa and in particular within an artisanal luxury brand context is the increasing popularity of craft gin. Subsequently, an avenue of research presents itself in adding to marketing literature by applying authenticity and anthropomorphism concepts within an emerging market (in this instance South Africa) and in the case of artisanal luxury brands, specifically craft gin.

1.2.3.1 Craft gin in an artisanal luxury brand context

The craft gin movement or revolution is evident in South Africa by the growing number of local distilleries from 19 in 2014 to 30 distilleries in 2017 (Booyesen, 2017). With the introduction of craft gins in South Africa there has been a dramatic image shift, especially with younger consumers who once saw traditional gin drinking to be exclusively for older consumers (Booyesen, 2017). The craft gin industry is further predicted to contribute R1 billion to the South African economy in the year 2018 (Booyesen, 2017). Although craft gin brands represent significant market value in

South Africa, there is little academic research on the craft gin sector available and further research is required.

As suggested by Beverland and Luxton (2005) artisanal luxury brands are often communicated to consumers by presenting a story behind the brand and product. A narrative is created about the founders of the brand, the country of origin, its history and culture and furthermore being above commercial considerations (Kaplan, 2016:37). Craft gins provide a perfect example of artisanal luxury. In South Africa, passionate locals are distilling gin and innovating using a plethora of indigenous ingredients and selling their products at premium prices. Craft gin brands have profited hugely by creating emotional connections with consumers, by generating an exciting experience of discovery and culture (Pleiful, 2018).

Focusing on craft gin brands is especially relevant to the study at hand. A key pillar to the identity of a craft gin brand is that consumers perceive it as being authentic (Pleiful, 2018). For an artisanal gin brand, creating brand authenticity is essential. Furthermore craft gin brands have profited immensely by embedding stories, myths and rituals about their brands in the minds of consumers in such a way that fosters emotional relationships and leads to sustained growth (Dollman, 2015; Pleiful, 2018). Research into craft beer by Hede and Watne (2013) suggest that craft breweries have been successful in humanising their brands by using folklores, narratives and myths. Stories and narratives have become conduits in which to humanise a brand, in other words, anthropomorphism (Hede & Watne, 2013:210). Concentrating on craft gin is highly appropriate to understand and research both the concept of brand authenticity and anthropomorphism.

Applying brand authenticity to an artisanal luxury context provides an exciting and valuable stream of research. Current literature has mostly applied brand authenticity within the context of airlines, wine trade, musical instruments, private label brands and fast moving consumer goods (FMCG) brands to name a few (Beverland, 2006; Carsana & Jolibert, 2017; Hartmann & Ostberg, 2013; Portal, 2017; Webster & Llicic, 2014). No known research to date has applied brand authenticity or anthropomorphism within the context of artisanal luxury brands, specifically that of craft gin.

Artisanal luxury brands are furthermore employing descriptive cues such as handmade or craft to create value perceptions about the exclusivity positioning of the product (Bhaduri & Stanforth, 2017:177). No known research has explored artisanal luxury brands' use of authenticity cues (indexical, iconic and existential) to enhance consumer's perceptions of authenticity and value creation. Hence, the current research study highlights value creation as an outcome of brand authenticity in the case of craft gin, exploring an untapped and highly topical area of research.

1.2.4 The concept of value creation

Value creation can be described as the value derived from the perceived trade-off between benefits and sacrifices (Ritter, Gemünden & Walter, 2001:366). Considering that a fundamental aim of marketing is to create value for the customer, the current study views value creation from the perspective of the consumer. As such the value created from an authentic brand can be reflected as either hedonic (pleasure) or utilitarian (performance) (Napoli *et al.*, 2016:1204). For example, craft gin brands can be argued to create both utilitarian value (quality and taste of the product) and hedonic value (excitement from the experience). The present study investigated the potential of authentic brands' to satisfy consumer's functional needs and their hedonic desires.

Consumers' continual pursuit for authenticity and a general tendency to anthropomorphise can be argued to be a means to achieve an end goal of creating value. In a study by Napoli *et al.* (2016:1213) enhanced authenticity was found to create a higher level of value for consumers and the brand itself when comparing authentic versus inauthentic brands. In a different stream of research, when anthropomorphism was primed, the outcome was an increase in consumer perceived value of the product (Hart, Jones & Royne, 2013:105). Consumers of today, especially luxury consumers, are value-driven requiring cues indicating a product is worth the price to be paid (Bhaduri & Stanforth, 2017:177). Hence the current research attempts to address if and how authenticity cues and anthropomorphism could enhance the authenticity of artisanal luxury brands (in this case craft gin) and create value. Providing the opportunity for consumers to establish a stronger emotional connection with the brand.

Value creation is usually the primary aim of any business entity and to reiterate is regarded as a trade-off between benefits and sacrifices (Ritter, Gemünden & Walter, 2001:366). Creating value for consumers aids in selling products and/or services, whereas creating value for the brand results in future prosperity and success for the firm (Napoli *et al.*, 2016; Ritter *et al.*, 2001). Creating authenticity in marketing with value creation in mind is achieved by unique and artisanal production processes that advocate the consumer and improve his/her life (Marks & Prinsloo, 2015:16). To date brand authenticity literature has focused on outcomes such as brand attitude, willingness to buy, brand relationship quality, purchase premium, forgiveness, emotional brand attachment and positive word-of-mouth (Carsana & Jolibert, 2017; Fritz, Schoenmueller & Bruhn, 2017; Morhart *et al.*, 2015; Webster & Llicic, 2014). Such outcomes can be argued to relate to the goal of value creation for either the consumer or the brand. Nevertheless, no research has alluded to the holistic view of value creation with South African Generation Y consumers in mind, especially in the case of brand authenticity within an artisanal luxury (craft gin) context.

Despite the fact that luxury brands provide a range of value benefits for consumers and luxury consumers are value-driven, little is known as to how and to what extent artisanal luxury brands, and specifically craft gin brands, create value for consumers. Review of past literature has further alluded to the desirability of an authentic brand positioning in terms of providing value to customers and brands (Napoli *et al.*, 2016:1202). The current study investigated value creation as an outcome of brand authenticity.

Drawing on the basic principles of marketing, the fundamental purpose of the discipline is the creation of value. Yet in the same line as consumers are losing faith and trust in brands, so has the discipline of marketing experienced growing distrust and cynicism (Marks & Prinsloo, 2015:16). Authenticity can be considered as a new business imperative. Research by Marks and Prinsloo (2015:16) highlighted the power of authenticity as an 'antidote' to consumer resistance to marketing. The power of authenticity is sorely under researched thereby justifying the in-depth research of the concept in the present study.

1.3 PROBLEM STATEMENT

An increase in global crises such as climate change, financial crises, political instability and market place homogenisation has led to consumers actively seeking authenticity in brands to mitigate uncertainties (Beverland & Farrelly, 2010; Fritz *et al.*, 2017). The concept of brand authenticity has captured researchers attention only in recent years (Fritz *et al.*, 2017:325). Moreover, marketing managers are generally unaware of how to position their brands as authentic without being scrutinised for doing so for commercial gain.

Research into the concept of brand authenticity established that consumers use various cues to evaluate the authenticity of a brand, particularly indexical, iconic and existential cues (Carsana & Jolibert, 2017; Morhart *et al.*, 2015). Although past studies have attempted to identify factors causing brand authenticity, research to date has yet to be exhaustive (Beverland, 2006; Napoli *et al.*, 2016). Little academic research has endeavoured to categorise such factors under the three brand authenticity cues.

Another means in which consumers alleviate uncertainty besides seeking authenticity is through the concept of anthropomorphism. Research by Morhart *et al* (2015:211) established a link between anthropomorphism and brand authenticity. However, no study has quantified the possible relationship between anthropomorphism and authenticity cues. Consumers known to use cues when evaluating brands are those who purchase luxury items. Research by Fritz *et al* (2017:325) suggests quality cues are no longer central to luxury consumption rather authenticity is. A key challenge for luxury entities is how to meet consumer demand for real and meaningful brands. Many luxury brands are positioning their products as 'artisanal' or 'craft' in an attempt to satiate consumers authenticity desires (Bhaduri & Stanforth, 2017:177). However, there is minimal research as to how luxury brands are to enhance or create brand authenticity.

To date the majority of luxury brand research has been conducted within developed markets, yet there is untapped potential for research in developing economies (Stiehler, 2017:38). In South Africa there is a shifting consumer preference from commercially oriented brands to artisanal and locally crafted brands (Green, 2015:5). An example is the craft gin revolution that has become hugely popular within the

country. Further the emergence of the concept 'new luxury' has created a wider market of luxury consumers. Younger consumers (Generation Y) are increasingly willing to 'trade up' via luxury consumption (Giovnnini, Xu & Thomas, 2015:23). Past academics have not applied authenticity and anthropomorphism in an emerging market and artisanal luxury brand setting, thereby providing an untapped avenue of research.

Consumers seek authentic brands and exhibit a tendency to anthropomorphise as a means to create value (Hart *et al.*, 2013; Napoli *et al.*, 2016). Many favourable outcomes have been attributed to brand authenticity. However no study has taken a holistic view of value creation as an outcome of authenticity. Considering artisanal luxury brands provide an array of value benefits and consumers are value-driven, little is known if and how artisanal luxury brands, specifically craft gin brands, create value through authenticity. The reason this study was undertaken was to understand the possible role anthropomorphism and brand authenticity play in value creation in the case of artisanal luxury brands in terms of craft gin.

1.4 RESEARCH OBJECTIVES

A review of the past literature has allowed the development of the research objectives. The objectives are presented in the following section, divided into primary and secondary objectives.

1.4.1 Primary Objective

To investigate the possible role of anthropomorphism and brand authenticity in the creation of value amongst South African Generation Y consumers in the case of artisanal luxury brands, specifically those of craft gin brands.

1.4.2 Secondary Objectives

Following review of the previous literature that allowed for the development of the primary objective, secondary objectives were required to ensure in-depth research to the concepts in question. All objectives relate specifically to craft gin brands. Consequently, the eight secondary objectives to follow were established to determine whether:

There is a relationship between brand authenticity and value creation amongst South African Generation Y consumers in the case of artisanal luxury brands.

There is a relationship between anthropomorphism and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

There is a relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

There is a relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

There is a relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

Anthropomorphism moderates the potential relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

Anthropomorphism moderates the potential relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

Anthropomorphism moderates the potential relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

Based on the review of past literature and particularly in conjunction with research by Fritz *et al* (2017) and Morhart *et al* (2015), the following conceptual model was developed for the study:

constructed in a manner according to high standards of reliability, validity and generalisability.

The use of the surveys provide a quick, economical, effective and precise means of evaluating the information concerning the target population (Zikmund & Babin, 2010:191). Two collection procedures associated with surveys are questionnaires and interviews (focus groups); both were employed in the present study. The most notable advantage the survey provided was yielding empirical data, meaning the results were based on real-world observations (Kelley, Clark, Brown & Sitzia, 2003:262). For the main part of the study, data were collected via an online questionnaire distributed on the social media platform Facebook. According to Thompson, Martin, Gee and Geurin (2016:19), Facebook is the most frequently used social media platform by Generation Y. Such a platform was therefore most appropriate for acquiring an adequate sample size of the target population, expressly South African Generation Y consumers who drink craft gin. The data were analysed using partial least squares structural equation modelling (PLS-SEM) in an attempt to achieve the stated research objectives. Marketing managers can use the acquired results of the current study to implement effective and tactical branding and communication strategies.

1.6 ORIENTATION OF THE STUDY

The orientation of the research study is as follows:

Chapter 1: Introduction and Background

To initiate the present study, Chapter 1 provided a brief overview of the context of the study. In particular, the concept of brand authenticity and its relevance in academic literature are introduced. The concept of anthropomorphism is discussed, concerning the role it plays in brand authenticity. An overview of the context of the research is provided, in other words, artisanal luxury brands in South Africa. The concept of value creation is further proposed as an outcome to brand authenticity. Finally the chapter also highlights the problem statement, research objectives and primary research undertaken.

Chapters 2 and 3: Literature Review

The literature review chapters present more in-depth detail into the concepts of brand authenticity, anthropomorphism and value creation. Previous research from academic journals are discussed and interpreted. Previous studies are also used to identify various antecedents of brand authenticity and evaluated whether they fit with indexical, iconic or existential authenticity cues. Current trends and implications in the marketing environment in the case of artisanal luxury branding in the context of South African Generation Y are evaluated and explained. Relevant theories about the concepts of brand authenticity, anthropomorphism and value creation are identified and discussed to aid in the understanding of the constructs of interest.

Chapter 4: Research Design and Methodology

To test the research objectives and hypotheses, Chapter 4 addressed the research design, primary and secondary research, the questionnaire development and the sampling procedure. Both the descriptive and inferential statistical analyses are outlined.

Chapter 5: Analyses and Results

Descriptive and inferential analyses were applied practically in this chapter, to test the existence of relationships as stated in the research objectives and hypotheses. The results are presented and interpreted.

Chapter 6: Conclusions and Recommendations

The final chapter concluded on whether the study met the previously stated research objectives as well as providing theoretical and practical managerial recommendations from the findings. Limitations and future research options are provided as well as a reconciliation of the research objectives.

1.7 CONCLUSION

The current study aimed to investigate the role of brand authenticity and anthropomorphism in value creation in the case of artisanal luxury brands. The study took place in a South African Generation Y context and focused purposely on craft gin brands. The study is significant in that the knowledge gained is essential to confirm the relevance of brand authenticity to Generation Y as a target dimension for marketing managers. Research is further required for the advancement of

anthropomorphism literature in that the market appeal of the concept is still poorly understood. Ultimately, the study aimed to contribute to advancing the theoretical understanding of brand authenticity and highlight its relevance for consumer brand-related outcomes, expressly value creation.

To date both brand authenticity and anthropomorphism have not been applied in an artisanal luxury brand context. The present study is a pioneering endeavour to contribute to the advancement of the theoretical conceptualisation of both authenticity and anthropomorphism. By applying these concepts to craft gin brands the study provides new insight by building a link between previous authenticity literature and methodically identifying key influencing factors of brand authenticity. In addition, knowledge from the present study potentially provides managers with much needed information for designing strategic brand decisions and tactical communications that will enable the creation and enhancement of brand authenticity. The insights gained from the current study potentially support practitioners' efforts to more effectively meet consumers' desires for meaningful, real and authentic brands.

CHAPTER 2

THE THEORETICAL CONCEPT'S OF BRAND AUTHENTICITY AND ANTHROPOMORPHISM

2.1 INTRODUCTION

A common notion known the world over is that brands play important roles in consumers' lives. However consumers faith and trust in brands has been declining drastically because of several reasons such as commercialisation, the over abundance of counterfeit products, the global financial crisis as well as political and social instability (Morhart *et al.*, 2015; Portal, 2017). As such, consumers' demand for genuine, honest and original brands has been on the rise. Consumers are in search for authentic brands (Portal, 2017).

This chapter addresses the theoretical concept of brand authenticity in its entirety by reviewing the past literature. It is prudent to first review its origin from a multitude of perspectives to formally grasp the notion of authenticity. Brand authenticity has further only recently captured marketing researchers' attention. A thorough description and definition of the concept is still required. The chapter further delves into the antecedents of brand authenticity, presented in accordance with three significant perspectives: the objectivist, constructivist and existential perspectives. Following the discussion of authenticity antecedents are an explanation of consumer motives behind such a phenomenon, justifying additional research. Shortly after, the concept of anthropomorphism is introduced. A thorough description of the concept is provided followed by motivational determinants behind anthropomorphism. The chapter concludes with the applicability of anthropomorphism to brand authenticity literature, highlighting the crux of the present study.

2.2 AUTHENTICITY: A MULTIDISCIPLINARY ORIGIN

Authenticity has been identified by Grayson and Martinec (2004) to have a longstanding market appeal, yet has only recently captured marketing researchers' attention. Authenticity has been well established and a central concern in many other domains particularly philosophy, psychology, the arts, anthropology and sociology (Fritz *et al.*, 2017:326). It is prudent to review the origin of the concept from a multidisciplinary perspective to develop a comprehensive understanding of the appeal of brand authenticity to marketers.

The first portrayals of authenticity originated during the time of ancient Greek philosophers, the earliest accounts dating back to Socrates' (470BC – 399 BC) who viewed that “the unexamined life is not worth living” (Kernis & Goldman, 2006:284). Within the discipline of philosophy, authenticity is connected to ideologies of moral behaviour and transparency (Crowell, 2017). Considering the philosophical origin of authenticity in ancient Greece, the term authentic is derived from the Greek word *Authentikos* as well as the Latin word *Authenticus* (Marks & Prinsloo, 2015; Napoli *et al.*, 2016). Both words mean to be trustworthy, worthy of acceptance, authoritative, not false, imaginary or an imitation and to be entirely original (Marks & Prinsloo, 2015; Napoli *et al.*, 2016).

A particular theoretical topic within philosophy, existentialism, holds authenticity as a necessity to comprehend human existence, in other words what it means to be human (Crowell, 2017). According to the existential philosopher Heidegger (1962), authenticity is associated with being true to one's self and that those who deviate from their inner selves by conforming to the masses are inauthentic and are in jeopardy of losing their own self identity. In the same line, Sartre (1943), another existential philosopher, denotes that people are only deemed as authentic when they take full responsibility for their choices, actions and entire existence. In the context of marketing, existential authenticity represents the ability of a brand to provide the resources necessary for consumers to uncover their true selves (Morhart *et al.*, 2015:202). Existential authenticity and existential cues (self-referential attributes) are grounded in the philosophical theory of existentialism.

Contemporary views in psychology about authenticity are rooted in the conceptualisations from philosophers. Authenticity, as described in the field of psychology is the unhindered construction of one's true/core self in one's everyday existence (Webster & Llicic, 2014:346). Instead of viewing authenticity as a single process, psychologists suggest authenticity can be subdivided into four components (awareness, unbiased processing, behaviour and relational orientation) (Kernis & Goldman, 2006:294). Awareness relates to a person's possession, motivation and knowledge of one's desires, motivations, feelings and self-relevant cognitions (Kernis & Goldman, 2006:294). Unbiased processing refers to the absence of distortions that taint the acknowledgement of self-relevant information, in other words, the authentic and accurate presentation of one's true self (Kernis & Goldman, 2006:297). With

regards to the behaviour component, authenticity involves behaving in accordance to one's values, beliefs and needs as opposed to acting artificially to please others (Kernis & Goldman, 2006:298). Finally, relational orientation represents authenticity as striving for genuineness in one's close relationships as opposed to acting falsely (Kernis & Goldman, 2006:300). The discipline of psychology highlights the multicomponent conceptualisations of authenticity, and it should be examined.

Within the domain of the arts, authenticity centres around the concern for originality, explicitly on identifying originals from replica's, copies and fakes (Kasfir, 1992:45). In the arts, authenticity is described as an ideology that creates and displays an aura of cultural truth (Kasfir, 1992:46). Dutton (2004:258) classifies works of art in two categories of authenticity, nominal and expressive. Nominal authenticity represents the proper and correct identification of the provenance, authorship and origins of an object (Dutton, 2004:258). Expressive authenticity, on the other hand, deals with the connotations of an object as a true expression of a society or an individual's values and beliefs (Dutton, 2004:258). In its entirety, authenticity in the arts centres on the essence of originality and consequently the presence of originality is an essential criterion to establish the notion of authenticity (Benjamin, 1935:3). In a marketing context, originality has been established as a core dimension to brand authenticity (Bruhn, Heinrich, Schoenmuller & Schafer, 2012; Fritz *et al.*, 2017). Originality is one of four dimensions that consumers seek in authentic brands, of which are discussed in subsequent paragraphs.

In the discipline of anthropology (the study of humans and human behaviour) authenticity is conveyed as the inherent human quest for the authentic (Handler & Saxton, 1988:243). Moreover in anthropology, the concept of authenticity is described as a cultural construct, one that is closely tied to the notion of an individual (Handler, 1986). Authenticity is the natural search by individuals for authentic cultural experiences, ones that are genuine, unspoiled and natural (Handler, 1986). In modern society, this inherent quest is reflected as individual's desire for authentic brands and has to do with consumers' construction of their true selves.

Sociologists such as Fine (2003) describe authenticity as original, sincere, innocent, genuine and linked to one's moral compass. A common notion within sociology is that authenticity is not always definitively the 'real' thing but rather a subjectively

observed socially constructed phenomenon (Carroll & Wheaton, 2009:256). According to Cohen (1988:372), comprehending authenticity involves understanding how the individual endows their experiences as authentic within their own view. In other words, consumers construct their own definitions of authenticity from which they judge products and brands.

Marketing researchers have recognised the quest for authenticity, yet unlike the discipline of philosophy, research on brand authenticity within a marketing context is in its infancy. Research has stressed the relevance that the concept of brand authenticity for the discipline of marketing, as asserted by statements such as “quality no longer differentiates, authenticity does” (Fritz *et al.*, 2017:325) or “authenticity is one of the cornerstones of contemporary marketing” (Brown *et al.*, 2003:21) signifying the potential that is attributed to authentic brands. Due to its multidisciplinary origin, there are numerous perspectives and debate from consumer and marketing researchers on the explicit definition of brand authenticity.

2.2.1 Defining brand authenticity

Past marketing academics have defined brand authenticity as a positively connoted construct that is associated with terms such as “genuineness and originality” (Alexander, 2009:551), “sincerity” (Carroll & Wheaton, 2009:262), “truth” (Grayson & Martinec, 2004:297), “stability, endurance, individuality and keeping promises” (Bruhn *et al.*, 2012:568), “honest and real” (Guevremont & Grohmann, 2016:604), “uniqueness and artisanal” (Marks & Prinsloo, 2015:17), “personal quest” (Cohen, 1988; Bruhn *et al.*, 2012), “credibility and trust” (Schallehn, Burmann & Riley, 2014:192) and “a cultural motivation” (Kolar & Zabkar, 2010:655). The nature and interpretation of brand authenticity in marketing and branding is seemingly contested. In short, a consensus as to the definition of brand authenticity is somewhat missing. It is essential to differentiate brand authenticity from other branding constructs to aid in defining brand authenticity as a distinct and important marketing concept. Although related, brand authenticity differs from brand image, brand satisfaction, brand credibility and brand involvement.

Brand authenticity cannot be considered as a replication of brand image, but rather authenticity is an aspect of the image of a brand (Bruhn *et al.*, 2012:568). Brand image refers to the perceptions about a brand held in a consumer’s memory as brand

associations (Carsana & Jolibert, 2017:214). Such associations come from a variety of sources such as word-of-mouth, social media, personal experience and advertising (Carsana & Jolibert, 2017:214). In the memory of consumers, brand authenticity becomes associated with brand logos, names and stores and other branding attributes creating an authentic brand image (Carsana & Jolibert, 2017:214). In short brand authenticity can be regarded as a definite brand association, one that has an overall positive effect on a brands image.

A construct that is also conceptually distinct from brand authenticity is that of brand satisfaction. Brand satisfaction, considered as a positive emotional state of mind, results from the fulfilment of a desire to possess a brand (Bruhn *et al.*, 2012:568). Brand authenticity, on the other hand, is not only the resulting product dependent on the consumption of a brand but also arises from an individual's assessment and judgement toward a brand (Bruhn *et al.*, 2012:568). Satisfaction has been explained as the perceived discrepancy between ideal and actual brand/product performance. In contrast, brand authenticity is not a perceived discrepancy but rather can be seen as a unique variable embedded in the consumers brand mind-set (Bruhn *et al.*, 2012:568). It can be assumed that it is more likely for a consumer to be satisfied if they associate a brand with high authenticity.

Brand authenticity can further be distinguished from brand credibility. In essence, brand credibility refers to the reliability, believability and trustworthiness of the intentions of an entity at a certain point of time (Napoli, Dickinson, Beverland & Farrelly, 2014:1094). Even though a consumer may perceive a brand to be authentic (trust worthy) as well as credible, the reverse is not the same (Napoli *et al.*, 2014:1094). That is, a brand can be perceived as credible but not authentic as it may have a pronounced commercial orientation or lack in tradition for example (Napoli *et al.*, 2014:1094). Such factors would directly relate to a consumers subjective assessment of the authenticity of a brand but not for credibility (Napoli *et al.*, 2014:1094). The final branding construct to be distinguished from brand authenticity is brand involvement.

Brand involvement is defined as a motivational state of an individuals perceived relevance of a brand based on intrinsic values, interests and needs (Bruhn *et al.*, 2012:568). Brand authenticity however does not directly involve a motivational

aspect, rather consumers perceive a brand to be authentic without necessarily feeling the need to link to or possess it (Bruhn *et al.*, 2012:568). In this regard, it could thus be argued that marketing managers should give brand involvement higher priority over brand authenticity. However, research by Fritz *et al.* (2017) established that consumers perceived authenticity of a brand as a stronger signal of a brand's quality as relationship partner than that of brand involvement. Therefore, reiterating brand authenticity as a highly relevant target dimension for marketing managers.

Notably, despite clear abundance of terms and elucidations pertaining to authenticity, the literature consistently alludes to the fact that brand authenticity encompasses that, which is genuine, real, honest and true. A review of past conceptualisations from marketing academics and other disciplines highlights that authenticity is not an attribute but rather an assessment of the value placed on an offering by a consumer (Grayson & Martinec, 2004; Gundlach & Neville, 2012). Past literature is also in dispute over the objectivity and subjectivity of authenticity, leading to the critical question of whether authenticity is a real and/or contrived concept.

The objective notion of authenticity can be grounded in sources from the arts, in that it is the primary principle for the selection and display of highly valuable pieces (Kasfir, 1992:41). In a marketing context, academics with an objective viewpoint denote authenticity as an intrinsic quality of an object (Portal, 2017:17). Meaning authenticity is a judgement against set criteria of a product or brand and consequently is deemed as authentic or not (Grayson & Martinec, 2004; Portal, 2017). For example, in the valuation of art, an expert will confirm the piece as being the original (as opposed to a replication) and therefore worth the price to be paid. Having an explicitly objective view of authenticity presents a finite way of thinking that becomes problematic. An objective view provides an inadequate explanation for experiences (Chambers & McIntosh, 2008:925), leading to the argument for a more subjective conceptualisation of authenticity.

Recent literature is prone to the opinion that authenticity is much more a subjective evaluation than a quality deemed as 'real' in an object (Bruhn *et al.*, 2012; Fritz *et al.*, 2017; Napoli *et al.*, 2016). Authenticity has been argued to be subjective as it represents the experiences of a society and is based on what they interpret as authentic (Beverland & Farrelly, 2010; Bruhn *et al.*, 2012). For example, authenticity

in a luxury context creates a powerful impression of superior quality. Research by Portal (2017) confirms this notion that brand authenticity is highly subjective as it is dependent on consumers' sole understanding of what is authentic as well as their individual experiences.

In reality however, consumers tend to blend their objective and subjective judgments when evaluating a product or brand (Grayson & Martinec, 2004:306). Authenticity can be described objectively by the method of production and the use of raw materials in the creation process and/or by subjective values or criteria resulting from consumer's interpretations and experiences of authenticity (Alexander, 2009:553). It is relevant to discuss the underlying dimensions of the construct to further define, conceptualise and analyse the concept of brand authenticity.

2.2.2 Underlying dimensions of brand authenticity

In an effort to conceptualise the notion of brand authenticity, previous researchers have attempted to identify relevant dimensions underlying the concept. Review of the past literature has revealed a variety of identified dimensions, such as continuity, integrity, credibility and symbolism (Carsana & Jolibert, 2017), longevity, credibility, integrity and symbolism (Guevremont, 2015), continuity, credibility, integrity and symbolism (Morhart *et al.*, 2015), quality commitment, heritage and sincerity (Napoli *et al.*, 2014), continuity, originality, reliability and naturalness (Bruhn *et al.*, 2012). For this study, the four dimensions of brand authenticity by Bruhn *et al.* (2012) are applied because of the demonstrated robustness of their brand authenticity scale.

The first dimension, continuity, refers to a brand's stability, timelessness, historicity, consistency and its capacity to transcend trends (Bruhn *et al.*, 2012; Morhart *et al.*, 2015; Portal, 2017). Moreover, the continuity dimension depicts a brand remaining true and stable to its core qualities and will continue to do so in the future (Schallehn *et al.*, 2014:194). Subsequently, a brand that offers continuity has a clear mission and vision, one in which it pursues from a long term perspective (Portal, 2017:23). Maintaining a sense of continuity is fundamental to the authenticity of brands as it establishes the trustworthiness and heritage of the brand over time (Cooper *et al.*, 2015:422).

Originality, is the second dimension underlying brand authenticity as put forth by Bruhn *et al.* (2012). Originality can be described as the consumer perception of a brand as having uniqueness, particularity and individuality in comparison to other relevant brands (Akbar, 2016; Bruhn *et al.*, 2012). A brand that possesses originality signifies ingenuity or innovation of something that has been designed, created and presented first-hand into the consumer market (Akbar, 2016:32). Anything original should not be an imitation or replication of something else, nor should its origins be unclear or questionable at any point (Akbar, 2016:33). Originality, in relation to authentic brands can relate to the brand as being a category pioneer, meaning its originality is represented by its directing or serving as an exemplar to the industry (Akbar, 2016:33). An authentic brand requires the underlying element of originality, for it to be perceived as unique.

The third dimension related to brand authenticity is that of reliability. Described by Bruhn *et al.* (2012) as relating to credibility, trustfulness and keeping promises, reliability should be present within all authentic brands. Reliability is associated with the dependability of a brand in light of it delivering on its brand promise as well as providing transparency and honesty towards the customer (Guevremont, 2015; Portal, 2017). As noted by Morhart *et al.* (2015), authentic brands should hold high levels of reliability in that they reflect the extent to which the brand performs according to consumer expectations as well as the ability of the brand to honour its promises.

The fourth and final dimension as presented by Bruhn *et al.* (2012) is naturalness. The naturalness dimension can be associated with concepts such as realness, genuineness and non-artificiality (Bruhn *et al.*, 2012:570). Increasingly, consumers are viewing the world from the perspective of what is real and what is contrived, showing preference for that which is believed to be real (Portal, 2017:22). According to Akbar (2016:35), the naturalness dimension can signify an inclination for natural methods of production and material use. Brands attempt to remain natural by adhering to natural production methods and materials that may be perceived by consumers as genuine and authentic behaviour (Akbar, 2016:35). Natural and thus authentic brand acts could hence be perceived as brand behaviour in accordance to its true self.

The dimensions of continuity, originality, reliability and naturalness are all used to differentiate the brand from its competitors through a novel tactic of embedding the brand in an authentic context (Portal, 2017:22). Due to the multiplicity of terms, dimensions and conceptualisations, previous investigations of the concept of brand authenticity have thus been taken from three major perspectives: the objectivist, constructivist and existentialist perspective. Antecedents of brand authenticity can subsequently be delineated from each of these three perspectives.

2.3 ANTECEDENTS OF BRAND AUTHENTICITY

The multidimensional nature of authenticity has led to the concept being studied under three separate but interrelated schools of thought. Authenticity can be intrinsic (objectivist), it can be inferred (constructivist) and/or it can be used for self-expression (existentialist) (Portal, 2017:17). The purpose of describing authenticity in such a manner is that the three perspectives incorporate all conceptualisations of authenticity found in previous literature regarding how authenticity is created (Guevremont, 2015:7). The three perspectives provide a guiding framework for understanding and identifying the antecedents of brand authenticity.

2.3.1 The objectivist perspective

Authenticity, per an objectivist perspective, is an objectively measurable quality or standard of an object/brand that arises from an evidence-based reality that can be evaluated with conclusive information about the object or brand (Guevremont, 2015; Kolar & Zabkar, 2010; Morhart *et al.*, 2015). In other words, this view implies that there is absolute, objective and defined conditions of what is original, true and genuine against which authenticity is measured (Guevremont, 2015; Portal, 2017). It is easily recognisable that the objectivist perspective is grounded in the domain of the arts. Discussions in the arts revolve around the originality of an object (or work of art) and judged as truly authentic (Benjamin, 1935:3). In this sense, experts or professionals within the discipline familiar with the objective criteria are required to judge the authenticity of an object (Chambers & McIntosh, 2008:924). For example, an archaeologist is needed to evaluate the origins of an artefact found in the ocean and deem it as an authentic piece of history.

In a branding context, consumers use the physical attributes of a brand to evaluate the consistency and continuation of its essence (an authentic aura), a well

established feature of branding (Alexander, 2009; Guevremont, 2015). The tangible aspects inherent in the product and/or brand are objectively assessed for authenticity (Alexander, 2009:553). Information perceived as objective by consumers include labels of origin, such as “estd. 1759” as per the label on a can of Guinness beer. As well as origin, factors such as age, performance and ingredients are often used to develop a consistent external image that the brand is what it appears to be and not an imitation (Halter, 2016:3). As an example, the wine industry typically exhibits an objectivist standpoint as fine wine is generally valued by focusing on its quality of taste and age thereby demonstrating its authenticity.

Such factors alluding to the authenticity of a brand (origin) can be described as cues, serving as an indication or signal the object/brand is what it claims to be (Portal, 2017:18). When judging authenticity, consumers rely on and derive meaning from different cues of what is real, genuine, true or honest in a brand, product or consumption experience (Napoli *et al.*, 2016). Grayson and Martinec (2004) have established that different authenticity cues may differentially influence some of the benefits that arise from brand authenticity. For example, cues associated with the past (origin or age), may lead to consumers connecting or feel transported to the past or a related personal context associated with that brand.

Charles Peirce’s (Peirce, 1998) philosophy of signs is particularly useful in understanding consumers’ use of cues. Peirce’s (1998) research places considerable focus on how people perceive what is truthful or real from what is not (Grayson & Martinec, 2004:297). In particular, Peirce’s (1998) work denotes a linkage between distinct kinds of signs (cues) and specific types of phenomenological experiences (Grayson & Martinec, 2004:297). In essence, Peirce (1998) describes signs as “something that stands for something else to someone in some way” (Turino, 1999:222).

Peirce (1998) went further to describe that a semiotic (signs) process has three interconnected elements: the *sign*, the *object* and the *interpretant* (Turino, 1999:222). The *sign* being Peirce’s (1998) already mentioned definition, in other words, something that stands for something else to someone in some way. The *object* refers explicitly to the ‘something else’, in other words, the entity the sign is derived from and can either take form of a concrete object or abstract concept (Turino, 1999:222).

The *interpretant* refers to the 'someone' and is the resultant effect in the mind of the consumer from bringing the object and sign together (Turino, 1999:222). It can be observed that a sign, or in this case a cue, is not a singular idea but rather a catalyst for effect.

To further understand consumers' use and interpretation of cues it is especially relevant to discuss the theory of cue utilisation. The theory delineates the process consumers go through when making deductions about products or judging product attributes from existing cues (Bhaduri & Stanforth, 2017:178). Cue utilisation theory posits that cues can be distinguished according to two broad categories: intrinsic and extrinsic cues (Bhaduri & Stanforth, 2017; Helm & Mark, 2007). Intrinsic cues pertain to the product itself, specifically the composition, craftsmanship and raw materials making up the product, for example, colour (Bhaduri & Stanforth, 2017:179). Extrinsic cues relate to all other aspects that are not direct components of the product, for example, the brand name, price or country of origin (Bhaduri & Stanforth, 2017:179). Accordingly, products and/or brands have a number of both intrinsic and extrinsic cues that influence consumer perceptions.

Cue utilisation theory suggests there are two main parameters determining consumers' cue usage: the predictive value and the confidence value (Helm & Mark, 2007:398). The predictive value highlights the extent to which consumers believe a particular cue indicates the quality of the product/brands (Helm & Mark, 2007:398). The predictive value of a cue indicates the potential of product/brands, which results from the likelihood to diminish uncertainty by the selected cue (Helm & Mark, 2007:398). Therefore, reiterating consumers use authentic brands (and hence authenticity cues) as a means to alleviate uncertainty.

On the other hand, the confidence value of a cue is associated as a sign of credibility (Helm & Mark, 2007:398). In this light, for a brand to be deemed as authentic it needs to possess cues that are both high in predictive and confidence value (Helm & Mark, 2007:399). For example, the cue 'brand logo' could have a high predictive value indicating product quality; if the confidence value is low (as in the case of markets with high volumes of counterfeits); then the brand will probably not be seen as credible and consequently deemed inauthentic.

Within a marketing context, the previous literature has designated three significant authenticity cues: indexical, iconic and existential cues. The use of which can be understood by applying both Peirce's (1998) philosophy of signs as well as the cue utilisation theory. The two theories further offer an expedient foundation for investigating and understanding how consumers assess indicators of authenticity. Previously identified authenticity cues have originated from the three perspectives of authenticity, for example, indexical cues are derived from an objectivist perspective. Accordingly, each cue is discussed as per the relevant authenticity perspective.

2.3.1.1 Indexical cues

From an objectivist standpoint, indexicality indicates an individual's experience of physical and/or behavioural fact, which offers verification for what is being claimed to be provided (Morhart *et al.*, 2015:201). In the context of branding, indexical cues are attributes pertaining to a product or brand that provides a consumer with evidence that the brand is exactly what it claims to be (Carsana & Jolibert, 2017:214). For the consumer, indexical cues are the verifiable characteristics of a brand that are used to evaluate its authenticity (Guevremont, 2015:7). Peirce (1998) coined the term 'index' to refer to signs (i.e. cues) that were thought to have a spatio-temporal and factual connection to something else (Grayson & Martinec, 2004:298). Meaning, something can be considered as authentic if it has a physical link (e.g. soccer ball signed by David Beckham) or psychic (e.g. retail sold printed 'Beckham' soccer shirt that is believed to be linked to David Beckham). Simply, indexical cues help consumers distinguish the original product/brand from its imitations.

The indexical cues of an authentic product are proven temporal and spatial links to real sources (e.g. people, places and events) that create authenticity (Kadirov, Varey & Wooliscroft, 2014:75). An example is buffalo mozzarella or mozzarella *di bufala* in Italian, which is traditionally made from the milk of Mediterranean Italian buffalo in the regions of Campania in Italy. The question then is can mozzarella cheese originally from Italy, be authentic when made from regular cows milk in America? For those consumers looking at indexical cues the answer would be no. Such cues for authenticity reinforce a perception for the continuation of traditional practices such as place of production, product styling and the use of traditional ingredients (Heine & Phan, 2016; Morhart *et al.*, 2015).

The key to communicating brand authenticity using indexical cues requires the establishment of a connection between the brand and a reliable point of reference (Ewing, Allen & Ewing, 2012:382). For example, consumers wanting to make socially conscious purchases, products such as wine with the Fair-trade certification is an authentic indexical cue, as such an endorsement requires some stringent approval process (Ewing *et al.*, 2012:382). In essence, indexical cues suggested in previous studies are evidence based brand characteristics such as country of origin, absence of brand scandals, label design, method of production and employee behaviour (Carsana & Jolibert, 2017; Fritz *et al.*, 2017; Morhart *et al.*, 2015). Nonetheless, previous research is still to be exhaustive in identifying authenticity antecedents that can be categorised as indexical from an objectivist perspective.

Brand building from an objectivist perspective assumes the firm can control the brand image of the firm (Rindell & Strandvik, 2010:279). In such a scenario, the risk of the brand image becoming static rises as the company increasingly focuses inward (product and profit orientated) as opposed to outward in having a consumer-centric mind-set (Rindell & Strandvik, 2010:279). An outward focus leads to the constructivist perspective that argues authenticity perceptions are instead dependent upon the individual consumer as well as the consumption context.

2.3.2 The constructivist perspective

Authenticity perceptions according to a constructivist perspective are considered as both a personally and socially constructed phenomenon. In a constructivist perspective authenticity is the product of diverse interpretations of what “the real world” appears to be (Morhart *et al.*, 2015:201). From such a perspective, authenticity is contingent upon the individual and is subjective and contextual in nature (Guevremont, 2015; Portal, 2017). The constructivist perspective mirrors societies experiences and is dependent on their understandings of what is authentic (Portal, 2017:18). Authenticity is not seen as a quality inherent in an object, as per the objectivist perspective, but rather the projection of an individuals own beliefs, expectations and perspectives upon an object (Morhart *et al.*, 2015:201). Since the constructivist standpoint implies that authenticity perceptions are based on consumers’ evaluations rather than objective cues, authenticity judgements can materialise in fantasy, fabrication, fiction or reproductions (Guevremont, 2015:8). For example, the iconic status of Ford Mustang permits the revitalisation of the brand

through its process of production that guarantees the remodelled product will still resemble the original with its connection to a place and time.

In a branding context, the constructivist perspective places emphasis on the personally constructed perception of a brand (Halter, 2016:3). It refers to the ability of a brand to create a schematic fit with consumer expectations of their idea of an authentic brand (Morhart *et al.*, 2015:202). As opposed to the objective qualities of a brand, authenticity from a constructivist view rather emerges from consumer's perceptions of intangible impressions, such as the brands positioning, the brand essence or brand image (Morhart *et al.*, 2015:202). Previous research further noted that different authenticity cues have various interpretations to different cultural and societal groups (Holt, 2018; Portal, 2017). Just as authenticity from an objectivist perspective is dependent on indexical cues, from a constructivist standpoint authenticity is reliant on iconic cues.

2.3.2.1 Iconic cues

Within the constructivist perspective, iconic cues are the qualities that highlight the schematic fit with a consumers expectations of an authentic object, yet lacks a verifiable external reference point (Ewing *et al.*, 2012:382). Iconicity describes something that is physical or symbolic manifestations resemble that which is objectivity authentic, meaning the cue indicates the object looks like that which it claims to be (Guevremont, 2015; Portal, 2017; Webster & Llicic, 2014). For example, Lindt is iconically a premium chocolate brand as it is authentically symbolic of master chocolatiers from Switzerland and is furthermore embedded in a rich heritage dating back to 1845. In addition, iconic cues comprise the totality of existing consumer experience, knowledge or an internal frame of reference, which is then subjectively compared to an object to establish its (in)authenticity (Stiehler & Tinson, 2015:42).

The idea of iconicity was put forth in Peirce's (1998) philosophy of signs. The idea is said to be something that is perceived by an individual as being similar to something else (Grayson & Martinec, 2004:298). According to Peirce (1998), icons are attended to by individual's senses, and moreover rely on the perceiver having pre-existing information and expectations that create a holistic 'picture' in their minds of what is authentic (Grayson & Martinec, 2004:298). Subsequently the perceiver compares this 'picture' with what they sense and assesses whether the object in question is

authentic (Grayson & Martinec, 2004:298). For example, to assess whether a cultural dance such as the tango is iconically authentic, the individual must have some sense of how the Argentinean dance looks and sounds.

In a branding context, iconicity can be understood as the value imbued on a product or brand by a consumer (Portal, 2017:19). Iconic cues thus relate to marketing and branding efforts such as advertising or design features that create authentic impressions about the essence of a brand (Carsana & Jolibert, 2017:214). The consumer's understanding of authenticity is based on what is certifiably true and sincere and is shaped by their life aspirations and experiences (Portal, 2017:19). Iconic cues are hence based on a consumer's personal interpretations and signify the brand is truly authentic (Portal, 2017:19). Previous studies suggested various authenticity factors that could be labelled as iconic cues such as communication style relating to a brand's history, sincerity impressions and brand heritage (Guevremont, 2015; Morhart *et al.*, 2015; Stiehler & Tinson, 2015). Past studies have however not empirically or explicitly identified authenticity antecedents as iconic cues as is the aim of the present study.

To reiterate, iconic cues from a constructivist perspective are both personally and socially constructed, which leads to various interpretations of what is authentic. From a constructivist view, the truth and genuineness are socially negotiable concepts that are determined by context, are relative and driven by personal ideologies (Portal, 2017:18). The idea that authenticity is a consumer's personal understanding and the concept is, in fact, malleable to various situations is better understood from an existentialist perspective.

2.3.3 The existentialist perspective

In the existentialist view, authenticity is related to the self as opposed to an external entity. This perspective involves the idea that being authentic means being true to oneself, not being what others expect and being one's own (Carsana & Jolibert, 2017; Guevremont, 2015; Morhart *et al.*, 2015; Portal, 2017). The existential perspective is grounded in postmodernism as well as being a central assumption in psychology and particularly in philosophy. It reflects a consumer's search for their authentic selves (Guevremont, 2015; Heine & Phan, 2016). This search is for experiences that allow the feeling of being in touch with both their 'real' selves and

with the 'real' world (Heine & Phan, 2016:180). The existentialist perspective is most prominently rooted in existential philosophy. It scrutinises authenticity as it relates to an individual's identity (Morhart *et al.*, 2015:202). Such a conception is concerned with the reality of individual experiences of authenticity (Handler & Saxton, 1988:242). As described by Handler and Saxton (1988), an authentic experience is one in which individuals feel themselves to be aligned with a genuine and real world as well as their true selves.

The theory of self-determination can further support the reasoning for an existential perspective. The self-determination theory posits that authentic individual behaviour is intrinsically motivated (typified by partaking in an activity for its innate satisfaction) and authentic in the complete sense of those terms (Moulard, Garrity & Rice, 2015:175). This motivation is driven by the need for relatedness, which denotes to behaving in accordance with one's true self (Webster & Llicic, 2014:346). Individuals actions should reflect their core/true selves as in they are independent and self determining in order to be authentic (Fritz *et al.*, 2017:326).

In line with this perspective, existential authenticity can be described as a means for self-expression (Portal, 2017:19). Accordingly, having a strong sense of self by knowing one's self and living in agreement to this self is what it means to be authentic (Portal, 2017:19). An authentic person has a moral ideal of modernity and their authentic self is independent and original (Fritz *et al.*, 2017:326). According to Fritz *et al.* (2017), authenticity can further be thought of as a quality of perceived identity with oneself that is subjectively experienced. As established by Leigh, Peters and Shelton (2006), existential authenticity is activity-based and involves subjective or personal feelings activated by the liminal process of experiences. In other words, if individuals cannot find their authentic selves in day-to-day life (indexical and iconic authenticity), they turn to adventures or experiences that have personal meaning and facilitate identity construction and self realisation (Leigh *et al.*, 2006:483).

Previous studies have identified two general types of existential authenticity: intrapersonal and interpersonal (Alexander, 2009; Chambers & McIntosh, 2008; Kolar & Zabkar, 2010; Leigh *et al.*, 2006). Authenticity as intrapersonal focuses on the individual self and involves both self-making/psychological (i.e self-realisation, self-discovery, *et cetera*) and bodily feelings/physical (reinvigoration and relaxation)

qualities (Leigh *et al.*, 2006:483). Interpersonal authenticity, on the other hand, embodies social authentication by centring on a collective sense of self (Leigh *et al.*, 2006:483). In this sense, an experience or object serves as a means to bring individuals together for authentic interactions (Leigh *et al.*, 2006:483). For example, members of the Ferrari Owners Club South Africa regularly meet for drives across the country and authenticity is derived from their sense of discovery and excitement (intrapersonal) and their collective experiences and social bonding (interpersonal).

In the context of branding, existential authenticity indicates the capability of a brand to serve as a tool for consumers to reveal their true selves or allow the feeling of meeting their true selves by consuming the brand (Guevremont, 2015; Morhart *et al.*, 2015). Hence, as from an existentialist perspective, authenticity is not an objective quality but rather occurs from the ability of a brand to serve as an identity related resource (Guevremont, 2015:8). Research by Guevremont and Grohmann (2016), highlights that consumers seek out authentic brands when they experience feelings of self-inauthenticity or feel socially excluded. Accordingly, consumers' purchase authentic brands as a means to satiate their desire for a more profound sense of self (Portal, 2017:20). In essence, existential authenticity is evident when consumers acquire authentic brands, products and experiences as a way to achieve self-authentication or self-expression (Portal, 2017:19). Regarding authenticity antecedents, consumers for their self-identity construction require self-referential information about a brand, in other words, they require existential cues.

2.3.3.1 Existential cues

When consumers engage in 'authenticating acts' they attend to self-referential information that aids in their identity construction (Morhart *et al.*, 2015:207). Existential brand cues refer to the self-referential aspects of a brand that links to the consumers self-concept (Guevremont, 2015:32). For example, brand personality provides distinctive self-referential cues that support the consumer in their self-identity construction and hence derive authenticity in the brand they experience (Guevremont, 2015:32). Self-authentication has been found to be an important attribute to consumers when consuming authentic products and brands (Beverland & Farrelly, 2010; Napoli *et al.*, 2016). Self-authentication refers to the ability of a brand to represent a consumer's true self or help with their self-identity construction (Napoli *et al.*, 2016:1209). Ultimately, existential cues relate to the human aspects of brands

and are self-referential attributes that resonate with the consumer's self-concept (Guevremont, 2015:32). Previous research to date is scarce in identifying existential brand cues that have been empirically linked to brand authenticity. A reason may be to the highly subjective and personal nature of existential authenticity.

The process of authenticating a brand is contingent on consumers' individual goals providing a reason for the diversity between the conceptualisations of the various authenticity cues (Beverland & Farrelly, 2010:838). Considering consumers are known to seek out authentic brands actively, it can be assumed that some goal or motive underpins consumers' evaluation of the authenticity of a brand. It is relevant for this study to understand why consumers are on such a quest for authenticity in order to identify applicable authenticity cues

2.4 CONSUMER MOTIVES FOR AUTHENTICITY

Research by Beverland and Farrelly (2010) suggests consumers are active in the establishment of authenticity as opposed to passive receivers of information. In other words, consumers actively seek and process information giving preference to situational and/or self-relevant cues when making authenticity evaluations (Beverland & Farrelly, 2010:852). The process itself involves some sort of motivational reasoning and more particularly the biased use of specific pieces of information (cues) as verification in assessing what is authentic (Beverland & Farrelly, 2010:852). Considering the search for authenticity is in reaction to uncertainties, an obvious consumer motive to seek authentic brands is for the goal of creating certainty.

A central facet of human behaviour is searching for certainty and desiring the transformation of uncertainty into certainty (Guevremont, 2015:52). Due to the negative affective consequences associated with uncertainty, consumers are motivated to mitigate this state by engaging in various strategies such as seeking authentic brands (Guevremont, 2015:52). As it stands, previous literature supports the capability of authentic brands to offer certainty to consumers (Fritz *et al.*, 2017; Grayson & Martinec, 2004; Guevremont, 2015). Further research by Beverland and Farrelly (2010) identifies three broad goals that drive consumers' evaluation of (in)authenticity: control, connection and virtue.

In a similar vein as certainty, the goal of feeling in *control* relates to consumers associating authenticity with a sense of personal control over their surroundings and general existence (Beverland & Farrelly, 2010:842). In a marketing context, consumers desire control over their consumption decisions and are sceptical at taking marketing claims at face value (Beverland & Farrelly, 2010:842). Consumers will look at claims relevant to the offer that provide indications of the brands authenticity such as country-of-origin (Beverland & Farrelly, 2010:842). In summary, consumers may seek a sense of control for personal sovereignty (in other words, sole right to control oneself) when making consumption decisions, preferring products and brands that help realise their authentic selves (Beverland & Farrelly, 2010:842).

The consumer goal of *connection* that relates to authenticity, refers to the feeling of being connected to the community, significant others, culture, place or society in general (Beverland & Farrelly, 2010:843). In particular, consumers prefer authentic brands that offer a means to experience connection (Beverland & Farrelly, 2010:843). Central to this account, is the strong consumer motive for authentic brands to be near to people, places and culture (Beverland & Farrelly, 2010:843). For example, many consumers perceive the Harley-Davidson brand to be valuable and authentic in that owning a Harley-Davidson motorbike provides a means to connect to a subcultural community indirectly.

The third goal as presented by Beverland and Farrelly (2010), *virtue*, refers to consumers representing their authentic selves by making assessments based on pureness of motive. In other words, the feeling of virtuousness is synonymous with consumers either expressing or staying true to their personal morals (Beverland & Farrelly, 2010:846). In branding terms, consumers seek brands that mirror their own moral standards and any breach of ethical norms will result in a loss of authenticity as the brand will be judged as lacking morality (Beverland & Farrelly, 2010:847).

Previous literature has further identified the need to express one's authentic self is another important consumer motive which authentic brands fulfil (Guevremont, 2015; Guevremont & Grohmann, 2016). As expressed in both philosophy and psychology, a central human motivation is the search and expression of one's authentic self (Guevremont, 2015; Guevremont & Grohmann, 2016). Such a motive has emerged

in response to growing commercialisation, commoditisation and standardisation (Guevremont, 2015:55). Confronted with feelings of inauthenticity consumers seek to establish the authenticity of their self-concept and do so through the support of authentic brands (Guevremont, 2015:56). Consumers looking for brands to help express themselves is in line with the existential perspective of authenticity. Authentic brands offer consumers a resource for expression and self-identity construction by offering self-referential cues (Beverland & Farrelly, 2010; Guevremont, 2015).

Another fundamental human motive is the 'need to belong' and is undeniably applicable to consumers' quest for authenticity. The need to belong is a rudimentary motive for people to connect with others, driving individuals to create enduring and meaningful relationships that maintain adequate levels of belongingness (Guevremont, 2015; Guevremont & Grohmann, 2016). Such a need for connection is an important self-authentication goal and can be fulfilled via the consumption and experience with authentic brands (Guevremont & Grohmann, 2016:605). Authentic brands induce connections across generations and societies by remaining relevant through time with a strong sense of heritage as well as offering a sense of continuity and commonality for consumers (Guevremont, 2015; Guevremont & Grohmann, 2016). Moreover past literature supports the role of authentic brands in providing consumers with a means to satisfy the need to belong (Beverland & Farrelly, 2010; Guevremont, 2015; Guevremont & Grohmann, 2016).

It is relevant to note that the need to belong can be directed at any other human being or agent, and the loss of relationship with one person can theoretically be replaced by another (Chen, 2015:27). In this light, the establishment and maintenance of social relationships with others is a central aspect of the need to belong (Chen, 2015:28). When there is a lack of relationship opportunities with other people, individuals seemingly tend to make anthropomorphic inferences about non-human agents (Chen, 2015; Puzakova, Kwak & Rocereto, 2009). That is, consumers would anthropomorphise products or brands to fulfil the need to belong since anthropomorphism allows the perception of relationships with non-human entities (Chen, 2015:29). Anthropomorphised brands could potentially be regarded as sources of relationships (Chen, 2015:29). Considering both authentic brands and anthropomorphised brands satisfy consumers connection needs, it could be argued that consumers are more likely to draw on authentic brands that have been

anthropomorphised to compensate for their perceived lack of interpersonal relationships. Past research has yet to address whether such a significant relationship exists between brand authenticity and anthropomorphism.

2.5 THE CONCEPT OF ANTHROPOMORPHISM

The word anthropomorphism was first used by Xenophenes (6th century BC) and is derived from the Greek words *anthropos* (human) and *morphe* (form), and was initially used to describe the similarity between gods and their human worshipers (Connell, 2013; Tuškej & Podnar, 2018). Anthropomorphism can be defined as the individual tendency or cognitive process of endowing non-human objects and entities with human-like characteristics, motivations, behaviours, emotions, intentions or inner mental states (Akalis, Cacioppo, Epley & Waytz, 2008; Connell, 2013; Chen, 2015; Guido & Peluso, 2015). In short, perceiving non-human agents as possessing human-like attributes is the essence of anthropomorphism.

In the process of conceptualising anthropomorphism, it is pertinent to understand that, which anthropomorphism is not. First, anthropomorphism does not encompass behavioural descriptions of observable actions (Akalis *et al.*, 2008:144). For example, proclaiming a growling dog tearing at a bone as aggressive is a description of an observed action; there is no anthropomorphism in such a statement. In this sense, anthropomorphism goes beyond direct behavioural observations to rather making inferences about more unobservable human-like characteristics, such as the dog is malicious (Akalis *et al.*, 2008:144). Second, anthropomorphism is not merely an act of animism (Akalis *et al.*, 2008:144). Animism entails an individual's wishful thinking of imagining life into inanimate objects (Puzakova *et al.*, 2009:413). It is argued by researchers that anthropomorphism is not merely attributing life to the non-living (animism) but rather the perception of objects as possessing attributes of complete humans (Akalis *et al.*, 2008; Puzakova *et al.*, 2009).

Third, anthropomorphism does not entail any reflective or reasoned validation of an inference (Akalis *et al.*, 2008:144). In other words, as in any attitude or belief, the strength of an anthropomorphic inference varies according to context (Akalis *et al.*, 2008:144). As an example, dog owners refer to their pets as loyal or computer users scold their technology for not 'cooperating'. Such examples are inferences of anthropomorphism but the people in these contexts, upon conscious reflection, may

not infer human attributes on these agents (Akalis *et al.*, 2008:144). Because of this, anthropomorphism varies in strength according to context and should not be viewed as a stagnant concept (Akalis *et al.*, 2008:144).

The final debate is that anthropomorphism is not necessarily an inaccurate representation (Akalis *et al.*, 2008:145). Previous scholars have argued that anthropomorphism can be equated to an overgeneralised mistake and represents an error in representation of a non-human object (Kracher, 2002). Although in some instances anthropomorphism may occur by mistake (for example, mistaking a rock in the dark as a crouching person), past research supports the notion that anthropomorphism occurs as informing a consumer about a non-human object by interpreting the object in human terms (Aggarwal & McGill, 2012; Akalis *et al.*, 2008; Hart *et al.*, 2013).

Three forms of anthropomorphism have been suggested by Guthrie (1993) following in the debate over the accuracy of anthropomorphism, namely the accidental, the literal and the partial. As mentioned already, accidental anthropomorphism is when individuals view some sort of human form in inanimate objects but the outcome being only coincidental or 'accidental' (McGill & Aggarwal, 2007:469). For example, when people see a human shape in clouds. Literal anthropomorphism is when people believe a non-human entity is actually a person such as pet owners who believe their pets are real people and treat them as such (McGill & Aggarwal, 2007:469). In contrast, partial anthropomorphism occurs when individuals view objects as having some significant human attribute but do not deem the object in its entirety to be human (McGill & Aggarwal, 2007:469). Partial anthropomorphism is thus in the domain of the present study. It is relevant within a product and branding context as it does not consider the object itself to be a literal human.

People seemingly anthropomorphise an unending array of nonhuman entities, including animals, religious figures, abstract concepts, technological gadgets, natural forces, and of particular relevance products and brands (Aggarwal & McGill, 2012; Akalis *et al.*, 2008; Guido & Peluso, 2015). Within the branding sphere, anthropomorphism refers to the extent a branded offering is perceived regarding human embodiment (Guido & Peluso, 2015:3). An anthropomorphic branded offering

can be perceived via two interrelated processes: similarity and congruency (Guido & Peluso, 2015:3).

First, anthropomorphism may occur via a perceived similarity between some physical human feature and the external appearance of a product (Guido & Peluso, 2015:3). For example, the producers of the bottle of the luxury Tuscan gin, David use the shape of a man's head for the packaging (a picture is provided within annexure A for further reference). Second, anthropomorphism could occur by means of perceived congruity between an aspect of an individual's self concept and that of a product or brand (Guido & Peluso, 2015:3). For example, Adidas's brand personality of ruggedness would match an individual who is athletic and values health and fitness. Despite anthropomorphic inferences in brands, the relevance of anthropomorphism from a marketing perspective is still poorly understood.

To grasp the concept of anthropomorphism better, it is necessary to distinguish it from other related branding constructs. Most importantly, although one and the same at first glance, anthropomorphism is conceptually distinct from brand personality (Guido & Peluso, 2015:11). Brand personality refers to a consumers mental reasoning of describing how they perceive brands, and can be considered as a set of human qualities associated with a brand and solely applicable to brands (Guido & Peluso, 2015; Puzakova *et al.*, 2009). Anthropomorphism on the other hand, refers to consumer's perception of branded products to possess attributes of actual human beings (Guido & Peluso, 2015:11). In other words, brand personality can be described as a strictly observable quality within brands whereas anthropomorphism entails the inference of more unobservable human attributes (Puzakova *et al.*, 2009:414). Anthropomorphism transcends the concept of personality, considering brand personality limits the range of personality characteristics that can be ascribed to brands (Puzakova *et al.*, 2009:415). Brand personality, although positively associated with anthropomorphic tendency, is regarded as only one facet of the multi dimensionality of anthropomorphism (Guido & Peluso, 2015; Letheren *et al.*, 2016).

Brand personification is another branding construct that is conceptually distinct from anthropomorphism. Brand personification defined as the stylistic figure of a brand, is characterised by human qualities and presented in a manner similar to a human (Chen, 2015:1). Brand personification can range from endowing human

characteristics from physicality to personality on the brand (Chen, 2015:1). As noted by Chen (2015) and Delbaere, Mcquarrie and Phillips (2011), the distinction between the two concepts is subtle but lies in the fact that personification is a message characteristic, whereas anthropomorphism is an inherent consumer characteristic. In other words, marketers are in control of personifying a brand, but it is a consumer's individual tendency to anthropomorphise that will make the personified branding message effective. For instance, insurance brands use people in their advertising messages to try and give their brand distinct human quality's, thus sending a message of trustworthiness for example.

The ability to distinguish anthropomorphism from other similar brand constructs allows an argument to be made for the relevance of anthropomorphism in marketing. First, it may seem irrelevant to understand how consumers think of relatively trivial objects such as computers or their pets. Marketers are present in virtually every industry, and understanding how their target consumers think about their products or brands can have far-reaching and very important implications (Akalis *et al.*, 2008:152). For example, luxury brands with animal logos usually choose exotic and powerful animals (for example, the leaping jaguar of Jaguar symbolises power, elegance and sophistication), epitomising their brand essence by imbuing animal emblems and thus brand with human qualities. Consumers for a brand such as Jaguar would thus not see an animal such as a tortoise, symbolising simplicity and slowness, as fitting.

Second, anthropomorphism already frequently occurs within the marketing domain. Marketers often (although do not always explicitly state) anthropomorphise their products and/or brands as a positioning strategy (Puzakova & Kwak, 2017:99). Marketers humanise their brands by using first-person communications, anthropomorphic advertising imagery (M&M characters), product packaging in human shapes (Jean Paul Gaultier fragrance bottle), create brand characters or spokespersons (Mr Muscle) or create a human story behind the brand (the bull logo of Lamborghini is the founders zodiac sign) (Aggarwal & McGill, 2012; Puzakova & Kwak, 2017). Given the ubiquitous use of anthropomorphism by marketers, it is astonishing that academic literature is limited in this area of research. Nonetheless, the use of anthropomorphism by marketing managers still remains ambiguous. It is prudent to understand the drivers behind anthropomorphism better.

2.5.1 Motivational determinants of anthropomorphism

Using one's own humanity as a basis for understanding the world is both a common and natural phenomenon (Hart *et al.*, 2013:107). Individuals are disposed to anthropomorphism when they are socially motivated, when the non-human agent resembles a human in a certain way or when the individual is driven to interact with the non-human object (Hart *et al.*, 2013:107). McGill and Aggarwal (2007) offer three broad explanations for why consumers tend to anthropomorphise. The first, is that doing so provides individuals comfort in that the anthropomorphised entity provides a means for companionship or relationship (Mcgill & Aggarwal, 2007:467). Consumers who wish for more relationships in their lives will rather engage with an anthropomorphised product or brand to fill a void.

A second explanation relates to individuals anthropomorphising as a means in which to make sense of the world around them (Mcgill & Aggarwal, 2007:467). Individuals are most familiar with knowledge about themselves and others (i.e. humans) and thus ascribe human-like attributes to objects or circumstances to better understand certain outcomes and the unknown (Mcgill & Aggarwal, 2007:467). The third explanation suggests that anthropomorphising is a perceptual and cognitive process in which the world is viewed as human-like (Mcgill & Aggarwal, 2007:467). A consequence of this explanation is that individuals will more easily relate to non-human entities that resemble humans in their physical appearance (Connell, 2013:462). McGill and Aggarwal's (2007) three explanations only scratch the surface of anthropomorphism. Recent research rather accepts the SEEK theory of anthropomorphism as proposed by Epley, Waytz and Cacioppo (2007) to understand its motivational determinants.

Three determinants of anthropomorphism have been theorised by Epley *et al.* (2007), as Sociality, Effectance and Elicited agent Knowledge (SEEK), that explain why individuals are likely to anthropomorphise. Sociality motivation refers to people's desire and needs to develop social connections with other humans (Epley *et al.*, 2007:866). When faced with an absence of human connection, consumers will anthropomorphise non-human agents in an attempt to satiate their motivation for social connection (Epley *et al.*, 2007:866). In the context of sociality motivation there are various sub-determinants, specifically need to belong and chronic loneliness (Puzakova *et al.*, 2009:416). Accordingly, past research has established the need to

belong is also a motive behind consumers' desire for authentic brands (Beverland & Farrelly, 2010; Guevremont & Grohmann, 2016). In a study conducted by Puzakova *et al.* (2009), individuals were found to satisfy their desire for social connection by establishing affective bonds with anthropomorphised brands. In this light, as anthropomorphism creates a perceived human-like connection with a product or brand, it occurs within marketing when consumers feel a lack of connectedness with other human beings.

The effectance motivation within the SEEK theory, refers to an individual need to interact successfully with ones surrounding environment (Epley *et al.*, 2007:866). In particular, effectance motivation describes consumers' need to interact effectively with non-human entities, thus anthropomorphising the non-human entity (Epley *et al.*, 2007:866). Effectance motivation further describes consumers' need to predict and understand their environment along with an inherent desire to decrease its uncertainty (Puzakova *et al.*, 2009:417). Coincidentally (or not) the need to reduce uncertainty is also an underlying driver of consumers search for authentic brands. Attributing human-like qualities to non-human products/brands will enhance an individual's ability to comprehend the product/brands actions, diminish the uncertainty associated with the product/brand and increase the individuals confidence in predicting future actions of the product/brand (Epley *et al.*, 2007:866).

Within the context of effectance motivation are the sub-determinants need for closure and desire for control (Puzakova *et al.*, 2009:417). Most noticeably, with the rapid diffusion of innovation and highly sophisticated and technologically advanced brands, consumer's effectance motivation is especially significant when the consumer's need for closure and/or control is activated (Puzakova *et al.*, 2009:418). The extent to which consumers wish to diminish ambiguity and accordingly are capable of predicting the actions of an entity, may influence the anthropomorphic tendencies for consumers to see human in products or brands (Puzakova *et al.*, 2009:417).

The elicited agent knowledge of the SEEK theory, describes the knowledge about humans in general and is a primary determinant of anthropomorphism. Knowledge is assimilated throughout ones life and is thus more detailed than knowledge about non-human entities (Epley *et al.*, 2007:866). Agent knowledge is described as the information obtained from human experiences, including self-knowledge or

knowledge of typical humans, that individuals accumulatively attain while building their self-concept and interacting with others (Chen, 2015:9). Acquired knowledge about human qualities and attributes is hence more readily available at the moment of judgement toward a brand (Epley *et al.*, 2007:866). Such elicitation of human knowledge or self-knowledge is based to a large extent on the ability of an individual to imagine how it would be to be a non-human entity (Puzakova *et al.*, 2009:415). In this regard, the elicited agent knowledge motivation is largely based on the theory of egocentrism.

Egocentrism refers to an individual using their own characteristics and mental states as a guide when considering and perceiving other humans (Epley *et al.*, 2007:868). Taken from an anthropomorphic perspective, the use of one's own characteristics and mental states provide a guide in which to reason about non-human entities (Epley *et al.*, 2007:868). As established by Puzakova *et al.* (2009), egocentric or self-knowledge is accessed automatically when consumers make judgements about both humans and non-humans. The human concept or one's own egocentric familiarity is therefore the most probable and useful knowledge structure or heuristic that consumers use when judging non-human entities (Akalis *et al.*, 2008:146). Of importance, research conducted by Chen (2015) empirically found the significant effect of elicited agent knowledge on consumers' tendencies to make anthropomorphic inferences about brands.

A sub-determinant within the context of elicited agent knowledge is the consumer need for cognition, which is a dispositional variable that influences the tendency to anthropomorphise (Chen, 2015:24). In short, the need for cognition describes an individual's active engagement in information processing and varies from high to low (Chen, 2015:24). Those high in need for cognition are prone to engage in highly effortful thinking and are more likely to think beyond that which is readily available when making judgements, as compared to those low in need for cognition (Epley *et al.*, 2007:869). Those low in need for cognition are more likely to exhibit an anthropomorphic tendency as they rely on more readily accessible egocentric information (Epley *et al.*, 2007:869). As research by Chen (2015) has established, those high in need for cognition are not completely devoid of anthropomorphic tendency but rather exhibit anthropomorphism to a lesser extent than those low in need for cognition. The previous research argues for the dominance of self-

knowledge or egocentrism when consumers make anthropomorphic inferences in reasoning about non-human agents (Chen, 2015; Epley *et al.*, 2007; Puzakova *et al.*, 2009).

It can be said that anthropomorphic inferences are used to satisfy basic human needs that the concept of what it means to be human satisfies on a daily account. In particular the 'need for social connection' and the 'need to experience competence and cognition' (Akalis *et al.*, 2008; Chen, 2015). Within the context of marketing, anthropomorphism has been argued to be a universal tendency that infiltrates everyday judgement and continues throughout one's life (Hart *et al.*, 2013:105). There are two reasons that provide an explanation for such a universal tendency of individuals anthropomorphising non-human objects: familiarity and emotional reasons (Chen, 2015; Guthrie, 1993). First, the reason of familiarity refers to an individual's self knowledge as a fundamental criterion for understanding non-human entities (Chen, 2015:9). Second, the emotional reason relates to the individual drive to seek companionship and comfort by anthropomorphising objects when human connection is lacking (Chen, 2015:9). Both reasons are seemingly inline with the motivational SEEK theory of Epley *et al.* (2007).

At this point, clarity is required to understand the difference between the universal nature of anthropomorphism and anthropomorphic tendency. Anthropomorphism should be considered as a cognitive bias as well as a process. Anthropomorphic tendency is the individual tendency towards this bias (Letheren *et al.*, 2016:976). In other words, individuals that are prone to anthropomorphism (employ the bias of anthropomorphism) can be said to possess greater levels of anthropomorphic tendency (Letheren *et al.*, 2016:976). The concept of anthropomorphism can be argued as universal, but the notion of anthropomorphic tendency is more so centred on the individual. Such a distinction is relevant from a marketing perspective, as those exhibiting high levels of anthropomorphic tendency will be more responsive to the application of anthropomorphism by marketers (Letheren *et al.*, 2016:975). However, measuring individual differences in anthropomorphic tendency is beyond the scope of the present study but is a noteworthy phenomenon managers should be cognisant of.

Just as the concept of anthropomorphism has been established as both a universal and individual tendency, so has the concept of authenticity been acknowledged as a universal value (Cohen, 1988; Kolar & Zabkar, 2010). The link between anthropomorphism and authenticity can further be argued due to the overlap of consumer motives for the two concepts. In particular the need to belong (sociality motivation of SEEK) and the need to reduce uncertainty (effectance motivation of SEEK) (Epley *et al.*, 2007; Guevremont & Grohmann, 2016). The link is further motivated by a study conducted by Morhart *et al* (2015) who found a significant relationship between authenticity and anthropomorphism. Therefore, there is potential research applicability by applying anthropomorphism to brand authenticity.

2.5.2 Applying anthropomorphism to brand authenticity

Due to the re-emergence of wholesome and traditional values, consumers are progressively growing attached to humanised brands so much so that they are now even said to relate to brands in a similar manner as they relate to people (Fournier, 1998; Portal, 2017). Considering the world of marketing is continuously evolving and producing trends exponentially, research is necessary to establish whether anthropomorphising or creating a human brand is just another buzzword in marketing, or a notion that provides both managerial and academic value. Research by Portal (2017) states brands that have succeeded in anthropomorphising their offerings have created a trend coined as the “era of the human brand”.

Such an era denotes that a human brand should be entirely authentic in that they honestly serve their customers as well as being true to themselves (Portal, 2017:88). These brands deliver on their promises, are devoted to their values and as a result establish endearing human-like relationships with their customers (Portal, 2017:88). For example the British restaurant group, Pret a Manger conveys an undeniably human tone by speaking directly to its consumers via social platforms as well as encouraging customers to ‘talk to Pret’ as if it were a friend, not a brand (Gilliland, 2017). As noted by Karakoc (2016), brands are increasingly behaving like people and at the same rate consumers perceive brands as humans. Hence, in the same manner as a person would not interact with ‘false’ people, so would consumers not be willing to engage with brands that are perceived as inauthentic (Karakoc, 2016:4). Along this line of thought, it can be argued that anthropomorphism and authenticity

are interconnected concepts that have the potential of creating additional value for the consumer.

It is relevant to apply the theory of uncertainty reduction to understand the link between anthropomorphism and authenticity further. Put forth as an explanation for interpersonal communication behaviours, uncertainty reduction theory posits that an individual's primary goal is to reduce uncertainty during an initial interaction with another person (Kellermann & Reynolds, 1990; Nowak & Rauh, 2010). That is to understand the persons behaviour during the interaction as well as predict any future behaviour (Nowak & Rauh, 2010:2). Individuals aim to form a perception about a newly acquainted other, via the use of information processing (Nowak & Rauh, 2010:2). In essence, consumers generally strive to reduce any uncertainty experienced in their day-to-day lives.

Typically, individuals reduce uncertainty by taking the weighted integration of information based on its perceived quality as opposed to simply summing the total information acquired (Nowak & Rauh, 2010:2). Consumers will adhere to quality signals or informational cues to diminish uncertainty during an interaction with a brand. In other words, consumers will actively exchange, search and gather information through a variety of behavioural processes in an effort to decrease uncertainty (Luo, Zhang, Hu & Wang, 2016:674). As is most common, people typically rely greatly on information provided by observable physical cues of the natural body (or product attributes) in the process of making judgements (Kellermann & Reynolds, 1990; Nowak & Rauh, 2010). Physical information is most easily accessible and reliable and used as an initial information source to predict the behaviours of others to a certain extent (Nowak & Rauh, 2010:2). It can be assumed that many individuals are motivated to reduce uncertainty and subsequently do so via information seeking.

As an example, the need to reduce uncertainty is particularly pertinent within an online environment. In the natural world, individuals tend to rely greatly on available visual cues that allow them to gauge others during face-to-face interactions (Nowak & Rauh, 2010:2). In an online setting, physical information about others is somewhat missing and online consumers have a higher perceived risk (Luo *et al.*, 2016:674). Past research has found that in an effort to reduce uncertainty, consumers will

interact with other consumers via online brand communities or evaluate the visual representations as well as ‘talk’ to avatars/bots to increase their understanding of a brand (Luo *et al.*, 2016; Nowak & Rauh, 2010). Nowak and Rauh (2010) argue that anthropomorphism is a major component to the process of uncertainty reduction. In all, consumers will generally seek out additional information to reduce the perceived risk during an interaction.

In the search for information to reduce uncertainty, consumers typically select and focus on cues of high quality that enable their evaluation of a product or brand (Helm & Mark, 2007:397). Such is the case due to economic, time and mental capability limitations, making it impossible for a consumer to process all available product or brand information (Helm & Mark, 2007:397). Moreover, it can be argued that such a process would only be applicable to high involvement products such as brands within the luxury perfume category, where an increase in perceived risk accompanies the purchase decision. However, research by Hart *et al.* (2013) discovered that even low-involvement products (for example, a toothbrush or USB drive) can enhance consumer value when anthropomorphised.

Although the effect is not as strong as with complex products (e.g. laptop or cell phone), managers should be aware that consumers may potentially use anthropomorphism rather than logical reasoning when evaluating a product and thus making a purchasing decision (Hart *et al.*, 2013:116). Additionally, research by Dwivedi and McDonald (2018) highlight that authenticity is also not limited to high-involvement products and that authenticity applied to a low-involvement product category enhances consumer value. Therefore, both authenticity and anthropomorphism have a meaningful role to play within the context of both low and high involvement products.

Considering society is increasingly being characterised by the growing feeling of uncertainty (financial crisis, political instability or climate change *et cetera*), consumers striving to relieve such feelings of ambiguity do so by seeking quality information about brands (Bruhn *et al.*, 2012; Helm & Mark, 2007). Notably, past research has established that consumers seek out authentic brands and tend to anthropomorphise during times of uncertainty (Akalis *et al.*, 2008; Fritz *et al.*, 2017; Stiehler & Tinson, 2015). Previous literature also established the cognitive use of

authenticity and anthropomorphism as a means for individuals to resolve uncertainty (Akalis *et al.*, 2008; Chen, 2015). Uncertainty reduction theory provides a basis for the argument of the link between anthropomorphism and brand authenticity.

As previously denoted, consumers' focus on specific cues when making judgements about products and brands. Moreover, anthropomorphism has been presented as a means to enhance consumer evaluation of a product or brand (Hart *et al.*, 2013:109). As mentioned before, authenticity is defined as a consumer evaluation and therefore anthropomorphism has the potential of enhancing consumers' brand authenticity evaluations. In particular, it is conceivable that anthropomorphism may enhance the antecedents of brand authenticity (the indexical, iconic and existential cues). To reiterate, indexical cues are evidence-based attributes, iconic cues are impression-based attributes and existential cues are self-referential based attributes (Carsana & Jolibert, 2017; Morhart *et al.*, 2015).

Research by Chen *et al.* (2017), recognises that anthropomorphism considerably influences consumers' consideration of the appearance attributes of a product and consequently creates preference for the brand. The appearance of a product can be described as a number of readily observable attributes to consumers (packaging style, logo design, shapes and colour) (Chen *et al.*, 2017:1009). Appearance attributes provide visual cues that influence cognitive decision-making and are effectively the first impression consumers get that may connect them to a brand (Chen *et al.*, 2017:1009). Notably, indexical cues are evidence-based and objectively identifiable characteristics that prove to a consumer a brand is exactly what it claims to be (Carsana & Jolibert, 2017; Morhart *et al.*, 2015). Identifiable characteristics such as appearance attributes, may be preferred by consumers when anthropomorphised.

Products appearance attributes can be considered as indexical cues, considering research by Carsana and Jolibert (2017) maintains label design (an indexical cue and appearance attribute) provides consumers objective information reinforcing the authenticity perception of a brand. Consumer attitude toward an anthropomorphised product is influenced by the degree to which appearance attributes of the product are in sync with a human schema (Chen *et al.*, 2017; McGill & Aggarwal, 2007). It is probable that anthropomorphism may enhance consumers' evaluation of indexical

cues when seeking authentic brands though anthropomorphising a non-human entity goes beyond the physical appearance attributes of the entity (Chen *et al.*, 2017:1010). As is the same with brand authenticity, anthropomorphism has been established to possess both an objective and subjective element (Chen *et al.*, 2017; Napoli *et al.*, 2016).

Neuroscience research has found that individuals use the same mental process to perceive human beings when they perceive anthropomorphised objects, providing additional support for the subjective nature of anthropomorphism (Castelli, Happe, Frith & Frith, 2000; Epley *et al.*, 2007; Gazzola, Rizzolatti, Wicker & Keysers, 2007). For example, research by Gazzola *et al.* (2007) uncovered that mirror neuron systems, which were only believed to activate when perceiving humans, were found to activate when respondents engaged in anthropomorphism. Research by Spunt, Ellsworth and Adolphs (2017) established that emotion attributions to both humans and non-human animals draw on the same neural mechanisms, the attribution of emotion being a form of anthropomorphism. The neural research mentioned before suggests anthropomorphism offers consumers an alternate means to evaluate products and brands other than objective information justifying the application of the concept to iconic authenticity cues.

Iconic cues involve consumer knowledge or an internal frame of reference used when evaluating a brand and are essentially what consumers hold in their minds as authentic (Grayson & Martinec, 2004; Stiehler & Tinson, 2015). Consumers perceive brands to be iconically authentic via subjective mental associations, which in essence should reflect the brands identity, origin and symbolic quality of a brand (Carsana & Jolibert, 2017:214). Notably, marketers have prevalently applied the principles of anthropomorphism through the use of brand characters, narratives and symbolism (Letheren *et al.*, 2016:975). In theory, anthropomorphism should aid in enhancing iconic cues when consumers evaluate a brands authenticity.

The use of brand characters is ubiquitous in marketing. Brand characters are created with the goal of eliciting desired emotions from consumers, create awareness, attract consumers, enhance relations with consumers and to increase sales (Epley *et al.*, 2007; Hosany *et al.*, 2013). In turn, characters provide the brand with favourable associations and establish a strong identity (Hosany *et al.*, 2013:48). As noted by

Hede and Watne (2013), the most popular brand characters are those that use humans (Johnnie Walker strider and Ronald McDonald) or at least stylised icons of the brands. The most prominent being animal brand characters (stylised icons), that are anthropomorphised by overlaying physical characteristics onto them (Tony the Tiger and Chester Cheetah) (Hede & Watne, 2013:210). Because of this, marketers focus on establishing certain cues (e.g. nostalgia) as well as triggering anthropomorphic responses in an attempt to create iconic brand characters (Letheren *et al.*, 2016:975). As well as creating brand characters, marketers use storytelling as a means to establish their brands as icons.

A fundamental attribute to human behaviour is the compelling need to tell stories (Hede & Watne, 2013:208). From a marketing perspective, brand managers have used storytelling techniques in an effort to establish strong relationships between the consumer and brand (Hede & Watne, 2013:208). Hirschman (2010) notes that brand narratives follow the same pattern as traditional human created narratives. Brand narratives are the product of human tendencies such as projecting human-like attributes onto non-human objects. Research by Hede and Watne (2013) established that brand narratives facilitate consumers feelings of belongingness or a connection to a brand.

As already denoted, the need to belong is a fundamental motive to a consumer exhibiting a tendency to anthropomorphise as well as seeking out authentic brands (Chen, 2015; Guevremont & Grohmann, 2016). Brand narratives that use anthropomorphism may enhance, in essence, the iconic authenticity of a brand. For example, craft founders in the spirits industry such as that of Sipsmith Gin, have placed competitive pressure on companies such as Diageo and thus become icons by telling authentic tales of their owners history, artisanship and provenance. Often marketers use a sense of place to create feelings of belonging by creating narratives derived from local fact and/or fiction that connect the consumer to the brand via symbolic place-consciousness (Hede & Watne, 2013:211). Thus, brands may be representative of iconic symbols to many consumers.

The authentically iconic brand Red Bull, for example, uses their logo to anthropomorphise the brand by bestowing human qualities onto the brand by using the bull's iconic symbol of endurance, strength and power (Hede & Watne,

2013:210). Iconic cues are derived from the constructivist perspective of authenticity, allowing for a variety of interpretations of reality based on consumers' projections onto objects (Alexander, 2009:553). Moreover, constructive authenticity has been called 'symbolic' authenticity by various researchers as it is essentially symbolic (Chambers & McIntosh, 2008; Kolar & Zabkar, 2010; Leigh *et al.*, 2006). It is plausible that anthropomorphism can be a consumer projection onto a product or brand enhancing its iconic authenticity. As established by Morhart *et al.* (2015), symbolism can further reflect the symbolic quality of a brand that consumers can use to define their self-identity as well as portray who they are not. The research of Morhart *et al.* (2015), first empirically established the link between brand authenticity and anthropomorphism, linking anthropomorphism to existential authenticity.

Brands coupled with human attributes and qualities provide prominent self-referential (existential) cues that can support consumers in assessing, refining and creating their self-identity (Morhart *et al.*, 2015:207). A means for consumers to reinforce their self-identity is by possessing brands that hold symbolic meaning (Puzakova *et al.*, 2009:415). In particular, the symbolic meaning of such brands needs to be congruent with important aspects of the consumers self-concept (Puzakova *et al.*, 2009:415). At the point of making brand evaluations, consumers use human or self knowledge that may allow them to make anthropomorphic inferences about a brand (Puzakova *et al.*, 2009:415). In such a sense, it can be put forth that self-authentication provides a basis for applying anthropomorphism to existential cues.

Consumer's who regard themselves as self-authentic, value authenticity in their everyday life by standing by their morals and values as well as believe that it is better to be oneself than to be popular (Morhart *et al.*, 2015:209). In a branding context, self-authentic individuals are more likely to select and consume an authentic brand as opposed to mass produced commercial brands (Morhart *et al.*, 2015:209). Previous research has established that consumers tend to be more attached and loyal to brands that are congruent with their self-concept (Kressmann, Sirgy, Herrmann, Huber, Huber & Lee, 2006; Puzakova *et al.*, 2009). Self-authentication in a consumption setting likely unfolds due to a sense of perceived congruence. In other words, the greater the extent to which a consumer perceives an authentic brand to be similar to his/her own self-concept increases the likelihood of positive consumer responses to the brand (Morhart *et al.*, 2015:209).

Notably, consumers use brands as symbols in expressing their self-concepts due to the fact that consumers imbue brands with human personality traits (Aaker, 1997; Puzakova *et al.*, 2009). Many consumers evaluate brands based on the perceived likeness between their own self-concept and apparent human personalities expressed by brands (Puzakova *et al.*, 2009:415). As previously noted, brand personality is regarded as a singular facet within the multi-dimensionality of anthropomorphism (Guido & Peluso, 2015; Letheren *et al.*, 2016). As in the case wherein consumers perceive an authentic brand to be congruent to their own self-concept, they may then exhibit increased levels of brand preference and loyalty when the brand is anthropomorphised (Puzakova *et al.*, 2009:415). In support of such a notion, Morhart *et al.* (2015) established that the presence of anthropomorphism makes it easier for consumers to recognise the symbolic values (existential cues) represented by a brand, which in turn enhances authenticity in consumers brand experience.

A study conducted by Aggarwal and McGill (2012) found that when anthropomorphised, brands have a stronger effect on consumer behaviour. More specifically when exposed to an anthropomorphised brand consumers may elicit automatic behavioural responses consistent with the brands image (Aggarwal & McGill, 2012:307). In particular, anthropomorphism positively leads to consumer engagement with a brand (Chen, 2015:106). Considering that making anthropomorphic inferences involves the utilisation of ones self-knowledge and personal experiences, anthropomorphism thus provides immersed experiences that grasp consumer's attention (Chen, 2015:106). Anthropomorphism provides increased favourable attitude towards a brand considering that making self-generated inferences (in other words, anthropomorphism) brings about pleasure when understanding a brands symbolic value (Chen, 2015:106). Review of the past literature revealed other positive consumer responses to anthropomorphism such as brand loyalty, brand attachment and brand love (Batra, Ahuvia & Bagozzi, 2012; Guido & Peluso, 2015). These positive responses provide a basis for the argument that anthropomorphism enhances consumers' authenticity perceptions of a brand and leads to positive consumer behaviour that ultimately creates value.

2.6 CONCLUSION

The thorough and comprehensive literature review, pertaining to the concepts of brand authenticity and anthropomorphism highlighted the academic relevance and more so importance of the two concepts to marketing literature. In summary, an in-depth analysis of the origins of brand authenticity as well as its underlying dimensions and antecedents were discussed. Indexical, iconic and existential cues were identified as the antecedents to establishing an authentic brand. Subsequently the concept of anthropomorphism was introduced and its relevance to brand authenticity literature was argued.

Past literature highlighted the various potential outcomes that may arise from anthropomorphising, such as consumer unwillingness to replace the anthropomorphised object, increased involvement with the brand, greater personal value placed on the brand as well as positive behavioural intentions (Letheren *et al.*, 2016:975). Such outcomes could further be applicable to authentic brands that have been anthropomorphised. Previous studies have also alluded to various outcomes of brand authenticity, but little to no research has taken the consumer view of value creation as a potential outcome. The following chapter therefore examines value creation from a holistic perspective as a consequence to brand authenticity. Artisanal luxury branding is introduced as the primary focus of the study at hand and how authenticity, anthropomorphism and value creation are relevant to such a context is delineated.

CHAPTER 3

A HOLISTIC VIEW OF VALUE CREATION

3.1 INTRODUCTION

The creation of value for the consumer is a fundamental goal of the discipline of marketing (Marks & Prinsloo, 2015:15). Marketing as a practice has received a growing amount of criticism and consumer resistance, because of the perception the discipline is engaging in increasingly inauthentic acts (Marks & Prinsloo, 2015:15). Consumer resistance can subsequently range in intensity from active avoidance of the brand, switching to negative word-of-mouth or rebellion such as boycotting (Marks & Prinsloo, 2015:16). To reduce negative consumer behaviour, it is essential that marketing practitioners and academics return to the roots of the discipline by placing the consumer first and creating value. The present chapter addresses the concept of value creation as a whole, with particular focus on the consumer.

Past research has identified and examined a variety of outcomes to brand authenticity such as brand relationship quality, purchase premium and forgiveness (Fritz *et al.*, 2017), emotional brand attachment and positive word-of-mouth (Morhart *et al.*, 2015), brand attitude and willingness to buy (Carsana & Jolibert, 2017; Webster & Llicic, 2014). Such outcomes are further alluded to as sources of value for both the consumer and the brand. The concept of value creation from a consumer perspective has however yet to be researched in relation to brand authenticity. The present chapter proceeds with a review of value literature, discussing the evolution of the value concept within the marketing discipline. Further, the process of value creation as well as value as an outcome and the role of marketing in value creation is delineated. In addition, the context the present study is conducted in (artisanal luxury brands and South African Generation Y) is introduced. Current insights and trends are further identified and discussed.

3.2 VALUE IN REVIEW

The creation of superior customer value has been and should continue to be one of the major goals of marketing as a means to achieve market leadership (Gummerus, 2013:1). Value creation for the customer has long been understood as an essential concept to marketing and a primary basis for all marketing activity (Anker, Sparks, Moutinho & Grönroos, 2015; Raval & Grönroos, 2011; Smith & Colgate, 2007). As

noted by Ritter *et al.* (2001), only by applying the concept of value can the basic notion of business markets be understood. Value as a concept has been acknowledged as the cornerstone of business management as a whole. The importance of customer value is rooted in the influence that value perceptions have on positive customer behaviours (attitudinal loyalty, repurchase intention, positive word-of-mouth etc.) and thereby company paybacks (Gummerus, 2013:2). For that reason, consumers will engage in marketing interactions because of the primary expectation that doing so will result in some valuable outcome (Anker *et al.*, 2015:533). Given the pivotal role of value, in marketing and business markets it is therefore essential for firms to comprehend the underlying tenets of value creation (Ritter *et al.*, 2001:366). What value exactly encompasses has seemingly been lost in the plethora of value research.

Research by Gummerus (2013) has criticised past academics for the misuse of the term value. Previous literature has defined value as the perceived trade-off between benefits and sacrifices that may result from customer-supplier relations (Flint, Woodruff & Gardial, 1997; Ritter *et al.*, 2001). Woodruff (1997:142) regards value as a customer's evaluation and preference for products attributes as well as the consequences that arise from using that product. Holbrook (2005:46) further describes value as a preference, experience, interactive and relativistic concept. Defined by Smith and Colgate (2007), value is what a customer gets (utility or benefits) from purchasing and using a product compared to what they pay (costs or sacrifices) resulting in attitudinal loyalty. Such a definition views value as a ratio of benefits to sacrifices as opposed to a trade-off. Ultimately, previous researchers have concluded that value is an elusive concept that suffers from conceptual uncertainty (Lindman, Pennanen, Rothenstein, Scozzi & Vincze, 2016; Grönroos, 2017). The literature hence shows that there is no generally accepted definition of value, and subsequently value research continues to be an area of ambiguity.

Despite the variety of competing definitions of value, the concept is fundamentally important and there are several reasons to research it. First, despite numerous studies empirically and conceptually studying the concept, value in its entirety lacks clarity (Gummerus, 2013:2). Frequently, value as an outcome has been described as what a consumer gets versus what they give up and consequently studies have ended up with a variety of different conceptualisations (FitzPatrick, Varey, Grönroos

& Davey, 2015; Smith & Colgate, 2007). Nevertheless, understanding value creation is highly important as it can result in a competitive advantage in the eyes of a consumer. Second, there is a shift in logic when it comes to how value is created (Gummerus, 2013:2). There are a number of different views that vary as to how value is generated, from supplier activities, co-creation, third party involvement and consumer created (Grace & Lo Iacono, 2015; Grönroos, 2017; Tynan, McKechnie & Chhuon, 2010). These diverging views produce additional incoherence in the literature necessitating more research to clarify such views.

The final reason for the study of value relates to the lack of research interrelating company activities to value perceptions (Gummerus, 2013:2). It is logical to assume that to achieve a competitive edge, firms should be linking their value creating activities with their customers value perceptions (Ritter *et al.*, 2001:367). Previous studies have mainly placed emphasis on firm activities that create value rather than focusing on the question of how the customer defines value (Grönroos, 2017; Gummerus, 2013). Understanding value creation processes from a consumer mindset, of which is researched less, is accordingly as important from the perspective of a firm.

In an effort to alleviate the conceptual fuzziness of the value concept, the present study will be devoted to the consumer perspective of value creation. The assumption is that a brand will only be successful within the market place if they provide 'more' value to their customers compared to competitors (Ritter *et al.*, 2001:366). Customers are becoming increasingly recognised as key sources of competitive advantage because in addition to profits, firms can gain ideas, market access and/or advocacy from their customers (Ritter *et al.*, 2001:366). In the context of the present study, it can be assumed that value creation involves increasing a customer's utility. It is relevant first to discuss how the concept of value creation has evolved, to better understand the customer focus of value better.

3.2.1 The evolution of value creation

Only during the 1990s and then continuing into the 2000s, did the issue of value creation as revolving around the locus of value for customers gain a peaked interest in marketing and management literature (Ravald & Grönroos, 2011:7). Such a change can be best understood by examining the gravity of the shift in marketing

paradigms from exchange to value creation between the years 1985 and 2004 (Sheth & Uslay, 2007:302). See Table 3.1 for the evolution of marketing definitions as proposed by the American Marketing Association (AMA). Originating within the exchange paradigm, the exchange itself had been the foundational construct in marketing for decades.

Table 3.1 Definitions of Marketing according to the AMA from 1985 - 2007

| Year | American Marketing Association (AMA) Definitions of Marketing |
|------|--|
| 1985 | Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives. |
| 2004 | Marketing is an organisational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders. |
| 2007 | Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. |

Source: Anker *et al.* (2015:6)

Exchange, being the action of giving something for something in return is not unique to marketing and unsurprisingly is a principal concept in almost all human sciences (Sheth & Uslay, 2007:302). The exchange paradigm was orchestrated by the AMA introducing the word 'exchange' in the 1985 definition of marketing; "Marketing is...to create exchanges that satisfy individual and organisational objectives." (Anker *et al.*, 2015:6). Subsequently, marketing academics had professed exchange as the core principle to achieving required firm outcomes, with the idea that only once exchanges occur could societies problems be solved (Sheth & Uslay, 2007:302). The premise of exchange was further agreed not to be an end in itself but rather the end being need satisfaction (Sheth & Uslay, 2007:302). In other words, the general framework for the examination of exchanges was that exchanges result in the outcome of satisfaction (Sheth & Uslay, 2007:302). Such an idea presented a number of practical and theoretical limitations meriting a shift to value creation.

Perceiving human interaction as an exchange was criticised by marketing scholars as objectifying the consumer as passive agents, not catering for real-life complexities (Anker *et al.*, 2015; Sheth & Uslay, 2007). For the concept of exchange to exist, a market must possess both a buyer and a seller. The result was that marketers became preoccupied with the selling concept and submitted to a single-minded view of the consumer, as the role of a buyer (Sheth & Uslay, 2007:303). Other roles of the consumer such as the user or relationship partner were ignored. The exchange paradigm was further limiting in that it led to an emphasis on a singular role of the seller, that of being the supplier (Sheth & Uslay, 2007:303). Important roles such as financier, producer or problem solver were overlooked.

In essence, the main emphasis within the exchange paradigm had been on value-in-exchange (between a buyer and seller) at the expense of discounting other types of value created (such as between producers and consumers) (Sheth & Uslay, 2007:303). Value-in-exchange is therefore only a singular type of value. The simplest explanation for value-in-exchange is that it is an economic view where value is only created by an organisation distributing goods into the market in exchange for money (value is calculated in monetary terms) (Wieland, Koskela-Huotari & Vargo, 2016:3). Before the identification of limitations in the value-in-exchange concept, the notion of exchange had been unchallenged until the AMA revised the definition of marketing in 2004 and the word 'exchange' was curiously missing.

A much-needed shift from value-in-exchange to value-in-use developed. Value-in-use is described as not being embedded within company manufactured outputs and cannot be measured adequately in monetary terms (Wieland *et al.*, 2016:3). Rather, value generates over a period of time through the use of various resources from multiple sources that are incorporated (Wieland *et al.*, 2016:3). The value creation paradigm urges marketers to consider other types of value by extending beyond value-in-exchange and even more so beyond that of value-in-use (Sheth & Uslay, 2007:303). For example, value in disposal (i.e. recycling and reusing) has increasingly become a lucrative market, one in which large corporates are quickly capitalising on. The important point here is that multiple stakeholders are involved (suppliers, government, community, consumers) and value is not created in isolation of each stakeholder (Sheth & Uslay, 2007:303). Comparatively, the exchange paradigm limited the responsibilities and roles of both marketers and consumers,

whereas the value creation paradigm broadens these roles for both parties (Sheth & Uslay, 2007:303).

The value creation paradigm is fundamentally about establishing a win-win situation and involves a mutual interest between producers and consumers (Sheth & Uslay, 2007:304). The value creation paradigm is in stark contrast to the exchange paradigm, which involved creating a win-loss situation and hence was inherently driven by self interest (Sheth & Uslay, 2007:304). Within the value creation paradigm, possession utility is less emphasised because of an increasingly service-based market in which consumers pay for usage and not ownership (Sheth & Uslay, 2007:304). A focus on value creation aids in the acceleration of innovation and solution-based offerings provided by marketers (Sheth & Uslay, 2007:304). Ultimately, value creation engages a spirit of problem solving that produces both responsible consumers and managers.

Value creation has further filled a gap by providing a means for the development and growth of internal and external networks (Sheth & Uslay, 2007:303). In short, value is created once a connection is established between two individuals/organisations with complementary resources (Sheth & Uslay, 2007:303). The core functions of marketing are subsequently all inherently value driven. This drive for a comprehensive market advantage fills the gap within and between producer and consumer networks (Sheth & Uslay, 2007:303). In essence, marketing creates value by providing an essential intermediary role between the company and its target consumers (Sheth & Uslay, 2007:303). Within the technological age, there are continuous pressures for on-going market share and profits, and the notion of value creation is often not a main focus for marketing managers.

Marketing practices are increasingly being critically questioned and more so accused of misleading consumers to believe they are getting more than what they have actually paid for (Marks & Prinsloo, 2015:16). The discipline of marketing is being viewed by industry professionals and consumers as using dirty tricks to manipulate the bottom line and consequently are losing credibility (Marks & Prinsloo, 2015; Sheth & Uslay, 2007). Ideally, marketers should be resisting the short term pressures and avoid using deception as a means to meet the numbers in order to improve company/brand image (Sheth & Uslay, 2007:303). Adhering to the value creation

paradigm, the pressure to sell in the short term should decrease and rather committing to a long-term orientation should be an imperative (Sheth & Uslay, 2007:303). In this light, a concept such as that of authenticity is a potential tool for marketers to use as means to achieve long-term value creation.

Within the value creation paradigm, three major views of how to create value have evolved, namely product dominant logic (PDL), service dominant logic (SDL) and consumer dominant logic (CDL) (Anker *et al.*, 2015:533). In accordance with PDL, value is provided by and through products, added in the manufacturing process and is captured at the point of transaction (Lindman *et al.*, 2016:739). A given product is imbued with certain features and attributes delivering value to the consumer from the usage and functional performance it provides (Anker *et al.*, 2015:533). Thereby, value is created as well as defined by suppliers and systematically delivered to consumers (Anker *et al.*, 2015:533). PDL therefore views value creation from a firm level, and hence is dependent on the effective use of resources as well as knowledge of selection, treatment and combining these resources (Gummerus, 2013:5). Competitive advantage then stems from a combination of customer value and resource cost.

Although the consumer role is acknowledged in PDL, value creation from this perspective is nevertheless centred on how companies create value through their activities and treat customers as passive entities (Gummerus, 2013:5). The SDL of value creation resists the idea of viewing the customer as passive and solely a receiver of value. The foundational understanding of SDL lies on the basis of the concept of value-in-use (Ravald & Grönroos, 2011:8). Value creation hence arises via an interactive usage process through which the result is the customer becoming subjectively better off in some respect (Ravald & Grönroos, 2011:8). In accordance with SDL, value emerges during the usage process of value creation as opposed to being created and delivered by the provider (Ravald & Grönroos, 2011:8). Consumption could subsequently be deemed a value creation mechanism, as customers are no longer primarily concerned with the possession from a purchase (Ravald & Grönroos, 2011:8). Rather they are more interested in the positive outcomes embedded in their belongings or in the service activities they are engaged in (Ravald & Grönroos, 2011:8). Therefore, value can be created through the interaction between a provider and consumer.

Conceptually, SDL details how consumers and providers interact with one another that ultimately results in a co-created value (Anker *et al.*, 2015:533). Value co-creation occurs when providers and consumers interact with one another, which is central to consumers having positive value perceptions of an offering (Anker *et al.*, 2015:534). Value co-creation is offered as an alternative to firm created value based on the argument that no company should operate in isolation of their stakeholders (Gummerus, 2013:5). The firm should focus rather on the interface between the company itself and its environment as opposed to solely internal processes (Gummerus, 2013:5). The underlying assumption is that increased involvement from customer's would lead to increased productivity, specifically relating to re-specified task allocation and consumer provided benefits (Gummerus, 2013:6).

With a view of value co-creation, the customer is seen as both a major contributor and recipient to the firm (Gummerus, 2013:6). As much is also present from a SDL, as the customer is considered to have a dual role: an active contributor as well as an interpreter of experiences (Gummerus, 2013:6). Customers can also be considered a resource to a firm by offering information about specific needs and preferences, as well as being co-creators taking part in company activities (Gummerus, 2013:6). According to the SDL view, customers are always considered as co-creators of value (Ravald & Grönroos, 2011:7). Importantly, value co-creation should be considered as an extension of the value creation paradigm. In agreement and as argued by Sheth and Uslay (2007:305) who state that in value creation, value is firm generated and exchanged with the customer, whereas in value co-creation, the firm and customer create value collaboratively.

Notably, both PDL and SDL are well recognised within marketing literature, more so even SDL contributing to the advancement of marketing theory (Anker *et al.*, 2015:534). The research on value creation has further developed a focus on consumer dominance as a means to generate value. In accordance with CDL, value creation concentrates on how the customer uses goods and services in his or her daily life (Gummerus, 2013:6). A marketing CDL refers to a view that places the customer in the heart of activities, rather than the service, supplier or the combined interaction (Anker *et al.*, 2015:535). In marketing, CDL is accordingly a distinctive perspective rather than a division of SDL.

The CDL view, states that consumer value is conveyed through brand facilitated but supplier independent consumer behaviours (Anker *et al.*, 2015:537). CDL holds that value is embedded and created in the customer's daily life and environment (FitzPatrick *et al.*, 2015:464). In this view, value reaches beyond the accomplished co-creation in customer provider interactions to customer value that arises in the complex mental and physical contexts of consumers everyday existence (FitzPatrick *et al.*, 2015:464). Seminal research by Smith and Colgate (2007) identified five key sources of customer value both internal and external to an organisation: information, products, interactions, environment and ownership or possession transfer.

Information as a source of value, is created by value-chain activities related to various marketing functions such as public relations, brand management (packaging) and advertising (Smith & Colgate, 2007:15). As much provides utilitarian or functional value by informing and educating customers as well as sensory or emotion-based value through marketing creativity (Smith & Colgate, 2007:15). Adequate information furthermore aids consumers in making more informed and quicker decisions, creating value. Products, as sources of value, are developed within value-chain activities that include market research, manufacturing, innovative product development, and research and development (Smith & Colgate, 2007:15). Products directly provide functional and performance value (e.g. Land Rovers off road capability) as well as sensory and experiential value (e.g. the luxury interior of the Range Rover Evoque) (Smith & Colgate, 2007:15).

A third source of value creation, interactions, relates to value-chain activities between companies and their customers that involve functions such as training, recruiting, operations and service quality (Smith & Colgate, 2007:15). Utilitarian and hedonic value can thus be created through service excellence, relationship quality or personalisation for example (Stiehler, 2017:32). The consumption or purchase environment is another source of value creation. Value can be created through value-chain activities that relate to functions such as interior design, store location and layout, merchandising, facilities management and website functionality (Smith & Colgate, 2007:15). The final source of value creation as proposed by Smith and Colgate (2007) is ownership or possession transfer.

Ownership/possession transfer as a source of value is related to various value-chain activities such as delivery (tracking or shipping), accounting (payment or invoicing) or literal ownership transfer as in copyright agreements, titles and contracts (Smith & Colgate, 2007:15). Notably, value can be derived from ownership/possession transfer in the form of instrumental value as in that of speedy and timely delivery of purchased goods (Smith & Colgate, 2007:15). Experiential value can be created through enhanced product meaning via tasteful product wrappings, personalised messaging upon delivery and/or a peace of mind at the ability to track the shipping process (Smith & Colgate, 2007; Stiehler, 2017). Comprehending sources of value creation is helpful in developing marketing strategies, identifying sources of competitive advantage and understanding brand positioning (Smith & Colgate, 2007:15).

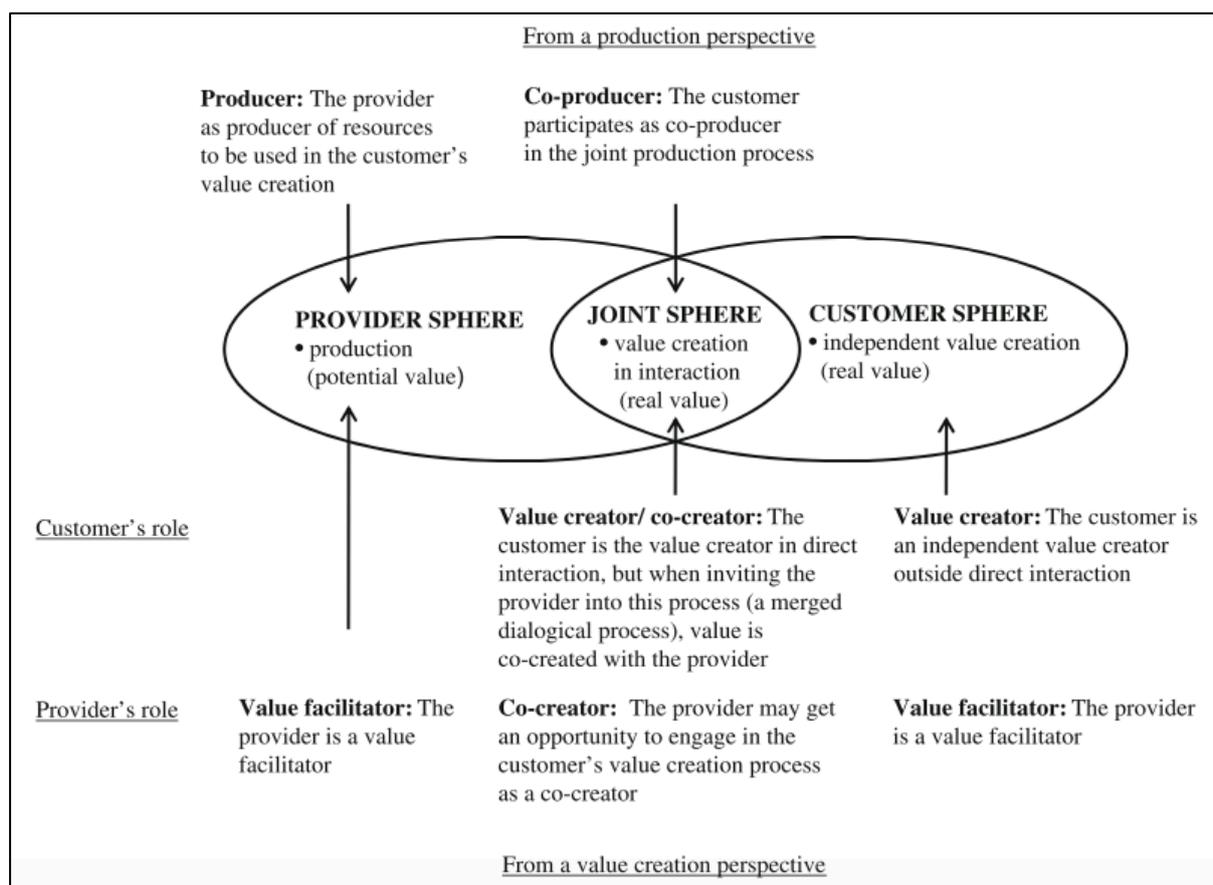
Considering value can arise from a number of sources, it is worthwhile to note that value creation can also take place on different levels of consciousness (FitzPatrick *et al.*, 2015:465). In this sense, a consumer's utility increases in a variety of different ways experienced during usage (perceived during, imagined before or appraised after) (FitzPatrick *et al.*, 2015:465). A point made by FitzPatrick *et al.* (2015:467) is that value for the customer and the firm should be considered as "two sides of the same coin", meaning the company and consumer both reciprocally influence each other's value creation. By adhering to a customer-dominant position in value creation, the firm fundamentally is the facilitator of value (Grace & Lo Iacono, 2015:561). The customer uniquely determines the value to be created from interacting with a firm, whom thus provide potential value to the customer (FitzPatrick *et al.*, 2015; Grace & Lo Iacono, 2015). To better conceptualise such a notion of interaction, researchers have called for a focus on value creation as a process.

3.2.2 A process of value creation

In marketing, interaction is considered a collaborative process in which both the provider and the customer are actively involved in one another's activities (FitzPatrick *et al.*, 2015:465). At the centre of interaction is a mental, physical and virtual link, such that the provider creates engagement opportunities with its customer's experiences (Grönroos & Voima, 2013:140). Interaction as suggested by Grönroos and Voima (2013), is a dialogical process. Meaning, a provider and customer's activities merge into a harmonised, interactive process in which both parties are

active participants (Grönroos & Voima, 2013:140). Influential research by Grönroos and Voima (2013) conceptualises the process of value creation, encompassing interactions and activities into three separate spheres: provider, customer and joint. The process illustrated in Figure 3.1, highlights how the roles of both the customer and provider vary, depending on the relevant value creation sphere.

Figure 3.1 The Process of Value Creation



Source: Grönroos and Voima (2013:140)

The *provider sphere* refers to the firm, which is responsible for all production processes such as manufacturing, shipping, development, internal and external office networks, design and delivery to name a few (Grönroos & Voima, 2013:140). By assembling resources and generating process, the company supplies an offering that has the prospective of being materialised into real value (Grönroos, 2017:7). Not at the moment of purchase but rather as value-in-use during the customers process of consumption (Grönroos, 2017:7). In this sense, the provider sphere produces potential value, which is later turned into real value by the customer (in other words, value-in-use) (Grönroos & Voima, 2013:141).

The role of the firm within the provider sphere, is hence that of value facilitator (Grace & Lo Iacono, 2015; Grönroos, 2017; Grönroos & Voima, 2013). In specific, value facilitation is not directly involved in value creation (value-in-use) but rather is the provider's implemented processes, which result in outputs used by customers in their route to value creation (Grönroos & Voima, 2013:141). The job to be done by firms is to identify the value customers are seeking to establish for themselves and then to fill those value needs (Grönroos, 2017:8). In summary, the goal for the provider is to facilitate a customer's value creation process by providing processes/resources that are used and experienced in the customer sphere (Grönroos & Voima, 2013:143).

The *customer sphere* in relation to past value creation has generally ignored the role of the customer. Rather the provider has been emphasised, which was understandable when value was once considered to be embedded in a firm's activities (Grönroos & Voima, 2013:142). The weight of the customer sphere has increasingly been acknowledged and thus refers to value as autonomously created (Grönroos & Voima, 2013:142). In other words, the customer is independent of the provider when it comes to value creation. In this sense, the provider plays a passive role and the customer only interacts with resources acquired from the firm (physical, virtual, imaginary and mental) sources not the processes of the firm (Grönroos & Voima, 2013:142). The flow of the value process is hence out of the provider's control (Grönroos, 2017:8). Value created within the customer sphere can take a variety of forms.

Value can be established at an individual or collective level in multiple forms such as spatial, physical, temporal and in social contexts (Grönroos & Voima, 2013:142). The customer will pool various resources to generate some sort of value, and the manner this integration of resources takes place depends on the context (Grönroos & Voima, 2013:142). The customer sphere is further defined as an experiential sphere, where outside interactions (for example, with friends and family) and value-in-use result in real value (Grönroos & Voima, 2013:142). As much is owed to the customer's accumulation of experiences with outcomes from resources and practices in various contexts (Grönroos & Voima, 2013:142). Grönroos (2017) notes that although the value process is independent of the provider, it is not necessarily completely isolated. The customer can potentially interact with peers via social networking sites or face-

to-face, in which the value process is then influenced by these interactions (Grönroos, 2017:8). The potential for value co-creation hence becomes apparent.

Finally, within the *joint sphere* both the provider and customer meet in some manner and interact with each other. Within this sphere, the customer's value creation is different (Grönroos, 2017:9). The provider's processes (service and resource provision) and the customer's processes (consumption and value creation) merge into a singular interactive, collective and dialogical process (Grönroos, 2017:9). The notion of the two processes becoming one, is the essence of value co-creation. Although the customer is generally dominant in value creation in the dialogical process of direct interactions, the provider is capable of influencing the customer's value creation process serving as co-creator (Grönroos & Voima, 2013:141).

As suggested by Grönroos and Voima (2013), value co-creation only emerges from direct interactions within the joint sphere. Direct interactions need not only be face-to-face with the increase in innovative technologies but customers and providers can engage in interactions within a digital context (Grönroos, 2017:9). It is pertinent to realise that not all interactions result in an automatic route to achieving customer value creation, instead they form a 'platform' for potential value co-creation (Grönroos & Voima, 2013:141). The engagement of a firm and thus interaction with a customer could influence the customer's value creation process positively, negatively or exert no influence at all (Grönroos & Voima, 2013:141). The quality of interaction becomes fundamental for the creation of customer value as does the provider's understanding of the customer's value needs (Grönroos & Voima, 2013:141).

Applying Grönroos and Voima's (2013) value creation process to the present study, authenticity becomes the value need customers desire to satiate. In short, the provider/brand should offer authentic resources and processes that the customer can use in creating real and authentic value. Importantly, with a value creation perspective it is imperative to define the roles of both the provider and customer in the context of brand authenticity sufficiently. Although it is significant to understand the process of value creation, the present study aims to empirically evaluate value rather as an outcome.

3.2.3 Value creation as an outcome

From a customer perspective, the outcome of any interaction with a provider should be that of value. The determination of value as an outcome comprises of how customers make value evaluations and then establish what value results (Gummerus, 2013:3). Previous literature has identified a number of reasons for the determination of value as an outcome, namely means-ends (Chen, Tsai & Chiu, 2015; Zeithaml, 1988), value as benefits/sacrifices (Ritter *et al.*, 2001; Ulaga & Eggert, 2003) and value as experience outcomes (Hirschman, 2010; Holbrook, 2005). Value creation as a process is continuous, value creation as an outcome is linked to a certain point in time (Gummerus, 2013:3). Where value creation from process logic discerns between firm-created, co-created and customer-created value, value creation as an outcome concentrates on value as determined by the customer. Therefore focusing on value creation as an outcome is especially relevant to this study.

Value in accordance with a means-end theory involves the evaluation of products as a chain from the characteristics of the object to the resulting usage outcomes (Gummerus, 2013:8). The means-end approach assumes consumers identify the most appealing product/service attributes, which then influence their actual experience with the product/service, and further reinforces their desired value (Chen, Tsai & Chiu, 2015:3). In short, the means-end approach can be described as a hierarchal structure of attributes-consequences-value (Chen *et al.*, 2015:3). Ultimately, the means-end approach defines value as the desired end state for the consumer (Chen *et al.*, 2015:4). Such a broad approach makes it difficult to establish operational definitions of value allowing for accurate measurement (Gummerus, 2013:9). The lack of operational definitions caused research streams to rather focus on the benefits/sacrifices view of value as an outcome.

Value as an outcome from a benefits/sacrifices view, involves customers making cognitive judgements of utility about various inputs (benefits) and outputs (sacrifices) of a product or service (Gummerus, 2013:9). Previous studies have also referred to benefits and sacrifices as either a trade-off or a ratio in creating value (Gummerus, 2013; Ritter *et al.*, 2001). In its simplest form, the benefits/sacrifices approach can be conceived as a customer evaluation of whether or not something is worth paying for (Gummerus, 2013:9). Benefits can vary in type in terms of product and service

benefits (e.g. quality), know-how, time-to-market and social benefits (Ulaga & Eggert, 2003:7). As much is the same for sacrifices, which may include price and/or process costs (for example, repairs) (Ulaga & Eggert, 2003:7). Within benefits/sacrifices theory, Johnson, Herrmann and Huber (2006:123) posit that value should be considered a comparative judgement, one in which incorporates all given perceptions of inputs versus outputs relative to competitors.

Research by Payne, Storbacka and Frow (2008:87) has criticised the benefits/sacrifices view of value as an outcome of consumers cognitive judgement. Payne *et al.* (2008:87) argue that it is illogical to expect a consumer to be knowledgeable enough to assess all the benefits and sacrifices correlated with a product or service. A benefits/sacrifices approach ignores the experiential value consumers may find from a consumption experience (Payne *et al.*, 2008:87). Research that is more current has evolved to assess value as an outcome from an experiential perspective as well.

Value as experience outcomes aims to view consumers as emotional and fundamentally human by seeing them as logical decision makers (Gummerus, 2013:10). Value as experience outcome combines both consumer cognition and affect and further proposes that not only products and services can be researched in this domain but events and ideas as well (Gummerus, 2013:10). Holbrook (2005:46) suggests that value is not necessarily only attached to an object but rather to the relevant consumption experience (for example, feelings, fun and fantasies) from using the product/service.

Experience as an outcome is referred to as relativistic, which refers to three aspects of value (Gummerus, 2013; Holbrook, 2005). First, value is comparative insofar as it reflects a comparison between objects for a particular person (Gummerus, 2013; Holbrook, 2005). Second, value is a personal assessment as what is valuable to one person, differs from the next (Gummerus, 2013; Holbrook, 2005). And finally, value is situational as it depends on the context in which an assessment occurs (Gummerus, 2013; Holbrook, 2005). The dominant research streams that have emerged from value as experience outcome have focused on identifying utilitarian and hedonic value (Delgado-Ballester & Sabote, 2015; Gummerus, 2013; Sweeney & Soutar, 2001; Zhang, Guo, Hu & Liu, 2017). Therefore the present study focused on both

utilitarian and hedonic value as potentially created value outcomes of brand authenticity.

3.2.3.1 Utilitarian value

Also referred to as functional or instrumental, utilitarian value is both task-related and rational in that it is described as the extent to which a product or service has desired attributes and features, of which are useful, and performs a proper function (Choo, Moon, Kim & Yoon, 2012; Smith & Colgate, 2007; Sweeney & Soutar, 2001). In creating utilitarian value, the consumer is regarded as a logical thinker who engages in the process of deliberate reasoning when deciding on the best product to purchase from available alternatives (Delgado-Ballester & Sabote, 2015:1859). From a branding perspective, utilitarian value refers to the ability of a brand to fulfil consumer functional wants and needs resulting in derived utility from the expected performance and perceived quality of the brand (Delgado-Ballester & Sabote, 2015:1859). Consumers will derive utilitarian value based on how well an intended product/brand serves its intended purpose.

Research by Smith and Colgate (2007) as well as Woodruff (1997) identified three essential aspects of utilitarian value. First, a product/brand should possess accurate, acceptable and correct functions, qualities, characteristics or attributes such as quality, inventiveness, customisation and aesthetics (Smith & Colgate, 2007:10). Secondly, the product/brand must provide an apt performance in that it is of superior quality, reliable or provides efficient service support for example (Smith & Colgate, 2007:10). Finally, it is crucial that the product/brand deliver above par outcomes or consequences, such as effectiveness, functionality, operational or environmental benefits and ultimately desired value (Smith & Colgate, 2007:10). Therefore, the provider plays an essential role in creating excellent product features and attributes that potentially translates into customer value.

In the case of utilitarian value, consumer's will assess the authenticity of a brand by focusing on performance claims and relying on factual information as well as personal experience to make informed product/brand decisions (Napoli *et al.*, 2016:1204). It can be argued that indexical authenticity cues can be used in an effort to create utilitarian customer value (a firm's method of production and thus commitment to quality). The inherent performance and utilitarian value of a brand is

vital for some consumers. For others it is the yearning and aspiration to obtain a brand for its pleasure, fun and sensory authenticity rather than the value of possessing an 'original' object (Leigh *et al.*, 2006; Napoli *et al.*, 2016). As much suggests that an authentic brand can satisfy not only utilitarian desires but may also create hedonic value.

3.2.3.2 Hedonic Value

Hedonic value, sometimes referred to as experiential, can be described as the level to which a product is capable of creating appropriate feelings, emotions and experiences for the customer (Smith & Colgate, 2007:10). In other words, hedonic value is the appreciation of a product/service for its own sake and hence forms as a result to customers interactions with a product/brand and/or other customers (Sweeney & Soutar, 2001; Zhang *et al.*, 2017). In hedonic value, a consumer's value perception of an offering is dependent on how that offering directly compares to all other alternatives based on a variety of intangible dimensions (Carroll & Wheaton, 2009:269).

Research by Lindman *et al.* (2016:747) suggests there are four central aspects to establishing hedonic value, namely, sensory, emotional, social/relational and epistemic. The first aspect, sensory, involves every sensory stimulus that leads to the stimulation of feelings or emotions (aromas, ambience and aesthetics) and is created in the consumption/purchase environment (Lindman *et al.*, 2016; Smith & Colgate, 2007). Second, the emotional aspect is related to the perceived utility derived from a product/brand as an outcome of its ability to perpetuate or stimulate feelings or affective states, such as excitement, contentment, safety, fear, guilt, romance or passion (Smith & Colgate, 2007:8). For example, the excitement stimulated from GoPro's advertising that highlight extreme sports or adventures.

The aspect of social/relational deals with interpersonal/networking benefits, responsiveness, personal interactions, establishment of trust or loyalty or a sense of bonding/connectedness (Lindman *et al.*, 2016:747). This aspect represents the utility derived from a product or service due to its image and symbolism in relation with socioeconomic, demographic and cultural reference groups (Smith & Colgate, 2007:8). The fourth and final aspect, epistemic, is the consumer perception of derived utility as a result of a product/brands ability to arouse curiosity, deliver

novelty, or satiate a desire for knowledge (Smith & Colgate, 2007:8). By integrating all four aspects, the potential of creating hedonic value is increased.

It can be argued further that iconic and existential authenticity cues can be used in an effort to create hedonic value. For example, the iconic cue heritage can be used to symbolise a link to a historical time or particular culture (i.e epistemic value) establishing the authenticity of a brand and potentially creating hedonic value for a consumer. It is important to note furthermore that value can emerge in any part of the value chain of a firm. For the purpose of the present study, it is pertinent to discuss the role of marketing in the creation of value precisely.

3.2.4 The role of marketing in creating value

As previously denoted, the value concept is a fundamental basis for all marketing activity (Ravald & Grönroos, 2011; Smith & Colgate, 2007). Traditionally, marketing communication has typically concentrated on a firm-focused approach of value propositioning in indirect interactions, exclusively producing products and delivering them to consumers (FitzPatrick *et al.*, 2015:468). In this sense, marketing seemingly had the single-mined view of the roles of company and the customer (the seller and buyer) (FitzPatrick *et al.*, 2015:468). The increase in innovative technologies as well as large-scale interactive media, have provided the opportunity to support direct interactions (one-on-one, one-to-many, et cetera) (FitzPatrick *et al.*, 2015:468). Direct interactions mean two or more parties are involved in influencing each others activities and perceptions and subsequently directly and actively influence the value-in-use that emerges from such collaborations (FitzPatrick *et al.*, 2015:468). Thus, the spatial and temporal separation of the producer and consumer (indirect interaction) can no longer be maintained in the marketplace (FitzPatrick *et al.*, 2015:468). Marketing needs to adapt to these changing environments.

The role of marketing can no longer be simply the distribution of selling messages, considering there are clear benefits and mutual influence opportunities beyond that of value propositions (FitzPatrick *et al.*, 2015:469). The role of marketing is to engage as an intermediary role between the service adept company (resource provider and integrator) and a consumer's value creating processes (FitzPatrick *et al.*, 2015:469). The goal for marketers is hence to support reciprocal value creation in those processes that is mutually beneficial, so that the firm supports and contributes to the

consumers everyday activities in a way that facilitates value creation for both, firm and consumer (FitzPatrick *et al.*, 2015:469). The function of marketing should be to organise actions of engaging, attracting and influencing consumers based on communicated relevant needs that ultimately lead to the outcome of value creation.

In addition, the environment in which marketers are operating is continuously evolving. In particular, the role of marketing has to adapt to the virtual and online environment, including new technology, the Internet and using modern concepts of business development (Web 2.0) (Mazurek, 2014:71). As a consequence, the barriers to treating a customer as a relationship partner are disappearing (Mazurek, 2014:71). The consumer is more likely to become part of the business. Through channels of value co-creation the customer is integrated into the firm and with its stakeholders (Mazurek, 2014:71). In turn, the role of marketing is intensified, becoming a concept of value operations, considering that it is marketing that focuses the attention of a firm on the consumer (from acquiring to fully integrated value creating processes) (Mazurek, 2014:71). In this light, continual marketing research on the value concept is ever more crucial.

From a managerial perspective, the value concept is predominantly central to the role of marketing in implementing marketing strategies (Gallarza & Saura, 2006:437). Value is especially important to strategies such as market segmentation, positioning procedures, and product differentiation, all of which are executed by marketers in an effort to achieve a competitive advantage (Gallarza & Saura, 2006:437). A crucial point in instigating such value creating activities is that the consumer is placed in the spotlight. In specific, understanding and applying the value concept is acutely essential within the luxury industry, where luxury consumers are undoubtedly value-driven (Bhaduri & Stanforth, 2017:178). Marketing luxury in general is a complex and frequently counter-intuitive process and as suggested by Tynan *et al.* (2010:1156), classical marketing (product dominant logic) is a certain way to fail in the luxury market. A consumer needs to derive value from the luxury good/service that compensates for the high price to be paid to be successful (Tynan *et al.*, 2010:1156). Research that delves into understanding customer value within a luxury market is considered necessary.

Within the intensely competitive luxury market, marketers are portraying a trend towards positioning their brands as artisanal as a means to differentiate, as well as indicate the higher value of their brands (Bhaduri & Stanforth, 2017:177). Marketers are using various cues such as 'handmade', 'craft' or 'artisanal' in an effort to influence consumer's value judgements (Bhaduri & Stanforth, 2017:178). In the same line, research by Tynan *et al.* (2010) highlights the importance of authenticity to luxury driven consumers. It is argued that marketers can use authenticity cues in an effort to create value for consumers in the context of artisanal luxury brands.

Within branding literature, Napoli *et al.* (2016) established that an authentic brand has the capability of delivering both utilitarian and hedonic value for consumers. In addition, previous research has captured consumers discussing luxury goods with rich hedonic language (for example, 'opulent' or 'prestigious') as well as hedonic value being a necessity to the establishment of a luxury brand (Tynan *et al.*, 2010:1158). Research by Tynan *et al.* (2010) has suggested craftsmanship as a new typology and source of utilitarian value within the luxury industry. Suggesting brand authenticity as a positioning strategy can be used to create customer value for artisanal luxury brands.

Within the context of the present study, anthropomorphism has been linked to enhanced customer value (Hart *et al.*, 2013:106). This finding provides a basis for the argument that anthropomorphism can potentially strengthen the relationship between brand authenticity and the creation of value. When anthropomorphising, consumers perceive a product/service to hold significant value beyond that of its functionality (Hart *et al.*, 2013:106). It is further interesting to note there is little to no research of anthropomorphism in relation to luxury branding. Moreover, despite the fact that luxury consumers are inherently value-driven as well as the rising trend of artisanal marketing, little is known of how consumers value artisanal luxury brands. Therefore, the present study was conducted within the context of artisanal luxury brands.

3.3 ARTISANAL LUXURY BRANDING

The marketing of luxury goods has been recognised as an increasingly complex and sometimes counter-intuitive task (Atwal & Williams, 2009; Seo & Buchanan-Oliver, 2017). Activities of luxury brands include (but are not limited to) maintaining an image of quality and authenticity, selling an experience, diversifying into international

markets, combining high prestigious imagery with prices acceptable to middle class consumers as well as using divergent ideologies and cultural strategies (Atwal & Williams, 2009; Seo & Buchanan-Oliver, 2017). Outcomes of such a plethora of activities offers multiple and diverse opportunities for consumers to interpret the meaning of luxury (Seo & Buchanan-Oliver, 2017). Consequently, what embodies the nature of modern luxury brands is subjective, debated and individualistic.

Determining and thus understanding the nature of luxury cannot be accomplished without comprehending the definition of a luxury brand and luxury itself. Linguistically speaking, the term luxury is derived from the Middle English word 'lechery' and from the Old French word's 'luxurie' and 'luxure' as well as from the Latin word 'luxuria', which notably is rooted in the word 'luxus' meaning excess (Stiehler & Tinson, 2015; Stiehler, 2017; Tynan *et al.*, 2010). Previous research dictates that luxury refer to products, services and brands possessing superior quality, premium prices, exclusivity and aesthetic beauty (Choo *et al.*, 2012:84). In addition, luxury can also mean worthiness, belonging and serving self interest and status (Cristini *et al.*, 2017:101). Luxury has been said to signify desirability, produced in limited quantities, is inessential but expensive nonetheless (Stiehler & Tinson, 2015:40). Luxury as a concept can take on a variety of diverse forms for different people and is dependent on the individual consumer (Wiedmann *et al.*, 2007:2). Hitherto, past literature concurs there is no concise and agreed upon definition of luxury (Choo *et al.*, 2012; Cristini *et al.*, 2017; Jain *et al.*, 2017; Seo & Buchanan-Oliver, 2017), necessitating the need for further research into luxury branding.

Notably, luxury as a concept can be constructed differently in multiple diverse contexts, highlighting the dynamic nature of this construct, always evolving (Von Wallpach, Thomsen, Hemetsberger, Holmqvist & Belk, 2018). In light of this, new and more unconventional notions of luxury have emerged and unsurprisingly empirical investigations of such unconventional luxury are scant (Von Wallpach *et al.*, 2018). Subsequently, academics have called for more research beyond that of classical luxury theory to a broader and more unconventional perspective of luxury (Von Wallpach *et al.*, 2018). The present study therefore adheres to this call for unconventional luxury research by investigating artisanal luxury brands.

Because of the increasingly competitive environment of luxury marketing, and as previously mentioned, brands are displaying a trend of positioning their goods and services as artisanal as a means of differentiation (Bhaduri & Stanforth, 2017:177). In addition, consumers' inherent search for authenticity has also led to luxury marketers using an artisanal positioning strategy (Heine & Phan, 2016; Money, 2017). Research by Beverland and Luxton (2005:103), further describes artisanal goods as those that reject mass-market production, are untainted by commerce and hence should be characterised by authenticity. It is essential to comprehend what is meant by artisanal.

An artisan can be described as a person who is skilled at making items through the use of traditional methods, by hand and only creating limited quantities (Bhaduri & Stanforth, 2017:177). On the other hand, artisanal products are the items made by these skilled artisans, produced using the highest quality materials and resulting in something regarded as special and/or unique (Bhaduri & Stanforth, 2017:177). Lee, Seltzer and Callison (2017:3) further denote artisanal as goods made using manual or handcrafted methods using only natural or local raw materials that results in a product that is not entirely uniform, which is in stark contrast to mass produced goods. Luxury marketers position their products/services as artisanal, displaying their exquisite craftsmanship and hence justifying the premium price tag attached (Bhaduri & Stanforth, 2017:177).

The artisanal movement highlights an emerging phenomenon within the broader category of luxury itself. Traditionally, the market for luxury goods was characterised as being exclusively for a homogenous group of elite and affluent consumers, residing in the top tiers of the world's economy (Stiehler, 2017:13). More emerging research highlights that there has been a growing base of vastly different consumers who rather perceive the meaning of luxury heterogeneously (Stiehler, 2017:13). Previously, luxury consumption was a privilege for those consumers in first world countries, however luxury consumption is evolving in more diverse and emerging markets with a plethora of new consumers (Shukla, 2011; Stiehler, 2017). A 2017 industry report by Deloitte suggests that the percentage of consumers engaging in luxury spend in emerging markets has increased by 70 percent in 2016 compared to only 53 percent of consumers in developed markets (Arienti, 2017:4). Therefore, the

rise of contemporary luxury consumption is reflected by the spectacle of postmodernism.

3.3.1 The postmodern consumer

Although postmodernism can take on numerous meanings, in essence it can be described as a philosophy that refers to a breakdown in thinking away from functional and rational thought (Atwal & Williams, 2009:340). Within the marketing sphere, it is recognised that consumption has become a defining feature of postmodern societies (Atwal & Williams, 2009:340). Postmodern consumers are increasingly overwhelmed with the loss of meaning due to largely fake and commercially orientated brands (Portal, 2017:16). As such, these postmodern consumers are more cynical as they associate many brands with deception, over-exaggeration and trickery (Napoli *et al.*, 2016:1206). In consequence, authenticity as a concept as well as consumers quest for authenticity has become an inherent characteristic of postmodern consumption (Lunardo & Guerinet, 2007; Napoli *et al.*, 2016; Portal, 2017).

In this postmodern era, consumers are motivated to seek out authentic brands that help them with their identity construction as well as a means for expressing their authentic selves (Napoli *et al.*, 2016:1201). Brands that pursue authenticity, deliberately engage in decoupling/down-playing of their daily operations, marketing strategies and commercial proficiencies (Napoli *et al.*, 2016:1204). Brands are rather portraying images relating to artisanal or craft productions, tradition, heritage and forming real personal connections with consumers (Napoli *et al.*, 2016:1204). Brands are increasingly adhering to consumer demand for more local and artisanal products and brands, which are perceived as authentic (Lee *et al.*, 2017:2). Most notably are luxury brands emphasising their products as being artisanal in an effort to meet consumer demand for authenticity.

Postmodernism, applied to a luxury context is evident by the democratisation of luxury. The term, democratisation of luxury is used to insinuate that luxury is no longer solely accessible to a conventional exclusive consumer group, of which is seemingly caused by cultural and structural changes in capitalist countries (Stiehler, 2017:13). Moreover, the sheer abundance of counterfeit luxury products has caused the increased necessity to identify, comprehend and manage the sources of authenticity of luxury brands (Stiehler, 2017:13). The democratisation of luxury has

opened the door to luxury consumption within emerging countries, as such economies themselves are on the rise (Shukla, 2011:8). Consumers within emerging markets, especially the BRICS countries (i.e Brazil, Russian, India, China and South Africa) are major growth drivers within the luxury category (Arienti, 2017:1). Luxury, as previously discussed, is therefore no longer confined to that of developed countries but is now increasingly evident in emerging markets (Choo *et al.*, 2012:81).

Emerging markets can be described as those countries that have rising economies and a growing middle class, however some still have a heightened level of poverty (Stiehler & Tinson, 2015:41). Emerging countries constitute around 80 percent of the worlds population and are representative of 20 percent of the global economy (Stiehler, 2017:14). Even though the income per capita of such countries is lower compared to developed countries, their size of population is truly massive (Stiehler, 2017:14). Combined with promising economic growth and a rising middle class, emerging markets therefore present attractive opportunities for firm's seeking growth (Stiehler, 2017:15). In particular, luxury brands are beginning to notice the untapped potential of emerging countries.

The potential lies in the fact that it has been put forth that annual consumption of authentic luxury brands within emerging markets, especially the BRICS countries, will increase from US\$12 trillion in 2010 to US\$30 trillion in 2025 (Shunmugam, 2015:5). Interestingly, some luxury brands entering these markets have priced their products substantially higher than their country of origin, which may signify the desire and aspiration to purchase luxury in these emerging countries (Stiehler, 2017:15). Significantly, industry reports have argued for the potential of luxury growth within the continent of Africa (Deloitte, 2014; KPMG, 2015). A growing class of wealthy consumers have also been identified in Africa, specifically a youthful population that shows promise for luxury consumption (Stiehler, 2017:16).

Interestingly, industry reports suggest consumers in emerging markets are more likely to shop for luxury goods on mobile devices compared to developed market consumers who prefer physical stores (Arienti, 2017:8). And of those emerging market consumers, approximately 42 percent are Generation Y who make the majority of their luxury purchases online as they are the most digitally-influenced luxury cohort (Arienti, 2017:8). More research has been called for the investigation of

luxury consumption within the context of developing markets and amongst new luxury consumers (Shukla, 2011; Stiehler, 2017).

In the same line as postmodernism and the democratisation of luxury have occurred, so has emerged the idea of 'new' luxury. In essence, new luxury can be described as those products and/or services that hold a higher standard of quality, style and aspiration than other products within the industry, yet are not so exorbitantly expensive that they are out of reach (Atwal & Williams, 2009; Cristini *et al.*, 2017). Moreover, a trend of middle-market consumers trading up to their aspirational needs has been witnessed on a global scale (Atwal & Williams, 2009:339). The democratisation of luxury has resulted in luxury becoming increasingly prevalent amongst new consumers in new markets, and is referred to as new luxury (Cristini *et al.*, 2017:101). Traditionally, luxury was focused on the product and thus defined by the company, whereas new luxury has more of an experiential element and is defined by the consumer (Tynan *et al.*, 2010:1157). Thus, more research is required to investigate the meaning and perceptions of luxury from a consumer perspective.

Notably, the entrance of new luxury has led to the emergence of a noteworthy luxury consumer group, specifically those who start to purchase luxury at a younger age than their parents before them (Giovnnini *et al.*, 2015). These younger luxury consumers, better known as Millennials or Generation Y, have become highly brand conscious and are willing to trade up to greater levels of quality and taste through luxury consumption (Giovnnini, Xu & Thomas, 2015:23). Research by Lee *et al.* (2017:2) states that Generation Y plays a key role in the artisanal movement as they are more willing than the generations before them to pay a premium for products possessing attributes of craft or artisanship. Such a trend toward an increase in demand for local and more premium priced artisanal products and brands is especially evident within South Africa, particularly amongst Generation Y (Stiehler, 2017; Ungerer, Kruger, Vorster & Mansfield, 2015). In addition, South Africa as an emerging market has been identified as an African country presenting remarkable potential for growth in the luxury goods market (Stiehler, 2017:17). There is little research investigating luxury consumption with a focus on the continent of Africa. Therefore, the present study was conducted within the context of South Africa's Generation Y.

3.3.2 South African Generation Y

At the present (2018), South Africa maintains the status of being one of the largest economies in Africa, second only to Nigeria (BusinessTech, 2018). Investors perceive South Africa as the gateway into the African continent in terms of luxury, as the country has clearly shown potential for growth in the luxury market (Stiehler & Tinson, 2015; Stiehler, 2017). Notably, 60 percent of Africa's dollar millionaires reside within South Africa and furthermore the country is regarded as a prime shopping destination for luxury consumers (Stiehler, 2017:17). Also, the middle class is said to be growing in size and these consumers are trading up to their luxury aspirations (Stiehler, 2017:18). The South African population is estimated to be about 55.6 million people, of which 36.2 percent comprises of the youth aged between 15 and 34 (StatsSA, 2016). In the South African luxury market, considering there is little information available, it is important to investigate the behaviours of such young aspirational consumers to develop detailed insights and thus implement effective strategies.

In South Africa, the Generation Y cohort comprises of a significant portion of the total South African population (Van Deventer, De Klerk & Bevan-Dye, 2017:79). Although often debated, a study conducted within South Africa by Van Deventer *et al.* (2017:79) describes individuals within Generation Y as being born between 1986 and 2005. Generation Y consumers are increasingly becoming strategically important as they establish themselves in the workforce. Generation Y consumers exert significant economical authority, are highly influential and have a greater purchasing power than generations before them (Giovnnini *et al.*, 2015:23). As such, Generation Y consumers are largely brand conscious and actively 'trade up' to higher aspiration levels of quality and taste by engaging in luxury consumption (Giovnnini *et al.*, 2015:23). These young adult luxury consumers are different from older generations because they are buying luxury at a younger age and because they are eager to spend when they see something they want (Giovnnini *et al.*, 2015:23). Consequently, there has been limited research despite the growing interest in marketing literature to investigate the luxury consumption behaviour of Generation Y.

South Africa in general is characterised by a high level of uncertainty due to happenings such as distrust in governmental bodies, electricity and water crises, and social unrest evident from frequent public protests as well as unethical corporate

behaviour (Portal, 2017:7). The consequence is that consumers search for cues that will decrease their perceived risk (for example, the risk of purchasing a defective product), in specific the more the uncertainty the higher the likelihood Generation Y consumers will seek out authenticity and engage in anthropomorphism (Zhou, Yang & Hui, 2010). As stated by Stiehler and Tinson (2015:42), authenticity is highly important to those Generation Y consumers who find themselves in uncertain societies and thus consume authentic brands to decrease their perception of ambiguity.

Such a quest for authenticity has initiated a consumer trend within South Africa towards a general preference for artisanal and locally produced goods (Green, 2015:6). As much can be explained by ethnocentrism which refers to the consumer bias in favour of local brands (Zhou *et al.*, 2010:210). In addition, ethnocentrism refers to a consumer's sense of patriarchy toward their country of origin and feel the need to protect the domestic economy and its peoples jobs and thus feel a sense of pride in purchasing locally produced goods (Zhou *et al.*, 2010:211).

In relation to South Africa, as an emerging economy in general, artisan activity is said to be the second largest employer in developing countries, second only to agriculture (Bhaduri & Stanforth, 2017:178). By supporting artisanal activity, both brands and consumers thereby create employment, foster community development, offer sustainable income and conserve traditional techniques and cultures (Bhaduri & Stanforth, 2017:178). Relating to more formal/premium artisanship, luxury brands are subsequently showing their support for the artisan community by stressing the artisanal and handcrafted aspects of their goods and services (Bhaduri & Stanforth, 2017:178). Artisanal luxury in South Africa is becoming especially relevant as is evidenced by the popularity or revolution of craft gin, highlighting consumer's desire for authenticity and general sense of ethnocentrism.

3.3.2.1 Craft Gin

The craft and artisanal movement is a global trend that has inspired the revolution of a number of manufacturing, fashion, food and beverage sectors to innovate in a manner that meets consumer preference for locally crafted goods (Lee *et al.*, 2017:2). The consumer focus on locally produced goods can be described as neo-localism, which is where a consumer searches for a national or local attachment in

response to a loss of connection from their community, country or selves (Fehribach, 2017:6). Consumers look for such brands and furthermore focus on and evaluate whether the brand's products can be deemed as authentic (Fehribach, 2017:6). A return to localism is thus a negative reaction to mass-production therefore appealing to a specific locale can create a strong connection between a consumer and the brand (Green, 2015:25). As the craft industry becomes increasingly more competitive, those brands that appeal to niche and local consumer markets will most probably maintain future success (Green, 2015:25). Research by Fehribach (2017) on craft breweries established the craft industry, in general, can fill consumers' feelings of disconnect due to modern commercialisation satiating their desire for authenticity.

Craft or artisanal products are described as those made with care and skill by an artisan using craft knowledge and expertise (Fehribach, 2017:6). Craft goods are different to other products, as they possess beneficial human qualities such as creativity, autonomy and individuality (Fehribach, 2017:6). Research by Hartmann and Ostberg (2013:887) emphasises there are three key dimensions central to craft production, namely skill, commitment and judgement. The element of skill refers to the fact that all craftsmanship should be quality-driven work that is necessary to reach high-end results (Hartmann & Ostberg, 2013:887). This craft is rooted in skill and knowledge, of which are accrued and passed on in perpetuity from one generation to the next generation (Hartmann & Ostberg, 2013:887). The dimension, commitment, states that without engagement and dedication, high-quality work cannot be achieved (Hartmann & Ostberg, 2013:888). And finally, judgement is a critical element that is expressed in an artisan's cognisance of materials used in the method of production to attain high quality results (Hartmann & Ostberg, 2013:888). In turn, consumers will judge a craft brand based on whether these elements (amongst others) are present deeming it as valuable or not.

Craft gin is a liquor made up of alcohol from either grapes, barley, oranges, hops or sugar cane (Kretzmann, 2018). The flavour itself is derived predominantly from juniper berries, but local craft distillers are creating and innovating using hundreds of other supplementary flavours such as cinnamon, rooibos, local fynbos plants and even truffles (Kretzmann, 2018). Engaging in the artisanal process of craft gin production, in conjunction with the skill, passion, locale and sense of reward attained

through creating artisanal luxury apprises the identity of craft gin brands and distilleries alike (Fehribach, 2017:6). Capitalising on the use of human qualities has led to a diversity of craft gin brand identities in South Africa. Craft brings back a human element, valued by consumers considering mass production has led to a dehumanising mode of manufacturing and a state of alienation (Hartmann & Ostberg, 2013:888). A research study by Hede and Watne (2013) explored the humanisation of brands in the craft beer industry. The study suggested that considering brands are inanimate objects, the only way to effectively reach consumers is by establishing a human connection. It is acceptable to assume the concept of anthropomorphism can be applicable to that of the craft gin industry.

At present there is a large gap between industry and academic knowledge related to craft and more so in relation to the South African craft gin industry. It is apparent both locally and abroad that craft companies are not employing traditional or mainstream marketing tactics in an effort to promote themselves (Green, 2015:5). Due to budgetary constraints, craft brands are employing below-the-line tactics, which refer to marketing techniques that require innovation and creativity (Green, 2015:5). Thus, craft gin distillers fall within the general category of small-to-medium sized businesses. Further research is required to understand the marketing tactics used by these firms (Green, 2015:6). The recognition of craft firm's as small businesses and their potential contribution to the economy can further be extended to South Africa.

As per the South African Department of Trade and Industry, diversification of the liquor industry by means of increased competitive presence in the local market will promote small and medium enterprises, stimulating the economy (Green, 2015:12). Thereby arguing for the important role craft gin distiller's play, not only in the small-to-medium sector but also within the greater South African economy as a whole. In addition, craft brands are typically differentiating themselves by their product, expressly on their processes and use of raw materials (Green, 2015:17). For example, the craft gin brand ClemenGold prides themselves as being the only brand to use South Africa's leading mandarin (clemengold) as a core ingredient to their product. The example emanates the general shift toward authenticity of product and process through deliberately using quality ingredients and handcrafted procedures (Green, 2015:18).

According to Lee *et al.* (2017:2), Millennials or Generation Y, in particular, have been instrumental to the global artisanal and craft movement. Also, Generation Y is more likely to be drawn to the variety of options offered by the craft distilleries (Lee *et al.*, 2017:2). Of significant importance, a study by Money (2017) discovered that Millennials perceive craft brands as an 'affordable luxury' and are thus willing to pay more than for mainstream products. This finding justifies labelling craft gin as an artisanal luxury within the context of Generation Y in South Africa. The desire for something unique and special leads Generation Y away from more mainstream brands (for example, Gordons gin) of which their parents likely consumed (Lee *et al.*, 2017:6). Compared with Baby Boomers, Generation Y are more inclined to pay a premium for goods based on desired features (taste, sustainability, authenticity and locality), making them a significant segment to study as their purchasing power grows (Lee *et al.*, 2017:6). Significantly, Generation Y represents a market segment high in need of authenticity. Therefore, Generation Y is especially relevant to investigate in the context of craft gin brands.

From March 2018, the South African craft gin industry has expanded substantially from a mere handful of products to 135 craft gins that have been created by 65 brands and distilleries (Kretzmann, 2018). The explosive growth of the local craft gin industry is evident from the volume increase, from 5.75 million litres in 2015 to 7.5 million litres in 2017, approximately worth R300 million. The total value of craft gin production is estimated at R1.3 billion (Kretzmann, 2018). For further context, descriptions of South Africa's most prominent craft gin producers is presented in annexure A. Due to the plethora of interesting and unique ingredients; South African craft gins have governed international appeal. Local brands should however be cautious about exporting as to not tarnish their credibility to the local market.

South African craft gin distillers are characterised as small batch, are independently owned, artisanal, make use of traditional as well as innovative distilling techniques resulting in a product that is entirely unique and authentic (Hunn, 2017:8). The growing craft gin trend in South Africa has been identified to be geared toward the young middle class who have acquired a taste for premium spirits due to them leading a more sophisticated and cosmopolitan lifestyle (Hunn, 2017:11). As such these consumers (Generation Y) are becoming a key consumer segment creating substantial demand for local craft gin. The present study aimed to fill a research gap

by exploring South African craft gin brands value creation for their customers, in this case Generation Y, using the concepts anthropomorphism and brand authenticity.

3.4 CONCLUSION

The comprehensive literature review pertaining to value creation highlighted the ambiguity in value research concerning the construct justifying further research into value within marketing literature. The present study aimed to view value creation from a consumer perspective and thus identifies the construct as an outcome to the brand construct, authenticity. In addition, utilitarian and hedonic values were identified as key values created from establishing brand authenticity. The context of the study was presented, specifically investigating South African craft gin brands in relation to Generation Y. In general, there is a considerable lack of academic knowledge within the craft industry as well as a scarcity of in-depth, micro level research on luxury in South Africa (Stiehler, 2017; Ungerer *et al.*, 2015). In conjunction to an in-depth literature review, an empirical investigation was required to gain a better understanding of the concepts brand authenticity, anthropomorphism and value creation in the context of South African generation Y. The following chapter delineates the research methodology undertaken to conduct the investigation.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

Extant research, as outlined in the preceding chapters, has continuously put forth the idea of the inherent consumer quest for products and/or brands that are honest, original, reliable and therefore authentic (Fritz *et al.*, 2017; Guevremont & Grohmann, 2016; Morhart *et al.*, 2015). In an effort to judge the authenticity of a brand, consumers rely on and derive meaning from different cues, namely indexical, iconic and existential cues (Napoli *et al.*, 2016). In addition, the concept of anthropomorphism has been acknowledged as a means to which consumers evaluation of a product/brand can be enhanced (Hart *et al.*, 2013:109). As authenticity has been defined as a consumer evaluation, there is thus the potential for anthropomorphism to be used as a means to enhance consumers' brand authenticity evaluations. Research is required to evaluate whether anthropomorphism may enhance the cues related to brand authenticity.

In a similar vein, there is little to no published research evaluating the concept of value creation as a holistic outcome of brand authenticity. The context of the present study heeds the call for more research into unconventional luxury, conducting this research on the artisanal luxury industry. Specifically those of South African craft gin brands and evaluating the up and coming luxury consumers of the country, Generation Y. This study aimed to understand the possible role that anthropomorphism and brand authenticity play in value creation in the case of artisanal luxury brands. The present chapter is devoted to the research methods applied to accomplish the aim of the study. First, a brief description of the research problem will be reiterated to allow for the context of the study to be understood. The research objectives and relevant hypotheses will follow. Subsequently, the research method will be outlined, which includes secondary and primary research, the measurement instrument design and the sampling plan. The chapter finally closes with an explanation of the data analysis methods utilised.

4.1.1 Problem definition

Due to a rise in commercialisation, globalisation as well as a general increase in global crises such as climate change and political corruption, consumers are actively

in search for that which diminishes their perceived risk (financial, time, et cetera) (Beverland & Farrelly, 2010; Fritz *et al.*, 2017). Postmodern consumers are searching for authentic products and brands. Despite this broad acknowledgement, marketers are generally unaware of how to use and incorporate the concept of authenticity into their brands without being criticised for doing so for commercial gain. In addition, the fault lies in a general lack of research of the concept of brand authenticity as it has only recently captured the attention of academics (Fritz *et al.*, 2017).

Extant research has established that consumers use an assortment of cues to evaluate and judge a brands authenticity, specifically indexical, iconic and existential authenticity cues (Carsana & Jolibert, 2017; Morhart *et al.*, 2015). Although a handful authenticity cues have been recognised, previous academics have called for more exhaustive research to attempt to identify factors underlying brand authenticity (Beverland, 2006; Napoli *et al.*, 2016). Notably, next to no research has been attempted to categorise the various authenticity factors (i.e cues) under the three major brand authenticity cues.

The rise of commercialisation, mass production as well as globalisation has had a dehumanising effect on products and brands (Hartmann & Ostberg, 2013:888). In addition to authenticity, consumers furthermore use the concept of anthropomorphism as a means to alleviate uncertainty and general feeling of isolation. In this light, a link between anthropomorphism and brand authenticity has been established to exist through research by Morhart *et al.* (2015). Yet, no study has been concluded empirically on a relationship between the two constructs or whether anthropomorphism can enhance the effect of authenticity cues. Consumers known to use cues to evaluate a brand are those who purchase luxury goods. In the wake of the rise of authenticity, luxury brands have been presented with the challenge of meeting consumer demand for honest, meaningful and real brands (Fritz *et al.*, 2017). As such many luxury brands are positioning their products as 'artisanal' or 'craft' in an attempt to satiate consumers authenticity desires (Bhaduri & Stanforth, 2017:177). However there is minimal research how luxury brands are to enhance or create brand authenticity.

With the democratisation of luxury, brands positioned as luxury are no longer solely accessible to a conventional exclusive consumer group from first world countries, but

also a growing middle class in emerging markets (Stiehler, 2017:13). Younger consumers, for example Generation Y, are increasingly willing to ‘trade up’ to their aspirations via luxury consumption (Giovnnini, Xu & Thomas, 2015:23). Significantly, Generation Y represents a market segment high in need of authenticity and moreover have been instrumental in a global trend that’s moving toward artisanal and craft related products (Lee *et al.*, 2017:2). In South Africa this trend is evidenced by the shift in consumer preference from that of commercially oriented brands to rather artisanal and locally crafted brands (Green, 2015:5). An example is the craft gin revolution that has become hugely popular within the country. Yet past academics have not applied authenticity and anthropomorphism within an emerging market and artisanal luxury brand setting (specifically craft gin), thereby providing an untapped avenue of research.

The individual tendency to anthropomorphise and consumers’ quest for authenticity have been proposed as a means to create value (Hart *et al.*, 2013; Napoli *et al.*, 2016). The review of previous literature has highlighted many favourable outcomes that can be ascribed to brand authenticity; but no study has taken the holistic view of value creation as a positive consequence to authenticity. Considering that artisanal luxury brands provide an array of value benefits and consumers are value-driven, little is known as to if and how artisanal luxury brands create value through authenticity. Therefore, the present study aimed to understand the possible role anthropomorphism and brand authenticity play in value creation in the case of artisanal luxury brands in terms of South African craft gin amongst Generation Y consumers. The results extracted from the present study therefore may potentially contribute to extant authenticity, anthropomorphism and value literature as well as provide valuable insights to managers seeking to capitalise on an artisanal and authentic brand positioning strategy.

4.1.2 Research objectives

The research objectives to follow were developed after an extensive review of extant literature. The objectives themselves are divided into that of primary and secondary objectives, all of which are related to craft gin.

4.1.2.1 Primary objective

To investigate the possible role of anthropomorphism and brand authenticity in creating value amongst South African Generation Y consumers in the case of artisanal luxury brands.

4.1.2.2 Secondary objectives

To determine whether there is a relationship between anthropomorphism and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

To determine whether there is a relationship between brand authenticity and value creation amongst South African Generation Y consumers in the case of artisanal luxury brands.

To determine whether there is a relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

To determine whether there is a relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

To determine whether there is a relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

To determine whether anthropomorphism moderates the potential relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

To determine whether anthropomorphism moderates the potential relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H₀1a: There is no relationship between anthropomorphism and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H₀1b: There is no relationship between brand authenticity and value creation amongst South African Generation Y consumers in the case of artisanal luxury brands.

H₀2: There is no relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H₀3: There is no relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H₀4: There is no relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H₀5: Anthropomorphism does not moderate the potential relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands

H₀6: Anthropomorphism does not moderate the potential relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H₀7: Anthropomorphism does not moderate the potential relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

4.2 RESEARCH DESIGN AND METHODOLOGY

The following section will outline the proposed method to be used to achieve the aforementioned research objectives as well as whether or not to reject the hypotheses. Secondary as well as primary research methods will be described, followed by the method for data collection, measurement instrument and sampling

plan. The section will conclude with an explanation of the data analysis to be executed.

4.2.1 Secondary Research

To achieve the aforementioned research objectives data were collected from both primary and secondary sources. In specific, review of secondary sources was required to enhance the overall research value of the currently proposed study. The use of secondary sources already contributed to the formation of the background, literature review, objectives and research model of the present study. Sources included articles from academic journals; specifically secondary data were used mainly from the *European Journal of Marketing*, the *Journal of Consumer Research*, the *Journal of Marketing Management*, the *Journal of Consumer Psychology* and the *Journal of Brand Management*.

Research conducted by Carsana and Jolibert (2017), Fritz *et al.* (2017), Guevremont and Grohmann (2016), Morhart *et al.* (2015) and Napoli *et al.* (2016) are examples of researchers who have heeded the call for academic studies into the concept of brand authenticity. Such studies have been conducted recently (2015–2017), meaning the secondary research sources were highly relevant to the present study. Subsequently the various articles presented by these authors provided both reliable and valid scale items used in the present study. The articles highlighted gaps in brand authenticity research that presented the opportunity for further research into the concept, of which was capitalised on within the current study.

Past studies have attempted to establish factors causing authenticity and identify positive outcomes resulting from successfully positioning a brand as authentic (Fritz *et al.*, 2017; Morhart *et al.*, 2015). A review of secondary sources further revealed only one article empirically linking anthropomorphism to brand authenticity (Morhart *et al.*, 2015). Moreover, past research into the concept of brand authenticity, specifically its antecedents and positive outcomes, has mostly used qualitative data (Grayson & Martinec, 2004; Hartmann & Ostberg, 2013; Heine & Phan, 2016). Thus, a holistic quantitative and qualitative investigation into brand authenticity and anthropomorphism was required.

No secondary sources explicitly categorised authenticity antecedents under the three authenticity cues (i.e. indexical, iconic and existential). Similarly, past research highlighted various factors that caused authenticity however; although secondary sources are yet to be exhaustive. In addition no secondary sources examined the possible role anthropomorphism plays in possibly enhancing authenticity and creating value in the case of artisanal luxury brands and in a South African Generation Y context. Primary data were needed to address this gap in research knowledge.

4.2.2 Primary research

Considering secondary data were not readily available to measure the role of anthropomorphism and brand authenticity in the creation of value in the case of artisanal luxury brands and in a South African Generation Y context, primary data needed to be collected to address the research objectives. The following section highlights the research design implemented; the research method (type, category and techniques), measurement instrument used and sampling plan. First, research paradigms need needed to be outlined to provide context as to the research method required for the present study.

4.2.2.1 Research paradigm

Deciding on the research methodology first required the choice of a research paradigm informing the study. A paradigm can be described as a shared view of the world that reflects the beliefs and values within a discipline and that guides the manner in which problems are solved (Bagele & Kawulich, 2012). Philosophical beliefs guide the methodological process about the nature of reality, values and knowledge as well as by the theoretical framework that denotes interpretation, comprehension, research practice and choice of literature on a given research topic (Bagele & Kawulich, 2012). Identifying a paradigm helps the researcher to determine the research method to be used and delineates the exact means to which data will be gathered and analysed.

A research paradigm comprises of four elements: epistemology, ontology, methodology and axiology (Kivunja & Kuyini, 2017:26). Epistemology relates to knowledge and is used to describe how one comes to the truth of something or how one comes to know something (Kivunja & Kuyini, 2017:27). Ontology refers to the

nature of social reality and is concerned with the assumptions made in order to believe that something is real or makes sense (Bagele & Kawulich, 2012; Kivunja & Kuyini, 2017). The methodology element refers to the approaches appropriate for systematic inquiry. Methodology is the broad term for the research design, method and procedures planned out and used in an investigation (Bagele & Kawulich, 2012; Kivunja & Kuyini, 2017). The final element, axiology, refers to ethics and value systems and involves defining, understanding and evaluating the concepts of right and wrong behaviour within a research study (Bagele & Kawulich, 2012; Kivunja & Kuyini, 2017). Research paradigms are characterised by these four elements. Consequently the major research paradigm used in marketing studies is the positivist paradigm.

Positivism posits that the scientific method is the only means to establish truth and objective reality (Bagele & Kawulich, 2012). The positivist paradigm is grounded in what is known within the research method of the investigation (Kivunja & Kuyini, 2017:30). Positivism is regarded as an organised method of merging deductive logical reasoning with accurate empirical observations of people/consumer behaviour (Tuli, 2010:99). A fundamental assumption to this paradigm is that the ultimate objective is to develop the most objective methods conceivable to be an accurate reflection of reality (Tuli, 2010:100). Research within this paradigm relies on logical reasoning, formation and testing of hypotheses, offering calculations, equations and mathematical expressions, to derive conclusions (Kivunja & Kuyini, 2017:30). The positivist paradigm is well suited to meet the objectives of the present study as it aims to provide explanations and make predictions based on measurable outcomes.

Within the positivist paradigm, four core assumptions offer a guide to the study, namely determinism, empiricism, parsimony and generalisability (Kivunja & Kuyini, 2017:30). Determinism dictates that events observed are caused by other factors (for example, brand authenticity is caused by various cues); therefore there are causal relationships amongst factors that need to be understood (Kivunja & Kuyini, 2017:30). Empiricism suggests verifiable empirical data needs to be collected in order to support the theoretical framework and test the formulated hypotheses (Kivunja & Kuyini, 2017:30). The assumption of parsimony relates to the researchers attempts to explain the phenomena in the most economical and efficient manner possible (Kivunja & Kuyini, 2017:30). Finally, generalisability is the assumption the

results obtained from the research study can be assumed to be applicable in other situations by inductive inferences (Kivunja & Kuyini, 2017:30). These four assumptions offered a useful guideline as to the execution of the present study.

As per these four assumptions, the positivist paradigm takes on quantitative research methods as a foundation to understand the relationships embedded within the collected data (Kivunja & Kuyini, 2017:31). Again, the positivist paradigm is relevant to the study at hand considering quantitative methods (in the form of a questionnaire) are required to test the hypotheses and acquire objective and accurate results. More recently, researchers have accepted a less strict paradigm called post-positivism. In post-positivism it is acknowledgement that no matter how stringent a researcher adheres to the scientific method, no study can be totally objective nor unquestionably certain (Bagele & Kawulich, 2012:7). Post-positivism posits that reality can never be completely understood, only approximated, allowing for more flexible/subjective research methods to be interjected (Kivunja & Kuyini, 2017:32). Subsequently, the positivist in conjunction with the post-positivist paradigm allowed the present study to adhere to calls for research requiring a holistic view of brand authenticity. Specifically allowing for the use of both quantitative and qualitative research methods. Allowing for the development of alternative research strategies to find information in creative and unlikely ways (Bagele & Kawulich, 2012). In this light, the research types, categories and techniques can be outlined in more detail.

4.2.2.2 Research types

In the positivist paradigm, the researchers' ultimate aim is to develop a comprehensive theory that describes a particular phenomenon and accounts for certain social and human behaviour (Kivunja & Kuyini, 2017:31). Considering positivism has a descriptive element; the type of research used within the present study was descriptive research. Descriptive research relates to the method of investigation pertaining to presently observed phenomena in terms of practices, conditions, processes, beliefs, trends and relationships (Salaria, 2012:1). Descriptive research is furthermore devoted to the collection of information relating to prevalent situations or conditions for the purpose of description and explanation (Salaria, 2012:1). The descriptive method additionally allows for the inclusion of proper empirical analyses, comparisons and identification of significant relationships (Salaria, 2012:1).

A descriptive research method is well suited to the present study as it is concerned about the characteristics of the individual and the characteristics of the population as a whole (Salaria, 2012:1). Thus, the results of the present study can potentially be generalised to the general South African Generation Y cohort as a whole. Moreover, descriptive research provides the researcher with the opportunity to employ methods of investigating correlations and relationships between multiple variables (Knupfer & McLellan, 1996:1197). In the present study, descriptive research was hence required to test the multiple variables identified from the literature review. Employing descriptive research allows for the use of either qualitative or quantitative research. As much fits within the post-positivist perspective in which researchers adhering to this paradigm believe in using multiple methods in capturing reality and in particular utilise a mix of both qualitative and quantitative research (Tashakkori & Teddlie, 1998:8). A two-phased approach within the post-positivism paradigm subsequently better reflects common understandings concerning both the nature of reality and the conduct of individual and social human behaviours (Tashakkori & Teddlie, 1998:8). Because of the research problem, objectives and developed hypotheses being multifaceted in nature, both qualitative and quantitative approaches were employed in the present study.

4.2.2.3 Research category

The study at hand progressed as a two-fold approach: first qualitative and discovery oriented and then secondarily quantitative and confirmatory. Marketing research has often used a combination of qualitative and quantitative methodologies (Lunardo & Guerinet, 2007). The idea behind using a combination of qualitative and quantitative methodologies or a mixed method approach is to draw from the strengths of both approaches and subsequently minimise the weaknesses from each. The advantage of using a qualitative and quantitative research method is that it enhances validity as well as provides richer data (Johnson, Onwuegbuzie & Turner, 2008:115). Therefore, there will be a balance between subjective and objective interpretation enhancing the results.

Within the research category, the present study also made use of triangulation. The term triangulation can be described as the use of multiple methods (mainly qualitative and quantitative) in researching a singular phenomena for the purpose of increasing the credibility of the study (Hussein, 2015:3). There were two major reasons for using

triangulation in the present study. First for confirmatory purposes and second for completeness reasons (Hussein, 2015:5). Triangulation for confirmatory purposes provides the benefit of validation of the acquired qualitative results by quantitative methods (Hussein, 2015:5). Meaning, triangulation can overcome the challenges related to single-method biases and hence can be applied to confirm the results and conclusions (Hussein, 2015:5). Triangulation for completeness purposes is used to increase a researchers in-depth knowledge and understanding of a phenomenon by combining multiple methods (Hussein, 2015:8). In such a case the researcher starts by employing qualitative research to acquire a rich understanding of the phenomena under investigation (Hussein, 2015:8). Then, quantitative research methods are employed in the form of data collection procedures and analysis to reflect a more comprehensive picture of the phenomenon in question (Hussein, 2015:8). At the methodological level, triangulation is used combining qualitative and quantitative methods.

Phase one of the research design is therefore to collect and analyse qualitative data. Qualitative research is a form of the social inquest that emphasises the manner in which people interpret and make sense of their experiences and the world around them (De Langen, 2003:52). The goal behind the qualitative study was to adopt a consumer-centric and holistic perspective to better understand the lived experiences of the participants without directly referring to specific concepts (De Langen, 2003:52). The purpose of the qualitative study was to gain a better knowledge of consumer perception about what it means to be authentic and how the respondents perceive authenticity in relation to South African craft gin brands. The qualitative research can be considered as a supplementary method to the quantitative component of the study by aiding with conceptual and instrument development (Johnson *et al.*, 2008:115). The results of the qualitative study in coherence with the literature review were therefore used to develop the measurement instrument used in the quantitative phase of the study.

The second phase of the research design was to collect and analyse the quantitative data. The quantitative research approach builds on existing theories and encompasses a numeric and statistical methodology (Williams, 2007:66). Quantitative research is in line with descriptive research as it identifies attributes within a particular phenomenon, establishes relationships empirically and describes

those correlations (Williams, 2007:66). The use of quantitative research is ideal in retort to relational questions of variables within the study (Williams, 2007:66). The goal of applying quantitative research is to establish, confirm and/or validate relationships presenting generalisations that potentially contribute to existing theory (Williams, 2007:66). Additionally, applying triangulation within the quantitative approach confirms the instruments used are appropriate for measuring the concepts in question (Hussein, 2015:5). As the objectives pertaining to the present study were to test relationships between various constructs and describe their influence, the quantitative data provided an ideal means to an end.

The fact that qualitative and quantitative research methodologies are compatible and complementary provides the underpinning for calls for further research studies to apply more mixed methods approaches (Williams, 2007:70). Considering quantitative methods provide an objective measure of reality and qualitative methods allows for exploration, the combination of the two allows for better comprehension concerning complex phenomena (Williams, 2007:70). The use of qualitative and quantitative methods is thus relevant to investigate the role of brand authenticity and anthropomorphism in the creation of value. Since the research paradigm, types and category have been delineated; the technique to which the study was carried out can be described in more detail.

4.2.2.4 Research techniques

The research technique used in the present study was a survey. Surveys are well suited to descriptive studies and are the most common method for generating primary data (Zikmund & Babin, 2010:64). Survey research is most prevalent under the positivist and post-positivist paradigm as they only provide approximations for the true population, not exact measurements (Kivunja & Kuyini, 2017:37). Surveys are especially relevant to the present study considering they are ideal tools used to explore relationships between multiple variables (Knupfer & McLellan, 1996:1199). A more substantial research contribution can potentially be made in comparison to researchers who only focus on a singular variable.

A survey method is a popular approach in marketing research for a number of reasons. One reason is that data collection is the function of correctly designing and implementing a measurement instrument (Shukla, 2008:48). In comparison with

explorative designs, surveys require less stringent moderation, communication and interpretive skills of the researcher (Shukla, 2008:48). Another reason is that the researcher can precisely implement a methodology that directly answers who, what, why and how questions about the marketplace (Shukla, 2008:48). Surveys provide the advantage of allowing for the acquisition of large sample sizes that increase the generalisability of the results (Shukla, 2008:48). In addition, surveys allow the researcher to easily employ robust statistical analyses on the collected data to provide precise and accurate results (Shukla, 2008:42). Despite the obvious advantages of surveys, the method itself is not without limitations.

It is especially important to control and reduce total survey error to increase the reliability and validity of the survey data. Total survey error may arise in the design, collection, processing and analysis of the survey data and is referred to as the accumulation of all errors (Biemer, 2010:817). An important means to reduce total error is to precede the main data collection process with a pre-test or pilot study (Biemer, 2010:837). A pre-test or pilot study aids the researcher in identifying the best data collection strategy. It also helps identify any potential flaws and errors that can easily be corrected before the main study (Biemer, 2010:837). Moreover, the processing of the collected data is critically important to reduce any error such as nonresponse bias optimising the quality of the data (Biemer, 2010:837). Ultimately, the research methodology within the present study was designed with adherence to the highest precision with the notion of reliability, validity and generalisability in mind.

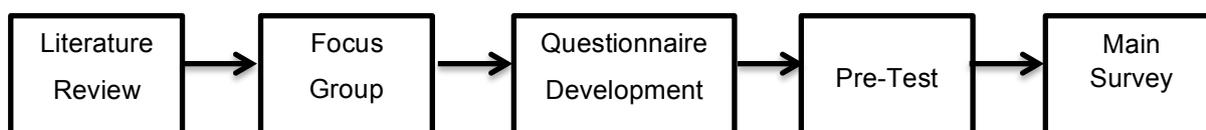
The survey approach used was both a self-administered and an interactive interview. In phase one of the research design, relating to qualitative data collection, an interactive interview was conducted. An interactive interview involves face-to-face communication during which the interviewer asks participants to provide answers to a multitude of questions (Zikmund, Babin, Carr & Griffin, 2013:207). The results were used in the development of the self-administered questionnaire, which subsequently collected the quantitative data. A self-administered questionnaire involves the respective respondent taking the responsibility for reading and responding to provided static questions (Zikmund *et al.*, 2013:217).

Notably, there are three main techniques that can be employed in survey research, namely Delphi, longitudinal and cross-sectional. The Delphi technique entails the

constant refining of information into a refined set of data (Knupfer & McLellan, 1996:1200). It involves asking questions then revising those set of questions based on the previous responses, repeatedly (Knupfer & McLellan, 1996:1200). A longitudinal technique includes trend and panel studies and is generally administered at different periods of time in order to investigate changes or explore time oriented associations (Knupfer & McLellan, 1996:1199). Finally, cross-sectional surveys involve collecting data from any given sample of a population once and at one point in time (Shukla, 2008:42). A notable aspect of a cross-sectional study is 'cohort' analysis. Cohort analysis entails surveying a group of respondents who experience the same life events at the same time (Shukla, 2008:42). Therefore, a cross-sectional study is ideal in examining the behaviours of the Generation Y cohort.

In its entirety, using a survey provided a rapid, economic, effectual and accurate means of evaluating information concerning the target population (Zikmund & Babin, 2010:191). A noteworthy advantage of using a survey is that it produces empirical data, meaning the results are based on real-world observations (Kelley, Clark, Brown & Sitzia, 2003:262). A critical element of a survey research technique is a well-designed data collection instrument (Knupfer & McLellan, 1996:1199). Two collection procedures associated with surveys are questionnaires and interviews. Both were employed in the present study. To provide clarity as to the sequential steps employed within the present study, Figure 4.2 below depicts the survey development.

Figure 4.2 Survey Development Steps



4.2.3 Measurement instrument

To achieve the research objectives of the study, the means to which data was collected was via a focus group interview and a questionnaire. Qualitative data were collected by means of a focus group. A focus group was ideal for gathering as much information possible relating to respondents authenticity perceptions. Quantitative data were gathered using a questionnaire that provided the benefit of speed, cost-effectiveness and ease of analysis. The following section outlines the focus group discussion and questionnaire development, the variables and types of scales used,

sources of pre-tested items and a discussion on the reliability and validity of the study.

4.2.3.1 Focus group development

In the first phase of the study, qualitative data were attained using a semi-formal focus group discussion. The focus group discussion was regarded as semi-formal considering the researcher was the moderator and university students were recruited to participate. A goal of the focus group was to encourage respondents to feed off each others comments and generate ideas that would otherwise be difficult to express in any other measurement formats (Zikmund & Babin, 2010:61). In particular, the focus group was used to gauge respondents' current conceptualisations of brand authenticity. The discussion was also used to establish whether factors causing authenticity identified from secondary sources could be applied to the South African Generation Y cohort.

The number of participants is an important consideration as the success of the focus group relies on group dynamics and participant willingness to engage (Shukla, 2008:35). Between five and ten respondents, equally representing male and female university students, representative of Generation Y were required. In addition, only participants who had experience with South African craft gin brands were recruited to elicit thoughts, ideas and perceptions related to that specific area of interest. Another important consideration was the focus group protocol to ensure consistency throughout the discussion (Harrell & Bradley, 2009:86). Careful consideration was given to the types of questions asked during the focus group.

Considering the present study falls under the umbrella of descriptive research, the types of questions asked was descriptive in nature. Descriptive questions provide a greater understanding for the researcher and are appropriate to the present study as they add depth to the quantitative analysis (Harrell & Bradley, 2009:86). A discussion guide was compiled to provide guidance during the focus group session that was semi-structured to ensure questions and participant responses maintained flexibility and consistency. Moreover, the questions were asked inductively, proceeding from general to specific. The focus group session was audio recorded and field notes were taken by the moderator to enrich the recorded discussion. Signed consent was

obtained from all participants prior to the recording and commencement of the session.

A focus group provides multiple advantages, such as allowing for multiple perspectives, flexibility as well as being relatively fast and easy to execute (Zikmund & Babin, 2010:143). A focus group is important within the present study not only to identify factors leading to authenticity but to see whether respondents within an emerging market have different conceptualisations of what is authentic compared to respondents from developed countries as stipulated in the secondary sources. Authenticity antecedents identified in previous studies may or may not affect South African respondents. The focus group was developed to understand South African Generation Y respondents' desire for authenticity better. Finally the authenticity cues identified from secondary sources as well as the focus group discussion were empirically tested with quantitative data using a questionnaire along with the stated relationships in the objectives. The focus group assisted in the construction of the questionnaire and added depth to the quantitative analysis.

4.2.3.2 Questionnaire Design

In the second phase of the study, the required quantitative data were gathered using a self-administered online questionnaire. A questionnaire has the ability to measure emotion, intention, behaviour and cognition making it an ideal measurement instrument for the present study (Rattray & Jones, 2007:235). The advantages a questionnaire provides includes ease of analysis, quick to complete and cost effectiveness (Rattray & Jones, 2007:235). It is crucial the questionnaire is well designed as much affects the response rate, reliability and validity of the collected data (Vosloo, 2001:339). Factors employed that maximise response rate, reliability and validity in the present study as suggested by Vosloo (2001:340) include: clear and concise construction of individual questions, appropriate layout, articulate explanation concerning the purpose of the study and pilot testing.

The questionnaire was designed to ensure respondent anonymity. A cover letter (refer to annexure B) was presented at the forefront of the questionnaire explaining the purpose of the study, important information pertaining to the completion of the questionnaire as well as assurance of respondent confidentiality. In accordance to the present study, the questionnaire was designed in alignment with the literature

review, the proposed research model, the semi-formal focus group and the overall research objectives. As a result, the subsequent quantitative data were built and connected to the qualitative results. The cues identified as authenticity antecedents in the focus group and from secondary sources were categorised under the three major authenticity cues (indexical, iconic and existential) and quantified via the questionnaire.

The questionnaire was furthermore constructed to collect responses in an unbiased manner. Synodinos (2003) suggests there are a number of issues to consider in the design of a questionnaire, namely question wording, response choice and question sequence. Question wording can have a pronounced effect on the acquired results and should ask respondents information that is easily accessible (Synodinos, 2003:226). Question wording should hence be clear and concise so that all respondents understand and interpret it as the researcher intended (Synodinos, 2003:227). Questions should include familiar words used by the target population and avoid any slang or jargon (Synodinos, 2003:227). Importantly, questions must be asked as neutral as possible to avoid leading (suggesting a desired response) and loaded (emotionally charged) questions (Synodinos, 2003:227). Finally, each item should only be concerned with a single issue (Synodinos, 2003:227). Items used in the questionnaire of the present study were worded in a manner in accordance to the considerations above.

The consideration of response choice is based on format; meaning questions should be classified as either open-ended or close-ended. An open-ended format requires respondents to phrase their own answers as opposed to selecting a provided choice (Synodinos, 2003:228). A closed-end format on the other hand selects one/more answers from a given set of alternatives provided by the researcher (Synodinos, 2003:228). Considering open-ended questions require a considerable amount of respondent input, a closed-end format was rather employed within the present study. It is important that the closed-end question should be all-inclusive and mutually exclusive, in that they should cover all possible response options and not overlap (Synodinos, 2003:228). The types of scales that were used for each of the response choices are discussed in later sections.

The question sequence is another important consideration in the design of the questionnaire. The context in which a question is presented can influence a respondents answer, and occurs when a previous item influences subsequent questions (Synodinos, 2003:229). To mitigate order bias it is best to conceptualise a questionnaire as consisting of three main parts: introduction, demographics and main body (Synodinos, 2003:229). Respondents needed to click on a link disseminated via Facebook to access the questionnaire, of which proceeded with the introduction section, followed by demographics, screening and craft gin brand selection. The introduction of the study was provided in the covering letter and provided a description of the study, why the respondent was selected, information on how to complete it and information on how the respondent's privacy is protected. Various screening questions were placed after the introduction and were used to select respondents who best meet the criteria. Respondents were screened based on age (Generation Y), whether they were South African residents and whether they drink craft gin or not. Respondents not part of the target population were excluded from the study.

In addition, respondents were provided with a list of 14 South African craft gin brands and asked to select the one they were most familiar with. The brands selected for the questionnaire were chosen according to South African retailers best sellers (YuppieChef, The Bottle Shop, Cyber Cellar, Takealot) as based on rank of popularity. Additionally, participants from the focus group discussion were asked to name their favourite craft gin brands, which accordingly were selected as being part of the main questionnaire. A description of respondents chosen brand was consequently provided within the questionnaire of which can be viewed in the annexure B. The remainder of the questionnaire was based off the respondents chosen craft gin brand.

The second part of the questionnaire pertained to demographic questions including income level, place of residence and craft gin drinking habits. Such questions were included to gage a better description of the population under investigation. The third part was the main body of the questionnaire that contained the topical and descriptive questions relating to brand authenticity, authenticity antecedents, anthropomorphism and value creation. Questions were ordered logically with similar sections grouped together (antecedents) and subsequently the questions within each

were randomised. Final considerations pertaining to the questionnaire design included whether the questionnaire was professional in appearance, formatted for ease of answering and whether all the questions made logical sense. Such considerations were employed in the current study through feedback from the pilot study.

4.2.3.3 Variables and scale types

Accordingly, the independent variables investigated were indexical, iconic and existential cues. The dependent variables were brand authenticity and value creation and finally anthropomorphism was proposed as a moderating variable. The dominant scale used to test the stated variables was a Likert scale. A Likert rating scale necessitates a respondent's indication of the level of agreement in relation to a specific question item on a given continuum (Vosloo, 2001:341). A seven-point multiple item Likert scale was used for this study to ensure sensitivity of the data and was anchored at strongly disagree (1) to strongly agree (7). The Likert scale provides the advantage of ease of development, simply comprehensible for respondents and is a scale that is widely used in marketing research (Shukla, 2008:78).

In accordance to authenticity cues identified from secondary sources the same type of scale was used from those sources that further included a semantic differential scale. A semantic differential scale uses bipolar adjectives to anchor the beginning and end of each scale item and for the present study consisted of seven-point rating scales (Zikmund *et al.*, 2013:317). An important consideration is the need for polar opposite adjectives holding the end of each scale to ensure validity of the item (Zikmund *et al.*, 2013:318). Results from the qualitative analysis were required before the scale items for the indexical, iconic and existential cues could be sourced for the questionnaire. For the purpose of the current study pre-tested scales items were used to test the stated hypotheses.

4.2.3.4 Pre-tested items

Previously tested scale items from secondary sources were used to compile the questionnaire to ensure adequate and robust measurement. With the importance of question wording in mind, items necessitating rewording were done so accordingly. Fifteen reliable and valid items were used from a comprehensive brand authenticity scale developed by Bruhn *et al.* (2012) that demonstrates discriminant validity to

measure authenticity. The questionnaire incorporated a widely used scale developed by Choo *et al.* (2012) to test the construct of value creation. The scale included the value outcomes of hedonism and utilitarianism and was established within the luxury market. With regards to anthropomorphism, previously tested items were identified from a number of sources including research by Akalis *et al.* (2008), Morhart *et al.* (2015) and Waytz, Cacioppo and Epley (2010). Most importantly these items must reliably operationalize the central concepts identified in the literature review and objectives and furthermore must be relevant and appropriate to the target population (Rattray & Jones, 2007:235). The items that were used in the questionnaire are provided in the annexure B.

Multiple items rather than a single item were used to measure each individual construct thus allowing for an accurate range of responses disclosing respondents' genuine perceptions (Zikmund & Babin, 2010:348). There are a number of reasons for such a stance. First, using only a single item to measure a construct has substantial random measurement error and thus is unreliable (Gliem & Gliem, 2003:83). Measurement error can only be calculated out when individual responses are summed up to create a total average score (Gliem & Gliem, 2003:83). A second reason pertains to the fact that a single item can only categorise respondents into extremely narrow and small groups severely lacking precision (Gliem & Gliem, 2003:83). Most significantly, a single item lacks depth of scope and cannot wholly represent a complex theoretical concept (Gliem & Gliem, 2003:83). Therefore, multiple item scales are consequently used within the present study as they provide enhanced levels of reliability and validity. However the variable 'brand scandal' could only be measured with a single item as there is no large and comprehensive scale for the concept in extant literature.

4.2.3.5 Reliability, validity and generalisability

There are multiple sources of error when it comes to the measurement of a phenomenon ensuring an appropriate scale. Three dynamic constructs need to be adhered to namely, reliability, validity and generalisability (Shukla, 2008:81). Reliability refers to the extent to which the acquired results are free from error and essentially is when numerous efforts at measuring something converge on the same result (Vosloo, 2001:342). Although achieving perfect reliability is extremely rare there are various means to which reliability can be maximised (Vosloo, 2001:342).

Examples include increasing the number of items used per concept, deleting unclear items, moderating the degree of difficulty of the questionnaire as well as pre-testing (Vosloo, 2001:342). Additionally there are multiple procedures that exist to establish the reliability of an instrument, such as test-retest, Cronbach's coefficient alpha, the split-half technique and alternative form methods (Vosloo, 2001:342). For the purposes of the current study, a pre-test was conducted using a composite reliability score via SmartPLS to measure the reliability of the questionnaire.

Coefficient alpha in general is the most widely used statistic used to measure reliability. However, coefficient alpha has been increasingly criticised for underestimating the true reliability of a measure resulting in a downward bias in alpha (Peterson & Kim, 2013:194). There is approximate universal agreement that unless there is tau-equivalency, coefficient alpha is a lower bound on true reliability (Peterson & Kim, 2013:194). Numerous alternative estimators of true reliability have been preferred, one in particular being composite reliability. Based on structural equation modelling, composite reliability produces a better measure of reliability because construct loadings/weights are allowed to vary, as opposed to coefficient alpha where the weights are constrained to being equal (Peterson & Kim, 2013:194). For the current study composite reliability was computed. A score of 0.7 and above was considered acceptable and therefore reliable (Lowry & Gaskin, 2014:137).

A measure deemed as valid refers to the extent to which variances in retrieved scale scores reveal the true differences amongst items based on the concepts being measured (Shukla, 2008:82). Moreover, validity is an integrated assessment of the extant empirical evidence and theory can support the appropriateness and acceptability of the interpretations and conclusions made from the results (Terpstra, Kuijlen & Sijtsma, 2014:2720). By testing validity, the researcher can establish whether the instrument is measuring what it is intended to measure (Shukla, 2008:82). Although there are many types of validity, the common techniques used to assess the validity of a measurement instrument include: face validity, content validity, criterion validity and construct validity (Shukla, 2008; Vosloo, 2001).

Face validity indicates the parallels between the researchers description of constructs and the description of the categories measured (Vosloo, 2001:349). Face validity determines whether a questionnaire after a superficial assessment, seems to

look valid (the face of it) in order for a respondent to not meet resistance when completing the questionnaire (Vosloo, 2001:349). To establish face validity requires that each question or item within the questionnaire has a logical link to the relevant research objectives (Vosloo, 2001:349). The terms face validity and content validity are sometimes used interchangeably but should not be thought of as synonymous (Vosloo, 2001:348). Content validity rather emphasises the establishing and testing the questionnaire items to confirm that they capture the meaning that underpins the concepts under investigation (Cho, 2011:44). Both face and content validity are subjective evaluation techniques and should be used in conjunction with criterion and construct validity.

Criterion validity relates to the capability of a measure to correlate with other typical measures of either similar constructs or established measures (Vosloo, 2001:349). It entails examining whether the measurement instrument performs as intended by the researcher in relation to other variables selected based on significant criteria (Shukla, 2008:82). In terms of construct validity, establishing validity entails the extent to which a questionnaire measures a theoretical concept or trait (Vosloo, 2001:346). Construct validity involves determining whether the acquired test score represents and thus underpins the concepts of interest and is not tainted by other external variables (Terpstra *et al.*, 2014:2721). In essence, construct validity can be thought of as the bridge between theory and the measurement scale (Shukla, 2008:82). According to Churchill (1979), construct validity can be established by first identifying the extent to which the measure correlates with other measures used to assess the same construct, and second whether the measure performs as expected. In addition, construct validity is divided into three parts: convergent, discriminant and nomological validity.

Convergent validity brings into focus as to how well the scales measurement positively correlates with different measures of an equivalent scale (Shukla, 2008:83). Convergent validity plays an important role in indicating the degree to which a measurement compares with other methods developed to measure the same concept (Churchill 1979:70). Discriminant validity relates to ensuring the measurement scale does not drastically correlate with other concepts that are operationalised to be different (Shukla, 2008:83). In other words, displaying discriminant validity highlights the extent to which the measure is undeniably original

(Churchill 1979:70). It is important to establish both convergent and discriminant validity in order to decrease the total amount of measurement error.

Finally, to ensure the appropriateness of the measurement instrument it is important to maximise generalisability. The generalisability of the study is a major consideration of the positivist paradigm and dictates whether the results obtained in one context can apply to other situations through inductive inferences (Kivunja & Kuyini, 2017:31). Collected data can be maximised for generalisability by recruiting a large number of respondents and hence a well-designed sampling plan (Harrell & Bradley, 2009:10). As much is outlined in detail in later sections. Ultimately, for the purposes of the current study reliability and validity were assessed via pre-testing of the measurement instrument.

4.2.3.6 Questionnaire pre-testing

It is essential that after the questionnaire be constructed that it underwent a pre-test. Pre-testing aids researcher in refining the measurement instrument and the fieldwork procedures (Synodinos, 2003:231). It should be viewed as an iterative process with the goal of perfecting the questionnaire for its intended purpose (Synodinos, 2003:231). Based on the findings from the pre-test, various aspects were restructured and relevant items were reworded where necessary. About the present study, the pre-test was conducted with potential respondents as well as with the intended questionnaire administering method. The results were preliminary and only used in the assistance of designing the measurement instrument. A more in-depth analysis of the pre-test follows in chapter five.

4.2.4 Sampling procedure

The sampling plan for the present study is outlined in the following section. The sample size, who was sampled and how the sampling units were selected is delineated.

4.2.4.1 Target population

For the purpose of the present study the target population consists of Generation Y male and female South African consumers who drink craft gin. The Generation Y cohort consists of individuals born between the years 1986 and 2005 (Van Deventer, De Klerk & Bevan-Dye, 2017:79). However for ethical reasons the target population

consisted of respondents aged between 18 and 32 years as the legal drinking age is 18 in South Africa. Research by Green (2015) suggested that South African consumers consuming craft products are generally are of a wealthier income bracket. The target population also resides in the upper levels of the Living Standards Measure (LSM), in particular LSM level seven to ten.

Generation Y is growing to be the largest generation group worldwide, the most educated and represent a sizable and increasing segment of the workforce (Van Deventer & de Klerk, 2012:700). Generation Y is also expected to become the wealthiest generational cohort in history (Van Deventer & de Klerk, 2012:700). This expectancy makes Generation Y an important group to study in the case of artisanal luxury brands, which require consumers to pay a price premium. In South Africa during the year 2016, Generation Y covered nearly 38 percent of the country's 55 million residents (Van Deventer *et al.*, 2017:79). Moreover, in South Africa there is a noted shift in Generation Y preference toward locally produced goods as well as brands that provide provenance and authenticity (De Fleuriot, 2017). According to De Fleuriot (2017), South Africa's Generation Y highly rank creativity and innovation when choosing a brand.

South African craft gin brands have in particular captured the attention of the younger, Generation Y market (Osbourne, 2018). As much can be attributed to these younger consumers being more open to experimenting with flavours and especially with the unique botanical properties of South Africa's craft gins (Osbourne, 2018). Another trend within the craft gin industry appealing to South African Generation Y is the concept of localisation (Osbourne, 2018). Craft gin brands are subsequently highlighting their use of indigenous ingredients unique to the area the gin is distilled in (Osbourne, 2018). Also, craft gin as a niche product is most significantly aimed at the premium Generation Y consumer market. South African Generation Y consumers represent a market segment of significant value to artisanal luxury brands, making it important to better understand this cohort's underlying consumption motives. Craft gins can therefore satisfy Generation Y's desires by being an authentic lifestyle drink that involves innovation from local distilleries.

4.2.4.2 Sampling Technique

A non-probability sampling technique was used to acquire respondents to investigate South Africa's Generation Y authenticity and artisanal luxury consumption motives. As mentioned, the sampling units of choice for the purpose of the present study are South African Generation Y consumers that drink craft gin. A non-probability technique involves the selection of sample units by subjective judgement or accessibility (Zikmund & Babin, 2010:423). The procedure of a non-probability sampling technique used in the current study was convenience sampling.

Convenience sampling involves sampling members of the target population who meet practical criteria, such as geographic proximity, willingness to participate, easily accessible or those who are available at a given time (Etikan, Musa & Sunusi, 2015:2). The major advantages that convenience sampling provides is that it is easy, affordable and respondents are readily available (Etikan *et al.*, 2015:2). Another reason convenience sampling was used in the present study is that it provides the advantage of being able to be applied to both qualitative and quantitative studies (Etikan *et al.*, 2015:3). Finally convenience sampling was used as it emphasised generalisability (Etikan *et al.*, 2015:4).

Ultimately, convenience sampling was used to find respondents most easily accessible and was done by having a link to the online questionnaire posted on the social media website, Facebook. As per Statista (2018) there are 18.63 million South African Facebook users as of 2018, which is projected to increase to 21.92 million users by 2022. Additionally, Facebook has the highest number of South African users of all social media platforms, with 52 percent of South Africans stating Facebook their social platform of preference (Statista, 2018). Therefore, justifying the use of Facebook as the platform to which the questionnaire was disseminated.

A potential bias that may be introduced by convenience sampling is that the sample is not representative of the target population. Screening questions were also used to mitigate such bias. The addition of screening questions ensures that the target population were represented on relevant traits as required by the research at hand (Zikmund & Babin, 2010:425). For the current study, screening questions were used to obtain South African Generation Y consumers. In particular, screening questions in the measurement instrument were devised for respondents in South Africa aged 18

to 32 (i.e. Generation Y cohort) and consumers who drink craft gin. To be able to ensure meaningful statistical analysis and acquire reliable results a sample size of at least 300 respondents was chosen based on judgement as it is within the range of other studies of a similar nature such as Bruhn, Heinrich, Schoenmuller and Schafer (2012), Fritz *et al.* (2017) and Morhart *et al.* (2015). Consequently, the manner in which the data was eventually collected is important.

4.2.5 Data collection and fieldwork

The sampling units were recruited using both an interactive and non-interactive survey approach. The interactive approach allows two-way communication between the respondent and interviewer, allowing a dynamic exchange to be made possible through a face-to-face interview (Zikmund & Babin, 2010:211). Face-to-face contact was made with the respondents through the focus group of which entailed questions being read out and answers recorded. The focus group was conducted at a designated location and at a set time with a group consisting of six people. The respondents were screened based on relevant characteristics, specifically living in South Africa, being between the ages of 18 and 32 and having experience drinking craft gin.

The main part of this primary phase involved a non-interactive approach, which does not facilitate two-way communication but rather getting respondents to provide answers to fixed questions (Zikmund & Babin, 2010:211). Due to its efficiency, an online questionnaire was used to attain a wider spread of respondents as opposed to measuring students from a singular university solely. The most prominent advantage of using an online questionnaire is its speed and cost-effectiveness (Zikmund & Babin, 2010:232). Using the Internet to disseminate the questionnaires also increases the chance respondents provide honest answers as anonymity can be assured.

Facebook is a expedient tool for distributing information and communicating with others, making it not only attractive to Generation Y but also an effective means of obtaining the target respondents (Bevan-Dye & Akpojivi, 2015:115). According to Bevan-Dye and Akpojivi (2015), a large portion of Facebook's user population is made of the Generation Y cohort. Prior to posting the link of the questionnaire on Facebook as well as conducting the focus group, ethical clearance was acquired

from the Department of Ethics Screening Committee (DESC) of Stellenbosch University to ensure that the measurement instruments met the criteria of correct ethical standards. In addition, an incentive was expressed to respondents that after the completion of the questionnaire they would be entered into a lucky draw to potentially win a bottle of craft gin. Respondents could choose to be entered into the lucky draw by providing their email address at the end of the questionnaire; the winning respondent was contacted accordingly. The link was furthermore published for a period of four weeks before the required number of respondents was recruited.

The electronic questionnaire itself was compiled using the computer program Qualtrics and an online link to the questionnaire was subsequently posted on Facebook. The questionnaire had a cover letter assuring respondent confidentiality and explaining the study, refer to the annexure B. Furthermore, screening questions were placed at the beginning to ensure the desired quota of respondents was collected. In addition, previously tested and reliable scale items were used from secondary sources and multiple items were used to measure a single variable. Using the social networking site Facebook to send out the questionnaires was an ideal means to gain a large number of respondents. Having a large sample size aided in the generalisability of the study and ensured the data analysis was more accurate and meaningful.

4.3 DATA ANALYSIS

The following section provides a description of how the collected qualitative and quantitative data were analysed using both descriptive and inferential statistics. Emphasis was further placed on ensuring the analysis provided reliable and valid results. The statistical software tool used to carry out the analyses was SmartPLS (version 3.2.7). SmartPLS is a software application for Partial Least Squares Structural Equation Modelling (PLS-SEM) and is frequently used by marketing researchers (Wong, 2013:3).

4.3.1 Descriptive analysis

Considering the qualitative data falls under the umbrella of descriptive research, and the qualitative study needing to precede the quantitative study, the qualitative data analysis was conducted first. The qualitative data analysis is the interpretation and classification of linguistic (and sometimes visual) material to make conclusive

statements about implicit and explicit concepts (Flick, 2014:5). In addition, qualitative data analysis is used to describe phenomena relating to a certain field and aims to arrive at concluding statements (Flick, 2014:5). The aim of the qualitative analysis for the current study was to describe the phenomenon in question in greater detail. Based on the discussion recorded from the focus group, a description of respondents' authenticity perceptions was outlined.

Two basic approaches that were employed in the qualitative data analysis namely, deductive and inductive analysis. The deductive analysis involves confirmation of information for the researcher (Harrell & Bradley, 2009:100). In this sense, deductive analysis was used to confirm whether authenticity cues identified from secondary sources could be applied to the South African Generation Y cohort. The second approach, the inductive analysis explores the collected data for any issues or unexpected relationships that emerged (Harrell & Bradley, 2009:100). The inductive analysis was used to identify whether any additional authenticity cues existed for South African Generation Y and furthermore and new information about respondents authenticity perceptions.

Relating to the quantitative data, the descriptive analysis involved the simple conversion of raw data in a way that explains the important features such as distribution and central tendency (Zikmund & Babin, 2010:516). Ultimately, the use of descriptive analysis is ideal due to its capability of summarising responses from a large sample in a few simple statistics (Zikmund & Babin, 2010:516). As the level of scale measurement for the Likert scale was interval, the appropriate statistical tools used were therefore means, median and standard deviations (Zikmund & Babin, 2010:517). For demographic data, the level of scale measurement was either nominal or ordinal and therefore frequency tables, proportions and modes are appropriate (Zikmund & Babin, 2010:517).

Methods of central tendency include three ubiquitous measures: the mean, the median and the mode. The mean is used for both interval and ratio levels of measurement and is merely the sum of scores divided by the number of scores giving an arithmetic average (Jankowski & Flannelly, 2015:45). The mean takes into account all the information presented in the data, expressly the value of each observation and the number of total observations (Jankowski & Flannelly, 2015:45).

The median, as a measure of central tendency, relates to ordinal, interval or ratio levels of measurement and is merely the value in the middle of the data (Jankowski & Flannelly, 2015:41). The median can be used to measure all the variables related to the present study. Lastly, the mode indicates the most frequently occurring observation within the dataset (Jankowski & Flannelly, 2015:40). The mode as a measure of central tendency can precisely portray data on a nominal level of measurement (Jankowski & Flannelly, 2015:40). The mode is useful for the current study in describing demographic data such as age, income and place of residence.

The standard deviation is useful in describing the interval level data collected from the questionnaire. Standard deviation is described as a quantitative index that is capable of measuring the spread of distribution or variability of the data (Zikmund *et al.*, 2013:417). Used as a means to calculate the dispersion of data, the standard deviation shows how the observations may vary from the mean (Zikmund *et al.*, 2013:415). Within the descriptive analysis, frequency tables can be used to describe the dataset. Frequency tables involve an organised dataset by summarising the number of times a particular value of a variable arises (Zikmund *et al.*, 2013:3411). In other words, a variables' frequency distribution is the actual number of responses recorded to each category within the study (Zikmund *et al.*, 2013:486). Ultimately, a frequency table is generally illustrated using a histogram. In addition, a frequency distribution was used in the current study to assess dispersion in conjunction with the statistics Skewness and Kurtosis.

The descriptive analysis furthermore included an assessment of the normal distribution of the data. A normal distribution needs to fall within the +3 and -3 standard deviations of the mean and is depicted by a bell-shaped symmetrical distribution curve (Zikmund *et al.*, 2013:418). Commuting Skewness and Kurtosis can assess normal distribution. A symmetrical distribution of a normal distribution is inferred by a skew value of zero (Kim, 2013:52). A positive skew denotes that the tail on the right of the curve is longer than the left side of the distribution, hence the majority of values lie on the left side of the mean (Kim, 2013:52).

In relation to a negative skew, the opposite is true. Moreover, skewness should reside within the range of -1 to +1. Kurtosis as a measure can be described as the 'peakedness' of a distribution (Kim, 2013:52). The rule of thumb relating to kurtosis

includes a normal distribution to be within the range of values of -2 to +2. A realised sample will be provided within the descriptive analysis interpreting the nature and composition of the acquired sample (i.e. age, distribution and gender). The computer program Excel provides a basic data analysis tool that allows descriptive statistics to be computed. Considering descriptive statistics are only focused on the sample itself, inferential statistics are required to test the aforementioned stated hypotheses.

4.3.2 Inferential analysis

An inferential data analysis was conducted to determine whether any significant relationships exist as proposed in the research objectives and indicated on the proposed model. Inferential statistics allow the interpretation of data from a sample that can be applied to an entire population (Zikmund & Babin, 2010:440). Due to there being multiple dependent and independent variables as well as the data being metric, Partial Least Square Structural Equation Modelling (PLS-SEM) was used to test the research model in Figure 4.1. The use of PLS-SEM is ideal as it can provide a researcher with copious ways for evaluating and adapting relationships amongst tested constructs and further offers the potential for advancing the development of a theory (Kolar & Zabkar, 2010:657). The software SmartPLS was used to execute the PLS-SEM.

It was necessary to first determine the reliability of the collected data, before executing the main inferential statistics. As with the pre-test, composite reliability was computed to establish the reliability of the primary data set. Composite reliability measures the internal consistency of the data and should be equal to or above the recommended threshold of 0.7 (Lowry & Gaskin, 2014:137). Additionally, using composite reliability via structural equation modelling has the capacity to empirically evaluate and overcome some of the restrictive postulations of coefficient alpha (Peterson & Kim, 2013:195). In addition to establishing reliability, it is as essential to confirm the validity of the dataset.

SmartPLS can additionally be used to investigate the validity of the dataset, specifically that of construct validity by assessing both convergent and discriminant validity (Wong, 2013:21). To evaluate convergent validity each variable Average Variance Extracted (AVE) should be assessed (Wong, 2013:22). For convergent validity to be confirmed all AVE values extracted should meet or exceed the

threshold of 0.5 (Wong, 2013:22). In the case of discriminant validity, the square root of each variables AVE score should be calculated (Wong, 2013:22). To confirm the discriminant validity of the data the computed square root AVE value should be larger than the correlation values amongst the variables (Wong, 2013:22). After confirmation of both reliability and validity of the data, the principal inferential analysis could proceed, specifically the execution of the PLS-SEM.

PLS-SEM is a multivariate data analysis method most often used in conducting marketing research as it can test theoretically supported casual models (Wong, 2013:1). The benefit of this method for marketers is that they can visually examine relationships that may potentially exist amongst variables in question to therefore prioritise resources to better serve their customers (Wong, 2013:1). Within structural equation modelling, there are two types of measurement models to be used namely, formative and reflective (Wong, 2013:14). Within the inferential analysis, the model was evaluated to whether it fits to either/both a reflective or formative model and therefore should guide the following analysis. From the assessment of the PLS-SEM, some essential elements that are covered in more detail within the results chapter (five) are an explanation of the target endogenous variable variance, inner model path coefficient sizes and significance, effect size and outer model loadings (Wong, 2013:17).

PLS-SEM is furthermore highly appropriate in measuring moderating variables, the proposed moderating variable in the present study being anthropomorphism (Fassott, Henseler & Coelho, 2016:1887). Compared to other methods, PLS-SEM produces more robust results to test moderating effects since measurement error is taken into account (Lowry & Gaskin, 2014:132). PLS-SEM was most appropriate to test anthropomorphism's potential moderating role, as it may potentially reveal whether the construct strengthens the relationship between authenticity cues and brand authenticity and thus create value.

4.4 CONCLUSION

The research design as presented in chapter four was devoted to a description of the research methodology that was employed in the present study. The context of the study was delineated through a brief explanation of the research problem, which aided in the formation of the research objectives. The proposed research model as

well as hypotheses was developed based on the thorough literature review and stated objectives. The secondary and primary research undertaken was subsequently outlined. The description highlighted the positivism and post-positivist paradigms as the philosophical guideline to the research method. With that in mind, the primary study was delineated of which included a description of the qualitative and quantitative research that was carried out.

Using a two-phased approach, namely a focus group and an online questionnaire, data were collected. Subsequently, the sampling plan was laid out as to how and which respondents were recruited to complete the measurement instruments. In the final sections of the chapter, both the descriptive and inferential analyses conducted were put forth in detail. In conclusion, the aforementioned research design was implemented with accuracy and upheld a high level of precision that allowed the acquisition and analysis of the results. In this regard, the chapter to follow provides the analysis and results stemming from the implementation of the research design.

CHAPTER 5

RESEARCH RESULTS AND DISCUSSION

5.1 INTRODUCTION

The primary objective of the present study was to investigate the possible role of anthropomorphism and brand authenticity in the creation of value amongst South African Generation Y consumers in the case of artisanal luxury brands, with specific focus on craft gin. The current chapter pertains to the analyses and results, which were a direct product of the implementation of the research design. Notably, secondary sources relating to brand authenticity have predominantly been exploratory in nature, thus the present study adds to existing literature by concluding on empirically verifiable results. The results herein come from the combination of both qualitative and quantitative sources. Thereby presenting the process of triangulation, which aims to reveal the elements of complementary, convergence and dissonance within the findings (Hussein, 2015:3). Notions of triangulation are subsequently applied throughout the analytical process with the goal of increasing the credibility of the results.

First and foremost, the qualitative data originating from the focus group discussion were analysed and consequently the questionnaire for the main study could be finalised. To follow, the results concerning the questionnaire pre-test were analysed and assessed for reliability as well as aspects concerning comprehensibility and format. The descriptive analysis was then conducted, which includes an in-depth demographic profile of the obtained sample units. Followed by an analysis using descriptive statistics to assess each variable of the study and ending with a description of the distribution of the dataset. The main quantitative study was then analysed by means of the inferential analysis. The inferential analysis itself includes a composite reliability test of the acquired data set, followed by the execution of the PLS-SEM to test the stated hypotheses. The chapter closes with a brief descriptive outline of the analysed results.

5.2 QUALITATIVE DATA ANALYSIS

The analysis and interpretation of the focus group data required a high level of care and judgement as with any other scientific approach. The purpose for which the focus group data was collected was to gauge respondents' current

conceptualisations of brand authenticity and to establish whether factors causing authenticity identified from secondary sources can be applied to the South African Generation Y cohort. The focus group was conducted at a convenient location and the discussion lasted approximately one hour. Six respondents, balancing both male and females, aged between 20 and 24 and all experienced South African craft gin drinkers formed part of the focus group discussion.

The first step after the focus group took place was the transcription of the acquired data. The audiotaped discussion was converted to a written format for ease of analysis. Some editing, such as removing unnecessary words (i.e. 'um') was required to increase the readability of the notes however the character of each respondent's comments was maintained. Once the focus group discussion was transcribed the analysis could begin. For the purpose of the current study, a thematic analysis was used to assess the transcribed data from of the focus group discussion. A thematic analysis entails the search for themes that may potentially emerge as significantly important to the description of a phenomenon of interest (Fereday & Muir-Cochrane, 2006:82). In this regard, the transcript was read, re-read and summarised outlining the key points made by respondents in response to specific questions. Themes and sub-themes relating to brand authenticity were identified.

A central goal of the qualitative study was to identify how consumers define and perceive brand authenticity. Themes that resulted included ideas of uniqueness, high quality, honesty, small batches and notions of remaining true to the owner or society. In addition, authenticity was regarded as an aspect completely opposite of mass-production. Much related to the literature, stating consumers are in search of authentic brands in an attempt to escape commercialisation (Morhart *et al.*, 2015; Portal, 2017). The most prominent theme identified from the focus group was the idea of localism. Respondents emphasised that they only deemed a product/brand as authentic if it was made in its country of origin and by a business of that nationality. Localism was furthermore a prominent theme in brand authenticity literature as well as a reaction to mass-production (Green, 2015:25). In this sense, creating a strong connection between a consumer and a brand requires appealing to a specific locale truthfully and authentically.

During the focus group, a discussion was further had with respondents about authenticity perceptions relating to craft gin brands. Themes extracted related to notions of integrity, originality, attractive packaging design as well as high quality. Of particular interest, respondents noted that such brands were authentic because of their actual origin stories. Knowing there are human roots to the brand that made it authentic. For example one respondent noted, “Having the bottle number hand written on the packaging makes it feel like an actual human being has been involved with the product”. Realising a human element is important to consumers when it comes to a craft gin brand relates to the concept of anthropomorphism. Previous literature has suggested that consumers’ attitude towards an anthropomorphised product is influenced by the degree to which appearance attributes of the product are in sync with characteristics of a human (Chen *et al.*, 2017; McGill & Aggarwal, 2007). This suggestion reinforced the idea that anthropomorphism can be used to enhance consumers brand authenticity perceptions as well as be applied to an artisanal luxury context.

The focus group discussion aimed to identify whether factors causing authenticity identified from secondary sources can be applied to the South African Generation Y cohort. The discussion reaped a number of authenticity cues relevant to the respondents. However, the item met with adversity by all respondents was that of social responsibility. Respondents expressed that, “Businesses just do social responsibility to meet some corporate standard”, “always question whether a brand’s CSR is just green washing or if they actually mean it”, “an example is H&M they ask people to bring their old clothes to be recycled but I still wouldn’t consider them as authentic”. Respondents’ aversion to social responsibility means firms CSR efforts don’t necessarily relate to an authenticity position. Thus highlights the difference between different countries perceptions of authenticity as previous literature within countries other than South Africa shows social responsibility to be positively related to authenticity.

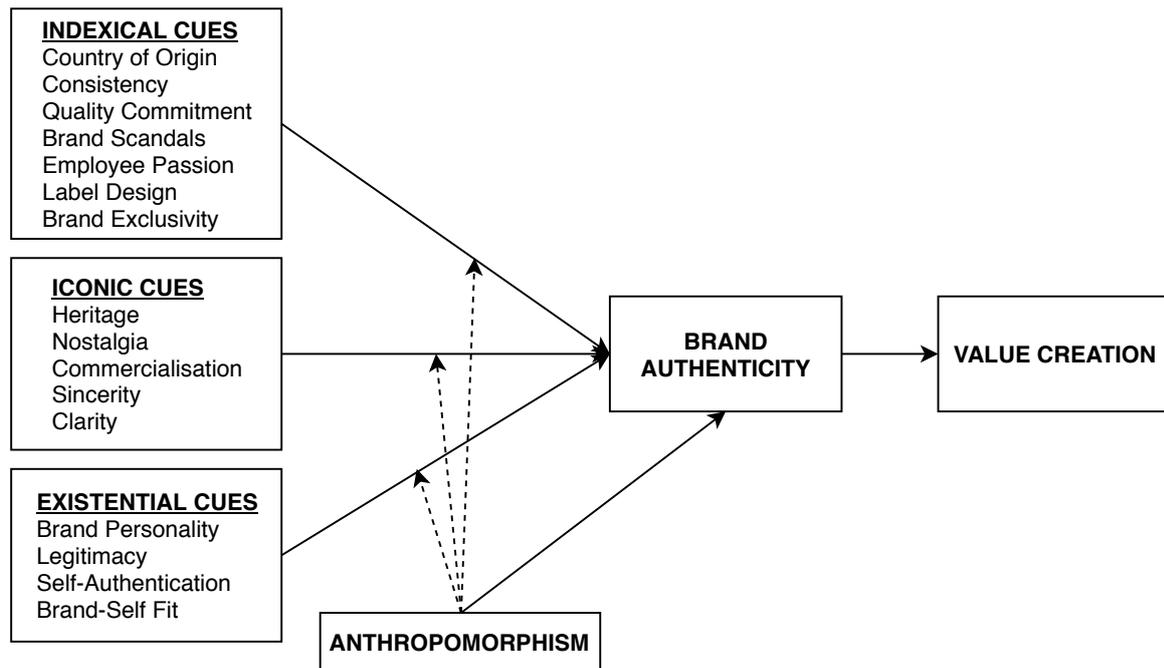
Once the various authenticity cues identified from previous literature were confirmed from the discussion they were categorised according to the three major authenticity cues (indexical, iconic and existential), as much was done on par with the literature review. Table 5.1 presents the factors identified below.

Table 5.1 Qualitative Results

| Indexical Cues | Iconic Cues | Existential Cues |
|---|--|--|
| <ul style="list-style-type: none"> • Country of Origin • Consistency • Quality Commitment • Brand Scandals • Employee Passion • Label Design • Brand Exclusivity | <ul style="list-style-type: none"> • Heritage • Nostalgia • Commercialisation • Sincerity • Clarity | <ul style="list-style-type: none"> • Brand Personality • Legitimacy • Self-Authentication • Brand-self fit |

The qualitative analysis proved most useful in creating a comprehensive list of brand authenticity antecedents. And as per the concept of triangulation, the qualitative study furthermore aided in the construction of the quantitative phase of the study, specifically in questionnaire design regarding flow, structure and respondent comprehension. In addition, each cue was categorised accordingly as suggested within previous studies and expressed in the aforementioned literature review. The indexical cues as presented in Table 5.1 were categorised as such according to a variety of academic sources namely studies published by Carsana and Jolibert (2017), Fritz *et al.* (2017), and Morhart *et al.* (2015). The iconic cues were categorised as such according to past academic literature published by the authors Guevremont (2015), Morhart *et al.* (2015) and Stiehler and Tinson (2015). Categorising of the existential cues was done according to previous literature published by Beverland and Farrelly (2010), Guevremont (2015) and Napoli *et al.* (2016).

In conjunction with the research objectives and literature review, the proposed research model applied in the present study can furthermore be expanded on. Moreover, the hypotheses can also be expanded on and thus additional hypotheses were consequently generated. Explicitly, the additional hypotheses are generated from Chapter 2 pertaining to the sections relating to the indexical, iconic and existential cues. Notably, review of the existing literature suggests the various cues as presented in Table 5.1. The revised research model is subsequently presented in Figure 5.1 followed by the expanded hypotheses, the new ones of which are highlighted in bold.

Figure 5.1 Revised Research Model

H₀₂: There is no relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H_{02a}: Country of origin has no relationship with brand authenticity

H_{02b}: Consistency has no relationship with brand authenticity

H_{02c}: Quality commitment has no relationship with brand authenticity

H_{02d}: Absence of Brand Scandals has no relationship with brand authenticity

H_{02e}: Employee Passion has no relationship with brand authenticity

H_{02f}: Label Design has no relationship with brand authenticity

H_{02g}: Brand exclusivity has no relationship with brand authenticity

H₀₃: There is no relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H_{03a}: Heritage has no relationship with brand authenticity

H_{03b}: Nostalgia has no relationship with brand authenticity

H_{03c}: Commercialisation has no relationship with brand authenticity

H_{03d}: Sincerity has no relationship with brand authenticity

H_{03e}: Clarity has no relationship with brand authenticity

H₀4: There is no relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

H₀4a: Brand personality has no relationship with brand authenticity

H₀4b: Legitimacy has no relationship with brand authenticity

H₀4c: Self-authentication has no relationship with brand authenticity

H₀4d: Brand-self fit has no relationship with brand authenticity

The qualitative data analysis that resulted in the expansion of the research model and hypotheses is considered as a supplementary method to the quantitative component of the present study. The qualitative data analysis aided with conceptualisation and most importantly was used to develop the final questionnaire that was used in the quantitative phase. Questionnaire items pertaining to the various authenticity cues suggested within the research model were obtained from previously tested items in secondary sources, ensuring robustness of the items. Once questionnaire construction was complete, it was necessary to conduct a pre-test to ensure reliability before the primary data collection commenced.

5.3 QUESTIONNAIRE PRE-TEST RESULTS

The purpose of the questionnaire pre-test was to refine the developed measurement instrument thus ensuring reliability and furthermore comprehensibility for respondents. Expressly, verifying the target population understands the questions and response options and thus can answer the survey with lucidity. Research by Perneger, Courvoisier, Hudelson and Gayet-Ageron (2015) suggests a sample size between 15 and 22 respondents is satisfactory in identifying any potential problems that may be present within a measurement instrument. Accordingly, the pre-test was used to assist in the design of the questionnaire. Seventeen respondents representative of the target population were recruited to take part in the pre-test.

The sample included eight males and nine female participants, aged between 18 and 31, all residing in the Western Cape. The questionnaire was administered in its online format and respondents were asked to evaluate the comprehensibility of the questionnaire. As a result, a few slight changes were required due to unclear questioning or wording. Items necessitating rewording related to the construct

anthropomorphism, for example ‘The brand is thoughtful’ was changed to ‘This brand seems to have a sense of mindfulness’. In addition, items relating to the construct employee passion were reworded to have the words ‘I perceive’ precede the statement as respondents expressed they could not be 100 percent certain but they would assume employees were passionate working for a craft gin brand. Subsequently, the reworded items were verified for face validity based on the judgement of an expert at Stellenbosch University.

In addition to establishing the comprehensibility of the questionnaire, the items themselves were tested for reliability. Establishing reliability is essential to ensure the measurement instrument is free from error. To establish reliability, the Cronbach coefficient alpha (α) reliability score was computed and the results are presented in Table 5.2.

Table 5.2 Questionnaire pre-test reliability score

| Reliability Test | |
|-------------------------|----------|
| Variable | α |
| Brand Authenticity | 0.420 |
| Value Creation | 0.400 |
| Anthropomorphism | 0.622 |
| Indexical Cues | |
| Country of Origin | 0.905 |
| Consistency | 0.678 |
| Quality commitment | 0.500 |
| Brand Scandals | 0.616 |
| Employee Passion | 0.518 |
| Label Design | 0.543 |
| Brand Exclusivity | 0.400 |
| Iconic Cues | |
| Heritage | 0.677 |
| Nostalgia | 0.602 |
| Commercialisation | 0.803 |
| Sincerity | 0.517 |
| Clarity | 0.500 |
| Existential Cues | |
| Brand Personality | 0.523 |
| Legitimacy | 0.437 |
| Self-Authentication | 0.514 |
| Brand-Self Fit | 0.540 |

For the purposes of the pre-test, although a reliability score of 0.7 would be most ideal, research by Churchill (1979:68) suggests that a reliability score between 0.5 and 0.6 should suffice. The variables presenting low reliability scores could be due to the small sample size and it is consequently envisioned that the larger sample in the main study should provide more substantial reliability scores. The scores below 0.5 can be linked to the tendency of coefficient alphas to present lower-bound alpha scores (Peterson & Kim, 2013:194). Coefficient alpha has been increasingly criticised for underestimating the true reliability associated with a variable and hence results in a downward bias in alpha, therefore no items were deleted (Peterson & Kim, 2013:194). Analysis of the main study consequently made use of composite reliability to provide a more accurate reliability reading.

5.4 DESCRIPTIVE ANALYSIS

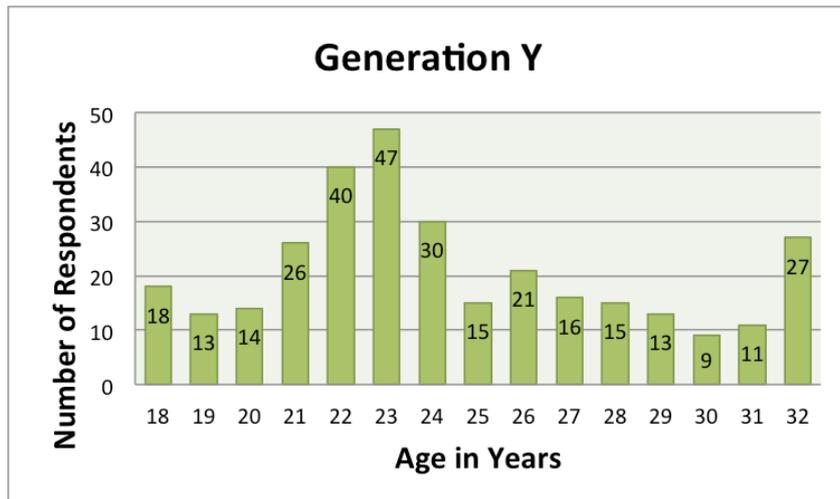
Following the pre-testing of the questionnaire, the second phase of the study could commence, in particular the quantitative data analysis. The subsequent section pulls into focus the various descriptive statistics applied to examine the characteristics of the acquired sample. The analysis includes a comprehensive demographic profile, evaluation of the central tendency relating to the various variables as well as an assessment of the distribution of the dataset. The statistical software SmartPLS and the computer program Excel were used in conjunction to perform the analyses.

5.4.1 Demographic Profile

A total of 389 questionnaires were voluntarily answered after the dissemination of the survey online, however only a total of 315 were deemed as useful for the analysis at hand. Questionnaires were screened for quality purposes and those discarded were done so based on aspects such as incompleteness, those who failed the screening questions (in other words, younger than 18 or older than 32) and straight line answering (for example, only selecting 'agree' for every response). Regarding the specific sample characteristics, only 7.6 percent of the responses comprised male respondents, whereas 92.4 percent covered female respondents. There was thus a clear gender bias in the dataset toward females. Because the present study was not aimed at identifying gender differences, this bias should not taint the results. Considering the survey was voluntary in nature, much suggests that South African females might favour craft gin. The implications of the gender bias are discussed further in Chapter six.

Respondents were screened according to age to ensure the sample was representative of Generation Y. Depicted in Figure 5.2 is the distribution according to age of the sample. In general the data were evenly spread with a slight peak in the number of respondents between the ages of 21 and 24.

Figure 5.2 Age Range of Respondents



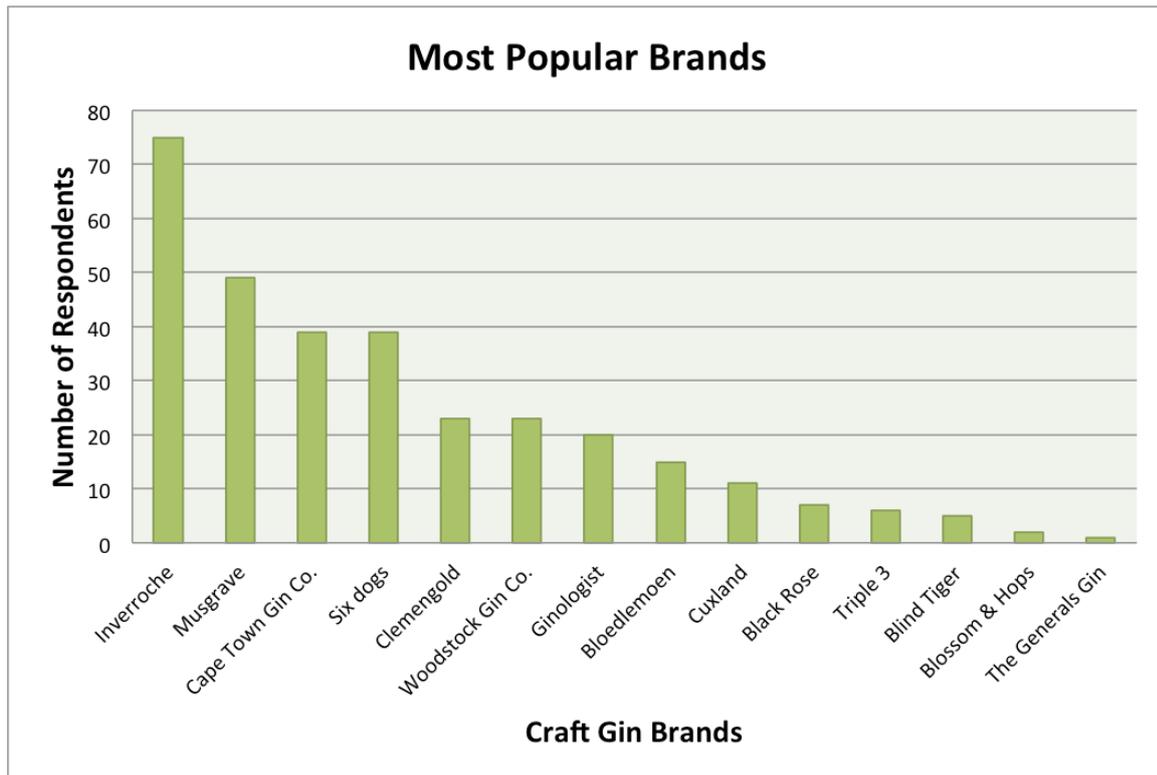
In addition to gender and age, respondents were asked to provide demographic data relating to income and residence. Based on income, 43 percent of respondents indicated their monthly income to be approximately R5 000, 46 percent were earning between R5 000 and R25 000 per month and nine percent of respondents were in the income bracket of R25 000 and R40 000 plus. This finding highlighted the increasing purchasing power of Generation Y and positioning the cohort as the growing middle class of South Africa. Respondents indicated their place of residence in South Africa based on the province they currently reside in. The sample presented respondents from all nine provinces of South Africa, with the majority coming from the Western Cape (43%) and Gauteng (27%). Acquiring respondents from all provinces of South Africa thereby increases the generalisability of the data.

As well as being asked for demographic details, respondents were asked to respond to a few questions about their gin drinking habits, enabling a suggested profile of the typical South Africa craft gin drinker. Results indicated the suggested representative South African Generation Y craft gin drinker, from this sample of respondents, typically drinks craft gin on a weekly basis (34%) or a couple of times during the month (46%). In addition, respondents provided diverse responses about when they drink craft gin, ranging from at home, at restaurants or bars, on special occasions

and during summer months. Concerning the 'when' question respondents were further provided with an open-ended response option. This question produced interesting responses such as, at festivals, events, Sunday markets and social gatherings. The diversity of settings under which Generation Y seems to drink craft gin was underlined.

Respondents were also asked questions relating to how they drink craft gin. The responses to this question were as diverse as the 'when' question and ranged from neat, with tonic water as a 'gin and tonic' and as a cocktail. Respondents were also provided an open-ended response option, which acquired answers such as, with dry lemon, fruit juice, lemonade and soda water. Interestingly, many respondents emphasised that when drinking craft gin it must be had with garnish. Highlighting how respondents drink craft gin may provide valuable insight into the craft gin industry. Finally, respondents were also asked what price they would consider paying for a craft gin. In general respondents indicated they would consider purchasing a craft gin within the price range of R300 and R600. In this sense, craft gin can be viewed as a new source of luxury. Its premium price is not too far out of reach for those aspiring to luxury consumption.

The question presented to respondents before the main body of the questionnaire started related to selecting the craft gin brand they were most familiar with. The top three most selected brands were Inverroche as the most popular, second were Musgrave and tied at third were Six Dogs and Cape Town Gin Co. Figure 5.3 is based on the percentage total of respondents for each brand and provides a visual representation of the most favourably selected craft gin brands.

Figure 5.3 Most Popular Craft Gin Brands

5.4.2 Measures of central tendency

The level of scale measurement pertaining to the main body of the questionnaire, in particular the variables in question is all metrically scaled. The most appropriate measures of central tendency, for describing the data are the mean, median and standard deviation. Mode is not appropriate in this case as it can only be used for measures that are nominally scaled (Jankowski & Flannelly, 2015:40). The output of the three measures was computed and presented in Table 5.3.

Table 5.3 Central Tendency Analyses

| Descriptive Statistics | | | |
|------------------------|--------------------|------|--------|
| Variable | Standard Deviation | Mean | Median |
| Brand Authenticity | 0.688 | 5.85 | 5.87 |
| Value Creation | 0.670 | 6.15 | 6.20 |
| Anthropomorphism | 0.972 | 4.92 | 5.00 |
| Indexical Cues | | | |
| Country of Origin | 1.522 | 4.97 | 5.50 |
| Consistency | 0.800 | 5.70 | 5.75 |
| Quality Commitment | 0.760 | 5.87 | 6.00 |
| Brand Scandals | 0.897 | 6.77 | 7.00 |
| Employee Passion | 0.949 | 5.44 | 5.75 |
| Label Design | 0.953 | 5.36 | 5.56 |
| Brand Exclusivity | 1.514 | 5.34 | 5.80 |
| Iconic Cues | | | |
| Heritage | 1.057 | 5.15 | 5.20 |
| Nostalgia | 1.324 | 3.73 | 3.75 |
| Commercialisation | 1.279 | 4.27 | 4.50 |
| Sincerity | 0.899 | 5.37 | 5.50 |
| Clarity | 1.077 | 5.16 | 5.33 |
| Existential Cues | | | |
| Brand Personality | 1.067 | 5.46 | 5.60 |
| Legitimacy | 1.079 | 4.96 | 5.00 |
| Self-Authentication | 0.817 | 5.36 | 5.40 |
| Brand-Self Fit | 1.082 | 4.65 | 4.60 |

In the analysis for central tendency, the standard deviation, mean and median were computed using simple statistics available on Excel. The standard deviation measures how closely concentrated the data are around the mean, presenting a measure of variability and consistency. As consistency is key to ensure quality results, smaller standard deviations closer to zero are preferred. Table 5.3 illustrates the standard deviations of the various variables in the present study and as such are all relatively low. The observations were not widely dispersed from the mean. The result thereby represented consistency in the data. As the most widely used measure of central tendency, the mean takes into account all available information within the dataset (Jankowski & Flannelly, 2015:45).

The mean takes into account all the observed values to arrive at a measure that represents the centre of the distribution of the data, it is the average score (Jankowski & Flannelly, 2015:47). When assessing the output depicted in Table 5.3,

mean scores of four to seven can be said to be positive in nature, whereas scores lower than four are more negative (in other words, 'disagree' or 'strongly disagree'). The output suggests all variables are positively oriented except for the item 'nostalgia' which presents a mean slightly below four. The implications of which require further analysis via PLS-SEM. Furthermore the mean scores from the analysis complement the computed median scores in that they are all positively oriented except for the concept 'nostalgia'.

Assessing the median output aided in ranking the data, specifically the middle point, which in the Likert scale employed in the present study, is four. The median further computes all observed values, ranked them in order of magnitude and found the middle point. Within the present dataset, the calculated median was on average around five meaning the data had a slightly positively skewed distribution. As the median was the exact middle point it was not affected by the shape of the distribution (Jankowski & Flannelly, 2015:44). Thus the level of normality relating to the distribution of the data furthermore needs to be analysed.

5.4.3 Distribution

Applying skewness and kurtosis to test for normality is a common method in assessing the distribution of a dataset. Skewness refers to the asymmetry of the distribution of a variable and kurtosis relates to the 'peakedness' of the distribution (Kim, 2012:52). In general, data considered as normal have a symmetrical, bell-shaped distribution as much described the estimated probability distribution of various chance occurrences (Zikmund *et al.*, 2013:418). The outputs relating to the analysis of skewness and kurtosis are illustrated in Table 5.4.

Table 5.4 Distribution Analyses

| Distribution | | |
|---------------------|----------|----------|
| Variable | Skewness | Kurtosis |
| Brand Authenticity | -1.120 | 4.781 |
| Value Creation | -1.625 | 7.557 |
| Anthropomorphism | -0.345 | 0.446 |
| Indexical Cues | | |
| Country of Origin | -0.776 | -0.042 |
| Consistency | -0.960 | 3.140 |
| Quality Commitment | -0.991 | 3.540 |
| Brand Scandals | -4.876 | 24.805 |
| Employee Passion | -0.635 | 0.497 |
| Label Design | -1.020 | 1.922 |
| Brand Exclusivity | -1.374 | 1.564 |
| Iconic Cues | | |
| Heritage | -0.664 | 0.967 |
| Nostalgia | 0.389 | -0.074 |
| Commercialisation | -0.365 | -0.197 |
| Sincerity | -0.305 | 0.705 |
| Clarity | -0.611 | 0.319 |
| Existential Cues | | |
| Brand Personality | -1.121 | 2.130 |
| Legitimacy | -0.291 | 0.049 |
| Self-Authentication | -0.525 | 0.949 |
| Brand-Self Fit | -0.027 | -0.272 |

Evaluation of the skew value entailed looking to see the extent to which the dataset was the same on the left and right of the centre point. A perfectly normal distribution has a skew value of zero. For a dataset to be deemed as symmetrical it should produce a skew value close to zero (Kim, 2012:52). Comprehensive research by Kim (2012) suggests a reference value for regarding a distribution as normal should be between the range of -2 and +2. Assessment of the output in Table 5.4 highlighted that the skew value for all variables fell within the suggested range, except for the variable brand scandals. The skew value for brand scandals was -4.876, meaning the data were negatively skewed indicating that the left tail was longer than the right, and the majority of observations were on the right of the mean. The result suggested most respondents selected the response options close to 'never' when asked if they had heard of any scandals about to their chosen craft gin brand. Such responses were expected considering craft gin brands are perceived as highly authentic and should have no scandals tarnishing their names.

Assessing kurtosis relates to measuring whether the data are light or heavy-tailed relative to a normal distribution suggesting the 'peakedness' of the data (Kim, 2012:53). Research conducted by Kim (2012) suggests that a comprehensive reference point for assessing normality is a kurtosis value between the range of -7 and +7. Evaluating the output depicted in Table 5.4 showed all variables expressed a kurtosis value within the suggested range except for the variables "value creation" and "brand scandals". The positive kurtosis value of 24.805 reiterated that the variable brand scandals were skewed and in particular is called leptokurtic, meaning the distribution had a high peak. The same can be said for the variable value creation that produced a kurtosis value of 7.557. The question remained whether the non-normality of these variables would taint the results of the PLS-SEM analysis.

Within marketing research, one of the most prominent reasons for using PLS-SEM is that it is effective in dealing with non-normality (Hair, Sarstedt, Hopkins & Kuppelwieser, 2014:108). The PLS algorithm is capable of transforming non-normal data in accordance with the central limit theorem in such a way that the path estimates are unaffected (Hair *et al.*, 2014:108). The PLS-SEM operates much like a multiple regression analysis and is primarily intended for research contexts that are particularly data rich (Hair *et al.*, 2014:107). In particular, PLS-SEM has experienced increasing usage within marketing research due to the methods ability to handle unusual data characteristics (i.e non-normality) as well as complex models (Hair *et al.*, 2014:107). PLS-SEM was therefore especially relevant for the purposes of the study at hand and was subsequently used within the inferential analysis.

5.5 RELIABILITY ANALYSIS

Establishing the reliability of the measurement instrument, following the main data collection is important in determining the internal consistency of the set of items, which consequently represents the measures homogeneity (Zikmund *et al.*, 2013:301). For the current study, coefficient alpha was used, the same as within the pre-test, as to better reflect the true reliability of the data (Peterson & Kim, 2013:194). The threshold set for the current study is a coefficient alpha score of 0.7 (Lowry & Gaskin, 2014:137). Assessment of the coefficient alpha (α) highlights that all concepts meet the required threshold of 0.7 except for the items 'Clarity' and 'Self-Authentication' with scores of 0.639 and 0.689 respectively as depicted in Table 5.5. However, Churchill (1979:68) suggests that alpha scores as low as 0.6 are sufficient

in establishing reliability and therefore no items were deleted. Computing coefficient alpha was useful in highlighting that the low alpha scores from the pre-test were potentially due to the small sample size, and thus the larger sample size pertaining to the main study here, generated results that confirm the reliability of the data. Table 5.5 displays the reliability scores for each variable.

Table 5.5 Test of Reliability

| Reliability Scores | | |
|-------------------------|--------------|----------|
| Variable | No. of Items | α |
| Brand Authenticity | 15 | 0.900 |
| Value Creation | 10 | 0.878 |
| Anthropomorphism | 10 | 0.897 |
| Indexical Cues | | |
| Country of Origin | 2 | 0.798 |
| Consistency | 3 | 0.785 |
| Quality Commitment | 7 | 0.881 |
| Brand Scandals | 1 | 1.000 |
| Employee Passion | 4 | 0.908 |
| Label Design | 9 | 0.863 |
| Brand Exclusivity | 5 | 0.933 |
| Iconic Cues | | |
| Heritage | 5 | 0.874 |
| Nostalgia | 4 | 0.800 |
| Commercialisation | 4 | 0.768 |
| Sincerity | 4 | 0.804 |
| Clarity | 3 | 0.639 |
| Existential Cues | | |
| Brand Personality | 15 | 0.945 |
| Legitimacy | 3 | 0.795 |
| Self-Authentication | 5 | 0.689 |
| Brand-Self Fit | 5 | 0.889 |

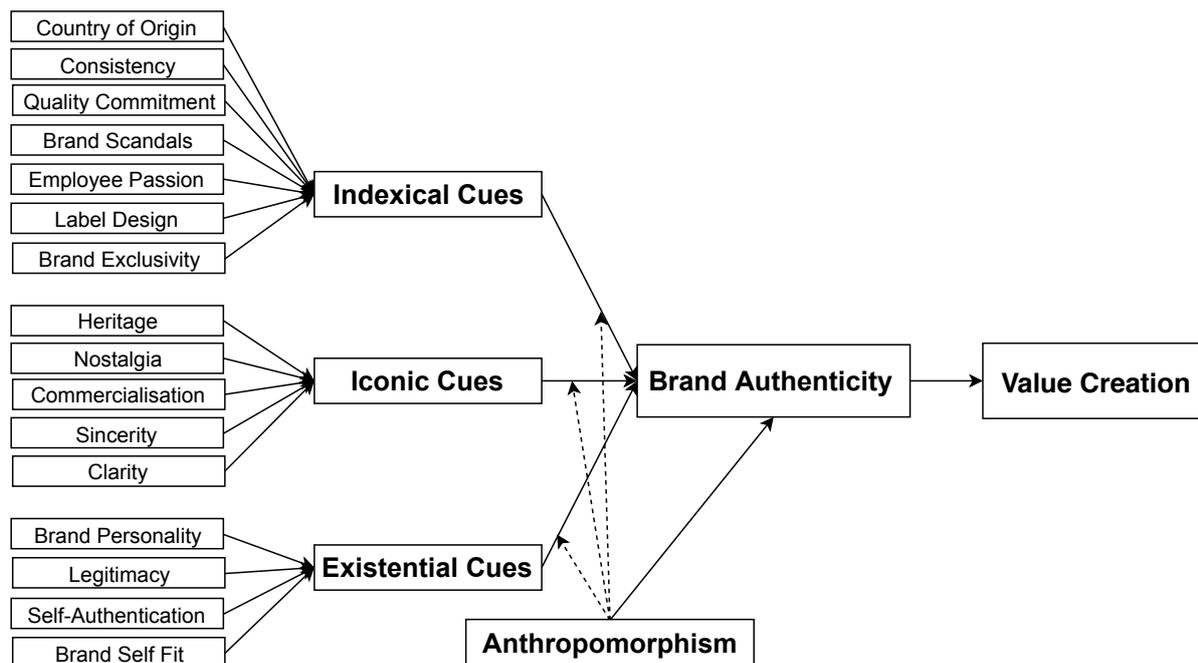
5.6 INFERENTIAL ANALYSIS

The inferential analysis represents the main quantitative phase of the present study and aims to determine whether significant relationships exist as per the research objectives. Within the analysis, and as per the formulated hypotheses, PLS-SEM was executed and the various outputs evaluated with the aim of investigating the possible relationship between variables. In conducting a PLS-SEM analysis it is first important to establish whether the model is formative or reflective in nature. As such the model in the present study is a mixture of both formative and reflective indicators. A

formative measure involves a latent variable comprising of indicator variables that each represent a dimension of meaning (Garson, 2014:19). Reflective measures on the other hand include a latent variable that comprises of indicator variables of a set of items reflecting the meaning of the latent variable (Garson, 2014:19). In the present study, indexical, iconic and existential cues are formative whereas brand authenticity, anthropomorphism and value creation are reflective. Establishing which variables are formative or reflective has substantial effect on analysis of both the measurement and structural model.

Results generated from the PLS-SEM provided both a measurement model and structural model worthy of assessment. The measurement model (see Figure 5.4) was used to evaluate the relationships between the concepts in question and their corresponding indicator variables (Hair *et al.*, 2014:110). Whereas the structural model was used to exhibit the relationships between the concepts being appraised (Hair *et al.*, 2014:110). The inferential analysis was consequently split into two parts.

The first, pertaining to the assessment of the measurement model with particular focus on internal consistency, convergent validity and discriminant validity. The second part related to the assessment of the structural model with specific attention paid to multicollinearity, the coefficient of determination and the various path coefficients. Additionally, each research hypothesis was pulled into focus, the output of each was expressed and whether or not the null hypotheses were rejected or were not rejected was conveyed. The inferential analysis therefore allowed interpretations to be made from the results pertaining to a sample to potentially be applied to a greater population. The inferential analysis for the purposes of the present study was conducted with the aid of SmartPLS.

Figure 5.4 Proposed conceptual research model

5.6.1 Measurement model assessment

The initial step in PLS-SEM is to first create the path model as shown in Figure 5.4 and involves connecting variables and constructs based on logic and theory established from previous literature (Hair *et al.*, 2014:110). Notably, by commencing the PLS-SEM via assessment of the measurement model, more specifically the outer model evaluation, the researcher thus ensures that the subsequent inner model assessment relating to the hypotheses is accurately represented and measured (Hair *et al.*, 2014:110). Assessment of the outer measurement model included evaluations of internal consistency (composite reliability), indicator reliability (outer loadings), convergent validity (AVE) and discriminant validity (HTMT).

5.6.1.1 Internal consistency and convergent validity

Establishing internal consistency of the set of items, is important in representing the measures homogeneity (Zikmund *et al.*, 2013:301). In addition to assessing the reliability of the items using Cronbach coefficient alpha, the composite reliability scores were also calculated to determine internal consistency of the measurement model. Composite reliability was additionally calculated as it provides two advantages over coefficient alpha. The first, unlike coefficient alpha, composite reliability does not assume all indicator loadings are equal within a population, which is consequently highly appropriate for the PLS-SEM algorithm (Hair *et al.*, 2014:111). Secondly, due to coefficient alphas high sensitivity it tends to underestimate the true

reliability of a measure and thus composite reliability better reflects true reliability (Hair *et al.*, 2014:111). Previous research suggests that the acceptable threshold for composite reliability is 0.7 (Wong, 2013:21).

The results from executing the composite reliability (CR) test on SmartPLS all exhibit values exceeding the threshold set of 0.7 as presented in Table 5.5. Thereby the internal consistency of the dataset can be confirmed and considering all concepts produced CR scores above 0.8, it can be said that the data is exceedingly reliable. Interestingly, the CR scores for 'Clarity' and 'Self-Authentication' were above the threshold of 0.7, whereas their coefficient alpha scores were below 0.7. Therefore reiterating that composite reliability better reflects true reliability and internal consistency was established. However, although the measurement model was deemed as reliable it does not mean it is automatically valid, therefore convergent validity was furthermore assessed.

Convergent validity was measured via the Average Variance Extracted (AVE) and thus to be regarded as valid, constructs should have an AVE score of 0.5 or above (Fornell & Larcker, 1981:46). The AVE is the squared loadings of a set of indicators and is regarded as a 'grand mean value' (Hair *et al.*, 2014:111). More precisely, AVE highlights that a concept explains more than half of the indicators variance (Hair *et al.*, 2014:112). First, however, outer loadings were evaluated to establish convergent validity and each item should produce an outer loading score of 0.7 or above (Hair *et al.*, 2014:111). Outer loading scores as presented in Table 5.5 ranged between 0.343 and 0.982. Items identified as showing low outer loading scores were deemed so due to respondents possibly not understanding the questions or the questions themselves being too similar in nature. However to better corroborate convergent validity, the AVE outputs were assessed.

To be confirmed as convergent valid, the computed AVE scores hence must meet the threshold of 0.5. As depicted in Table 5.6, all constructs met this threshold except for the variables brand authenticity (0.420), value creation (0.487) and self-authentication (0.448). However, research by Huang, Wang, Wu and Wang (2013:219) states that an AVE score less than 0.5 but above 0.4 can be accepted as long as composite reliability is higher than 0.6. Considering the variables in question

all have composite reliability scores exceeding 0.6 it can be confirmed that the measurement model is convergent valid.

Table 5.6 Measurement Model Assessment

| Internal Consistency and Validity | | | |
|-----------------------------------|-------|-------|----------------|
| Variable | CR | AVE | Outer Loadings |
| Brand Authenticity | 0.915 | 0.420 | |
| - BA1 | | | 0.519 |
| - BA2 | | | 0.607 |
| - BA3 | | | 0.550 |
| - BA4 | | | 0.646 |
| - BA5 | | | 0.627 |
| - BA6 | | | 0.687 |
| - BA7 | | | 0.626 |
| - BA8 | | | 0.718 |
| - BA9 | | | 0.727 |
| - BA10 | | | 0.708 |
| - BA11 | | | 0.670 |
| - BA12 | | | 0.655 |
| - BA13 | | | 0.653 |
| - BA14 | | | 0.720 |
| - BA15 | | | 0.567 |
| Value Creation | 0.903 | 0.487 | |
| - VC1 | | | 0.498 |
| - VC2 | | | 0.613 |
| - VC3 | | | 0.768 |
| - VC4 | | | 0.737 |
| - VC5 | | | 0.745 |
| - VC6 | | | 0.770 |
| - VC7 | | | 0.762 |
| - VC8 | | | 0.759 |
| - VC9 | | | 0.750 |
| - VC10 | | | 0.494 |
| Anthropomorphism | 0.915 | 0.522 | |
| - A1 | | | 0.633 |
| - A2 | | | 0.631 |
| - A3 | | | 0.729 |
| - A4 | | | 0.764 |
| - A5 | | | 0.627 |
| - A6 | | | 0.760 |
| - A7 | | | 0.768 |
| - A8 | | | 0.802 |
| - A9 | | | 0.753 |
| - A10 | | | 0.729 |

| Indexical Cues | | | |
|-----------------------|-------|-------|-------|
| Country of Origin | 0.895 | 0.811 | |
| - COO1 | | | 0.982 |
| - COO2 | | | 0.795 |
| Consistency | 0.862 | 0.613 | |
| - C1 | | | 0.830 |
| - C2 | | | 0.853 |
| - C3 | | | 0.829 |
| Quality Commitment | 0.907 | 0.584 | |
| - Q1 | | | 0.808 |
| - Q2 | | | 0.771 |
| - Q3 | | | 0.733 |
| - Q4 | | | 0.672 |
| - Q5 | | | 0.802 |
| - Q6 | | | 0.793 |
| - Q7 | | | 0.758 |
| Brand Scandals | - | - | - |
| Employee Passion | 0.935 | 0.784 | |
| - E1 | | | 0.887 |
| - E2 | | | 0.855 |
| - E3 | | | 0.902 |
| - E4 | | | 0.896 |
| Label Design | 0.833 | 0.626 | |
| - LD1 | | | 0.588 |
| - LD2 | | | 0.535 |
| - LD3 | | | 0.518 |
| - LD4 | | | 0.758 |
| - LD5 | | | 0.668 |
| - LD6 | | | 0.760 |
| - LD7 | | | 0.801 |
| - LD8 | | | 0.795 |
| - LD9 | | | 0.740 |
| Brand Exclusivity | 0.949 | 0.788 | |
| - BE1 | | | 0.813 |
| - BE2 | | | 0.872 |
| - BE3 | | | 0.907 |
| - BE4 | | | 0.917 |
| - BE5 | | | 0.912 |
| Iconic Cues | | | |
| Heritage | 0.908 | 0.664 | |
| - H1 | | | 0.819 |
| - H2 | | | 0.811 |
| - H3 | | | 0.825 |
| - H4 | | | 0.815 |
| - H5 | | | 0.805 |

| | | | |
|-------------------------|-------|-------|-------|
| Nostalgia | 0.868 | 0.623 | |
| - N1 | | | 0.844 |
| - N2 | | | 0.693 |
| - N3 | | | 0.774 |
| - N4 | | | 0.849 |
| Commercialisation | 0.839 | 0.575 | |
| - COM1 | | | 0.691 |
| - COM2 | | | 0.680 |
| - COM3 | | | 0.767 |
| - COM4 | | | 0.858 |
| Sincerity | 0.872 | 0.632 | |
| - S1 | | | 0.676 |
| - S2 | | | 0.863 |
| - S3 | | | 0.838 |
| - S4 | | | 0.790 |
| Clarity | 0.799 | 0.581 | |
| - CL1 | | | 0.877 |
| - CL2 | | | 0.884 |
| - CL3 | | | 0.343 |
| Existential Cues | | | |
| Brand personality | 0.915 | 0.687 | |
| - BP1 | | | 0.782 |
| - BP2 | | | 0.810 |
| - BP3 | | | 0.803 |
| - BP4 | | | 0.740 |
| - BP5 | | | 0.814 |
| - BP6 | | | 0.793 |
| - BP7 | | | 0.731 |
| - BP8 | | | 0.612 |
| - BP9 | | | 0.559 |
| - BP10 | | | 0.702 |
| - BP11 | | | 0.819 |
| - BP12 | | | 0.786 |
| - BP13 | | | 0.801 |
| - BP14 | | | 0.685 |
| - BP15 | | | 0.800 |
| Legitimacy | 0.879 | 0.708 | |
| - L1 | | | 0.871 |
| - L2 | | | 0.829 |
| - L3 | | | 0.818 |
| Self-Authentication | 0.800 | 0.448 | |
| - SA1 | | | 0.814 |
| - SA2 | | | 0.811 |
| - SA3 | | | 0.746 |
| - SA4 | | | 0.464 |

| | | | |
|----------------|-------|-------|-------|
| - SA5 | | | 0.421 |
| Brand-Self Fit | 0.919 | 0.693 | |
| - BSF1 | | | 0.859 |
| - BSF2 | | | 0.847 |
| - BSF3 | | | 0.833 |
| - BSF4 | | | 0.817 |
| - BSF5 | | | 0.807 |

Note: CR = Composite Reliability; AVE = Average Variance Explained

Considering convergent validity was achieved to a reasonable degree, assessment of discriminant validity was further required to establish the construct validity of the measurement model. Accomplishing both reliability and validity, would therefore allow for the analysis of the stated hypotheses to be conducted.

5.6.1.2 Discriminant Validity

To assess discriminant validity, Heterotrait-Monotrait Ratio (HTMT) was used as the suggested superior test for assessing discriminant validity (Garson, 2014:69). Discriminant validity signifies the level to which a variable is empirically distinct from other variables, and therefore measures what it was intended to measure (Hair *et al.*, 2014:112). As a rule of thumb, the HTMT output values should be below 1.0 for a set of given variables (Garson, 2014:69). A more stringent threshold suggested by previous researchers is that HTMT scores should be close to 0.9 (Henseler, Ringle & Sarstedt, 2014:121). The computed test for HTMT is represented in Table 5.7 for value creation, brand authenticity and anthropomorphism.

Notably, only the reflective measures are assessed for discriminant validity as formative indicators are not highly correlated to each other (Wong, 2013:28). The HTMT test for discriminant validity was computed and consequently tested variables remained below the stated threshold score of 1.0. Additionally the extracted score was close to the stricter threshold of 0.9. Therefore, it can be stated that discriminant validity was realised and the measurement model measures what it was intended. Accordingly, both convergent as well as discriminant validity were achieved and therefore the measurement model could further be concluded as construct valid.

Table 5.7 Discriminant Validity

| Heterotrait-Monotrait ratio (HTMT) | | | | |
|------------------------------------|-------|-----------|-----------|--------------------|
| Variables | Ratio | 95% Lower | 95% Upper | Discriminant Valid |
| Value Creation -> Authenticity | 0.930 | 0.880 | 0.970 | Yes |
| Authenticity -> Anthropomorphism | 0.700 | 0.630 | 0.770 | Yes |

The measurement model assessment, produced results that confirmed the internal consistency, convergent and discriminant validity and consequently construct validity. In doing so an accurate and reliable assessment of the structural model, in accordance with the formulated hypotheses, could be conducted with confidence. The following section therefore addresses the structural model assessment.

5.6.2 Structural model assessment

The second part of the inferential analysis relates to assessing the structural model or inner model. The inner model represents the relationships that potentially exist between the specified latent variables. Notably, these relationships are one-directional. Additionally, the inner model is concerned with the paths between the variables indexical cues, iconic cues, existential cues, anthropomorphism, brand authenticity and value creation. SmartPLS was used for the PLS-SEM to assess the structural model and test the hypotheses. The criteria employed to assist the assessment, included evaluations of collinearity issues, the coefficient of determination (R^2), significance and relevance of path coefficients and the effect size (f^2).

After assessing the structural model according to the various criteria, a moderation analysis will proceed with the moderating variable anthropomorphism. The aim of which is to assess whether or not anthropomorphism moderates the potential effect between the indexical, iconic and existential cues and the latent variable brand authenticity. The interaction effect as well as the significance was consequently calculated and discussed. Yet, prior to the assessment of the structural model and interaction effect, an analysis for any potential collinearity issues was required.

5.6.2.1 Collinearity assessment

A significant consideration is the multicollinearity of the structural model. The presence of multicollinearity is a problem as it can make significance tests relating to

independent variables unreliable, inflates standard error and inhibits assessment of one independent variable compared to another (Garson, 2014:71). Multicollinearity is computed via the variance inflation factor (VIF) and if present the researcher cannot use structural path coefficients to reliably assess the various variables (Garson, 2014:81). For the purposes of the present study, the problem of multicollinearity is avoided if the inner and outer VIF values fall below the tolerance level of 5.0 (Wong, 2013:26). SmartPLS outputs the VIF statistics as shown in Table 5.8 below.

Table 5.8 Collinearity statistic (VIF)

| Multicollinearity | | |
|----------------------------------|-----------|-----------|
| Variable | Inner VIF | Outer VIF |
| Authenticity -> Value Creation | 1.000 | - |
| Indexical -> Authenticity | 2.422 | - |
| Iconic -> Authenticity | 2.363 | - |
| Existential -> Authenticity | 1.725 | - |
| Anthropomorphism -> Authenticity | 1.914 | - |
| Country of Origin | - | 1.042 |
| Consistency | - | 1.999 |
| Quality Commitment | - | 2.116 |
| Brand Scandals | - | 1.033 |
| Employee Passion | - | 1.497 |
| Label Design | - | 1.469 |
| Brand Exclusivity | - | 1.135 |
| Heritage | - | 1.896 |
| Nostalgia | - | 1.409 |
| Commercialisation | - | 1.195 |
| Sincerity | - | 1.725 |
| Clarity | - | 1.460 |
| Brand Personality | - | 1.209 |
| Legitimacy | - | 1.908 |
| Self-Authentication | - | 2.307 |
| Brand-Self Fit | - | 1.963 |

The output depicted in Table 5.8 highlights that all the variables are below the required threshold 5.0 and therefore the measurement model does not present any problems with multicollinearity. Following assessment of the collinearity statistics, the coefficient of determination (R^2) was evaluated.

5.6.2.2 Coefficient of determination (R^2) assessment

The coefficient of determination as a measure is used to assess the structural model's predictive accuracy (Hair *et al.*, 2014:113). The measure is a representative of the exogenous variables combined effect on the endogenous variables (Hair *et al.*, 2014:113). The effect itself can range from 0 to 1 where a computed score of 1 indicates complete predictive accuracy (Hair *et al.*, 2014:113). Therefore the higher the R^2 value the better the predictive accuracy of the structural model. Table 5.9 (below) displays the computed R^2 scores for the endogenous variables, brand authenticity and value creation.

Table 5.9 R^2 Results and Strength Assessment

| Coefficient of Determination Test | | | |
|-----------------------------------|-------|----------------|------------|
| Construct | R^2 | R^2 Adjusted | Assessment |
| Brand Authenticity | 0.662 | 0.659 | Moderate |
| Value Creation | 0.697 | 0.696 | Moderate |

Within marketing research an R^2 value above 0.75 is considered substantial, a value above 0.5 moderate and a value approximately 0.25 is weak. The coefficients of determination show the impact or joint impact of the exogenous constructs on any given endogenous construct (Akbar, 2016:91). The impact of the authenticity antecedents (indexical, iconic and existential) was found to have a moderate effect on brand authenticity. Specifically, 66.2 percent of the variance in brand authenticity can be explained by the indexical, iconic and existential cues.

For further insight, anthropomorphism was added as an additional contributing variable to brand authenticity. The combined effect of the various cues in conjunction with anthropomorphism raised the R^2 value for brand authenticity to 0.685. Thereby suggesting anthropomorphism has a positive effect on brand authenticity. Furthermore, brand authenticity was found to also have a moderate impact on value creation. In particular, 69.7 percent of the variance in value creation is accounted for by brand authenticity. Although the coefficient of determination (R^2) is a valuable measure in assessing the quality of the structural model, additional assessments are further required, specifically the path coefficients.

5.6.2.3 Path coefficients assessment

Analysing the path coefficients represents the hypothesised paths that link the various variables together (Hair *et al.*, 2014:114). The computed path coefficients themselves explain how strong the effect of one variable is on another variable and thus allows for the ranking of the relative statistical importance of each variable (Wong, 2013:17). The path coefficient values fall between the range of -1 to +1, where coefficients close to +1 reflect strong positive relationships and coefficients close to -1 represent strong negative relationships (Hair *et al.*, 2014:114). Additionally, verifying whether the relationships are statistically significant is of equal importance, meaning establishing whether the sizes of the coefficients are meaningful (Hair *et al.*, 2014:114). The p-values were therefore used to determine whether or not the path coefficients and hence relationships were significant.

In addition to establishing whether the hypothesised relationships are significant it is furthermore important to assess the effect size. The effect size (f^2) assesses the magnitude or strength of relationship between the latent variables and more specifically shows how much the exogenous variables contribute to the target endogenous variables (Wong, 2013:26). An analysis of effect size is important as it can potentially help researchers assess the overarching contribution of the research study (Wong, 2013:26). When assessing effect size, scores of 0.02, 0.15 and 0.35 signify small, medium and large effects, respectively (Wong, 2013:26). The output of the path coefficients, p-values and effect sizes are presented in Table 5.10 below.

Table 5.10 Path Coefficient Statistics

| Path Analysis | | | |
|----------------------------------|------------------|----------|-------|
| Path | Path coefficient | p-value | f^2 |
| Indexical -> Authenticity | 0.697 | 0.000*** | 0.594 |
| Iconic -> Authenticity | 0.133 | 0.027** | 0.022 |
| Existential -> Authenticity | 0.021 | 0.686 | 0.001 |
| Anthropomorphism -> Authenticity | 0.263 | 0.000*** | 0.119 |
| Authenticity -> Value Creation | 0.835 | 0.000*** | 2.304 |

Note: Significance at the *p<0.10, **p<0.05, ***p<0.01 level

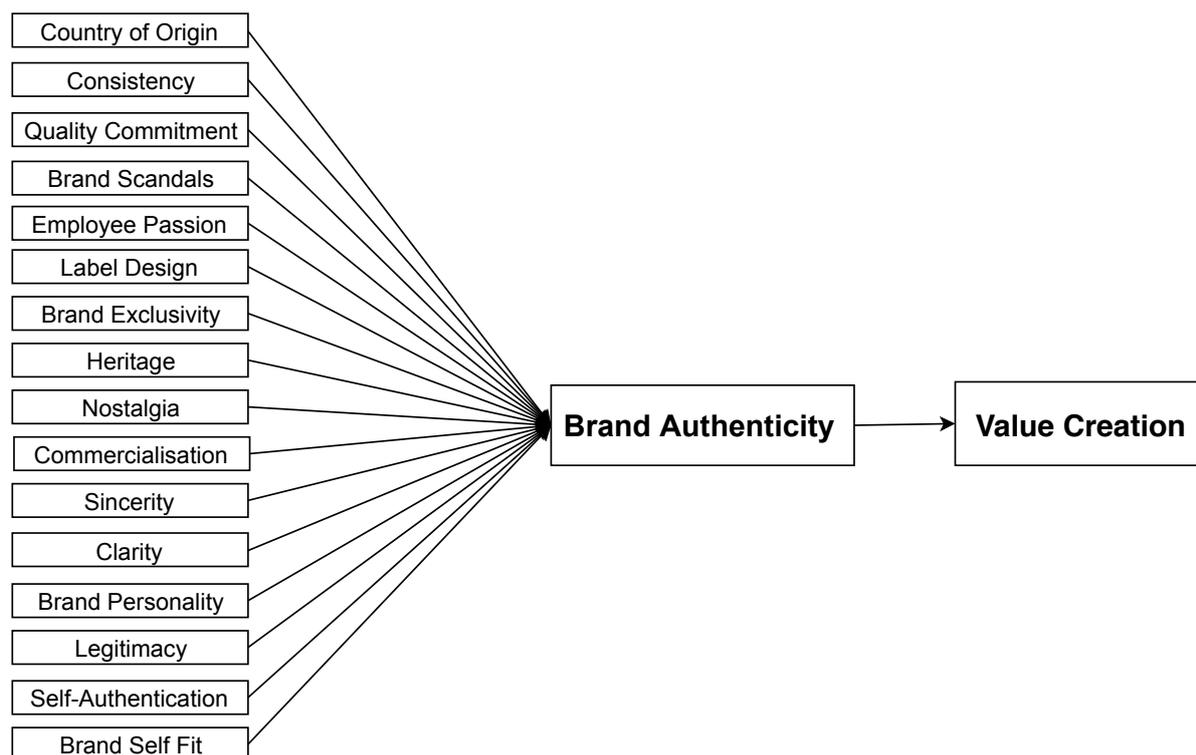
To provide additional insight the outer weight of each individual cue was extracted. Outer model weights represent the relative influence an indicator has in its ability to define and reflect its corresponding latent variable (Garson, 2014:60). Regarding model weight output a general rule of thumb is for weight scores to vary from 0 to 1,

where scores close to 0 represents the weakest path and scores close to 1 represent the strongest paths (Garson, 2014:58). Table 5.11 illustrates the outer model weight as per each individual cue. The results shown in Table 5.11 indicate that ‘consistency’, ‘label design’ and ‘quality commitment’ were the strongest indexical cues. ‘Sincerity’ and ‘clarity’ were the strongest iconic cues and ‘self-authentication’ as well as ‘brand personality’ were presented as the strongest existential cues.

Table 5.11 Outer Model Weight

| Outer Model Weight | |
|------------------------------------|--------|
| Path | Weight |
| Country of Origin -> Indexical | -0.041 |
| Consistency -> Indexical | 0.447 |
| Quality Commitment -> Indexical | 0.310 |
| Brand Scandals -> Indexical | 0.148 |
| Employee Passion -> Indexical | 0.091 |
| Label Design -> Indexical | 0.317 |
| Brand Exclusivity -> Indexical | 0.070 |
| Heritage -> Iconic | 0.157 |
| Nostalgia -> Iconic | 0.194 |
| Commercialisation -> Iconic | 0.115 |
| Sincerity -> Iconic | 0.487 |
| Clarity -> Iconic | 0.449 |
| Brand Personality -> Existential | 0.370 |
| Legitimacy -> Existential | 0.230 |
| Self-Authentication -> Existential | 0.673 |
| Brand Self Fit -> Existential | -0.057 |

However to test the hypotheses relating to the relationships between the individual cues and brand authenticity an additional model was required in SmartPLS to execute the analysis. Figure 5.5 illustrates a supplementary model constructed specially for computing the path coefficient outputs relating to the hypothesised relationships between the cues and brand authenticity within SmartPLS. Table 5.12 follows with the computed output of the path coefficients, p-values and effect sizes in accordance to Figure 5.5.

Figure 5.5 Conceptual research model 2**Table 5.12 Path Coefficient Statistics for Model 2**

| Path Analysis | | | |
|-------------------------------------|------------------|----------|-------|
| Path | Path coefficient | p-value | f^2 |
| Country of Origin -> Authenticity | -0.039 | 0.265 | 0.005 |
| Consistency -> Authenticity | 0.424 | 0.000*** | 0.249 |
| Quality Commitment -> Authenticity | 0.205 | 0.001*** | 0.052 |
| Brand Scandals -> Authenticity | -0.120 | 0.006*** | 0.044 |
| Employee Passion -> Authenticity | 0.034 | 0.471 | 0.002 |
| Label Design -> Authenticity | 0.271 | 0.000*** | 0.150 |
| Brand Exclusivity -> Authenticity | 0.059 | 0.125 | 0.010 |
| Heritage -> Authenticity | 0.120 | 0.030** | 0.014 |
| Nostalgia -> Authenticity | 0.128 | 0.010** | 0.021 |
| Commercialisation -> Authenticity | 0.125 | 0.071* | 0.025 |
| Sincerity -> Authenticity | 0.306 | 0.000*** | 0.082 |
| Clarity -> Authenticity | 0.285 | 0.000*** | 0.086 |
| Brand Personality -> Authenticity | 0.207 | 0.024** | 0.054 |
| Legitimacy -> Authenticity | 0.116 | 0.075* | 0.011 |
| Self-Authentication -> Authenticity | 0.439 | 0.000*** | 0.136 |
| Brand Self Fit -> Authenticity | -0.070 | 0.400 | 0.004 |
| Authenticity -> Value Creation | 0.835 | 0.000*** | 2.298 |

Note: Significance at the * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$ level

The path coefficients were computed via the bootstrapping approach in SmartPLS and thus were used to assess the path coefficient size and significance. The subsequent sections briefly highlight and discuss each formulated hypothesis as well as the results pertaining to each as obtained from applying the PLS-SEM algorithm. Specifically, whether the hypotheses are rejected or not were delineated and each relationship identified was described individually.

(a) Anthropomorphism, brand authenticity and value creation

To achieve the primary objective of the present study, null hypothesis H_01 was divided into two as illustrated in chapter four. To establish whether or not null hypothesis H_01 could be rejected, an assessment of null hypotheses H_01a and H_01b needed to first be carried out. H_01a was tested first followed by H_01b .

The results indicated that a significant relationship exists between anthropomorphism and brand authenticity with a p-value ($p=0.000$) above the threshold 0.01 and hence at the 99% confidence level. The path coefficient (0.263) value further indicates a positive relationship between anthropomorphism and brand authenticity. Moreover, the effect size of such a relationship can be concluded as being medium ($f^2=0.119$). The null hypothesis H_01a was therefore rejected.

| | | | |
|--------------------|---|---------|--------|
| H _{01a} : | There is no relationship between anthropomorphism and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands. | p=0.000 | Reject |
|--------------------|---|---------|--------|

Relating to H_01b the results from the structural model indicated that a significant relationship exists between brand authenticity and value creation with a p-value ($p=0.000$) below the threshold for a 95% confidence level of 0.05. Moreover, the results indicated an effect size ($f^2=2.304$) denoting that brand authenticity had a large significant effect on value creation. The null hypothesis H_01b was therefore rejected.

| | | | |
|--------------------|---|---------|--------|
| H _{01b} : | There is no relationship between brand authenticity and value creation amongst South African Generation Y consumers in the case of artisanal luxury brands. | p=0.000 | Reject |
|--------------------|---|---------|--------|

The path coefficient (0.835) value further indicates a strong positive relationship between brand authenticity and value creation. The significant positive and strong relationship implies that South African Generation Y consumers derive significant

value from authentic brands. The present study therefore adds to existing literature relating to the value creating potential for brands by using an authenticity positioning.

To provide additional support for the role of both anthropomorphism and brand authenticity in the creation of value, the indirect effects on value creation was determined by analysing the specific indirect effects as outputted by SmartPLS, depicted in Table 5.13.

Table 5.13 Impact on Value Creation

| Specific Indirect Effects | | | |
|--|--------|--------|---------|
| Constructs | Effect | T-Stat | P Value |
| Anthropomorphism -> Authenticity -> Value Creation | 0.220 | 5.026 | 0.000 |

The results indicated that the effect of anthropomorphism through authenticity has a strong impact on value creation at the 99 percent confidence level ($p < 0.01$). As a result of rejecting H_{01a} and H_{01b} and assessing the specific indirect effects, the primary objective was achieved thereby supporting the notion that anthropomorphism and brand authenticity have a significant positive relationship in the creation of value amongst South African Generation Y consumers in the case of artisanal luxury brands (craft gin).

Finding of a statistical significant role of anthropomorphism and brand authenticity in the creation of value represents the crux of the present study. And in its broadest sense the results support the argument that both anthropomorphism and brand authenticity are significantly important concepts amongst South Africa's Generation Y and in specific in the context of craft gin. However, deeper insights were found as according to the tested hypotheses to follow.

(b) Indexical cues and brand authenticity

The results from the structural model indicated that a significant relationship exists between indexical cues and brand authenticity with a p-value ($p=0.000$) below the threshold of 0.01 and thus at the 99% confidence interval. Moreover, the results presented an effect size ($f^2=0.594$) indicating indexical cues had a large significant effect on brand authenticity. The null hypothesis H_{02} was therefore rejected.

| | | | |
|-------------------|---|---------|--------|
| H ₀ 2: | There is no relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands. | p=0.000 | Reject |
|-------------------|---|---------|--------|

The path coefficient (0.697) value further indicates a positive relationship between indexical cues and brand authenticity. The significant positive and strong relationship implies that South African Generation Y consumers evaluate a brands authenticity based largely on the information present within indexical cues. The present study is therefore in agreement with previous studies that have established indexical cues as significantly important brand authenticity antecedents (Guevremont, 2015; Morhart *et al.*, 2015). To assess the hypothesised relationship between the individual indexical cues and brand authenticity a secondary model was constructed (see Figure 5.5) in SmartPLS. Again the path coefficients, effect size and significance were computed.

| | | | |
|--------------------|---|---------|---------------|
| H ₀ 2a: | Country of origin has no relationship with brand authenticity | p=0.265 | Do not Reject |
| H ₀ 2b: | Consistency has no relationship with brand authenticity | p=0.000 | Reject |
| H ₀ 2c: | Quality commitment has no relationship with brand authenticity | p=0.001 | Reject |
| H ₀ 2d: | Absence of brand scandals has no relationship with brand authenticity | p=0.006 | Reject |
| H ₀ 2e: | Employee passion has no relationship with brand authenticity | p=0.471 | Do not Reject |
| H ₀ 2f: | Label design has no relationship with brand authenticity | p=0.000 | Reject |
| H ₀ 2g: | Brand exclusivity has no relationship with brand authenticity | p=0.125 | Do not Reject |

Consequently there were seven indexical cues identified and tested, however results indicated that only four were significant. Thus null hypotheses H₀2b, H₀2c, H₀2d and H₀2f were rejected and null hypothesis H₀2a, H₀2e and H₀2g were not rejected.

The assessment of the formative variables using the path coefficients from the second conceptual model (Figure 5.5) and significance highlighted that only four out of the seven indexical cues were found to be significant ($p < 0.05$). The three non-significant cues, 'country of origin', 'employee passion' and 'brand exclusivity' all produced p-values ($p = 0.265$; $p = 0.471$; $p = 0.125$) respectively, above the threshold of 0.05. The indexical cues, 'consistency', 'quality commitment', 'brand scandals' and 'label design' all produced p-values below the required threshold of 0.05 and thus the

respective null hypotheses were rejected. In addition, the indexical cues ‘consistency’ and ‘label design’ both had a significantly medium sized relationship with brand authenticity with f^2 values ($f^2=0.249$; $f^2=0.150$) respectively, and quality commitment and ‘brand scandals’ small significant effects with f^2 values ($f^2=0.052$; $f^2=0.044$) respectively. In addition, ‘brand scandals’ produced a negative path coefficient score (-0.120) suggesting a negative relationship with brand authenticity. Therefore, ‘consistency’, ‘quality commitment’, ‘and ‘label design’ all have a significantly positive effect on brand authenticity, yet ‘absence of brand scandals’ has a small negative relationship with brand authenticity. Whereas the indexical cues, ‘country of origin’, ‘employee passion’ and ‘brand exclusivity’ do not have significant effects on brand authenticity.

(c) Iconic cues and brand authenticity

The results from the structural model indicated that a significant relationship exists between iconic cues and brand authenticity with a p-value ($p=0.027$) below the threshold for a 95% confidence level of 0.05. Moreover, the results indicated an effect size ($f^2=0.022$) denoting that iconic cues have a small significant effect on brand authenticity. The null hypothesis H_{03} was therefore rejected.

| | | | |
|-------------------|--|---------|--------|
| H ₀₃ : | There is no relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands. | p=0.027 | Reject |
|-------------------|--|---------|--------|

The path coefficient (0.133) value indicated a positive relationship between iconic cues and brand authenticity. The small but significant relationship implies that South African Generation Y consumers seem to evaluate a brands authenticity based on a small part on the information present within iconic cues. The present study is moreover in agreement with previous studies that also established a significant relationship between iconic cues and brand authenticity (Guevremont, 2015; Morhart *et al.*, 2015). As formative measures, the individual iconic cues also required assessment via the computed path coefficients and corresponding p-values as generated by SmartPLS. The second conceptual model (see Figure 5.5) was again used to execute the analysis to assess whether a relationship existed between the individual iconic cues and brand authenticity. Consequently there were five iconic cues identified and tested, all of which results indicated to be significant. Thus null hypotheses H_{03a} , H_{03b} , H_{03c} , H_{03d} and H_{03e} were rejected.

| | | | |
|--------------------|---|---------|--------|
| H ₀ 3a: | Heritage has no relationship with brand authenticity | p=0.030 | Reject |
| H ₀ 3b: | Nostalgia has no relationship with brand authenticity | p=0.010 | Reject |
| H ₀ 3c: | Commercialisation has no relationship with brand authenticity | p=0.071 | Reject |
| H ₀ 3d: | Sincerity has no relationship with brand authenticity | p=0.000 | Reject |
| H ₀ 3e: | Clarity has no relationship with brand authenticity | p=0.000 | Reject |

The assessment of the formative variables using the path coefficients and significance highlighted that all five iconic cues were found to be significant ($p < 0.05$). The iconic cue, 'commercialisation', however was only found to be significant at the 90% confidence level below the required threshold of 0.10. In addition, the cues, 'heritage', 'nostalgia' and 'commercialisation' produced path coefficients (0.120, 0.128, 0.125) respectively, indicating significantly small positive relationships. Whereas the iconic cues 'sincerity' and 'clarity' produced path coefficients (0.306 and 0.285) respectively indicating stronger significant relationships. However the effect size of all the iconic cues indicated a weak affect as the computed f^2 values were all above 0.02 but below 0.15. Therefore, 'heritage', 'nostalgia', 'commercialisation', 'sincerity' and 'clarity' were all found to have significantly positive effects on brand authenticity.

(d) Existential cues and brand authenticity

The results from the structural model indicated that a non-significant relationship exists between existential cues and brand authenticity with a p-value ($p = 0.686$) above the required confidence level thresholds. Moreover, the results indicated an effect size ($f^2 = 0.001$) denoting that existential cues have a near non-existent effect on brand authenticity. The null hypothesis H₀4 was therefore not rejected.

| | | | |
|-------------------|---|---------|---------------|
| H ₀ 4: | There is no relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands. | p=0.686 | Do Not Reject |
|-------------------|---|---------|---------------|

The path coefficient (0.021) value indicated what could be considered as a non-existent relationship between existential cues and brand authenticity. The non-significant relationship implies that South African Generation Y consumers do not seem to evaluate a gin brands authenticity based on the information present within

existential cues. The present study, moreover contradicts previous research that has established a significant relationship between existential cues and brand authenticity (Guevremont, 2015; Morhart *et al.*, 2015). The implications of which are discussed within the conclusions and recommendations. To further derive deeper meaning to such a finding the path coefficients and significance of the individual existential cues were furthermore assessed, in accordance to the second conceptual model (see Figure 5.5). Consequently there were four existential cues identified and tested, however results indicated that only three were significant. Thus null hypotheses H₀4a, H₀4b and H₀4c were rejected and null hypothesis H₀4d was not rejected.

| | | | |
|--------------------|---|---------|---------------|
| H ₀ 4a: | Brand Personality has no relationship with brand authenticity | p=0.024 | Reject |
| H ₀ 4b: | Legitimacy has no relationship with brand authenticity | p=0.075 | Reject |
| H ₀ 4c: | Self-Authentication has no relationship with brand authenticity | p=0.000 | Reject |
| H ₀ 4d: | Brand-Self Fit has no relationship with brand authenticity | p=0.400 | Do Not Reject |

Although, the existential cues 'brand personality', 'legitimacy' and 'self-authentication' presented p-values below the threshold of 0.05, collectively as existential cues they presented an insignificant effect on brand authenticity. Therefore, within the present study, existential cues do not have a significant relationship with brand authenticity.

(e) Moderation effect of anthropomorphism

A primary goal within the present study was to assess the potentially moderating effect of anthropomorphism. Specifically, whether or not anthropomorphism has a moderating effect between authenticity antecedents and brand authenticity. For the purposes of the present study, the two-stage approach was used as it is the most appropriate for exogenous variables that are modelled formatively (Garson, 2014:26). The interaction effect and significance test results are presented in Table 5.14.

Table 5.14 Interaction Effect and Significance

| Moderation Analysis | | | | |
|------------------------------|------------------|---------|----------------|------------|
| Interaction | Path Coefficient | p value | f ² | Assessment |
| Index*Anthro -> Authenticity | -0.070 | 0.017 | 0.050 | Small |
| Icon*Anthro -> Authenticity | -0.084 | 0.005 | 0.039 | Small |
| Exist*Anthro -> Authenticity | -0.034 | 0.358 | 0.007 | None |

The results from the moderation analysis indicated that anthropomorphism has a significant effect on indexical and iconic cues but an insignificant effect on existential cues as presented by the p-values ($p=0.017$; $p=0.005$; $p=0.358$) respectively. Thus null hypothesis H_{05} and H_{06} were rejected but null hypothesis H_{07} was not.

| | | | |
|------------|--|-----------|--------|
| H_{05} : | Anthropomorphism does not moderate the potential relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands. | $p=0.017$ | Reject |
|------------|--|-----------|--------|

The path coefficient (-0.070) value indicated that anthropomorphism has a significantly negative moderating effect between the indexical cues and brand authenticity. Moreover, the effect size ($f^2=0.050$) indicated that the negative effect was however small. Furthermore, evaluation of the simple slope analysis highlighted that for indexical cues the slopes were angled upward, thus suggesting anthropomorphism has a positive effect between indexical cues and brand authenticity. A visual representation of the slopes can be found in the annexure C. However the effect may decrease with extremely high levels of anthropomorphism thus providing a potential reason for the negative effect.

| | | | |
|------------|---|-----------|--------|
| H_{06} : | Anthropomorphism does not moderate the potential relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands. | $p=0.039$ | Reject |
|------------|---|-----------|--------|

The path coefficient (-0.084) value indicated that anthropomorphism has a significantly negative moderating effect between iconic cues and brand authenticity. Moreover, the effect size ($f^2=0.039$) indicated that the negative effect was however also very small. The significant negative relationship may imply that the higher the level of anthropomorphism the weaker the relationship between the iconic cues and brand authenticity. Visual representation of the moderating effect is presented within the annexure C as the simple slope analysis.

| | | | |
|------------|--|-----------|---------------|
| H_{07} : | Anthropomorphism does not moderate the potential relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands. | $p=0.358$ | Do Not Reject |
|------------|--|-----------|---------------|

The path coefficient (-0.034) value indicated that anthropomorphism has a negative and insignificant moderating effect between existential cues and brand authenticity. The finding is logical as the results also failed to reject null hypothesis H₀₄ meaning existential cues have no significant effect on brand authenticity within the present study. As a summary, Table 5.15 presents all path coefficients scores, including moderation, the p-values, the significant or non-significant relationship and whether or not the null hypotheses were rejected.

Table 5.15 Path Coefficient Statistics

| Path Analysis | | | | |
|-------------------------------------|------------------|----------|------|--------------------------------|
| Path | Path Coefficient | p-value | Sig. | H ₀ |
| Anthropomorphism -> Authenticity | 0.263 | 0.000*** | Yes | Reject H _{01a} |
| Authenticity -> Value Creation | 0.835 | 0.000*** | Yes | Reject H _{01b} |
| Indexical -> Authenticity | 0.697 | 0.000*** | Yes | Reject H ₀₂ |
| Brand Exclusivity -> Authenticity | 0.059 | 0.125 | No | Do Not Reject H _{02g} |
| Brand Scandal -> Authenticity | -0.120 | 0.006*** | Yes | Reject H _{02d} |
| Consistency -> Authenticity | 0.424 | 0.000*** | Yes | Reject H _{02b} |
| Country of Origin -> Authenticity | -0.039 | 0.265 | No | Do Not Reject H _{02a} |
| Employee Passion -> Authenticity | 0.034 | 0.471 | No | Do Not Reject H _{02e} |
| Label Design -> Authenticity | 0.271 | 0.000*** | Yes | Reject H _{02f} |
| Quality Commitment -> Authenticity | 0.205 | 0.001*** | Yes | Reject H _{02c} |
| Iconic -> Authenticity | 0.133 | 0.028** | Yes | Reject H ₀₃ |
| Clarity -> Authenticity | 0.285 | 0.000*** | Yes | Reject H _{03e} |
| Commercialisation -> Authenticity | 0.125 | 0.071* | Yes | Reject H _{03c} |
| Heritage -> Authenticity | 0.120 | 0.030** | Yes | Reject H _{03a} |
| Nostalgia -> Authenticity | 0.128 | 0.010** | Yes | Reject H _{03b} |
| Sincerity -> Authenticity | 0.306 | 0.000*** | Yes | Reject H _{03d} |
| Existential -> Authenticity | 0.021 | 0.695 | No | Do Not Reject H ₀₄ |
| Brand-Self Fit -> Authenticity | -0.070 | 0.400 | No | Do Not Reject H _{04d} |
| Legitimacy -> Authenticity | 0.116 | 0.075* | Yes | Reject H _{04b} |
| Brand Personality -> Authenticity | 0.207 | 0.024** | Yes | Reject H _{04a} |
| Self-Authentication -> Authenticity | 0.439 | 0.000*** | Yes | Reject H _{04c} |
| Index*Anthro -> Authenticity | -0.070 | 0.017** | Yes | Reject H ₀₅ |
| Icon*Anthro -> Authenticity | -0.084 | 0.005*** | Yes | Reject H ₀₆ |
| Exist*Anthro -> Authenticity | -0.034 | 0.358 | No | Do Not Reject H ₀₇ |

Note: Significance: *p<0.10, **p<0.05, ***p<0.01

To visually represent the results pertaining to the structural model and summarise the findings as per Table 5.15, Figure 5.6 and 5.7 (as constructed in SmartPLS) illustrates the path coefficients (on the arrows) as well as the coefficients of determination.

Figure 5.6 Research Model 1 Results

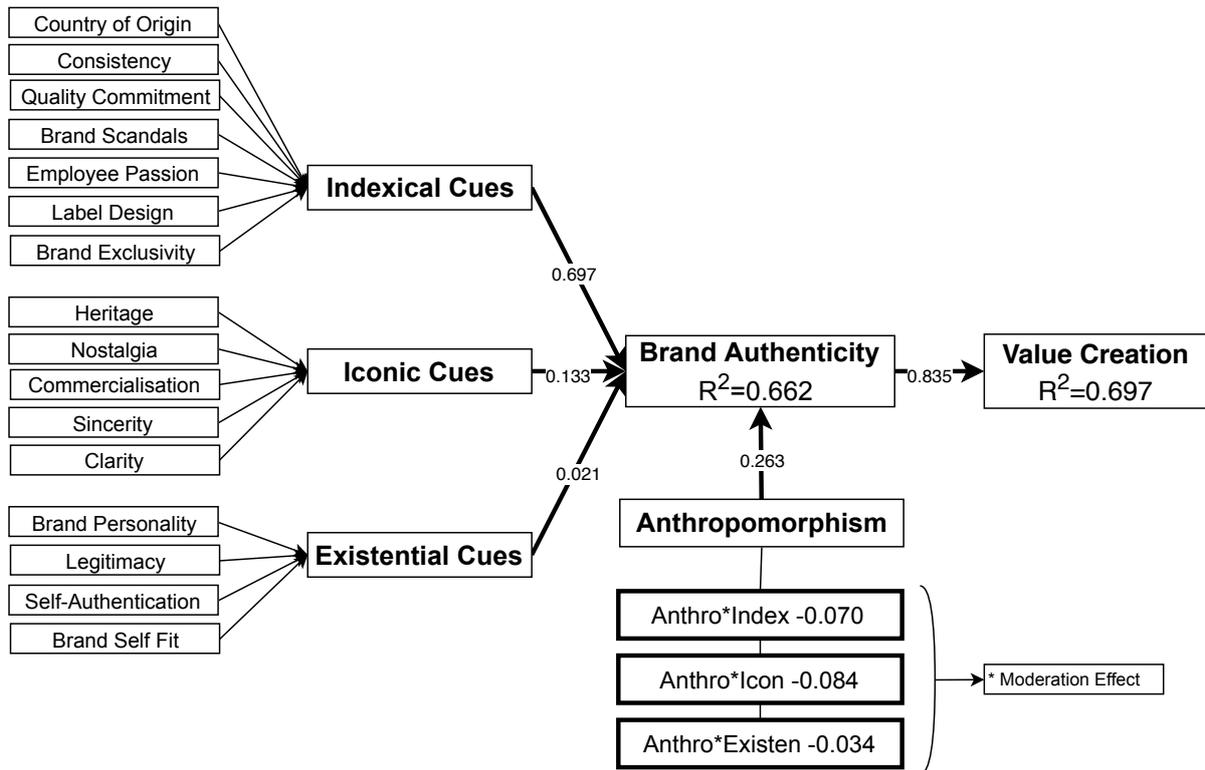
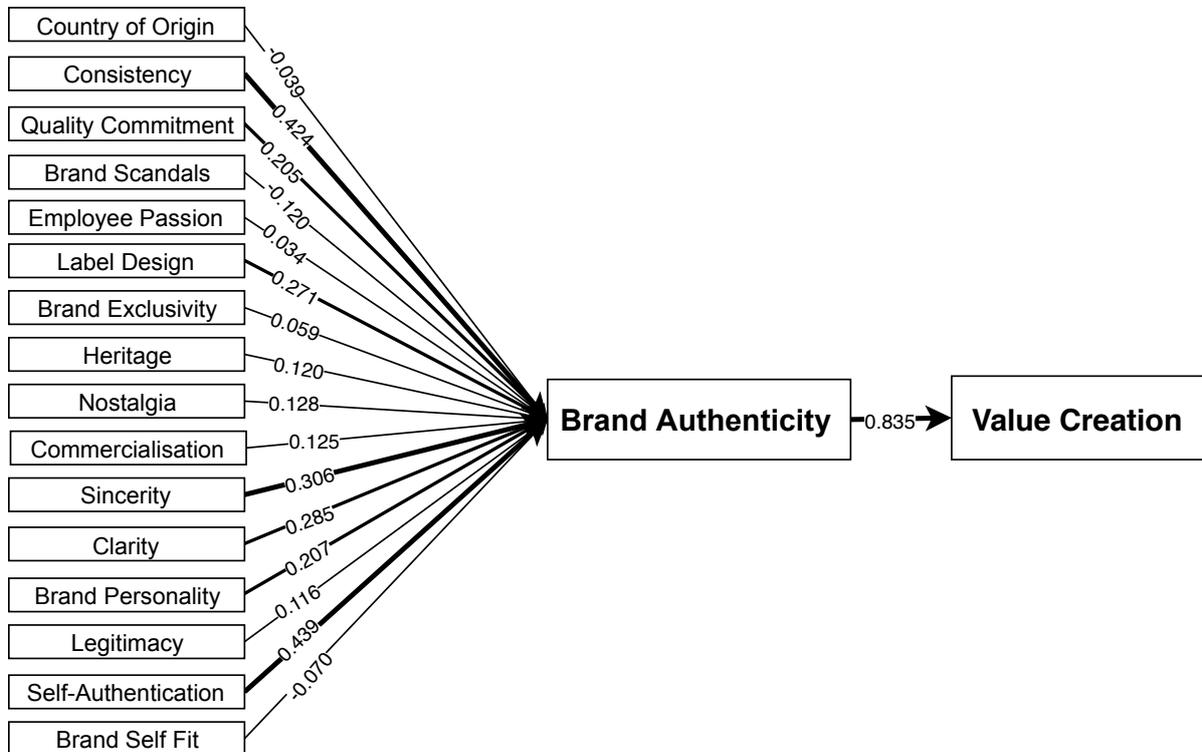


Figure 5.7 Research Model 2 Results



5.7 CONCLUSION

The results chapter brought about the evidence to provide support for the theory developed as a consequence to the literature review. In specific, whether or not anthropomorphism and authenticity play a role in value creation was empirically analysed. In accordance to triangulation, both a qualitative and quantitative study were conducted and suitably analysed. Results pertaining to the qualitative study assisted in the generation of a list of authenticity antecedents, which consequently lead to the revision of the research model as well as expansion of hypotheses. However, support was required to justify such revisions and test the developed hypotheses and thus the quantitative study was executed. Within the analysis both a descriptive and inferential analysis were completed with the aid of Excel and SmartPLS. The descriptive analysis aided in compiling a complete and comprehensive demographic profile, one in which was representative of the target population, Generation Y.

The descriptive analysis further aided in describing Generation Y's craft gin drinking habits as well as revealed the most popular brand amongst them, Inverroche. Furthermore the data was analysed for its central tendency as well as distribution and all statistical outputs met the required criteria for quality results. The inferential analysis followed and aimed to address the stated hypotheses by conducted a PLS-SEM. Results that were generated were diverse in the accepting versus rejection of null hypotheses, however the most significant one relating to whether or not anthropomorphism and authenticity have a role to play in value creation was supported. Therefore, empirically supporting the crux of the present study. The multitude of findings furthermore presents a wealth of information for marketing managers and academics alike. The implications of which are subsequently delineated within the following chapter.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

Brand authenticity, as a multi-dimensional construct has received attention from marketing academics in the not so distant past. With the rise of market competition, new product categories, changing consumer preferences, new technology and information becoming highly accessible, marketers are always looking for new ways to reach and retain customers. Consumers' inherent quest for authenticity has triggered the attention of marketers to focus on the construct as a means to gain a competitive advantage. However, there is limited research as to how practitioners are to create value through authenticity. In addition, the present study aimed to fill a particular research gap, by applying authenticity and anthropomorphism to an emerging market and artisanal luxury brand setting and evaluating the potential for value creation. The knowledge gained will thereby add to existing literature by providing insight as to the applicability of the constructs in question to young consumers.

The concept of triangulation was applied as a guide throughout the study. Accordingly, triangulation aided in increasing the credibility of the knowledge gained from the results. Triangulation improved internal consistency and generalisability by combining qualitative and quantitative approaches. The current research adopted a cross-disciplinary approach to achieve an accurate and reliable outcome. This approach combined literature, theory and empirical evidence to draw conclusions.

The current chapter strives to conclude on the acquired empirical results and incorporate all the relevant discoveries made so far. A summary of the empirical results is provided to bring the significant findings to the forefront. In addition, each research objective is put under the spotlight, concluded on and in particular, what can be taken away from the results is denoted. Recommendations are subsequently presented, highlighting how the results can influence future academics and marketers. A discussion is furthermore had on the limitations of the present study as well as a comprehensive look at future research avenues. The chapter concludes with a reconciliation of the research objectives and concluding the study.

6.2 SUMMARY OF EMPIRICAL RESULTS

The primary objective of the present study was to establish whether anthropomorphism and authenticity play a role in creating value for South African Generation Y consumers in the context of artisanal luxury brands (craft gin). In addition, an array of authenticity antecedents was sourced and identified from secondary sources as well as the qualitative study and were categorised under the significant authenticity cues, namely indexical, iconic and existential. Categorisation was further elaborated on in the section pertaining to conclusions of objectives. Data were collected via an online survey from 315 respondents representative of South African Generation Y to test the identified theories. The questionnaire was orientated around the artisanal luxury brands of South African craft gins. The insight provided a look at how small independently owned, authentic and artisanal brands could possibly dominate against large, mass production, commercial brands.

The results of the empirical research were explicitly used to test the theorised relationships depicted within the research model as per Figure 5.1. The analysis provided conclusive yet diverse results. The primary objective, which was of most importance, was found to be supported. The most interesting result however, was finding an insignificant relationship between existential cues and brand authenticity, contradicting all previous authenticity research. Upon completion of the relevant analyses, the results allowed for the rejection of null hypotheses 1, 2, 3 and 8, whereas null hypotheses 4, 5, 6 and 7 were all supported. The implications of which are discussed further in the conclusions section.

6.3 RESEARCH OBJECTIVES CONCLUSIONS

The results of the present study proved interesting. The outcomes of the analysis pertaining to the tested hypotheses provided a depth of implications. Most importantly was that the primary objective of this study was supported. Anthropomorphism and authenticity seem to have an important role to play in creating value for South African Generation Y consumers in the context of artisanal luxury brands. The following section hence provides the conclusions concerning the significant findings generated within the results. Each research objective will be pulled into focus and the implications of each emphasised.

6.3.1 Primary research objective

To investigate whether anthropomorphism and brand authenticity have a role in the creation of value amongst South African Generation Y consumers in the case of artisanal luxury brands, specifically craft gin.

The primary objective as stated above was supported as represented by the results. The findings are additionally reinforced by previous research that has established a link between anthropomorphism and brand authenticity (Morhart *et al.*, 2015; Portal, 2017). The two concepts have yet to be used in conjunction to create value for consumers and thus the present study adds to filling a gap in existing academic literature. The results indicated that anthropomorphism and authenticity could be concluded as having a positive relationship with the creation of value for Generation Y consumers with regards to artisanal luxury brands, hence representing the crux of the study.

Review of past literature, as denoted within the literature review, revealed that there is a lack of research of naturally occurring anthropomorphism (Hart *et al.*, 2013:106). Most of the studies have actively primed anthropomorphism to test respondent's reactions, whereas the present study aimed to evaluate whether the concept occurred naturally amongst respondents. Accordingly, the findings suggest Generation Y consumers' naturally prime anthropomorphism. In particular anthropomorphism has a positive relationship with brand authenticity. Moreover, analysis of the specific indirect effects confirms that anthropomorphism, via brand authenticity, has a significant and positive impact on the creation of value. This finding is supported by research by Hart *et al.* (2013), stating that value perceptions can be enhanced with the aid of anthropomorphism. Research indicated both anthropomorphism and authenticity play a significant role in value creation. Additionally, there has been only a narrow range of products considered within past study's and has thus limited anthropomorphic research. Therefore, the present study thereby increases the generalisability of the results regarding anthropomorphism by evaluating a product category that has received little to no research in the past.

The primary objective furthermore aimed to determine the value creating potential of authenticity as an outcome. The results proved most convincing that brand authenticity has a strong positive relationship with value creation. The findings are

complementary to previous studies evaluating the effects of brand authenticity on value (Napoli *et al.*, 2016). The implications highlighting the benefits associated with the offering and hence consumption of authentic products. The present study underlines that authentic brands have the potential of meeting and possibly exceeding expectations associated with consumers functional and hedonic needs.

Notably, the value concept should be a fundamental basis for all marketing activity (Ravald & Grönroos, 2011; Smith & Colgate, 2007). An imperative aspect of instigating any value-creating activities is that the consumer is placed in the spotlight. Doing so is particularly important when understanding and applying the value concept within the luxury industry, where luxury consumers are undoubtedly value-driven (Bhaduri & Stanforth, 2017:178). Significantly, the findings of the present study further add to existing academic literature in understanding how consumers value artisanal luxury brands (Bhaduri & Stanforth, 2017). In particular, the post-modern consumer, in this case Generation Y, places a high level of importance on deriving value through consumption (Bhaduri & Stanforth, 2017:178). Drawing back to the theory of cue utilisation, consumers actively use various cues to evaluate the authenticity of a product to their artisanal contributions as these indicate high value. As per the current study, indexical and iconic cues are the most effective in establishing brand authenticity and creating value for consumers.

Research by Napoli *et al.* (2016) has established that an authentic brand has the capability of delivering both utilitarian and hedonic value for consumers. Review of previous literature further revealed that consumers discuss luxury goods with rich hedonic language (for example, 'opulent' or 'prestigious') over and above the fact that hedonic value is a necessity to the establishment of a luxury brand (Tynan *et al.*, 2010:1158). Research by Tynan *et al.* (2010) suggested craftsmanship as a new typology and source of utilitarian value within the luxury industry. According to past literature and the acquired results within the present study, brand authenticity can be concluded as an effective positioning strategy that can be used to create value for artisanal luxury brands as appropriate to Generation Y.

In general, past research has overlooked the desirability of establishing an authenticity positioning to create value for consumers (Napoli *et al.*, 2016:1202). In addition, the findings suggest brand authenticity is highly effective in establishing

both functional and hedonic value. Brands that utilise an authenticity positioning and deliver on intrinsic performance as well as fashion an element of sensory pleasure could be successful in creating a sense of holistic value. The implications are especially relevant for artisanal luxury brands. Brands that present an outward projection of images related to their craft production, passion and tradition helps consumers create a personalised relationship with the brand (Napoli *et al.*, 2016:1204). Moreover, luxury brand consumers are indisputably value-driven as they search for indications that a product is worth the price to be paid (Bhaduri & Stanforth, 2017:178). Descriptors providing indications of artisanal contributions help consumers make authenticity judgements positioning a brand as valuable in their minds (Bhaduri & Stanforth, 2017:178). As identified within the literature review, consumers use various cues when evaluating a brand for authenticity. It is essential for marketers to identify to which cues consumers are paying attention. The present study therefore aimed to conclude on the relevant cues that consumers used deeming a brand as authentic.

6.3.2 Secondary research objective: Indexical cues

To determine whether there is a relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

The results advocated the strongest antecedent cues relating to brand authenticity are indexical cues. To reiterate, indexical cues are attributes pertaining to a product or brand that provides a consumer with evidence that the brand is exactly what it claims to be (Carsana & Jolibert, 2017:214). Indexical cues fall within the objectivist perspective of authenticity relating to absolute, objective and defined conditions of what is original, true and genuine (Guevremont, 2015; Portal, 2017). Simply put, indexical cues help consumers distinguish the original product/brand from its imitations. Considering the context of the present study, consumers seem to use indexical cues to distinguish between authentic craft gin brands and mainstream commercial gin brands. The indexical cues tested within the results chapter were sourced from secondary research and reinforced via the qualitative study.

The first identified cue, country of origin, was categorised as indexical considering the physical origin of a product is an objective piece of information offered by the

brand via advertising or product packaging (Newman & Dhar, 2014:377). Previous research has highlighted how the differences in the country of origin of a product shape consumer preferences (Newman & Dhar, 2014:371). In general, these differences generally reside in quality inferences and consumer attitude (positive or negative) towards that country. For example, consumers perceive cars made in Germany to be of superior quality. However, in the present study the cue of country of origin was found to have a negative and insignificant effect on brand authenticity. The implications are that South African Generation Y is not influenced by country of origin effects when evaluating the authenticity of a brand. This result contradicts the findings within the qualitative study that emphasised the importance Generation Y places on localism.

The reason may be that localism goes deeper than merely the origin of the products. Research by Green (2015) highlights that micro-breweries have been successful by emphasising the niche locale within which they operate. An example, in the context of the present study, would be the craft gin brand Inverroche that is famously known to work out of the small South African village of Still Bay. The distillery itself is invested in its local community and uses the distinct floral botanicals in the area to distil its premium gin. It can be concluded that for South African Generation Y simply knowing the country of origin of a brand might not be enough to deem it as authentic.

The cue consistency was identified as indexical considering it provides a broader sense of proof that the brand is trustworthy (Schallehn *et al.*, 2014:195). To conclude on the results, consistency was found to have a sized significant relationship on brand authenticity. Consistency is related to attributes of a brand's promise that are essential to be fulfilled within the view of the consumer (Schallehn *et al.*, 2014:194). In particular, two elements critical to maintaining consistency within the marketing mix are price and product (Schallehn *et al.*, 2014:194). The implications in the present study is that craft gin brands should be consistent with their premium pricing to maintain the positioning as an artisanal luxury brand as well as maintain consistency with the quality of their products.

Accordingly, another cue identified as indexical is quality commitment. As an indexical cue, quality commitment is the ongoing endeavour of the brand to deliver on and continue making a product with superior standards and is thus objectively

identifiable (Napoli *et al.*, 2016:1204). The results revealed that quality commitment has a strong positive effect on brand authenticity. Therefore, to conclude, it is South African Generation Y's view that the uncompromising commitment of a brand to quality is central to the prerogative of a brand to authenticity. In the context of the present study, ensuring high-quality standards entails the brand to be truly passionate for the craft skill involved that will lead to sustained performance. Images relating to craft, traditional production methods and artisanship are therefore crucial for craft gin brands to maintain an aura of authenticity by showing consumers their commitment to quality.

Another indexical cue is brand scandals, or more importantly the absence thereof. Scandals relate to objective information about the behaviour of a brand contributing to perceptions of irresponsibility, dishonesty and inability to act according to moral values (Morhart *et al.*, 2015:206). The findings of the present study highlight that absence of brand scandals has a small but significantly negative effect on brand authenticity. The result directly contradicts research by Morhart *et al.* (2015) whom conclude that consumers rely on the absence of brand scandals when forming impressions of authenticity. The reason may be that the research by Morhart *et al.* (2015) evaluated large and well known commercial brands such as Coca-Cola, Apple and Harley-Davidson that are expected by consumers to act morally and ethically. Small, lesser known brands such as South African craft gin are thus not under continuous scrutiny and are by default pledged to ethical and moral business behaviours.

Concluding on brand scandals hence implies that South African Generation Y believes that if a brand is involved in a scandal, they are putting their self-interest ahead of their stakeholders and therefore are inauthentic. However, the absence of brand scandals is not a major contributor to Generation Y's authenticity perceptions. Yet, it is still in the best interest of craft gin brands to ensure a continued absence of image-tarnishing behaviour.

Employee passion is an additional indexical cue considering that those representing a brand constitute a key success factor in forming an authentic brand perception, and their behaviour is objectively assessed (Fritz *et al.*, 2017:329). The findings however suggest that employee passion does not have a significant effect on consumers'

evaluation of the authenticity of a brand. The results of the present study contradict research by Fritz *et al.* (2017), who found a significant relationship between the two constructs. The reasoning may be that Fritz *et al.* (2017) tested employee passion in a services environment where employee behaviour is highly influential to the consumer. The finding of an insignificant relationship concerning employee passion in the context of the current study further highlights that authenticity is individually and contextually created, and certain cues are not always relevant to every industry.

Label design was categorised as an indexical cue. The stylistic schematic of a label is considered an objective source of information consumers use to judge the quality of a product and make a purchase decision (Lunardo & Guerinet, 2007:72). The findings reflect label design has a strong and significantly positive effect on brand authenticity. As one of the first items a consumer sees on the initial encounter with a brand, the findings are logical. Furthermore, they are supported by research conducted by Lunardo and Guerinet (2007), who established that label design for luxury wine products was highly influential in consumers authenticity evaluations. In addition, the construct of label design was made up of three elements within the present study, namely naturalness, projection and uniqueness.

The implications about the naturalness dimension of the label design involve information relating to the originality and origins of the product. For example, the craft gin brand Bloedlemoen (the Afrikaans word for blood orange) has a hand-drawn image of a blood orange on its label, highlighting the flora origins of the gin. The projection dimension relates to the label of a brand reflecting the personality of the consumer (Lunardo & Guerinet, 2007:71). South African Generation Y seem to be more inclined to perceive a brand as authentic purchasing it if it is a reflection of their style. With regards to the uniqueness dimension, the more distinct and unique the label of a craft gin brand, the more likely a consumer will perceive it as authentic and pay a premium (Lunardo & Guerinet, 2007:77). Concluding, artisanal luxury brands should be mindful about their label design as it is highly influential in Generation Y's authenticity evaluations.

The final cue identified as indexical is brand exclusivity, which involves the physical number of products. The scarcity of a brand can enhance consumers' preference for that brand (Vigneron & Johnson, 2004:490). However, brand exclusivity in the

present study was found to have no significant effect on brand authenticity. The reason may be the income status of the target population. Generation Y represents the growing middle class in South Africa and thus is trading up to more premium brands to meet their aspiration needs. It is argued that brand exclusivity would only be an influential cue to consumers in a high-income bracket who seek products that are difficult to obtain thus enhancing their sense of prestigious status. To conclude, the three indexical cues providing the most substantial effect on brand authenticity were consistency, quality commitment and label design respectively. The implications of these findings entail craft gin brands to focus on these cues to influence Generation Y's authenticity perceptions in South Africa.

6.3.3 Secondary research objective: Iconic cues

To determine whether there is a relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

The iconic cues were found to be the second largest significant antecedent cues to brand authenticity. To reiterate, iconic cues are those that incorporate a consumers accumulated experiences, knowledge or internal frame of reference that are subjectively compared to an object to establish whether it is authentic (Stiehler & Tinson, 2015:42). Iconic cues form part of the constructivist perspective of authenticity and refers to the ability of a brand to create a schematic fit with consumer expectations of their idea of an authentic brand (Morhart *et al.*, 2015:202). In the context of the present study, iconic cues are used to imbue value onto the craft gin brand by creating impressions as well as an essence of authenticity. The iconic cues tested were also sourced from secondary research and reinforced via the qualitative study.

The first cue, heritage, was identified as an iconic cue due to the fact it is associated with the perceived anchoring of a brand to its own tradition (Fritz *et al.*, 2017:331). Considering the context of the present study, craft gins are relatively new to the market. Heritage was not tested for the simple fact of its long history, but rather for the positioning of the brand within its own legacy. The results highlighted that heritage had a significantly positive effect on brand authenticity. The implications are

that a brand that communicates its heritage may be perceived as more authentic, as it would appear the brand is more reliable, consistent and durable.

In a similar vein, the cue nostalgia was identified as iconic considering it is associated with consumers' personal experiences and the ability of the brand to position according to those experiences (Fritz *et al.*, 2017:331). Nostalgia within the present study was found to have a positive significant effect on brand authenticity. South African Generation Y associates a brand as authentic if it communicates a sense of nostalgia that reflects important values, stability and uniqueness. The implication of nostalgia is to ensure a focus on the brand itself as opposed to solely on consumer preferences.

An additional cue categorised as iconic is brand commercialisation or more profoundly a lack thereof. Commercialisation involves the subordination of the morals, values and norms of a brand for its financial success (Fritz *et al.*, 2017:331). In contrast, an authentic brand should project a disinterest or be unconcerned with commercial considerations (Fritz *et al.*, 2017:332). Logically, commercialisation should have a negative effect on brand authenticity as was found in research conducted in Germany by Fritz *et al.* (2017). The results of the present study show that the absence of commercialisation had a small but significant effect on brand authenticity. In the context of South African craft gin, it is therefore vital for such brands to project a disconnect from profit oriented behaviour for Generation Y to deem the craft gin brand as authentic.

Sincerity was identified as an iconic cue owing to the fact that it reflects the extent to which a business is true to the spirit of the brand and its purpose for being, becoming an icon in the eyes of consumers (Napoli *et al.*, 2016:1217). The results showed sincerity as the strongest iconic cue positively related to brand authenticity. The application of sincerity subsequently provides the potential opportunity to create strong emotional connections between the brand and consumer (Napoli *et al.*, 2016:1216). To conclude, in the view of South African Generation Y the sincerity portrayed by a brand can be iconic of its authenticity and furthermore highlights the passion that goes into the product being crafted.

The last cue acknowledged as iconic is that of brand clarity. Brand clarity is viewed as a subjective perception of the appearance of a brand with regards to being transparent, reliable and unambiguous (Fritz *et al.*, 2017:332). In the present study, clarity was found to be the second strongest iconic cue positively relating to brand authenticity. Brand clarity can aid in enhancing a brand's promise and can be assumed to be judged as a sign of reliability (Fritz *et al.*, 2017:332). Concluding on iconic cues, sincerity and clarity were presented as the strongest cues used by Generation Y concerning artisanal luxury brands (craft gin brands) and are thus effective in creating iconic authenticity.

6.3.4 Secondary research objective: Existential cues

To determine whether there is a relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

The most noteworthy finding in the present study was the insignificant relationship between existential cues and brand authenticity. As denoted in previous literature, existential cues refer to the self-referential aspects of a brand that links to the consumers' self-concept and thus fall under the existential perspective (Guevremont, 2015:32). Existential cues are hence meant to be used by consumers not as an objective quality but rather for the ability of a brand to serve as an identity related resource (Guevremont, 2015:8). Although the insignificant finding contradicts prior studies, the previous research to date has been scarce in identifying existential brand cues that have been empirically linked to brand authenticity. In addition, existential cues are considered as extremely subjective and activity based in that it involves subjective or personal feelings activated by the liminal process of experiences (Leigh *et al.*, 2006:483). The insignificant finding maybe because craft gin is perceived as a static product compared to a lived experience such as a music festival in the eyes of Generation Y.

The cues identified as existential within the present study were brand personality, legitimacy, self-authentication and brand-self fit. Although the former three cues were found to be significant, brand-self fit was not and all the cues did not have a significant effect on brand authenticity. However, it is well established that different cues infer authenticity in a diverse range for different societal groups (Portal,

2017:75). Perhaps it is the high diversity and complex society of South Africa that gives a unique view to authenticity rendering results different to studies completed in developed countries. South Africa is rich in cultural capital and the meaning of an authentic brand becomes synonymous with particular cultural values present within the country and in particular as defined by Generation Y.

The finding of an insignificant relationship reinforces the ideas regarding the nature of brand authenticity. As the findings differ from those conducted in developed market settings, it suggests that brand authenticity is indeed subjective and contextual. Brand authenticity can be assumed to be co-created with consumers as it's meaning is highly dependent on the individuals perceptions as well as their personal experiences.

6.3.5 Secondary research objective: Anthropomorphism moderating effect

To determine the moderating role of anthropomorphism between indexical, iconic and existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

Anthropomorphism was tested for its potential moderating role in strengthening the relationship between the authenticity cues and brand authenticity to address a gap in existing research. The results however showed a small negative relationship concerning indexical and iconic cues, but the level of significance was high. With respect to existential cues, once again there was no significant effect. These are interesting results considering a positive relationship was expected between the constructs. Because of the exogenous variables (indexical and iconic) being formative in nature, a possible suppression effect may have been the cause for the negative sign.

Because the indicator items for the formative variables each represent different dimensions, there is the possibility that one item may negatively correlate to another (Garson, 2014:19). If items are negatively correlated to one another but are positively correlated to the latent variable, a positive interaction effect may be suppressed due to a push-pull effect (Garson, 2014:19). SmartPLS outputs the table 'indicator data (correlations)' that reflects the correlations between items of an indicator. Evaluation of this table revealed items indeed were negatively correlated. It can be assumed a

suppression effect may have occurred. The results suggest anthropomorphism does have a significant role to play despite contradictory results.

Most significantly, anthropomorphism seemed to have the most positive relationship with indexical cues after evaluation of the simple slope plots. The slopes were steeply moving upward highlighting the positive relationship. The small negative effect discovered from the results may suggest that applying too much anthropomorphism may be problematic. The implications imply that for South African Generation Y in the context of artisanal luxury brands, conspicuous anthropomorphic strategies will be met with resistance. For example, if a luxury brand such as Louis Vuitton created an anthropomorphic brand character, it would be met with resistance from consumers as contradicting its luxury brand status by creating something perceived as 'un-luxurious'.

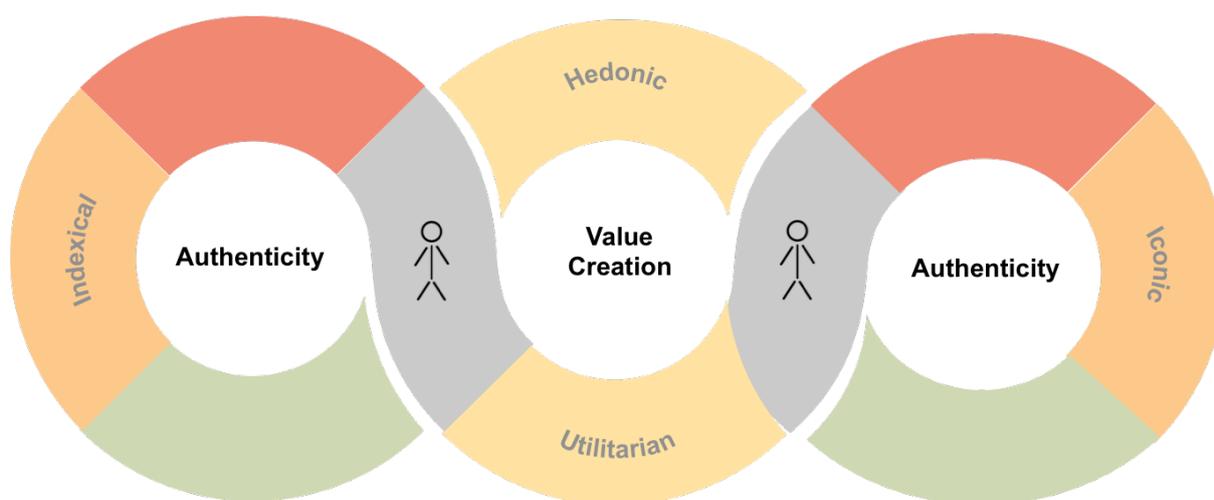
Research by Chen *et al.* (2017) established that anthropomorphism considerably influences consumers' consideration of the appearance attributes of a product and consequently creates a preference for the brand. Appearance attributes are highly objective and can be deemed as indexical cues. In this sense, the qualitative study can help understand the results from the quantitative analysis about anthropomorphism. Respondents of the focus group suggested having a human hand write the bottle/batch number on the label (indexical cue) of a craft gin product makes it ever more authentic. Therefore, suggesting anthropomorphism can potentially enhance the relationship between cues and brand authenticity, yet it depends highly on the individual, product and context of consumption.

6.4 RECOMMENDATIONS

The findings accumulated within the current study are far from few presenting a multitude of practical implications for managers. The general acceptance in past literature that authenticity requires existential cues has been subsequently invalidated. The role of anthropomorphism in conjunction with brand authenticity has also been brought forth as an effective means to create value. In addition, conducting the study in an emerging market and by focusing on artisanal luxury brands adds to gaps identified in extant research.

Notably, the most evident implication is that value creation and authenticity should not be viewed as static constructs. Value creation and authenticity are malleable and change continuously, so much so that the process can be likened to that of an infinite loop. Figure 6.1 below illustrates the proposed relationship. It should be noted that the created framework was inspired by the present study and thus needs to be adapted accordingly to different product and consumer markets.

Figure 6.1 The Authentic-Value Loop



The simple authentic-value loop as depicted above symbolises a long lasting commitment that continues indefinitely. Meaning, the process of building an authentic and thus valuable brand does not happen overnight. Longevity is vital to managers wishing to position their brands as an artisanal luxury in order to reap the benefits from the meaningful connections established with consumers. The key is placing value at the centre of all the activities of the firm, from branding and marketing to product development, design, distribution and customer service – every department needs a consumer dominant logic (CDL) view when it comes to value.

Moreover, the human figures illustrated in the loop signify an overarching theme that relates to the human element. Meaning, when placing value for the consumer at the centre of all operations managers must remember they are not merely just buyers but complex human beings as well. Within the CDL perspective and as previously highlighted in the literature review, research by Smith and Colgate (2007) emphasised key sources of customer value both internal and external to a firm: two sources most relevant to the present study are information and products. These

sources, both of which provide utilitarian and hedonic value, are subsequently applied practically throughout the recommendations.

The present study generated results that highlighted the significant role of anthropomorphism to brand authenticity and value creation and thus contributed to existing academic literature. The theory of uncertainty reduction is most relevant in understanding this role and in essence, consumers generally strive to mitigate any uncertainty encountered in their daily lives. Put forth by Nowak and Rauh (2010) consumers use signals or informational cues in an effort to reduce uncertainty during an interaction with a brand. Meaning, consumers actively gather and exchange information in an effort to make informed decisions mitigating uncertainty. Observable physical cues are the most commonly used sources of information consumers typically rely on (Nowak & Rauh, 2010:2). For evaluating the authenticity of a brand, these observable cues are referred to as indexical. Managers need to be aware of keeping a sense of 'humanness' when developing indexical cues to create value through an authenticity positioning.

There is no doubt modern consumer markets are information intensive. Information in its own right becomes a factor of success in value creation. Information should not simply be viewed as a supplementary element but rather as an important source of value to consumers (Weiber & Kollmann, 1998:605). Brands that provide accurate information openly with their customers give those the opportunity to assess the integrity of the brand and its authenticity (Portal, 2017:28). Accordingly, consumers use various cues as sources of information to evaluate the authenticity of a brand and hence its value. In the case of the present study, artisanal luxury (craft gin) brands are encouraged to focus on indexical and iconic cues to establish themselves as authentic. The informative cues are sources of value and can be created via the value chain activities present in the functions of marketing.

The most influential indexical cues established within the present study were consistency, quality commitment and label design. Consistency can be achieved by ensuring the brand promises are fulfilled at each and every brand touch-point to establish an authenticity perception (Schallehn *et al.*, 2014:194). Brand communication activities are suitable in bolstering the idea of consistency, and a good starting point would be proactive dissemination of the history of a brand. A

practical example would be luxury fashion brands; such as Gucci that emanate their sense of history while still communicating to the next generation (Generation Y). In the case of craft gin, each brand should actively present an origin story on a platform relevant to Generation Y (for example, Instagram) that emanates the brands premium essence and niche locale in which they originated. Accordingly, Generation Y value consistent, authentic and open communication with brands, especially in the digital space (Enskog, 2017). Consistency can be associated in part with the indexical cue quality commitment, by maintaining a superior level of quality indefinitely.

The commitment of a brand to quality furthermore informs a consumer of their trustworthiness and creates positive perceptions about authenticity (Napoli *et al.*, 2016:1214). Committing to standards of high quality is within full control of the firm and is ensured by exacting production methods (Napoli *et al.*, 2016:1217). Commitment to quality of the product itself is a significant source of value. In the case of artisanal luxury brands, quality commitment is reflected by the passion of the firm for its craft, creating innovative products as well as staying true to traditional methods of production. A practical example would be the certification of luxury wines, such as the Cape Vintner Classification (CVC), which assesses wines based according to their quality performance. About South African craft gin, a brand such as Cruxland was a recipient of the best South African London dry gin based upon quality of taste alone. Winning an award and placing a sticker on the bottle serves as an indexical cue that creates perceptions of authenticity. Naturally, label design is a significant source of information for consumers.

Label design is an objective source of information consumers use to judge the quality of a product and make a purchase decision (Lunardo & Guerinet, 2007:72). Label design as an indexical cue is highly important to artisanal luxury brands especially in the case of South African Generation Y consumers. As per the present study it is recommended brands adhere to the three dimensions of label design, namely naturalness, projection and uniqueness. Generation Y consumers value knowing the natural ingredients in a product; they value the appearance of a product being congruent with their style and they value a brand that stands out from the rest. In developing and applying indexical cues, managers must be conscious of remaining true to the sense of being human. For example, having the bottle number hand

written on the label of a craft gin shows consumers a real person is involved with the product as opposed to machinery. Focusing on the artisans creating the product through brand communications can potentially establish a meaningful connection for consumers to the brand.

Indexical cues as objectively identifiable sources of information can provide functional value by educating and informing consumers. It can be assumed that indexical cues have a high potential in creating utilitarian value. Accordingly, consumers will assess the authenticity of a brand by focusing on performance claims and relying on factual information (indexical cues) as well as personal experience to make informed product/brand decisions (Napoli *et al.*, 2016:1204). Indexical cues feed into the authentic-value loop as informative sources of utilitarian value.

The present study highlighted sincerity and clarity as significantly strong iconic cues informing brand authenticity. Sincerity is representative of the extent to which a firm stays true to the spirit of the brand and its purpose for being becoming an icon in the eyes of consumers (Napoli *et al.*, 2016:1217). Strategically, creating a sense of sincerity involves the firm decoupling from all commercially oriented activities and placing passion for the product and the consumer first (Napoli *et al.*, 2016:1217). Again, portraying passion is an inherently human quality, one that is subjectively interpreted.

Acting with integrity and love for the product presents craft gin brands with the potential to create emotional connections with the South African Generation Y cohort as well as trust for the brand. For managers/brand owners, this means communicating the genuineness (possibly through authentic affiliates) of their intentions and presenting themselves as 'guardians' of their brand (Napoli *et al.*, 2016:1204). In turn, consumers who view a brand as sincere believe that the owners/managers do what they do for the intrinsic passion and love of the product as opposed to commercial gain.

The iconic cue brand clarity is a subjective perception of the appearance of a brand with regards to being transparent, reliable and unambiguous (Fritz *et al.*, 2017:332). It can enhance the promise of a brand and can be assumed to be judged as a sign of reliability (Fritz *et al.*, 2017:332). For managers, a manner for communicating clarity

of their brand can be practically applied by creating an effective slogan that establishes the perception that the brand keeps its promises (for example, the Nike slogan “Just Do It”, Jaguar slogan “Grace. Space. Pace” and the Skittles slogan used since 1994 “Taste the Rainbow”). In the case of artisanal luxury brands, the South African craft gin, Six Dogs presents the brand slogan “Passionately Crafted – One Batch at a Time”. The slogan is iconically authentic in highlighting the passion of the brand for gin as well as traditional, handcrafted and artisanal manufacturing methods that results in the small but premium batches produced.

Although sincerity and clarity were the strongest iconic cues for authenticity, the cues heritage, nostalgia and absence of commercialisation were furthermore found to be significant. Heritage and nostalgia are similar in that they are anchored to the tradition and legacy of a brand. Heritage and nostalgia furthermore reflect important values, uniqueness and stability. In the context of the present study, a practical recommendation for managers of artisanal luxury brands would be to communicate an authentic human story. Meaning, to disseminate authenticity brands should communicate their identity based on longevity and on a narrative in which the backstory of their brand is the object.

Moreover, the brand owners should be part of that story to highlight the passion they have for their product because as much will directly speak to consumers emotions. For example, the iconic brand Budweiser launched an advertisement presenting its origin story at the 2017 Super Bowl telling a story from the perspective of an immigrant. The storyline represented the founder’s authentic origins from foreign shores. The South African craft gin, The Generals Gin is embedded in an origin story that pays tribute to a South African general who led his troops into battle during the World War I. In addition, craft gin brands should be default be entirely authentic thereby should naturally decouple from any commercially oriented business activities. Therefore, creating a sincere, transparent and creative brand story provides consumers with iconic cues as to the authenticity of the brand.

Considering iconic authenticity cues are subjective in nature, they feed into the authentic-value loop as informative sources of hedonic value. For example the iconic cues heritage and nostalgia can be used to symbolise a link to a historical time or particular culture (epistemic value, which is an aspect of hedonism) establishing the

authenticity of a brand and potentially creating hedonic value for a consumer. It should be noted that indexical and iconic cues are not standalone concepts, and therefore should not be treated as mutually exclusive. In relation to the authentic-value loop, creating utilitarian value through indexical authenticity can feed into creating hedonic value through iconic authenticity.

A central aspect to creating hedonic value is having a sensory appeal, in particular stimulating feelings and emotions through the human senses (aesthetics, aromas, ambience, taste and composition) (Lindman *et al.*, 2016:747). It can be argued that observable, physical and thus indexical cues can additionally be used in creating this kind of value. For example, the South African craft gin ClemenGold is distilled using locally farmed South African mandarins (clemengold's) and the gin itself has the aroma of this iconic citrus. The example highlights that the brand commits to a high standard of quality (indexical cue) to produce the authentic aroma that elicits certain feelings. For example, reminiscence or nostalgia (iconic cue) may mean something different to each individual creating a holistic sense of hedonic (through the senses) and utilitarian value (through the performance of the product). The ClemenGold example shows managers should consider all aspects of authenticity (indexical and iconic cues) when creating holistic value for the consumer.

The product as a source of value comes into focus and consequently the important role of the firm in the value creation process. The finding of an insignificant relationship between existential cues and brand authenticity is arguably due to the context of the study. Craft gin is a highly product-oriented good and value is derived from the product as a source itself on a par with the information disseminated by the brand. However, craft gin is not undoubtedly connected to explicit experience elements (existential cues), as are the products/services such as movies or restaurants. This finding reiterates that brand authenticity is a highly context-dependent construct.

Value creation should be a pivotal concept to all firms. The goal of marketing should be to engage the brand with meaningful customer interactions contributing to creating value in those interactions that benefits both the brand and consumer (Ravald & Gronroos, 2011:13). For managers to succeed in value fulfilment requires using value propositions that persuade consumers of a brand's authenticity position and to

choose the product over competitors. Value propositions are projections or suggestions relating to the proposed impact, value or unique offering consumers can expect when engaging with a product/brand (Ravald & Grönroos, 2011:14). For an authentic brand, as per the present study, managers should use three guiding recommendations when developing value propositions – quality, innovation and credibility.

Value can be driven through the perception of quality by conveying the product as meeting extremely high and rigorous standards. An uncompromising commitment to superior quality is a central facet to a claim to authenticity by a brand. To ensure this, design, product research and development teams must be detailed oriented and implement vigorous quality control procedures (Portal, 2017:95). Doing so will reflect a firm's ongoing endeavour as well as passion for creating high-quality products, in which value is embedded and will influence consumers' willingness to continue purchasing. For an authentic brand to be considered the real thing and hence original, a tangible commitment to innovation is required.

In relation to artisanal luxury brands, firms need to undertake incremental innovation in an effort to reinforce their status as authentic brands (Beverland, Napoli & Farrelly, 2010:40). These brands are consistently driven by a desire to continue a craft tradition or by a passionate designer-innovator seeking to maintain the value of the brand by innovating in small increments (Beverland *et al.*, 2010:40). Moreover, it is vital that the innovation fit with the consumers' perception of a brand (Beverland *et al.*, 2010:34). For example, if a craft gin brand displays its innovative use of cutting-edge technology in the production process of its gin, it will lose its authentic status as consumers expect such brands to stay true to traditional methods of production. Managers should plan for the long-term instead of reacting to short-term fads; they need to drive innovation in a manner that builds a strong authenticity positioning and create timeless products that transcend any trend. For a consumer to perceive they will receive value from either the quality or innovativeness of a brand they need to perceive the brand as a reliable source, meaning the brand must be credible.

Credibility as a value proposition needs to be maintained at a high level for a brand to be appraised as authentic. Credibility is related to the honesty, trustworthiness, reliability and continual willingness and ability of a brand to deliver on their promises

(Morhart *et al.*, 2015:202). For managers, creating a sense of credibility entails engaging with consumers regularly and soliciting feedback that can subsequently be used to strengthen the value proposition (Portal, 2017:95). For example, craft gin brands should actively attempt to connect with their Generation Y consumers via social media by creating regular and engaging content, such as posing high quality and creative photography. Ensuring the product is being made with original raw ingredients presenting consumers with something entirely unique reinforces a sense of credibility. In addition, managers should be aware of the specific authenticity cues that influence a consumer when developing value propositions based on quality, innovation and credibility.

The present study was conducted in the context of artisanal luxury (craft gin) brands in the case of South African Generation Y. It is essential to provide recommendations for South African craft gin brands that were the product focus of the study. Notably, the questionnaire was disseminated in a manner that required voluntary participation. Interestingly, 92.4 percent of the sample comprised female respondents and the implications can be twofold. The first is that past research has established that in general women are more altruistic in nature and thus are more willing to help and hence participate voluntarily in a survey (Brañas-garza & Capraro, 2016:2). In line with such a stereotype, the second reason may relate to the long-standing stereotypes of men being whiskey, cognac and beer drinkers and women being champagne, cocktail and gin drinkers.

However, such stereotypes are increasingly being challenged in the market place, which highlights the ever more important role of marketing in creating value for all consumers. It is recommended that South African craft gin brands promote a more gender neutral or fluid imagery when developing their targeting strategies, considering the strong adversity to stereotypes in the marketplace. For example, the craft gin brand Six Dogs post's social media content that shows a balance between both men and women both equalling enjoying the gin, with neither gender portraying a dominance over the other. In this sense a craft gin brand may be perceived as more authentic.

The present study further aimed to evaluate how Generation Y consumers value artisanal luxury brands and hence specifically craft gin brands. As per the findings,

Generation Y uses indexical and iconic cues in their authenticity evaluations and derives hedonic and utilitarian value from these artisanal luxury brands. About indexical cues, craft gin brands should adhere to aspects of consistency, quality commitment and label design. These brand owners are already pursuing product excellence and pushing the boundaries in their product categories by creating distinct and innovative new products. Each new innovation should be considered carefully to ensure the authenticity positioning of the brand is continuously reinforced. In this regard, consistency is key in positioning the brand around product superiority, craft, prestige and creativity. Notably, craft gin brands are exceeding expectations when it comes to indexical authenticity by creating aesthetically exquisite products. However, due to the highly competitive gin and more predominantly liquor category, craft gin brands seemingly struggle to reach an iconic authenticity status.

A practical recommendation for craft gin brands would hence be to enhance their iconic authenticity by creating or at least alluding to preconceived ideologies. According to previous research, and as per the constructivist perspective, iconic authenticity is deemed relative, contextually developed and in particular driven by ideology (Heine & Phan, 2016; Leigh *et al.*, 2006; Portal, 2017). Jack Daniels is a good example of an iconic brand that is unique due to its historical and political alignment with a masculine ideology, specifically the ideology of the American frontier gunfighters (Holt, 2018:80). Against large and highly iconic gin brands such as Tanqueray or Hendricks, craft gin brands will have a harder time establishing iconic authenticity compared to indexical authenticity. Craft gin brands should rather adhere to up-and-coming ideologies of the industry such as ‘master craftsman’, ‘spiritous art’ or even ‘artisanal luxury’.

‘Spiritous art’ presents an argument for a potentially up-and-coming ideology that craft gin has a place as a form of art. Just as in art, a craft gin through its aromas, flavours and visual appeals has the potential of conjuring feelings and emotions, evoking memories and engaging the senses (Gin Foundary, 2017). Craft gin distilling should be considered as a form of art considering its multiple interplay of sensory inputs as well as its complex and elaborate history (Gin Foundary, 2017). To go even further, gin distillers themselves should be appreciated at some level that equates to musicians or fashion designers. In this regard, craft gin brands could further allude to an ideology of master craftsman of artisanal luxury products. Ways to relate to such

an ideology include creating inspiring backstories, designing aesthetically beautiful packaging, using labels indicating 'natural ingredients' and creating meaningful connections with consumers. As much, should provide a means of captivating consumers about the artisanal processes involved in creating an authentic craft gin.

In relating to South African Generation Y, the cohort itself is increasingly becoming strategically important considering their growing purchasing power and influential status within the marketplace (Giovnnini *et al.*, 2015:23). The study highlights Generation Y's favourable perceptions toward craft gin brands that portray uniqueness, creatively and are regarded as something special. Craft gin brands need to continuously connect and communicate with Generation Y on platforms most relevant to them to appeal to these consumers. A report published by research groups Hava Media and Evolve Media group established that Generation Y consider digital media as one of the most influential touch-points to get recommendations and ideas about purchasing spirits (Meager, 2016). A consumer-centric digital communication strategy is necessary to reap success in the world of Generation Y.

The strategy should be fostered on a solid foundation of social platforms and digital channels that allow brands uninterrupted engagement with consumers by telling their stories and sparking conversations. In addition, managers must be aware of the indexical and iconic cues consumers are most receptive to and should be applied accordingly. At present (2018), the craft gin market shows little sign of slowing down, just as long as marketers are continually providing to consumers authenticity needs, and especially those of Generation Y.

Most importantly for marketing managers, is that the discipline of marketing, as a whole needs authenticity. Marketing, has been noted by researchers to potentially become an empty ideology if not applied authentically and sincerely in the marketplace (Kadirov *et al.*, 2014:76). Authentic marketing is impossible if the marketers sole desire is invested in making money (Kadirov *et al.*, 2014:76). The value concept is critical to the marketing domain as it implies the passionate pursuit for consumers and stakeholders interests as a means of achieving firm goals (Kadirov *et al.*, 2014:76). A highly significant recommendation for managers is to have a genuine commitment to creating meaningful solutions for the betterment of the consumer's life. Achieving pure authenticity in any discipline is highly unlikely as

human error and contextual limitations are often present, as is the case with the present study.

6.5 LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

Although providing a diversity of useful insights, the present study however is not pure in form and hence there are some relevant limitations to delineate. Such limitations can furthermore be turned into potential future research avenues. An initial limitation encountered in the early chapters was the sheer ambiguity and lack of consensus about value literature. The review of previous literature highlighted that there is no generally accepted definition of value and value research remains an area of uncertainty. Notably, future research is required to mitigate such uncertainties and furthermore present a comprehensive value creation framework that can be translated into a tool for managers to implement practically.

Unfortunately, no research methodology can be entirely without error and even though the procedures implemented within the present study were conducted with the most stringent of standards, some limitations surfaced. Firstly, a complete and comprehensive measurement scale for the measurement of the construct anthropomorphism is sorely missing from previous research studies. It is highly recommended that future academics endeavour to conceptualise anthropomorphism better in a consumption setting developing and testing robust scale items accordingly. Secondly, all authenticity cues identified within the present study used scale items obtained from secondary sources. Although such items were rigorously tested for robustness, they may be limiting providing a holistic sense of authenticity. Future research could endeavour to continue to identify authenticity cues but create original items that correlate according to indexical, iconic or existential cues thereby establishing a more whole and fruitful measurement scale.

In the same vein, although the present study added to extant literature with regards to ascertaining authenticity cues, the identification of authenticity cues and corresponding categorisation according to indexical, iconic and existential has yet to be exhaustive. Thus, necessitating more in depth and extensive research to fully identify and comprehend authenticity antecedents. Considering authenticity is a highly context dependent and malleable concept, it would be prudent to conduct a longitudinal investigation to better interpret this highly subjective concept. A

longitudinal study could highlight consumers' attitudinal and preferential changes (if any) when evaluating and purchasing from authentic brands. In addition, the present study acquired a sample comprising predominantly female respondents. Although not necessarily a limitation it would however be interesting to recruit a more balanced and larger sample size to gauge whether gender differences exist in relation to brand authenticity and specifically according to craft gin.

The present study was further limited to the context of the South African craft gin industry. Generalisability may be reduced considering the relationship between authenticity and existential cues were invalidated. The findings provided an insightful source of information and made an important contribution to extant research, considering the study confirms the contextually dependent and individually and socially constructed notion of authenticity. In addition, past studies have noted that authenticity definitions and perceptions are dependent both on the product and consumer (Gundlach & Neville, 2012:485). The focus on a specific consumption field within the present study is an untapped avenue of research as previous studies have allowed respondents to choose brands from any product category resulting in limiting and poorly generalisable findings. More research needs to take on the challenge of analysing authenticity in a variety of specific product markets and produce consumer-based definitions of authenticity.

Producing a research study in the context of South Africa is beneficial in understanding emerging markets. Generalisability may be limited to South Africa and cannot necessarily be applied to a developed market setting. A possible future research opportunity is conducting a cross-cultural study and more meaningfully between an emerging and developed market. Notably, the craft gin revolution started taking hold in developed countries initially, especially within the United Kingdom (UK). It would be interesting to compare a sample acquired from both South Africa (or other BRICS countries) and the UK for example, to evaluate the differences in authenticity perceptions and the cues each consumer market adheres to.

The notions of 'craft' and 'artisanal' are with no doubt current sources of both consumer and competitive value. The subtle exploitation of the words 'handmade' or 'craft' appealing to consumers' value systems makes it easy for anyone to jump on the artisanal bandwagon (Groener, 2013). How is it that craft gin brands can maintain

a status of artisanal luxury without being diluted by those who claim also to be artisanal but are producing an inferior product? A possible avenue for future research could delve into the idea of 'certifying craft'. A certification mark may potentially distinguish 'artisanal' or 'craft' from mass-produced and commercialised gin brands. Thus being able to communicate better the significance of craft to younger generations as well as preserving the original intent of the craft gin revolution. Maintaining the momentum of the craft gin revolution will require questions and subsequent research into ways to ensure that the integrity and authenticity of craft brands while still reaching to new markets and sustaining a strong consumer base.

The present study was further one in few shedding light on the notion of anthropomorphism as a corresponding concept to brand authenticity, thus contributing to academic literature. Review of past literature revealed individuals each exhibit differential levels of anthropomorphic tendency (Letheren *et al.*, 2016:975). Meaning those consumers with higher levels of anthropomorphic tendency will be more responsive to marketers' application of anthropomorphism (Letheren *et al.*, 2016:975). Future research could evaluate the differences in individuals' levels of anthropomorphic tendencies and their resultant evaluations of brand authenticity. Also, past studies have suggested a proposed influence of culture on the appeal on anthropomorphic strategies implemented by marketers (Letheren *et al.*, 2016:975). A research avenue presents itself in evaluating the difference in effectiveness of anthropomorphism in cross-cultural settings.

The importance of the individual is seemingly evident but missing from anthropomorphic literature. Meaning academics need to research the individual factors and circumstances under which anthropomorphism is triggered and which consumers are likely to respond most positively. Anthropomorphism continues to be a sorely under-researched concept and hence requires a thorough understanding of the processes, causes, outcomes and significant individual differences that provides some sort of evidence of the value to be derived. In summary, highlighting future research possibilities is necessary in the context of problem solving. Engaging in a continuous cycle of research helps with increasing the understanding concerned with a topic of interest. Ultimately, the benefit revolves around creating solutions from problems optimising decision-making. The present study aided in increasing the understanding of the concepts brand authenticity, anthropomorphism and value

creation. A reconciliation of the research objectives is hence required, as with triangulation, to end the study.

6.6 RECONCILIATION OF RESEARCH OBJECTIVES AND CONCLUSION

Reconciling of the research objectives provides a full circle to the study by reiterating the primary intentions of conducting the research and the gaps in extant literature that were filled as well as the academic contribution of the study. The primary objective as set out for the study was to investigate the role of anthropomorphism and brand authenticity in the creation of value amongst South African Generation Y consumers in the case of artisanal luxury brands, specifically that of craft gin. The establishment of which allowed for the development of secondary objectives as presented below:

- To determine whether there is a relationship between anthropomorphism and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands;
- To determine whether there is a relationship between brand authenticity and value creation amongst South African Generation Y consumers in the case of artisanal luxury brands;
- To determine whether there is a relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands;
- To determine whether there is a relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands;
- To determine whether there is a relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands;
- To determine whether anthropomorphism moderates the potential relationship between indexical cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands;
- To determine whether anthropomorphism moderates the potential relationship between iconic cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands; and

- To determine whether anthropomorphism moderates the potential relationship between existential cues and brand authenticity amongst South African Generation Y consumers in the case of artisanal luxury brands.

Being both diverse and plentiful, the analyses and subsequent results generated in the present study aided in achieving the primary and secondary objectives as set out from the beginning. In accordance with the concept of authenticity, this research was conducted in a manner equivalent to the standards of authenticity, in particular by approaching the inquiry in a reliable, honest and true state of mind. Within the marketplace, competitive battles for a share of heart and mind of the consumer can only hope to be won by forging meaningful connections with individuals rather than merely delivering an intrinsic product. The cues used to establish and communicate authenticity can consequently be viewed as a foundation to creating interrelated connections between the brand and the consumer.

Identifying authenticity cues has become an essential task that both academics and managers need to complete as a vital step in creating an important bond with the consumer. Establishing an authentic brand consequently delivers a high level of consumer derived value, one that benefits both the consumer and the firm. Ultimately, the findings presented in the present study suggest highly authentic brands (artisanal luxury) offer consumers the opportunity to establish meaningful bonds. Moreover, in doing so, highlights the meaningful role of anthropomorphism and brand authenticity in creating value for artisanal luxury brands, in particular craft gin, in the case of South African Generation Y consumers.

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ANNEXURE A: CRAFT GIN

David's Gin



Craft Gin Descriptions

Six Dogs

Passionately Crafted – One Batch at a Time. To us, creating Gin is not just about the handpicked botanicals, or our custom designed copper still, or the molecular technology we use to protect the delicate flowers used in the Gin. It is about waking up every day and loving what we do. It's about setting out to make the finest gin we can, one batch at a time. It is about creating something extraordinary. Something to be proud of. That's who we are.

Source: <https://sixdogs.co.za>

Clemengold

The sweet and sun-ripened essence of ClemenGold, SA's leading mandarin, now treats gin aficionados to a classic Cape Dry style gin with subtle hints of citrus. Nine botanicals – with sundried ClemenGold peels taking the flavour lead – are used when distilling this superb gin in the heart of Cape Town. ClemenGold and orange peel, cinnamon, honey, ground almond, juniper berries, angelica and orris root, and

coriander are macerated and vapour-infused. Excellent in a refreshing gin and tonic; the number one choice for any number of classic gin cocktails ... or try sipping it served on ice with a twist of orange (or ClemenGold, in season), or a cinnamon stick.

Source: <https://www.citrusgin.co.za>

Trouvaille - Blossom and hops

They say every brewer wants to grow up to be a distiller. This proved true with the creation of Blossom & Hops. Years of home brewing gave Trouvaille's Blossom & Hops Gin creator Tim James a special appreciation of the hops flower, a botanical that featured in century-old Genever recipes. When he started dabbling with a pot still he set out to re-introduce this botanical to gin. Countless experimental infusions later; a lucky find – a pairing that celebrates the earthiness of hops and the charm of lime blossom. *trouvaille*: (n.) a valuable discovery, a lucky find. True to its origins in a cellar against the slopes of Table Mountain, Trouvaille's Blossom & Hops is a handcrafted gin celebrating the earthiness of hops and the charm of lime blossom. The pairing of lime blossom and hops, together with 11 other botanicals, yields a gin both familiar and unique, floral and spicy, delicate and bold. Blossom & Hops starts its life as a neutral spirit in which our hardy botanicals are steeped overnight to extract as much flavor as possible. The infused spirit is then redistilled with our more delicate botanicals suspended in the vapor trail. The entire pot distillation process is meticulously monitored. In a separate process a single botanical is distilled at a different temperature so as to retain its character. The two distillates are blended prior to bottling. The result; a smooth and delicate craft gin.

Source: <http://www.trouvaillespirits.com>

Musgrave

Maurice Boon Musgrave, grandfather of founder Simone Musgrave, left Plymouth in 1949 bound for Africa to start a new life exploring and discovering the people and land of Africa. Three months on a ship with a small baby, a measles outbreak and many a day of seasickness and the adventure that would change the shape of his family had begun. From then onward an African family would take on the adventure Maurice had started. The spirit of endeavor, adventure and courage lives on in granddaughter, Simone, guardian of Maurice's passion for the unusual. Musgrave Gin is no ordinary spirit - it is an artisan gin celebrated for its top notes of Cardamom, African Ginger and Grains of Paradise.

Source: <http://www.musgravegin.co.za>

Black Rose

Distilled in the mountains of the Cape, Black Rose gin is beautifully crafted in a copper pot for flavour enrichment. 5 natural botanicals give Black Rose Blush its exquisite taste, kissed with pomegranate to create a light and fresh gin.

Source: <http://blackrosegin.com>

The Generals Gin

A tribute to the brave South African General, known as Little Tim, who led his troops through the Battle of Passchendaele during the First World War (Belgium 1917). This authentically South African gin with unique South African botanicals, distilled in an old copper pot, celebrates the strength and agility of The General. The gin is handcrafted and batch distilled in an old copper kettle. Infused with 7 different botanicals, it brings a beautifully balanced palate with fresh notes of lemon zest and candied orange peel, pine needles and black pepper followed by earthy characters of fennel, dill, buchu and vanilla. All this is carried perfectly by the juniper, the signature gin botanical.

Source: <https://www.generalsgin.co.za>

Inverroche

As the pioneers of South African craft gin, Inverroche Distillery was founded by Lorna Scott and her family. Growing from strength to strength in the local community of Still Bay in the Western Cape of Southern Africa. In just 6 years, the distillery has grown from a small home industry to a flourishing and pioneering craft distillery. A distillery that is invested in its community and producing world class gins and spirits. Inverroche takes its name from the combination of two words that pay homage to the Scott ancestry, referencing both their Celtic and Gaelic backgrounds. The Scottish word “Inver” meaning ‘a confluence of water’ and the French word “Roche” meaning ‘rock or stone’ are the very elements that have come together in Still Bay to create the conditions necessary to make these world class, one-of-a-kind craft gins. Today the brand has three distinct gins, crafted using only a handful of the more than 9,000 Fynbos botanicals. We can proudly say that we are selling these craft gins in up to 15 countries globally.

Source: <http://inverroche.com/za/>

Cape Town Gin Co

At the southern tip of Africa lies the city of Cape Town, a place of great natural beauty and diverse cultures. Our very own Table Mountain is one of the seven wonders of nature and its iconic profile makes it one of the world’s most recognizable

landmarks. The Cape Town Gin & Spirits Company's range of Gins are handcrafted in the Mother City to reflect the unique essence and biodiversity of the region. The Cape Town Gin & Spirits Company (est. 2015) recently launched the premium Cape Town Gin brand as a boldly South African gin. Distilled and bottled locally, our Gins have a distinctly South African flavour and celebrate the vibrant diversity of Cape Town. These handcrafted, small batch Gins are available in two styles: Classic Dry (best served in a classic dry Martini) and Rooibos Red (delicious even as a Sippin' Gin).

Source: <http://capetowngincompany.com>

Cruxland

Infused with the rare Kalahari truffle, Cruxland gin is a 100% pure grape gin, double distilled in potstills with the highest quality juniper berries and seven other distinct botanicals, including truly South African rooibos and honeybush. Cold filtered for an extra smooth taste. Made in small batches Cruxland Gin is distilled by the KWV Spirits production team, under the watchful eye of Blending Manager Ilse du Toit in Paarl, South Africa – around 50 minutes outside of Cape Town. It features eight botanicals – aniseed, rooibos, lemon, coriander, honeybush, almond, juniper, cardamom and Kalahari truffles – and works hard to tell a South African tale. The gin, made by wine and spirits producer KWV is a botanically unique affair, even in this day and age. Made on a grape base and with Kalahari truffles in the mix, Cruxland Gin was inspired by a trip KWC's Brandy Master (how's that for a job title) took to the Kalahari desert. There, he stumbled upon the fungus and decided it would probably work well in a gin

Source: <https://www.ginfoundry.com/gin/cruxland-gin/>

Bloedlemoen

Bloedlemoen(BloodOrange) is a handcrafted, smallbatch Gin from a meticulous selection of ten natural botanicals including Juniper, Blood Orange, Orange Peel, Grains of Paradise, Coriander, Cassia, Nutmeg, Licorice Root, Angelica Root and Nutmeg. A classic London Dry style, the nose is led by citrus notes, light Juniper, and spicy floral nuances. The Juniper is balanced by the sweet spicines of Nutmeg and Casia. The Grains of Paradise adds mouth feel and ends with a lingering Blood orange after taste. Label illustration by the world renowned miniatures artist, LoraineLoots

Source: <https://www.bloedlemoengin.com>

Woodstock Gin Co

Our story began in 2012 when Simon Von Witt realised that he had a knack for producing fine liqueurs! After producing a variety of Italian liqueurs, a friend and well informed source in the industry told him about the endless possibilities of Gin. Being creative and adventurous by nature, Simon began experimenting with variety of different botanicals to produce a high quality South African gin. Simon's passion for the environment, knowledge of local fynbos and indigenous plant species and assistance from a well informed source enabled him to gauge the correct ratios of botanicals and create Woodstock Gin Company's Inception! The Woodstock Gin Company produces small batches of premium gin through a carefully controlled fractional distillation process. This distillation process is combined with an equally special and well guarded secret recipe of botanicals, which delivers the taste that is only found through our passion to create an exceptional quality gin. Only the finest, natural ingredients are sourced and used in each batch that we produce. All ingredients are scrupulously checked and measured to 0.1 of a gram to ensure that what goes into our Gin is nothing but perfect!

Source: <https://www.woodstockginco.co.za>

Triple 3

Master Distiller Rolf brings an influx from the German Black Forest, where fruits and wine are distilled for centuries and the knowledge is passed between the generations. Like every passionate craftsman he is driven by a passion for ingredients and location. Foraging ingredients in the fields and digging in the African soil are constant exploration habits along the search for the perfect sip to be shared with friends and the fellow-minded. In the tradition of Gin, some ingredients are handpicked from the spice trade of the world while the juniper is of Mediterranean descent as some roots might only grow in Indonesia. The flavour of the world, blended with the soul of Africa, makes our gins a true journey for your palate. In the same tradition our distilling equipment was manufactured by Ulrich Kothe. With the same roots as our distiller, they equipped the best from the Caribbean to Scotland, with refined machinery to achieve the utmost of flavours and the smoothest spirits.

Source: <https://www.triplethree.co.za>

Blind Tiger

During the American Prohibition era, people were forced to bend the law when in search of a drink. A case in point was the speakeasy, a secret drinking establishment also known as a "Blind Tiger". Patrons would pay for the privilege to see this

enigmatic beast and receive a complimentary beverage on arrival. Of course, this Blind Tiger was “*rarely sighted*” and, luckily, curiosity did not kill the cat! Blind Tiger Small Batch Crafted Gin is produced in Kwa-Zulu Natal, South Africa – a tropical and exotic climate in which Blind Tiger identifies with greatly. Every ‘small batch’ produced by our copper pot still is unique and different – in fact no single batch is ever exactly alike! Sure, that lovely citrus aroma on the nose and crisp refreshing citrus taste will always be there. But when you sip on a bottle of Blind Tiger Small Batch Crafted Gin – you really are drinking something quite unique. Blind Tiger is an extremely sessionable easy drinking gin, that’s both appealing and complex and yet not overwhelming to the palate. Oh, and did we mention its great with tonic! Like all good things in life, Blind Tiger has been painstakingly crafted and distilled, to bring the discerning spirit enthusiast a one of a kind drinking experience. A full-bodied gin that owns the jungle in which it plays and holds true to its curious nature.

Source: <http://blindtigergin.com>

Ginologist

Where Science Meets Good Taste. Our quirky science is focused on forging deep connections based on creating gins of enduring value right in the heart of Gauteng. We live by the principles embodied within these words: Quality, Originality, Commitment and Experientialism. Our thinking is unlimited by geographic location so we have developed gins that embody the best the world has to offer. We source from around the globe to ensure that every aspect of our passion, from the juniper and botanicals that tease the nose and satisfy the palette, to the bottles and corks that proclaim a heritage of aristocracy are sourced from the very best international suppliers. We create meticulous and scientific awe-inspiring experiences that reflect every gin lover’s individuality.

Source: <https://ginologist.co.za>

ANNEXURE B: QUESTIONNAIRE ELEMENTS**Questionnaire Cover Letter**

Dear Prospective Participant

My name is Georgina O'Keeffe, a student at the University of Stellenbosch, and I would like to invite you to take part in a survey, the results of which will contribute to a research project in order to complete my Masters degree in Commerce. Please take some time to read the information presented here, which will explain the details of this project. Your participation is entirely voluntary and you are free to decline to participate. If you say no, this will not affect you negatively in any way whatsoever. You are also free to withdraw from the study at any point, even if you do agree to take part. Your responses are highly valuable and if you wish to be entered into the **random draw for the craft gin prize**, you will be asked to provide your email address at the end of the study.

The purpose of this study is to investigate the role of anthropomorphism and brand authenticity in value creation in the case of artisanal luxury brands. In specific the product being studied with in the artisanal luxury brand context is craft gin. The study aims to understand how South African Generation Y consumers use of cues to perceive a brand as being authentic and further if anthropomorphism can strengthen this perception and consequently create value for the consumer. The questionnaire will take approximately 15 to 20 minutes to complete and you will be asked to answer by reacting to certain statements. The beginning of the questionnaire will ask you to indicate your gender, age, income bracket, place of residence and a craft gin brand you are familiar with, and the rest of the survey will then be based off this brand. In total 49 statements will be presented of which you are asked to indicate your level of agreement/disagreement (ranging from strongly agree to strongly disagree).

RIGHTS OF RESEARCH PARTICIPANTS:

You have the right to decline answering any questions and you can exit the survey at without giving a reason. You are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have questions regarding your rights as a research participant, contact Mrs Maléne Fouché [mfouche@sun.ac.za; 021 808 462] Division for Research Development.

Your information and response to the survey will be protected by not recording your name or any other identifying information in order to protect your anonymity in responding. The data collected will then identify each respondent with a random number and will be stored under password protection. Furthermore the data collected will not be shared with the public, only the researcher will have access to the data. If you have any questions or concerns about the research, please feel free to contact the researcher Georgina O'Keeffe at 18663214@sun.ac.za and/or the Supervisor, Dr CD Pentz at cdpentz@sun.ac.za To save a copy of this text, please take a screen shot.

| | | |
|---|--------------------------|--------------------------|
| I confirm that I have read and understood the information provided for the current study. | YES | NO |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| I agree to take part in this survey. | YES | NO |
| | <input type="checkbox"/> | <input type="checkbox"/> |

Screening questions and demographics

| |
|---|
| Screening |
| <p>Do you drink craft gin? Yes/No</p> <p>How frequently do you drink craft gin?</p> <p>What price range do you consider when purchasing craft gin?</p> <p>When do you drink craft gin?</p> <p>How do you drink craft gin?</p> |
| Demographics |
| <p>Gender – Male/Female</p> <p>How old are you?</p> <p>What is your average monthly income?</p> <p>Where do you currently reside?</p> |

Questionnaire Items

| |
|---|
| <p>Brand authenticity (Bruhn <i>et al.</i>, 2012)</p> <p>I think <i>brand</i> has been consistent over time</p> <p>I think the brand <i>brand</i> stays true to itself</p> <p><i>Brand</i> offers continuity</p> <p>The brand <i>brand</i> has a clear concept that it pursues</p> <p>The brand <i>brand</i> is different from all other brands</p> <p><i>Brand</i> stands out from other brands</p> <p>I think the brand <i>brand</i> is unique</p> <p>The brand <i>brand</i> clearly distinguishes itself from other brands</p> <p>My experience of the brand <i>brand</i> has shown me that it keeps its promises</p> <p>The brand <i>brand</i> delivers what it promises</p> <p><i>Brand's</i> promises are credible</p> <p>The brand <i>brand</i> makes reliable promises</p> <p>The brand <i>brand</i> does not seem artificial</p> <p>The brand <i>brand</i> makes a genuine impression</p> <p>The brand <i>brand</i> gives the impression of being natural</p> |
| <p>Anthropomorphism (Morhart <i>et al.</i>, 2015; Waytz, Cacioppo & Epley, 2010; Akalis, 2008)</p> <p>I can easily imagine this brand as a person</p> <p>I have no difficulties in imagining this brand as a person.</p> <p>This brand seems to have a free will.</p> <p>This brand seems to have emotions.</p> <p>This brand seems to have intentions.</p> <p>This brand seems to have a mind of its own</p> <p>This brand seems to have an aura of consciousness.</p> <p>The product/brand seems to have a sense of mindfulness</p> <p>The product/brand is considerate</p> |

| |
|--|
| The product/brand is compassionate |
| <p>Value creation (Choo <i>et al.</i>, 2012)</p> <p>The products of this brand are sophisticatedly made (Utilitarian)</p> <p>The products of this brand is made with craftsmanship (Utilitarian)</p> <p>The products offered by this brand are excellent (Utilitarian)</p> <p>I think of this brand as an expert in the products it offers (Utilitarian)</p> <p>This brand has reputation for making valuable products (Utilitarian)</p> <p>The products of this brand are aesthetically excellent (Hedonic)</p> <p>The products of this brand are well designed (Hedonic)</p> <p>The products of this brand are special (Hedonic)</p> <p>The products offered by this brand have strong sensory appeal (Hedonic)</p> <p>I shop for this brand for the pure enjoyment of it (Hedonic)</p> |
| <p>Heritage (Napoli, 2016; Fritz, 2017; Guevremont, 2015)</p> <p>This brand has a strong cultural meaning</p> <p>The brand <i>brand</i> is characterized by its own history</p> <p>The promises of <i>brand</i> are closely linked to its tradition</p> <p>The brand has a strong connection to a historical period in time, culture and/or specific region</p> <p>The brand exudes a sense of tradition</p> |
| <p>Country of origin (Shukla, 2011)</p> <p>The country that a brand is originating from is important for me in making the final choice.</p> <p>If the brand is originating from a country of which I have a favourable image I will be more inclined to buy that brand</p> |
| <p>Consistency (schallehn, 2014; Erdem, 1998)</p> <p>Brand [X] fulfills its brand promise consistently</p> <p>The current brand behavior of [X] fits to its brand promise</p> <p>The brand promise of [X] and its present actions are in line with each other</p> <p>The quality of this brand has been consistent for many years</p> |
| <p>Nostalgia (Fritz, 2017)</p> <p>I associate the brand <i>brand</i> with experiences from my childhood</p> <p>I associate the brand <i>brand</i> with experiences from former times</p> <p>The communication style of <i>brand</i> reminds me of “the good old days”</p> <p>For me, <i>brand</i> is a symbol of my childhood/youth</p> |
| <p>Quality commitment (Napoli, 2016)</p> <p>Quality is central to the brand</p> <p>Only the finest ingredients/materials are used in the manufacture of this brand</p> <p>The brand is made to the most exacting standards, where everything the firm does is aimed at improving quality</p> <p>The brand is manufactured to the most stringent quality standards</p> <p>The brand is a potent symbol of continued quality</p> <p>The brand is made by a master craftsman who pays attention to detail and is involved throughout the production process</p> <p>The firm is committed to retaining long-held quality standards for the brand</p> |

| <p>Commercialisation (Fritz, 2017)</p> <p>The brand <i>brand</i> is commercial</p> <p>The objective of <i>brand</i> is making profits, even if this contradicts its ideals</p> <p>All that counts for <i>brand</i> is profit, even if this means neglecting its initial brand promise</p> <p>The brand <i>brand</i> will adapt to every trend if it can make a profit</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------------|---------------|----------------|-------------|-----------|------------|------------|----------------|------------|-----------------|----------|------------|---------------|-------------|----------|------------|---------------|------------|---------|-------------|---------------|--------------|--|--|------------|--------------|--|--|--|
| <p>Sincerity (Napoli, 2016; Napoli, 2014)</p> <p>The brand refuses to compromise the values upon which it was founded.</p> <p>The brand has stuck to its principles.</p> <p>The brand remains true to its espoused values</p> <p>The brand builds on traditions that began with its founder</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Brand scandals (Morhart, 2015)</p> <p>How often have you heard/read about scandals pertaining to this brand? Never/very often</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Brand personality (Aaker 1997)</p> <table border="1"> <thead> <tr> <th>Sincerity</th> <th>Excitement</th> <th>Competence</th> <th>Sophistication</th> <th>Ruggedness</th> </tr> </thead> <tbody> <tr> <td>- Down to Earth</td> <td>- Daring</td> <td>- Reliable</td> <td>- Upper class</td> <td>- Outdoorsy</td> </tr> <tr> <td>- Honest</td> <td>- Spirited</td> <td>- Intelligent</td> <td>- Charming</td> <td>- Tough</td> </tr> <tr> <td>- Wholesome</td> <td>- Imaginative</td> <td>- Successful</td> <td></td> <td></td> </tr> <tr> <td>- Cheerful</td> <td>- Up to date</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | | | Sincerity | Excitement | Competence | Sophistication | Ruggedness | - Down to Earth | - Daring | - Reliable | - Upper class | - Outdoorsy | - Honest | - Spirited | - Intelligent | - Charming | - Tough | - Wholesome | - Imaginative | - Successful | | | - Cheerful | - Up to date | | | |
| Sincerity | Excitement | Competence | Sophistication | Ruggedness | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Down to Earth | - Daring | - Reliable | - Upper class | - Outdoorsy | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Honest | - Spirited | - Intelligent | - Charming | - Tough | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Wholesome | - Imaginative | - Successful | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| - Cheerful | - Up to date | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Clarity (Fritz, 2017; Erdem, 1998)</p> <p>I know what this brand stands for</p> <p>It is obvious what image this brand is trying to communicate</p> <p>I have trouble figuring out what image this brand is trying to create</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Legitimacy (Fritz, 2017)</p> <p>The brand <i>brand</i> is congruent with the moral principles of the culture I feel close to</p> <p>The brand <i>brand</i> fits well with my cultural views</p> <p>The brand <i>brand</i> is compatible with the values and norms of the community I belong to</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Employee passion (Fritz, 2017)</p> <p>I have the feeling that the employees like working for <i>brand</i></p> <p>I have the feeling the employees identify themselves with the brand <i>brand</i></p> <p>I perceive the employees of <i>brand</i> as being motivated</p> <p>I perceive that he employees enjoy working for <i>brand</i></p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Self-authentication (Napoli, 2016; Morhart, 2015)</p> <p>The brand reflects my personal ideals and values</p> <p>The brand makes me feel like I'm part of a group or subculture</p> <p>The brand helps me get in touch with my true inner self</p> <p>I think it is better to be yourself, than to be popular</p> <p>I always stand by what I believe in</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Brand-self fit (Morhart, 2015) (Guido, 2015)</p> <p>The personality of brand x is consistent with how I see myself</p> <p>The personality of brand x is a mirror image of me</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

The personality of brand x is close to my own personality
This branded product is compatible with the image others hold of myself
This branded product is compatible with the image I would like others to hold of myself

Label design (Lunardo, 2007)

When you're looking at the label on the bottle, what you can say about the Gin:

- it is natural
- you know how it has been produced.
- you know where it comes from
- it can reflect your personality
- it can help you be yourself
- it is your style
- it is unique
- it is one-of-a kind
- there's no other like it

Brand exclusivity (stokburger, 2013; Vigneron, 2004)

Exclusive -----Un-Exclusive

Precious ----- Cheap

Rare ----- Standard

Unique ----- Common

Luxury -----Non-Luxury

ANNEXURE C: ANALYSIS

Simple Slopes Analysis

