

Contents lists available at ScienceDirect

# Journal of Business Research



journal homepage: www.elsevier.com/locate/jbusres

# Examining the relationships between brand authenticity, perceived value, and brand forgiveness: The role of cross-cultural happiness

Christina Papadopoulou<sup>a</sup>, Merve Vardarsuyu<sup>b</sup>, Pejvak Oghazi<sup>c,d,\*</sup>

<sup>a</sup> University of Leeds, UK

<sup>b</sup> Kutahya Dumlupinar University, Turkey

<sup>c</sup> Sodertorn University, School of Social Sciences, Stockholm, Sweden

<sup>d</sup> Hanken School of Economics, Helsinki, Finland

# ABSTRACT

Brand authenticity has attracted the growing attention of academics and practitioners for two decades. This study contributes to brand management literature by empirically investigating the impact of brand authenticity on purchase intentions through perceived value (functional, emotional, and social) and brand forgiveness using a  $2 \times 2$  between- subjects experimental design with a sample of consumers from the UK and Turkey. The moderating role of cross-cultural happiness on the link between perceived value and brand forgiveness is also examined. Moderated mediation results demonstrate that brand authenticity positively affects brand forgiveness, and this effect is mediated by perceived value. In addition, cross-cultural happiness positively moderates the impact of perceived value on brand forgiveness. Findings further reveal a serial mediating effect of brand authenticity on purchase intentions via perceived value and brand forgiveness. This study has important theoretical implications and offers international brand and marketing managers practical insights.

# 1. Introduction

Brand authenticity, simply defined as the degree to which consumers perceive a brand to be genuine, faithful, and supportive (Napoli et al., 2014; Morhart et al., 2015), is built on heritage, quality, and credibility amongst other perceptions (Napoli et al., 2014). Authentic brands withstand the test of time and tend to be strongly associated with credibility and trustworthiness (Erdem & Swait, 2004). They are also appraised as sincere and caring for their consumers (Morhart et al., 2015). A recent systematic review (Södergren, 2021) shows that brand authenticity elicits favorable brand-related evaluations and emotions and increases purchase intentions and brand loyalty. Despite the growth of empirical literature on brand authenticity and its obvious contribution to favorable outcomes in consumer intentions and behaviors, little is known on the mechanisms that cause these relationships. In response to this shortcoming, there are continuous research calls (e.g., Bartsch et al., 2022; Riefler, 2020; Södergren, 2021) for more sophisticated research on brand authenticity.

In order to better understand when and why brands can be harmed, protective effects, such as brand forgiveness, need to be investigated (Södergren, 2021). Dealing with a crisis in retrospect and trying to reestablish brand trust amongst consumers is acceptable. However, if brands wish to enhance their recovery opportunities, they should understand how brand forgiveness operates. Whilst post-crisis management is critical in restoring the brand's reputation, existing research (Guèvremont & Grohmann, 2018) shows that brand authenticity is the driving force that alleviates the negative consequences of brand scandals, increases forgiveness and, consequently, trust.

Brands often make mistakes, which are followed by immediate backlash in most cases. Gucci's blackface sweater controversy (Garrett, 2019), Pepsi's controversial advertisement featuring Kendall Jenner (Dan, 2020) and Peloton's bike cameo appearance in a popular TV series (Swant, 2021) are some of the many incidents that have sparked negative publicity. In the presence of a scandal, consumers are willing to pay more and express affection for a brand they perceive as more authentic. In addition, they attach greater responsibility and hypocrisy to less authentic brands (Guèvremont & Grohmann, 2018). Therefore, positive perceptions toward a brand act as a shield against negative publicity and, consequently, consumers quickly return to their pre-scandal attitudes (Kapoor & Banerjee, 2021). Otherwise stated, higher levels of brand authenticity can foster forgiveness and reduce harm.

Despite the increasing importance and interest in brand authenticity studies, very little effort has been expended in seeking to understand how consumers approach authentic brands and how brand authenticity effects vary in different foreign markets (Södergren, 2021). Specifically, research on brand authenticity is characterized as fragmented due to a

\* Corresponding author at: Sodertorn University, Stockholm, Sweden.

E-mail addresses: c.papadopoulou@leeds.ac.uk (C. Papadopoulou), merve.turgut@dpu.edu.tr (M. Vardarsuyu), Pejvak.oghazi@sh.se (P. Oghazi).

https://doi.org/10.1016/j.jbusres.2023.114154

Received 19 December 2022; Received in revised form 2 July 2023; Accepted 5 July 2023 Available online 19 July 2023 0148-2963/© 2023 The Authors. Published by Elsevier Inc. This is an open access article under the CC BY license (http://creativecommons.org/licenses/by/4.0/). lack of standardized measurement tools. In addition, studies on Eastern cultures are limited, with only a few of them (e.g., Phan & Thomas, 2009) focusing on the cross-cultural applicability of brand authenticity. A closer look into our collection of studies (see Table 1) on the consequences of brand authenticity reveals that research on the outcomes of this concept in an international marketing context is very limited (e.g., Özsömer & Altaras, 2008; Riefler, 2020). This review of studies confirms that there is no research that explicitly examines the mechanism of the link between brand authenticity and brand forgiveness. Therefore, it is essential to understand the role of cultural differences in consumers' willingness to forgive authentic brands' mistakes. Specifically, instead of examining its direct outcomes, additional research should focus on a more refined understanding of the moderating and mediating effects related to brand authenticity.

To deal with these research gaps, the current study establishes a causal linkage by experimentally investigating whether, and under what conditions, brand authenticity affects consumers' perceived value, which in turn increases their propensity to forgive mistakes and purchase intentions. Specifically, we aim to answer the following research questions: (1) How does perceived value serve as a mediating mechanism underpinning the link between brand authenticity and forgiveness? and (2) What role does cross-cultural happiness play in this link? In addition, our study contributes to extant research in four ways. First, we investigate the indirect relationship between brand authenticity and brand forgiveness. Forgiveness has been investigated primarily in the field of psychology and has only recently started to garner interest in the marketing and consumer research areas (Christodoulides, 2021). Furthermore, it has been explored within brand management, albeit to a lesser extent (Casidy & Shin, 2015; Fetscherin & Sampedro, 2019). Specifically, only a handful of studies (e.g., Fritz et al., 2017) explicitly investigate the brand authenticity-consumer forgiveness relationship, despite the latter's importance as a key outcome of brand authenticity (Södergren, 2021). We, therefore, contribute to the brand management literature by uncovering a mediating mechanism - namely, perceived value - to explain the effect of brand authenticity on brand forgiveness. Our findings are expected to provide researchers and managers alike with interesting and helpful insights.

Second, by conceptualizing value as a multidimensional construct (Sweeney & Soutar, 2001), we specifically examine the mediating roles of the three value perceptions – namely, functional, emotional, and social – on the link between brand authenticity and brand forgiveness. Since these three types of value are known to have differential impacts on consumers' intentions (Kolbl et al., 2020) and behaviors (Khan & Mohsin, 2017), comparing their relative importance in this particular link would contribute more nuanced insights to the relevant literature. Third, our study is one of the first to test a serial mediation model exploring the causal mechanisms that help explain why brand authenticity promotes favorable behavioral intention. More specifically, our findings broaden existing knowledge by demonstrating that a serial mediation model with perceived value and brand forgiveness as mediating variables is capable of explaining how brand authenticity perceptions eventually translate into intentions to buy.

Fourth, we extend the very limited knowledge that currently exists on brand authenticity and brand forgiveness in an international marketing context by uncovering an interesting boundary condition. In particular, we show whether consumers' propensity to forgive mistakes by the authentic brands depends on culture, and we introduce crosscultural happiness as a cultural dimension. To the best of the authors' knowledge, this study is amongst the first to investigate cross-cultural happiness in the brand authenticity context. Moreover, our findings shed some light on the limited knowledge why consumers from different cultures have different motivations for brand forgiveness (Ho & Worthington, 2020). This investigation carries notable implications for international brand managers on how to effectively employ failure recovery mechanisms in different foreign markets in order to encourage brand forgiveness and, ultimately, purchase intentions. The paper is structured as follows. It first reviews the extant literature and then presents the study's hypotheses. This is followed by the research context, methodology, and analysis. After discussing the empirical findings, the paper highlights theoretical and managerial implications as well as the study's limitations and avenues for future research.

# 2. Literature review and hypothesis development

# 2.1. Brand authenticity

Brand authenticity is defined as "the extent to which consumers perceive a brand to be faithful and true toward itself and its consumers, and to support consumers being true to themselves" (Morhart et al., 2015, p. 202). This concept began to attract the interest of marketing scholars and practitioners more than twenty-five years ago with the study by Stern (1994). Since then, it has been investigated in several market contexts, such as fast-moving consumer goods (Dwivedi & McDonald, 2018), restaurants (Zhang et al., 2021), alcohol (Hernandez-Fernandez & Lewis, 2019; Pelet et al., 2020) and food and beverages (Riefler, 2020), amongst others. When consumers feel that a brand is authentic, they begin to develop positive attitudes, such as trust (Hernandez-Fernandez & Lewis, 2019), expect higher product or service quality (Moulard et al., 2016), are willing to pay more (Riefler, 2020), and engage in positive word of mouth (Morhart et al., 2015).

A closer examination of the pertinent literature reveals a number of multidimensional conceptualizations of brand authenticity (e.g., Bruhn et al., 2012; Morhart et al., 2015; Napoli et al., 2014). In the present study, following Morhart et al. (2015), we conceptualize brand authenticity as a second-order construct comprising four dimensions. These are: *continuity*, a brand's timelessness, historicity, and its ability to transcend trends; *credibility*, the degree to which a brand is willing and able to deliver its promises; *integrity*, the moral purity and responsibility of a brand; and *symbolism*, a brand's potential to serve as a resource for identity construction.

# 2.2. Brand forgiveness

The concept of forgiveness is centuries ago and has its roots in theology and philosophy. Major religions and philosophical streams place forgiveness at the heart of their doctrine, whilst art and literature have been greatly inspired by this topic. It is generally accepted that forgiveness is a construct that has a dual nature; it is common and transcendent (McCullough et al., 2000). Forgiveness is a common, universal phenomenon that is experienced by all religions and cultures across the globe. However, it is not experienced in the same way across individuals and cultures. Therefore, forgiveness also has a transcendent nature (McCullough et al., 2000). Considering its common nature, forgiveness is studied using standard psychological methods. It refers to behavior. Some people tend to forgive easier than others, but this forgiving behavior is not standardized (McCullough & Worthington, 1999). As far as the transcendent nature of forgiveness is concerned, it is religious, spiritual, and philosophical thoughts that shape this concept (Enright et al., 1992). Taken together, forgiveness refers to the degree of injustice and tolerance, as well as to life stance and harmony (Enright et al., 1998).

Despite being a multifaceted phenomenon, forgiveness has been extensively studied in the field of psychology (Christodoulides et al., 2021). Usually referred to as interpersonal forgiveness, researchers have linked it to numerous positive outcomes, such as relationship restoration (Zheng & van Dijke, 2020), health and wellbeing (Worthington et al., 2007; Yao et al., 2017), trust repair (Xie & Peng, 2009), and emotion valence (Gençoğlu et al., 2018; Witvliet et al., 2001).

In the marketing and consumer research domains, research on forgiveness still lags behind (Fetscherin & Sampedro, 2019). Research on forgiveness can be broadly classified into three main areas according

# Table 1

Past research on the consequences of brand authenticity.

Study	Sample	Context	Method	Outcome(s)	Mediator (s)	Moderator(s)	Relevant findings
Özsomer and Altaras (2008)	NA	NA	Conceptual	Global brand credibility	-	Self-construal Cosmopolitanism	It is proposed that global brand authenticity is positively associated with global brand credibility and this relationship is stronger for people with highl independent self-construals and cosmopolitanism tendencies.
Lu et al. (2015)	228 consumers in the US	Ethnic restaurants	Survey	Brand awareness Brand image Perceived quality	-	-	Consumers' authenticity perception positively predicts ethnic restaurants' brand awareness, brand image, and perceived quality.
Fritz et al. (2017)	509 German consumers	Various industries	Survey	quality Brand relationship quality	-	Brand involvement	Brand authenticity has a positiv effect on brand relationship quality, and brand involvement strengthens this relationship.
Guèvremont and Grohmann (2016)	Study 1: 114 US consumers Study 2: 105 US consumers	Sports apparel	Studies 1 & 2: Experimental survey	Emotional brand attachment	-	Social exclusion Brand engagement in self-concept Self-inauthenticity Enduring personal authenticity	Consumers with a high level of brand engagement in self- concept show greater emotional brand attachment to authentic (versus less authentic) brands when they feel socially excluded Also, consumers with a high leve of enduring personal authenticity show greater emotional brand attachment to authentic (versus less authentic brands when they experience situations that make them feel inauthentic.
Moulard et al. (2016)	Study 1: 136 students Study 2: 155 students	Studies 1 & 2: Coffee shop	Studies 1 & 2: Experimental survey	Expected quality Trust	_	-	Brand authenticity has a positiv effect on expected quality and trust.
Lude and Prügl (2018)	Study 1: 382 consumers from Germany, Austria, and Switzerland Study 2: 126 German consumers Study 3: 54 German	Study 1: Wine Study 2: Cosmetics Study 3: Sparkling wine	Studies 1 & 2: Experimental survey Study 3: Field experiment	Brand trust	_	-	The positive effect of the family firm cue on brand trust is fully mediated by perceived brand authenticity.
Hernandez- Fernandez and Lewis (2019)	consumers 738 consumers in the USA	Beer	Survey	Perceived value Brand trust	_	-	Brand authenticity increases both perceived value and brand trust.
(2019) Pelet et al. (2020)	Study 1: 21 consumers Study 2: 215 consumers	Studies 1 & 2: Wine	Study 1: Semi- structured interviews Study 2: Experimental survey	Pleasure Buying intention	Pleasure	Colors Visual complexity	Authenticity of wine labels has positive effect on pleasure and the intention of buying wine. Pleasure partially mediates the brand authenticity–buying intention link. Results also rever that authenticity–pleasure link moderated by colors and visual complexity.
Riefler (2020)	Study 1: 220 students in Austrian university Study 2: 182 consumers in a street collection Study 3: 198 consumers	Studies 1 & 2: Apple juice Study 3: Coffee	Studies 1, 2, & 3: Experimental survey	Willingness to pay	_	Perceived brand globalness	The positive impact of brand authenticity on willingness to pay is independent of perceive brand globalness. Furthermore, brand authenticity positioning affects consumer choice betwee local and global brands.
Kumar and Kaushik (2022)	380 Indian consumers	Various industries	Survey	Consumer brand engagement	-	Self-congruence	Credibility, continuity, and integrity have a positive impact on CBE and self-congruity moderates these relationships. (continued on next pag

Table 1 (continued)

	ieu)						
Study	Sample	Context	Method	Outcome(s)	Mediator (s)	Moderator(s)	Relevant findings
The current study	284 UK consumers and 271 Turkish consumers	Eight industries: soft drinks, automobiles, fast food, furniture, smartphones, cosmetics, communications, and apparel	Experimental survey	Forgiveness Purchase intention	Perceived value	Cross-cultural happiness	Brand authenticity generates forgiveness intentions via perceived value, and the effect is strengthened when cross- cultural happiness is high.

to Fetscherin and Sampedro (2019). The first focuses on the role of consumer forgiveness as a psychological mechanism (e.g., Zourrig et al., 2009); the second research stream investigates forgiveness within a service recovery frame (Harrison-Walker, 2019; Wei et al., 2020); and the final stream examines forgiveness alongside service and product failure (Joireman et al., 2016; Tsarenko & Tojib, 2012). Although the research interest in psychology and marketing has been growing over the past years, studies on forgiveness with a clear brand management focus have only recently arisen (Christodoulides et al., 2021).

Existing research in brand management highlights the positive impact (e.g., Fritz et al., 2017) and importance (Södergren, 2021) of brand authenticity on brand forgiveness. We focus on the brand authenticity–brand forgiveness relationship and contend that when a brand is perceived as authentic, then consumers are more likely to forgive the brand's mistakes. Authentic brands are seen as more reliable, honest, natural, and steady (Aaker et al., 2004). Therefore, consumers become attached to these brands when experiencing self-congruence. When consumers become attached to a brand, they develop resilience to negative information about the brand and, consequently, they are more likely to forgive the brand's mistakes (Park et al., 2010). Through our study, we build on the strong, yet under-researched, effect of brand authenticity on brand forgiveness, and we propose that perceived value is the mediating mechanism of this effect. Fig. 1 introduces the study's conceptual model.

# 2.3. The mediating role of perceived value

Perceived value is defined as the "consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given" (Zeithaml, 1988, p. 14). The concept of value has been extensively studied in the field of marketing and branding with prime examples seen in the work of Zeithaml (1988) and Sweeney and Soutar (2001). This body of work has established the effect of perceived value on both behavioral and psychological responses (Coelho et al., 2020). Specifically, strong empirical support shows that perceived value positively affects satisfaction, loyalty, and purchase intentions (Grewal et al., 1998; Parasuraman et al., 1991; Sweeney & Soutar, 2001).

In the context of brand recovery and service failure, prior research suggests that perceived value is one of the strongest driving forces of forgiveness. Specifically, higher levels of perceived value enhance forgiveness toward service providers (Maxham & Netemeyer, 2002) and encourage consumers to engage in positive word of mouth, which in turn increases their willingness to forgive (Kukar-Kinney et al., 2011).

In this study, we conceptualize perceived value as a multidimensional construct composed of three dimensions– namely, functional, emotional, and social dimensions (Sweeney & Soutar, 2001). Functional value refers to "the perceived utility acquired from an alternative's capacity for functional, utilitarian, or physical performance" (Sheth et al., 1991, p. 160). An authentic brand raises functional value perceptions because it is usually associated with trustworthiness, durability, quality, reliability, and high price (Sweeney & Soutar, 2001). Emotional value represents "the perceived utility acquired from an alternative's capacity to arouse feelings or affective states" (Sheth et al., 1991, p. 161). Consumers often humanize authentic brands and associate them with positive emotions, such as warmth, love, and honesty (Beverland et al., 2010; Johar et al., 2010). Finally, social value is defined as "the perceived utility acquired from an alternative's association with one or more specific social groups" (Sheth et al., 1991, p. 161). In particular, authentic brands enhance the sense of community with other brand users and, consequently, the sense of belongingness (Brown & Dacin, 1997).

While consumers who feel that a brand is authentic are prone to develop positive attitudes to it, little is known about why such consumers prefer these brands to inauthentic alternatives. We, therefore, propose that brand authenticity increases consumers' perceived value, which, in turn, activates higher levels of brand forgiveness.

Brand authenticity is known for increasing brand equity and adding value to consumer experience (Södergren, 2021). Consumers greatly value brands that are genuine. Therefore, companies with authentic brands in their portfolio positively increase consumer value perceptions because their brands align with the company's core purpose, corporate practice, messaging (Vredenburg et al., 2020), and heritage (Hernandez-Fernandez & Lewis, 2019).

In consequence, we suggest that perceived value will have a positive impact on brand forgiveness. Consumers who perceive higher levels of value will be more willing to forgive a brand. Perceived value can be directly enhanced through brand authenticity and its dimensions. Specifically, perceived social value can be enhanced through strong brand symbolism. In addition, consumers can perceive high functional value when a brand delivers its promises, while emotional value can be enhanced if a brand adds meaning to consumers' lives, making them emotionally attached (Morhart et al., 2015).

As Tsarenko and Tojib (2015) stress, the perceived value of a relationship between an individual and a transgressor attenuates the negative effects of wrongdoing. A study conducted by Grégoire et al. (2009) emphasizes that, while strong-relationship customers show more negative responses to firms' failures, any attempt at recovery causes a reduction in the negative reactions of such customers. Setting this in a branding context, we propose that higher levels of value perceptions serve as a recovery effort and dampen the negative responses of consumers to brand failures. Otherwise stated, consumers are more willing to forgive a brand's mistakes, if they perceive higher levels of functional, emotional, and social value. Against this backdrop, we formally posit that:

H1: Perceived value mediates the relationship between brand authenticity and brand forgiveness.

We further propose that consumers who believe that a brand is authentic will develop higher purchase intentions (Kolbl et al., 2020) and this effect will be serially mediated by perceived value and brand forgiveness. The positive relationship between brand authenticity and purchase intentions is empirically supported by numerous studies (e.g., Fritz et al., 2017; Ilicic & Webster, 2014; Lu et al., 2015; Napoli et al., 2014) and is based on the core premise of attitude theory (Ajzen et al., 2018). Thus, we accept that authenticity evaluations form positive attitudes, which, in turn, shape purchase intentions. In addition, brand forgiveness can predict purchase intention (Harrison-Walker, 2019; Tsarenko & Tojib, 2015; Yuan et al., 2020). In line with existing research, we expect that, when consumers forgive brand mistakes, they are more willing to purchase or repurchase the same brand in the future.

H2: The impact of brand authenticity on purchase intentions is serially mediated by perceived value and brand forgiveness.

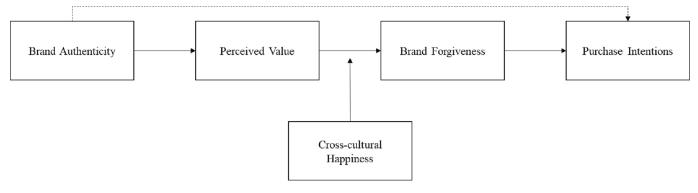


Fig. 1. Conceptual model.

#### 2.4. The moderating role of cross-cultural happiness

Whilst some researchers (Diener, 2000) distinguish subjective wellbeing – namely the cognitive appraisal of life – from happiness, which is generally framed as the emotional outcome of this appraisal, there is no universal definition for this multifaceted and complex construct. Often used as an umbrella term, some scholars view happiness as a state of mind (Lu et al., 2001), as the ultimate contentment of human life (Maltby et al., 2005), or as the main goal in modern society (Veenhoven, 2012). Nevertheless, they all concur that happiness is a state to which individuals aspire. In this study, we adopt Veenhoven's (2012, p. 334) definition that happiness is "the degree to which an individual judges the overall quality of his/her own life-as-a-whole favorably". Moreover, we posit that cross-cultural happiness refers to the study of happiness across different cultures (Kitayama & Markus, 2000).

Research on happiness is prolific across different disciplines, with large-scale cross-cultural studies being at the forefront (e.g., Diener et al., 1995). Happiness is a universal experience, but it is heavily contingent on culture (Uchida et al., 2004) as a social construction. According to Veenhoven (2012), happiness relies on collective notions and values about life, which are shared within a culture and passed down from one generation to the next. Therefore, cross-cultural happiness studies investigate how happiness is defined, how it varies, and how it shapes people's experiences, perceptions, and behavior across cultures (Diener et al., 2003). For example, happiness levels were found to be lower in France compared to the US because earlier French generations experienced greater hardship (Inglehart, 1990). Another interesting cognitive mechanism that explains the cross-cultural differences of happiness refers to the reflective appraisal. Specifically, people in poorer or less developed countries (typically associated with lower levels of happiness) tend to be less positive about their life and judge their happiness according to other, wealthier nations (Veenhoven, 2012). Negative labelling from outgroups usually flows into the members of the labelled country who define themselves as unhappy.

Recent empirical findings (e.g., Hur et al., 2018; Liu et al., 2019) show that perceived value is positively correlated with happiness. In general, people who feel happier are in a positive emotional state and, thus, likely to be optimistic and to attribute more value to their experiences (Isen et al., 1987). In the same vein, cultures that are characterized by higher levels of happiness perceive greater value in their possessions and experiences because of their flexible and inclusive way of thinking (Fredrickson, 1998; Lyubomirsky et al., 2005).

Happiness has also been linked to forgiveness in that higher levels of happiness lead to increased forgiveness tolerance (Maltby et al., 2005). People who are happier experience positive emotions, engage in positive thinking, are more empathetic, and are less likely to develop negative feelings, such as anger and bitterness, which impede forgiveness (McCullough et al., 2000). Moreover, when people are in a happy rather than sorrowful mood, they tend to evaluate a situation more favorably (Swartz et al., 2002) and are ultimately able to successfully cope with

### forgiveness (Diener et al., 2003).

Taken together, we expect that cross-cultural happiness will moderate the relationship between perceived value and forgiveness. Specifically, cultures that demonstrate higher levels of happiness will strengthen the positive effect of value perceptions on forgiveness. Conversely, individuals who report lower happiness levels and hold a less positive life stance are, consequently, likely to forgive a brand's mistake to a lesser extent. In that case, the perceived value effect on brand forgiveness will be attenuated. Formally:

H3: Cross-cultural happiness moderates the relationship between brand authenticity and brand forgiveness through perceived value.

### 3. Methodology

# 3.1. Research design and data collection

We used a 2 (authenticity: authentic vs. inauthentic brand)  $\times$  2 (cross-cultural happiness: low vs. high) between-subjects experimental design with a sample of consumers from UK and Turkey. After following the literature guidelines (Behling & Law, 2000), we initially designed our questionnaire in English, which was translated to Turkish by a native Turkish researcher. It was then translated back to English by another native Turkish speaker who was proficient in English. The English version of the questionnaire was distributed via Prolific to UK consumers. The Turkish questionnaire was designed and posted on Qualtrics; the generated link was consequently distributed via a Turkish crowdsourcing panel. All consumers were compensated for their time.

A total of five hundred and eighty-eight respondents, recruited by these methods, provided complete responses to our questionnaire. However, we had to exclude thirty-three respondents (twenty-one UK and twelve Turkish respondents) who were not familiar with the brand and failed the brand authenticity manipulation check. Eventually, five hundred and fifty-five respondents were selected, of whom two hundred and eighty-four were UK consumers (N = 284, Age<sub>Mean</sub> = 37.99, SD = 11.93; 49.6% female; compensation \$0.70) and two hundred and seventy-one were Turkish consumers (N = 271, Age<sub>Mean</sub> = 30.25, SD = 10.10; 54.2% female; compensation \$0.50). Together, they formed the sample that was used in our analysis (Table 2).

To avoid priming effects, we presented participants with the dependent variables first. After exposing respondents to a specific brand, we measured purchase intentions using a four-item scale (Putrevu & Lord, 1994) and brand forgiveness using a three-item scale (Xie and Peng, 2009). Consequently, we measured functional value, emotional value, and social value (scales adapted by Sweeney & Soutar, 2001). Finally, we used established measures (Morhart et al., 2015) for brand authenticity, whilst cross-cultural happiness was measured with single-item scales. Participants were required to indicate their nationality. All responses were captured using 5-point Likert scales. To control for brand-specific effects, we measured brand familiarity and included demographic questions (age, gender, income, education, and employment

# Table 2

#### Demographics. Characteristic UK Sample = 284 (%) TR Sample = 271 (%)Age 18 - 2514.4 39.5 26 - 3534.2 35.0 36-45 28.5 16.5 46–55 12.3 6.3 Over 55 10.6 2.7 Gender Male 50.4 45.8 Female 49.6 54.2 Education High school 33.1 8.1 Undergraduate 50.0 64.6 Postgraduate 27.3 16.9 Income\* 52.8 <2500 30.6 2500-5000 38 7 56 5001-10000 1.8 13.6 Over 10,000 6.7 50.2 Employment Full-time 59.9 51.7 Part-time 17.3 3.3 33.9 Student 4.9 Others 17.9 11.1

\*Income is measured in pounds and Turkish lira in the UK and Turkey samples, respectively.

status). Lastly, we included an attention check question ("Please respond to this question as strongly agree") to control the quality of the responses. All the measures in our study can be found in Appendix A.

# 3.1.1. First pre-test stage: Happiness

We contend that happiness can be measured through self-reports, following Kahneman and Riis's (2005) view that happiness is "constructed according to an objective rule, even though it is ultimately based on subjective reports" (p.291). In addition, cross-country happiness comparisons, based on self-reported measures, are very common in both the academic literature (Clark et al., 2008; Ferrer-i-Carbonell & Frijters, 2004) and global organizations, such as the United Nations.<sup>1</sup>

To confirm our assumptions that the UK and Turkey are valid representations of high and low levels of happiness among participants, we first consulted two major publicly available happiness reports; the Global Happiness and Wellbeing Policy Report (The Global Happiness Council, 2022) and the World Happiness Report (Helliwell et al., 2022). Insights from the latter reveal that the UK (M = 6.94) holds the 17th position, whilst Turkey (M = 4.74) comes 112th in a list of one hundred and forty-nine countries.

We further tested our assumptions by conducting a pre-test among fifty consumers (twenty-five UK consumers: pre-test 1a, and twenty-five Turkish consumers: pre-test 1b). Participants had to answer four questions that were recorded on a seven-point Likert scale (Subjective Happiness Scale: Lyubomirsky & Lepper, 1999). Results from the pretests revealed that the UK sample reported higher happiness levels (M = 4.67, SD = 1.3), compared to the Turkish sample (M = 3.65, SD = 0.91). We, therefore, concluded that the UK and Turkey are good examples of high and low happiness levels, respectively.

# 3.1.2. Second pre-test stage: Brand authenticity

Before exposing participants to different brands, we had to confirm our authenticity assumptions concerning specific brands. For this reason, we ran two independent pre-tests – the first with UK consumers (pre-test 2a) and the second with Turkish consumers (pre-test 2b). We presented seventy consumers (pre-test 2a: thirty-six UK, and pre-test 2b): thirty-four Turkish consumers) with a simple brand authenticity

### definition (Morhart et al., 2015, p. 202):

"An authentic brand is one that decides to be transparent and consistent in its messaging and branding initiatives. It has business values it remains true to, and most essentially, it is honest.".

Authenticity has been defined as "the extent to which consumers perceive a brand to be faithful and true towards itself and its consumers, and to support consumers being true to themselves".

We asked participants to name, in their opinion, an inauthentic and an authentic global brand. After collecting their responses, we assessed the frequency of appearance of all brands. We excluded brands based on the following criteria: 1) those brands that appeared less frequently than others; 2) those brands that may have a global presence but are heavily tied to either the UK or Turkish culture (i.e., British Airways and Turkish Airlines); 3) those brands that were reported as authentic by one culture but inauthentic by the other; and 4) those brands that are not readily available for purchase or use in both countries. Combining our findings with relevant research studies (e.g., Morhart et al., 2015; Moulard et al., 2021) enabled us to create a final pool of thirty global brands, half of which are generally considered inauthentic across cultures.

# 3.1.3. Third pre-test stage: Brand authenticity

For the third pre-test stage (pre-test 3a and pre-test 3b), we invited sixty consumers to participate, divided equally between the UK (pre-test 3b) and Turkey (pre-test 3b). Initially, we presented them with the same simple authenticity definition. Consequently, we asked them to rate each of the global thirty brands on a 10-point scale, where 1 corresponded to highly inauthentic and 10 to highly authentic. The brands included in this pre-test pool differed in terms of price (soft drinks vs. automobiles), utilitarian nature (furniture vs. cosmetics), and complexity (telecommunications vs. fast food).

# 3.2. Brand stimuli

Based on the pre-test results, our final selection included eight global brands – four that are generally considered inauthentic (Vodafone, Pepsi, Xiaomi, and Burger King) and four that are considered authentic (BMW, Nike, IKEA, and Mac Cosmetics) by both samples. As previously stated, selection of the above brands was based on availability, familiarity, globalness, and past research. Additionally, we selected the aforementioned product categories in order to ensure sufficient variance in contextual factors, following the same approach with prior global branding studies (i.e., Özsomer, 2012).

We randomly exposed participants to one of eight different global brands from eight different product categories (soft drinks, automobiles, fast food, furniture, smartphones, cosmetics, communications, and apparel), asking them to respond to the remaining questions in relation to their allocated brand.

## 3.3. Common method bias

Since we collected self-reported data from individual respondents using a cross-sectional research design, our findings might be open to common method bias (CMB). Therefore, we used both ex-ante and expost measures in an effort to reduce CMB (Podsakof et al., 2003). We ensured the anonymity of respondents and measured dependent and independent variables during different sections of the questionnaire. Moreover, we statistically examined the potential impact of CMB using the marker variable approach (Lindell & Whitney, 2001). The questionnaire included a marker variable, "I watch TV very often", which is theoretically unrelated to other variables in the research model. The significance of the correlations among the observed variables did not change when the effect of the marker variable was partialled out. Overall, our data indicates that there are no concerns over common method bias.

<sup>&</sup>lt;sup>1</sup> https://resources.unsdsn.org/happiness-and-well-being.

# 4. Results and discussion

### 4.1. Measurement invariance

Cross-national research is required to consider testing measurement invariance to prove that differences in research findings are not due to disparities in the measurement but to true differences between the countries (Steenkamp & Baumgartner, 1998). To test whether the measurement items used in this study are invariant in both UK and Turkey, we examined measurement invariance by performing a series of multi-group confirmatory factor analyses (CFAs) (Hair et al., 2017; Steenkamp & Baumgartner, 1998).

Firstly, configural invariance was tested by running a multi-group CFA with freed factor loadings across all groups. The multi-group CFA model, also called the baseline model, fits the data well ( $\chi^2$  (328) = 986.427, p < 0.00; CFI = 0.93; and RMSEA = 0.060), proving that the study constructs exhibit configural invariance between the two samples.

Second, to test metric invariance across the UK and Turkey samples, all the factor loadings were constrained to be equal across the two samples. Although the difference in  $\chi^2$  from the configural model was statistically significant ( $\Delta\chi^2(15) = 30.261$ , p = 0.011), the difference in the CFI values met the recommended cut-off criterion of 0.01 ( $\Delta$ CFI = 0.002) (Byrne, 2009; Cheung & Rensvold, 2002). This indicates that both samples attribute the same meaning to the latent constructs, confirming the presence of metric invariance across the research samples.

# 4.2. Materials and procedure

# 4.2.1. Brand authenticity

We manipulated brand authenticity by randomly allocating respondents to a global brand that is either authentic or inauthentic as per our pre-test results. To confirm that our selected brands are indeed perceived as authentic, we measured brand authenticity on a five-point Likert scale (adapted from Morhart et al., 2015) and conducted a oneway analysis of variance (ANOVA) to check whether our manipulation had the intended effect. The Welch's F-ratio was significant (F(1, 552.3) = 55.26, p < 0,001). Respondents who were presented with authentic brands (namely, Nike, Mac Cosmetics, IKEA, and BMW) scored higher on the brand authenticity scale compared to those who were allocated to inauthentic brands (namely, Pepsi, Vodafone, Xiaomi, and Burger King) and scored lower on the same scale. ( $M_{AUTH} = 3.60$ , SD = 0.63;  $M_{INAUTH} = 3.20$ , SD = 0.68, p < 0.001). Our results suggest that our brand authenticity manipulation was successful.

# 4.2.2. Happiness

Following on from the first pre-study stage (pre-study 1a and prestudy 1b), we invited UK and Turkish participants in our study. We captured the individual variation in cross-cultural happiness (Lyubomirsky & Lepper, 1999) on a five-point Likert scale and conducted a oneway ANOVA to confirm our assumption that UK consumers tend to be happier than their Turkish counterparts. The Welch's F-ratio was significant (F(1,551.3) = 30.00.26, p < 0,001) with UK consumers reporting higher happiness levels ( $M_{UK} = 3.80$ , SD = 0.83, p < 0.001) compared to Turkish consumers ( $M_{TURKEY} = 3.42$ , SD = 0.83). These results are in line with our assumptions and with the extant literature on happiness (e.g., Gaston-Breton et al., 2021).

#### 4.2.3. Control variables

Following pertinent studies, we controlled for several variables that could influence our outcomes. We included age, gender, education, income, and employment as well as familiarity with the brand ("How familiar are you with the above brand", 1 = not familiar at all, 5 = extremely familiar).

# 4.2.4. Model Fit, validity, and reliability

We ran confirmatory factor analyses (CFAs) for both datasets and for

the data overall. Fit indices showed that the model fits well with both UK ( $\chi^2 = 494.273$ ; df = 164;  $\chi^2/df = 3.01$ ; p < 0.000; CFI = 0.93; TLI = 0.02 RMSEA = 0.084) and Turkey datasets ( $\chi^2 = 492.152$ ; df = 164;  $\chi^2/df = 3.001$ ; p < 0.000; CFI = 0.93; TLI = 0.91; RMSEA = 0.086). All measurement items had statistically significant factor loadings with high t-values. Moreover, all average variance extracted (AVEs) exceeded the commonly accepted cut-off value of 0.5 (Fornell & Larcker, 1981), confirming convergent validity. Concerning reliabilities, all Cronbach's alpha values were well above the 0.7 threshold (Nunnally, 1978), confirming that construct measures were reliable in both datasets (see Appendix A). Finally, discriminant validity was evident as the square root of the AVE for each factor was greater than its correlation with other factors (Fornell & Larcker, 1981) in both samples (see Table 3).

# 4.3. Hypothesis testing

To test the mediating role of perceived value on the brand authenticity–forgiveness relationship, we employed PROCESS macro for SPSS (Hayes, 2013; Model 4, 5000 bootstrap resampling). Our results revealed that brand authenticity has a positive indirect effect on brand forgiveness through perceived value (b = 0.31, 95% CI [0.22, 0.40], in support of H1 (see Table 4). In order to closer examine the mediating role of perceived value, we performed additional analysis by testing all three dimensions simultaneously through model 4 of PROCESS macro for SPSS (Hayes, 2013; Model 4, 5000 bootstrap resampling). Our parallel mediation analysis revealed that emotional value (b = 0.17, 95% CI [0.10, 0.26] and social value (b = 0.07, 95% CI [0.00, 0.14] seem to power the mediating mechanism, while functional value (CI [-0.01, 0.11]) cannot explain the effect.

Furthermore, we used Model 6 of PROCESS macro for SPSS (Hayes, 2013, 5000 bootstrap resampling) to test our second hypothesis, H2. Our serial mediation model includes brand authenticity as the independent variable, perceived value, and brand forgiveness as the two mediators, and purchase intentions as the dependent variable. Consistent with our theoretical reasoning, results show that brand authenticity positively affects purchase intentions, and this effect is serially mediated by perceived value and brand forgiveness (b = 0.04. 95% CI [ 0.01, 0.08] (Table 5). Specifically, we discover that brand authenticity has a positive and significant effect on perceived value (b = 0.57, p < 0.001) and, in turn, perceived value has a positive effect on brand forgiveness (b = 0.55, p < 0.001). Finally, brand forgiveness positively affects purchase intentions (b = 0.13, p < 0.05). The above results provide support for H2.

Our third hypothesis (H3) predicted that cross-cultural happiness moderates the mediated relationship between brand authenticity and brand forgiveness. Therefore, we performed a moderated mediation through PROCESS macro for SPSS to accurately test the aforementioned model (Hayes, 2013, model 14, 5000 bootstrap resampling). We find that the indirect effect of brand authenticity on brand forgiveness through perceived value is significant both for lower levels (b = 0.29, 95% CI [0.19, 0.40) and higher levels (b = 0.33, 95% CI [0.24, 0.43]) of cross-cultural happiness, p < 0.05) (see Table 6). These results provide support for H3. A closer look at our results reveals further interesting relationships. The indirect effect of brand authenticity on brand forgiveness through emotional value is significant for low (b = 0.23, 95%, CI [0.012, 0.36]) and high (b = 0.15, 95%, CI [0.05, 0.24]) crosscultural happiness levels. Moreover, high (b = 0.09, 95% CI [0.01, 0.18]), but not low (95% CI [-0.11, 0.08]), cross-cultural happiness levels moderate the effect of brand authenticity on brand forgiveness through functional value. Finally, the indirect effect of the aforementioned relationship through social value is only moderated by high levels of cross-cultural happiness (b = 0.09, 95% CI [0.00, 0.19]), but not for low levels (95% CI [-0.05, 0.16]). In a nutshell, the moderating effect of cross-cultural happiness is strongest on the brand authenticity-brand forgiveness relationship when explained by emotional value.

#### Table 3

Descriptive statistics and discriminant validity.

F · · · · · · · · · · · · · · · · · · ·		-5 -						
	М	SD	1	2	3	4	5	6
UK sample ( $n = 284$ )								
<ol> <li>Brand authenticity</li> </ol>	0.50	0.50	NA					
<ol><li>Functional value</li></ol>	3.86	0.69	0.34**	0.80				
3. Emotional value	3.45	0.98	0.27**	0.60	0.88			
<ol><li>Social value</li></ol>	2.83	1.01	0.38**	0.46	0.65	0.88		
5. Brand forgiveness	2.81	0.85	0.10	0.41	0.48	0.41	0.86	
6. Purchase intentions	3.24	1.14	0.18**	0.39	0.65	0.44	0.44	0.87
Turkey sample ( $n = 271$ )								
1. Brand authenticity	0.48	0.50	NA					
2. Functional value	3.67	0.72	0.25**	0.77				
3. Emotional value	3.43	1.00	0.32**	0.71**	0.89			
<ol><li>Social value</li></ol>	2.89	1.01	0.30**	0.47**	0.66**	0.88		
5. Brand forgiveness	2.71	0.92	0.10	0.30**	0.43**	0.32**	0.86	
6. Purchase intentions	3.54	0.91	0.04	0.55**	0.61**	0.36**	0.32**	0.76

Notes: M = mean, SD = standard deviation, NA = Not applicable. Squared root AVEs are shown on diagonals in bold; correlations are shown below the diagonal. \*Correlations are significant at the 0.01 level (two-tailed). Brand authenticity was manipulated (dichotomous) while the rest of the variables were measured on a 5point Likert scale.

# Table 4

Model 4 - Indirect effect of perceived value.

Effects	Coefficients		Bootstrapping 95% CI		
	b	SE	Lower	Upper	
Brand Authenticity $\rightarrow$ Perceived Value	0.56	0.05	1.99	2.83	
Perceived Value → Brand Forgiveness	0.54	0.04	0.44	0.64	
Brand Authenticity $\rightarrow$ Perceived Value $\rightarrow$ Brand Forgiveness	0.31	0.04	0.22	0.40	
Brand Authenticity → Brand Forgiveness	-0.12	0.07	-0.27	0.01	
Total effect	0.18	0.07	0.03	0.32	

#### Table 5

Model 6 - Indirect effects of perceived value and brand forgiveness.

Indirect Effects	Coeffici	ents	Bootstra 95% CI	pping
	b	SE	Lower	Upper
Total indirect effects	0.36	0.05	0.27	0.46
Brand Authenticity $\rightarrow$ Perceived Value $\rightarrow$ Purchase Intentions	0.34	0.05	0.25	0.43
Brand Authenticity $\rightarrow$ Brand Forgiveness $\rightarrow$ Purchase Intentions	-0.02	0.01	-0.04	0.01
Brand Authenticity $\rightarrow$ Perceived Value $\rightarrow$ Brand Forgiveness $\rightarrow$ Purchase Intentions	0.04	0.02	0.01	0.08

#### Table 6

Model 14 – Conditional indirect effect of brand authenticity on brand forgiveness through perceived value moderated by cross-cultural happiness.

Cross-cultural Happiness Condition	Coeffici	Coefficients		ping
	b	SE	Lower	Upper
Low	0.29	0.05	0.19	0.40
High	0.33	0.05	0.24	0.43

# 5. Conclusion

#### 5.1. Theoretical implications

The main motivation behind our study was to understand why consumers forgive authentic brands and how this effect varies across cultures. Whilst the extant literature on brand authenticity has mainly focused on brand trust outcomes, there has been little research on perceived value (Hernandez-Fernandez & Lewis, 2019) despite its critical role as a brand authenticity outcome (Södergren, 2021).

Our study carries several theoretical implications. We contribute to the brand management literature by uncovering the mediating mechanism of perceived value. Our serial mediating mechanism provides clarification of the complex causal relationships among brand authenticity, perceived value, brand forgiveness, and purchase intentions. This allows us to identify multiple pathways and indirect effects of brand authenticity. Furthermore, cross-cultural happiness was found to moderate the brand authenticity-brand forgiveness relationship through perceived value. Our moderated mediation findings revealed that the mediating effect is strongest as the level of cross-cultural happiness grows, which applies more to our UK sample, in line with the literature on happiness and with western cultures (e.g., Eid & Diener, 2001). This technique helps us test the conditional indirect effects of brand authenticity on brand forgiveness through perceived value. We can, therefore, improve our findings' generalizability and achieve a more nuanced understanding of cross-cultural happiness in an international branding context.

Although levels of happiness can explain when western, individualistic cultures tend to forgive a brand's mistakes to a higher degree than eastern cultures, we need to further understand the mechanism underlying this effect. Interestingly enough, we found that emotional value is the only aspect of perceived value that drives brand forgiveness when levels of cross-cultural happiness are low. Otherwise stated, eastern cultures that are linked to lower levels of happiness tend to forgive an authentic brand only when they derive emotional value from the brand. This is a very important finding, which can be explained by looking into the philosophical underpinnings of happiness. Happiness, according to one of the two dominant philosophical streams, is considered an emotion - namely, the balance between positive and negative feelings (cf. Goldman, 2017). By enhancing emotional value, consumers characterized by lower levels of happiness will be more willing to forgive authentic brands' mistakes. Overall, we contribute to the brand management literature by experimentally testing the cross-cultural applicability of happiness and perceived value and offering international insights.

Furthermore, our findings revealed a serial mediating effect of brand authenticity on purchase intentions via perceived value and brand forgiveness. Pertinent literature on brand authenticity has established purchase intentions as an outcome (e.g., Ilicic & Webster, 2014; Napoli et al., 2014; see also Södergren, 2021). However, the link between perceived value and brand forgiveness in the context of brand authenticity remains underexplored. Whilst there are some notable efforts to examine the effect of brand authenticity on brand forgiveness (Fritz et al., 2017) and on perceived value (Hernandez-Fernandez & Lewis, 2019), our study is one of the first attempts to establish a serial link between brand authenticity and purchase intentions and to show that high levels of brand authenticity enhance value perceptions, which, in turn, increase the likelihood of brand forgiveness. Subsequently, brand forgiveness has a positive effect on purchase intentions, making consumers more willing to purchase those brands that they can easily forgive, in line with the existing literature on brand forgiveness (Fetscherin & Sampedro, 2019; Ma & Wang, 2021).

On a final note, a recent review on brand authenticity (Södergren, 2021) demonstrates that relevant studies (about 48%) in the field employ qualitative methods that significantly limit research on brand authenticity (Hernandez-Fernandez & Lewis, 2019) through our experimental research design, enabling us to establish cause and effects links. By manipulating brand authenticity, we were able to capture its perceptual nature more precisely (Morhart et al., 2015) and answer researcher calls for experimental investigation on brand authenticity (Guèvremont & Grohmann, 2016).

# 5.2. Managerial implications

The positive effects of brand authenticity on purchase intentions have already been known to both academics and professionals. Nevertheless, there are still multiple examples of brands, which albeit authentic, fail to fully recover after a crisis. Understanding how brand forgiveness operates can aid brand recovery and restore brand relationships (Fernández-Capo et al., 2017). Based on our findings, we recommend that marketing managers develop strategies that boost brand forgiveness. Such strategies should focus on building emotional connections, enhancing brand authenticity, and minimizing negative emotions.

Empathy strengthens a brand's relationship with its customers (Singh et al., 2021), therefore, in the first place, we encourage managers to develop a customer service strategy that demonstrates empathy as well as understanding toward customers. Second, enhancing brand authenticity should remain a strategic priority. Staying true to the brand's values, empowering employees, and ensuring honestly and transparency will boost perceived value and, consequently, will result in a greater willingness to forgive in the case of wrongdoing. Third, we urge practitioners to focus on reducing negative emotions among consumers. For example, a customer-support or after-sales-service strategy that makes customers feel valued and heard on a personal level and that avoids the use of emotionless bots and automated services is vital for brand restoration through forgiveness.

Moreover, our findings highlight cross-cultural differences in terms of value perceptions and brand forgiveness. For western cultures that are often associated with higher levels of happiness, as the level of perceived functional, emotional, and social value grows, their willingness to forgive brands also grows. This is not the case in those cultures that are characterized by lower happiness levels. Our findings are, therefore, particularly relevant for international brand managers who target eastern markets with global brands. Eastern-culture consumers tend to forgive authentic brands, although at a much lower degree compared to their western counterparts, and this relationship is only powered by emotional value. Since emotional value is the only driving force for brand forgiveness in this case, brand managers need to place their focus on this value element to activate higher levels of brand forgiveness and, consequently, purchase intentions.

Furthermore, retail strategists may benefit from our cross-cultural findings and build emotional value through, for example, in-store strategies that can arouse positive feelings in consumers. Finally, it important to stress that emotional value can apply to both utilitarian and hedonic offerings (Sheth et al., 1991). Depending on the nature of the product or service, features such as comfort and design (Homburg et al., 2015) or more enhanced elements of artificial intelligence and virtual reality may appeal to the senses and considerably enhance consumers' perceived emotional value.

# 5.3. Limitations and future research directions

While the present study provides valuable contributions to theory and practice, it has some limitations that should be addressed in future studies. First, we tested our proposed model using cross-sectional data. Longitudinal data would be necessary to see the causal relationships between constructs. Second, since we manipulated brand authenticity, we were unable to evaluate the specific roles of its dimensions - namely, credibility, continuity, integrity, and symbolism (Morhart et al., 2015). Therefore, future studies are greatly encouraged to take a granular approach to this concept and investigate the specific relationships between each brand authenticity dimension and the other constructs in the proposed model. Third, we restricted our focus to the consequences of brand authenticity. Yet, the detailed literature review of this construct revealed that there is a need to further understand the brand-related factors as potential antecedents to brand authenticity (Södergren, 2021). Brand competence and brand warmth (Kolbl et al., 2020), for instance, would enhance feelings of authenticity among consumers. Finally, additional analysis on the dimensions of perceived value revealed that functional value does not mediate the brand authenticity-brand forgiveness relationship, whilst emotional value is the strongest explanatory mechanism of the above effect. We encourage researchers to further investigate these interesting results to better understand how perceived value operates across cultures.

# CRediT authorship contribution statement

Christina Papadopoulou: Writing – review & editing, Writing – original draft, Visualization, Validation, Data curation, Conceptualization. Merve Vardarsuyu: Writing – original draft, Methodology, Investigation, Formal analysis, Data curation, Conceptualization. Pejvak Oghazi: Writing – review & editing, Writing – original draft, Supervision, Project administration.

# **Declaration of Competing Interest**

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

# Data availability

Data will be made available on request.

#### Appendix A. Construct measurement

Construct (source)	UK sample ( $n = 284$ )				Turkey sample (n = $271$ )				
	Loading	AVE	CR	Alpha	Loading	AVE	CR	Alpha	
Perceived value (Sweeney & Soutar, 2001)									
Functional value		0.64	0.90	0.89		0.59	0.88	0.88	
[BRAND] has consistent quality	0.829				0.786				
							(continued on next)		

# C. Papadopoulou et al.

#### (continued)

Construct (source)	UK sample (n $= 284$ )				Turkey sample ( $n = 271$ )			
	Loading	AVE	CR	Alpha	Loading	AVE	CR	Alpha
[BRAND] is well made	0.849				0.835			
[BRAND] has an acceptable standard of quality	0.878				0.809			
[BRAND] keeps its promise	0.663				0.717			
[BRAND] performs consistently	0.760				0.688			
Emotional value		0.78	0.95	0.95		0.79	0.95	0.95
[BRAND] is one that I would enjoy	0.900				0.893			
[BRAND] would make me want to use it	0.946				0.933			
[BRAND] is one that I would feel relaxed about using	0.860				0.813			
[BRAND] would make me feel good	0.883				0.909			
[BRAND] would give me pleasure	0.832				0.882			
Social value		0.77	0.93	0.93		0.78	0.93	0.93
[BRAND] would help me feel acceptable	0.775				0.903			
[BRAND] would improve the way I am perceived by others	0.928				0.902			
[BRAND] would make a good impression on other people	0.900				0.837			
[BRAND] would give its owner social approval	0.908				0.882			
Brand forgiveness (Xie & Peng, 2009)		0.74	0.90	0.90		0.74	0.89	0.89
I think I can forgive [BRAND]'s mistakes	0.856				0.765			
I am lenient when [BRAND] makes mistakes	0.911				0.886			
Mistakes made by [BRAND] are excusable	0.818				0.915			
Purchase intention (Putrevu & Lord, 1994)		0.75	0.90	0.90		0.58	0.80	0.80
It is very likely that I will buy [BRAND] in the future	0.874				0.738			
I will purchase [BRAND] the next time I need such a product	0.773				0.628			
I will definitely try [BRAND] in the future	0.949				0.892			

#### References

- Aaker, J., Fournier, S., & Brasel, S. A. (2004). When good brands do bad. Journal of Consumer Research, 31(1), 1–16.
- Ajzen, I., Fishbein, M., Lohmann, S., & Albarracín, D. (2018). The influence of attitudes on behavior. In D. Albarracín, B. T. Johnson, & M. P. Zanna (Eds.), *The Handbook of Attitudes* (pp. 197–255). Mahwah, NJ: Lawrence Erlbaum Associates.
- Behling, O., & Law, K. S. (2000). Translating questionnaires and other research instruments: Problems and Solutions (Vol. 133). Sage.
- Bartsch, F., Zeugner-Roth, K. P., & Katsikeas, C. S. (2022). Consumer authenticity seeking: Conceptualization, measurement, and contingent effects. *Journal of the Academy of Marketing Science*, 50, 296–323.
- Beverland, M. B., Farrelly, F., & Quester, P. G. (2010). Authentic subcultural membership: Antecedents and consequences of authenticating acts and authoritative performances. *Psychology & Marketing*, 27(7), 698–716.
- Brown, T. J., & Dacin, P. A. (1997). The company and the product: Corporate

associations and consumer product responses. *Journal of Marketing*, *61*(1), 68–84. Bruhn, M., Schoenmüller, V., Schäfer, D., & Heinrich, D. (2012). Brand authenticity: Towards a deeper understanding of its conceptualization and measurement. *Advances in Consumer Research*, *40*, 567–576.

- Byrne, B. M. (2009). Structural equation modeling with AMOS: Basic concepts, programming, and applications. London, England: LEA.
- Casidy, R., & Shin, H. (2015). The effects of harm directions and service recovery strategies on customer forgiveness and negative word-of-mouth intentions. *Journal of Retailing and Consumer Services*, 27, 103–112.
- Cheung, G. W., & Rensvold, R. B. (2002). Evaluating goodness-of-fit indexes for testing measurement invariance. *Structural Equation Modeling*, 9(2), 233–255.
- Christodoulides, G., Gerrath, M. H., & Siamagka, N. T. (2021). Don't be rude! The effect of content moderation on consumer-brand forgiveness. *Psychology & Marketing, 38* (10), 1686–1699.
- Clark, A. E., Frijters, P., & Shields, M. A. (2008). Relative income, happiness, and utility: An explanation for the Easterlin paradox and other puzzles. *Journal of Economic Literature*, 46(1), 95–144.
- Coelho, F. J., Bairrada, C. M., & de Matos Coelho, A. F. (2020). Functional brand qualities and perceived value: The mediating role of brand experience and brand personality. *Psychology & Marketing*, 37(1), 41–55.
- Dan, A. (2020). The Pepsi-Kendall Jenner ad is a cautionary tale about the rush to in-Housing. Retrieved from: https://www.forbes.com/sites/avidan/2020/10/19/thepepsi-kendall-jenner-ad-is-a-cautionary-tale-about-the-rush-to-in-housing/? sh=3e63712b54ae [Last accessed: 19 June 2023].
- Diener, E. (2000). Subjective well-being: The science of happiness and a proposal for a national index. *American Psychologist*, 55(1), 34.
- Diener, E., Oishi, S., & Lucas, R. E. (2003). Personality, culture, and subjective wellbeing: Emotional and cognitive evaluations of life. *Annual Review of Psychology*, 54 (1), 403–425.
- Diener, E., Suh, M., Smith, H., & Shao, L. (1995). National and cultural differences in reported subjective well-being: Why do they occur? *Social Indicators Research*, 31, 103–157.

Dwivedi, A., & McDonald, R. (2018). Building brand authenticity in fast-moving consumer goods via consumer perceptions of brand marketing communications. *European Journal of Marketing*, 52(7/8), 1387–1411.

- Eid, M., & Diener, E. (2001). Norms for experiencing emotions in different cultures: Interand intranational differences. *Journal of Personality and Social Psychology*, 81(5), 869–885.
- Enright, R. D., Gassin, E. A., & Wu, C. (1992). Forgiveness: A developmental view. *Journal of Moral Education*, 21, 95–110.
- Erdem, T., & Swait, J. (2004). Brand credibility, brand consideration, and choice. *Journal of Consumer Research*, 31(1), 191–198.
- Fernández-Capo, M., Fernández, S. R., Sanfeliu, M. G., Benito, J. G., & Worthington, E. L., Jr (2017). Measuring forgiveness. *European Psychologist*, 22(4), 247–262.
- Ferrer-i-Carbonell, A., & Frijters, P. (2004). How important is methodology for the estimates of the determinants of happiness? *The Economic Journal*, 114(497), 641–659.
- Fetscherin, M., & Sampedro, A. (2019). Brand forgiveness. Journal of Product & Brand Management, 28(5), 633–652.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50.
- Fredrickson, B. L. (1998). What good are positive emotions? *Review of General Psychology*, 2(3), 300–319.
- Fritz, K., Schoenmueller, V., & Bruhn, M. (2017). Authenticity in branding–exploring antecedents and consequences of brand authenticity. *European Journal of Marketing*, 51(2), 324–348.
- Garrett, B. (2019). Gucci names its first ever diversity head after blackface controversy. Retrieved from: https://www.forbes.com/sites/briannegarrett/2019/08/02/guccinames-its-first-ever-diversity-head-after-blackface-controversy/ [Last accessed: 19 June 2023].
- Gaston-Breton, C., Lemoine, J. E., Voyer, B. G., & Kastanakis, M. N. (2021). Pleasure, meaning or spirituality: Cross-cultural differences in orientations to happiness across 12 countries. *Journal of Business Research*, 134, 1–12.
- Gençoğlu, C., Şahin, E., & Topkaya, N. (2018). General self-efficacy and forgiveness of self, others, and situations as predictors of depression, anxiety, and stress in university students. *Educational Sciences: Theory & Practice*, 18(3).
- Goldman, A. H. (2017). Happiness is an emotion. *The Journal of Ethics*, 21(1), 1–16. Grégoire, Y., Tripp, T. M., & Legoux, R. (2009). When customer love turns into lasting hate: The effects of relationship strength and time on customer revenge and avoidance. *Journal of Marketing*, 73(6), 18–32.
- Grewal, D., Monroe, K. B., & Krishnan, R. (1998). The effects of price-comparison advertising on buyers' perceptions of acquisition value, transaction value, and behavioral intentions. *Journal of marketing*, 62(2), 46–59.
- Guèvremont, A., & Grohmann, B. (2016). The brand authenticity effect: Situational and individual-level moderators. *European Journal of Marketing*, 50(3/4), 602–620.
- Guèvremont, A., & Grohmann, B. (2018). Does brand authenticity alleviate the effect of brand scandals? *Journal of Brand Management*, 25, 322–336.

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., & Thiele, K. O. (2017). Mirror, mirror on the wall: A comparative evaluation of composite-based structural equation modeling methods. *Journal of the Academy of Marketing Science*, 45(5), 616–632.

Harrison-Walker, L. J. (2019). The critical role of customer forgiveness in successful service recovery. *Journal of Business Research*, 95, 376–391.

#### C. Papadopoulou et al.

- Helliwell, J. F., Layard, R., Sachs, J. D., De Neve, J.-.-E., Aknin, L. B., & Wang, S. (Eds.). (2022). World Happiness Report 2022. New York: Sustainable Development Solutions Network.
- Hernandez-Fernandez, A., & Lewis, M. C. (2019). Brand authenticity leads to perceived value and brand trust. European Journal of Management and Business Economics, 28 (3), 222–238.
- Homburg, C., Schwemmle, M., & Kuehnl, C. (2015). New product design: Concept, measurement, and consequences. *Journal of Marketing*, 79(3), 41–56.
- Ho, M. Y., & Worthington, E. L. (2020). Is the concept of forgiveness universal? A crosscultural perspective comparing western and eastern cultures. *Current Psychology*, 39 (5), 1749–1756.
- Hur, W.-M., Kim, M., & Park, J. W. (2018). The effects of perceived value of products on consumer happiness. *Journal of Consumer Psychology*, 28(3), 457–467.
- Ilicic, J., & Webster, C. M. (2014). Investigating consumer-brand relational authenticity. Journal of Brand Management, 21(4), 342–363.
- Inglehart, R. (1990). Culture shift in advanced industrial society. Princeton, USA: Princeton University Press.
- Isen, A. M., Daubman, K. A., & Nowicki, G. P. (1987). Positive affect facilitates creative problem solving. *Journal of Personality and Social Psychology*, 52(6), 1122–1131.
- Johar, G. V., Birk, M. M., & Einwiller, S. A. (2010). How to save your brand in the face of crisis. MIT Sloan Management Review.
- Joireman, J., Grégoire, Y., & Tripp, T. M. (2016). Customer forgiveness following service failures. Current Opinion in Psychology, 10, 76–82.
- Kahneman, D., & Riis, J. (2005). Living, and thinking about it: Two perspectives on life. The Science of Well-being, 1, 285–304.
- Kapoor, S., & Banerjee, S. (2021). On the relationship between brand scandal and consumer attitudes: A literature review and research agenda. *International Journal of Consumer Studies*, 45(5), 1047–1078.
- Khan, S. N., & Mohsin, M. (2017). The power of emotional value: Exploring the effects of values on green product consumer choice behavior. *Journal of Cleaner Production*, 150, 65–74.
- Kitayama, S., & Markus, H. R. (2000). The pursuit of happiness and the realization of sympathy: Cultural patterns of self, social relations, and well-being. In E. Diener, & E. M. Suh (Eds.), *Culture and subjective well-being* (pp. 113–161). MIT Press.
- Kolbl, Z., Diamantopoulos, A., Arslanagic-Kalajdzic, M., & Zabkar, V. (2020). Do brand warmth and brand competence add value to consumers? A stereotyping perspective. *Journal of Business Research*, 118, 346–362.
- Kukar-Kinney, M., Xia, L., & Monroe, K. B. (2011). Consumers' perceptions of value and word-of-mouth communication following service recovery. *International Journal of Research in Marketing*, 28(2), 163–173.
- Kumar, V., & Kaushik, A. K. (2022). Engaging customers through brand authenticity perceptions: The moderating role of self-congruence. *Journal of Business Research*, 138, 26–37.
- Lindell, M. K., & Whitney, D. J. (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86(1), 114–121.
- Liu, J., Liu, R., & Huang, L. (2019). Perceived value of life satisfaction, happiness and self-esteem among college students in China. *Journal of Happiness Studies*, 20(7), 2111–2128.
- Lu, A. C. C., Gursoy, D., & Lu, C. Y. (2015). Authenticity perceptions, brand equity and brand choice intention: The case of ethnic restaurants. *International Journal of Hospitality Management*, 50, 36–45.
- Lude, M., & Prügl, R. (2018). Why the family business brand matters: Brand authenticity and the family firm trust inference. *Journal of Business Research*, *89*, 121–134.
- Lu, L., Gilmour, R., & Kao, S. F. (2001). Cultural values and happiness: An East-West dialogue. *The Journal of Social Psychology*, 141(4), 477–493.
- Lyubomirsky, S., King, L., & Diener, E. (2005). The benefits of frequent positive affect: Does happiness lead to success? *Psychological Bulletin*, 131(6), 803–855.
- Lyubomirsky, S., & Lepper, H. S. (1999). A measure of subjective happiness: Preliminary reliability and construct validation. Social Indicators Research, 46(2), 137–155.
- Ma, R., & Wang, W. (2021). Smile or pity? Examine the impact of emoticon valence on customer satisfaction and purchase intention. *Journal of Business Research*, 134, 443–456.
- Maltby, J., Day, L., & Barber, L. (2005). Forgiveness and happiness. The differing contexts of forgiveness using the distinction between hedonic and eudaimonic happiness. *Journal of Happiness Studies*, 6(1), 1–13.
- Maxham, J. G., III, & Netemeyer, R. G. (2002). Modeling customer perceptions of complaint handling over time: The effects of perceived justice on satisfaction and intent. *Journal of Retailing*, 78(4), 239–252.
- McCullough, M. E., Pargament, K. I., & Thoresen, C. E. (Eds.). (2000). Forgiveness: Theory, research, and practice. Guilford Press.
- McCullough, M. E., & Worthington, E. L., Jr (1999). Religion and the forgiving personality. Journal of Personality, 67(6), 1141–1164.
- Morhart, F., Malär, L., Guèvremont, A., Girardin, F., & Grohmann, B. (2015). Brand authenticity: An integrative framework and measurement scale. *Journal of Consumer Psychology*, 25(2), 200–218.
- Moulard, J. G., Raggio, R. D., & Folse, J. A. G. (2016). Brand authenticity: Testing the antecedents and outcomes of brand management's passion for its products. *Psychology & Marketing*, 33(6), 431–436.
- Moulard, J. G., Raggio, R. D., & Folse, J. A. G. (2021). Disentangling the meanings of brand authenticity: The entity-referent correspondence framework of authenticity. *Journal of the Academy of Marketing Science*, 49, 96–118.
- Napoli, J., Dickinson, S. J., Beverland, M. B., & Farrelly, F. (2014). Measuring consumerbased brand authenticity. *Journal of Business Research*, 67(6), 1090–1098.

- Nunnally, J. C. (1978). An overview of psychological measurement. *Clinical Diagnosis of Mental Disorders*, 97–146.
- Özsomer, A. (2012). The interplay between global and local brands: A closer look at perceived brand globalness and local iconness. *Journal of International Marketing*, 20 (2), 72–95.
- Özsomer, A., & Altaras, S. (2008). Global brand purchase likelihood: A critical synthesis and an integrated conceptual framework. *Journal of International Marketing*, 16(4), 1–28.
- Parasuraman, A., Berry, L. L., & Zeithaml, V. A. (1991). Understanding customer expectations of service. *MIT sloan management review*.
- Park, C. W., MacInnis, D. J., Priester, J., Eisingerich, A. B., & Iacobucci, D. (2010). Brand attachment and brand attitude strength: Conceptual and empirical differentiation of two critical brand equity drivers. *Journal of Marketing*, 74(6), 1–17.
- Pelet, J. E., Durrieu, F., & Lick, E. (2020). Label design of wines sold online: Effects of perceived authenticity on purchase intentions. *Journal of Retailing and Consumer Services*, 55, Article 102087.
- Phan, M., & Thomas, D. R. (2009). Brand authenticity in different cultures: The role of cultural orientation. Journal of International Marketing, 17(3), 99–116.
- Podsakof, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakof, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879–903.
- Putrevu, S., & Lord, K. R. (1994). Comparative and noncomparative advertising: Attitudinal effects under cognitive and affective involvement conditions. *Journal of Advertising*, 23(2), 77–91.
- Riefler, P. (2020). Local versus global food consumption: The role of brand authenticity. Journal of Consumer Marketing, 37/3(2020), 317–327.
- Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy what we buy: A theory of consumption values. *Journal of Business Research*, 22(2), 159–170.
- Singh, P., Singh, R., & Devi, R. (2021). Antecedents and consequences of brand forgiveness: A conceptual model. *Journal of Business Research*, 134, 90–103.
- Södergren, J. (2021). Brand authenticity: 25 Years of research. International Journal of Consumer Studies, 45(4), 645–663.
- Steenkamp, J.-B.-E.-M., & Baumgartner, H. (1998). Assessing measurement invariance in cross-national consumer research. Journal of Consumer Research, 25(1), 78–110.
- Stern, B. (1994). Authenticity and the textual persona: Postmodern paradoxes in advertising narrative. *International Journal of Research in Marketing*, 11(4), 387–400.
- Schwartz, B., Ward, A., Monterosso, J., Lyubomirsky, S., White, K., & Lehman, D. R. (2002). Maximizing versus satisficing: Happiness is a matter of choice. *Journal of Personality and Social Psychology*, 83(5), 1178.
- Swant, M. (2021). Peloton's top marketer says it never agreed to controversial 'Sex and the city' Cameo. Retrieved from: https://www.forbes.com/sites/martyswant/2021/ 12/13/pelotons-top-marketer-says-it-never-agreed-to-controversial-sex-and-thecity-cameo/?sh=88c176b3be93 [Last accessed: 19 June 2023].
- Sweeney, J. C., & Soutar, G. N. (2001). Consumer perceived value: The development of a multiple item scale. *Journal of Retailing*, 77(2), 203–220.
- The Global Happiness Council (2022). Global happiness and well-being policy report 2022. New York: Sustainable development solutions network. Retrieved from: https://s3.amazonaws.com/happinesscouncil.org/GHC\_2022.pdf [Last accessed: 19 June 2023].
- Tsarenko, Y., & Tojib, D. (2012). The role of personality characteristics and service failure severity in consumer forgiveness and service outcomes. *Journal of Marketing Management*, 28(9–10), 1217–1239.
- Tsarenko, Y., & Tojib, D. (2015). Consumers' forgiveness after brand transgression: The effect of the firm's corporate social responsibility and response. *Journal of Marketing Management*, 31(17–18), 1851–1877.
- Uchida, Y., Norasakkunkit, V., & Kitayama, S. (2004). Cultural constructions of happiness: Theory and empirical evidence. *Journal of Happiness Studies*, 5(3), 223–239.
- Xie, Y., & Peng, S. (2009). How to repair customer trust after negative publicity: The roles of competence, integrity, benevolence, and forgiveness. *Psychology & Marketing*, 26(7), 572–589.
- Veenhoven, R. (2012). Happiness: Also known as "life satisfaction" and "subjective wellbeing". In Handbook of Social Indicators and Quality of Life Research (pp. 63–77). Dordrecht: Springer.
- Vredenburg, J., Kapitan, S., Spry, A., & Kemper, J. A. (2020). Brands taking a stand: Authentic brand activism or woke washing? *Journal of Public Policy & Marketing*, 39 (4), 444–460.
- Wei, C., Liu, M. W., & Keh, H. T. (2020). The road to consumer forgiveness is paved with money or apology? The roles of empathy and power in service recovery. *Journal of Business Research*, 118, 321–334.
- Witvliet, C. V. O., Ludwig, T. E., & Laan, K. L. V. (2001). Granting forgiveness or harboring grudges: Implications for emotion, physiology, and health. *Psychological Science*, 12(2), 117–123.
- Worthington, E. L., Witvliet, C. V. O., Pietrini, P., & Miller, A. J. (2007). Forgiveness, health, and well-being: A review of evidence for emotional versus decisional forgiveness, dispositional forgivingness, and reduced unforgiveness. *Journal of Behavioral Medicine*, 30(4), 291–302.
- Yao, S., Chen, J., Yu, X., & Sang, J. (2017). Mediator roles of interpersonal forgiveness and self-forgiveness between self-esteem and subjective well-being. *Current Psychology*, 36(3), 585–592.
- Yuan, D., Lin, Z., Filieri, R., Liu, R., & Zheng, M. (2020). Managing the product-harm crisis in the digital era: The role of consumer online brand community engagement. *Journal of Business Research*, 115, 38–47.
- Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2–22.

# C. Papadopoulou et al.

Zhang, S. N., Li, Y. Q., Liu, C. H., & Ruan, W. Q. (2021). Reconstruction of the relationship between traditional and emerging restaurant brand and customer WOM. *International Journal of Hospitality Management, 94*, Article 102879.
Zheng, M. X., & van Dijke, M. (2020). Expressing forgiveness after interpersonal mistreatment: Power and status of forgivers influence transgressors' relationship restoration efforts. *Journal of Organizational Behavior, 41*(8), 782–796.
Zourrig, H., Chebat, J., & Toffoli, R. (2009). Exploring cultural differences in customer forgiveness behavior. *Journal of Service Management, 20*(4), 404–419.

**Dr. Christina Papadopoulou** is an Assistant Professor in Marketing at Leeds University Business School. She holds a BSc in Applied Informatics from the University of Macedonia in Greece and an MSc in International Marketing Management from the University of Leeds. Dr. Papadopoulou earned her Ph.D. in International Marketing from Leeds University Business School. Her research interests revolve around international marketing, brand management, mindset theories, and decision-making processes.

**Dr. Merve Vardarsuyu** is a lecturer at Kutahya Dumlupinar University. She holds a BSc in Business Administration from Middle East Technical University and an MSc in Marketing from Hacettepe University. She has been awarded a Ph.D. grant by the Republic of Turkey Ministry of National Education and earned her doctoral degree in International Marketing from Leeds University Business School. Her main research interests include international marketing, brand management, and sales.

**Dr. Pejvak Oghazi** is a full Professor in Business Studies and head of two departments at the School of Social Sciences, Sodertorn University, Stockholm, Sweden. Professor Oghazi is also an associate researcher at the Hanken School of Economics in Helsinki, Finland.