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the Degree of Doctor of Philosophy

THE ROLE OF TRANSPARENCY IN CONSUMER BRAND RELATIONSHIPS

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For my beloved mother and father

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Abstract

The recent financial crisis has led to calls for effective communication between consumers and firms and for more attention to increasing transparency and reducing information asymmetries. This thesis aims to develop a construct such as transparency to effectively capture the free information flow between firms or their brands and consumers. Two questions are answered. First, how can consumer-brand communication be more effective, and thus lead to positive consumer affective and behavioral responses? Second, as WOM is an increasingly important channel for consumers to obtain information, what affects the generation of consumers' positive eWOM on social online sites and how does eWOM on social online sites differ from traditional WOM?

Two chapters articulate the defining elements of a brand transparency construct, empirically validate a scale to measure brand transparency, and show that brand transparency strengthens consumers' trust in a brand, willingness to pay a price premium, and consumers' attachment to a brand. The research also identifies important boundary conditions: The effects of transparency depend on consumers' perceptions of brand ability and social responsibility associations, and the level of consumer involvement. Another chapter examines the roles of traditional WOM and eWOM on social sites in the relationships between brand attachment, attitude, and brand purchases. Specifically, the research explores antecedents of eWOM on social sites and studies the underlying process through which eWOM on social sites versus traditional WOM helps to predict purchase behavior. Moderators in these relationships are identified. Findings suggest that consumers are less likely to provide eWOM on social sites, but it explains the impact of brand attachment on brand purchase better than traditional WOM. The mediating effects are stronger for consumers with high desire for self-enhancement.

The authors discuss the managerial and theoretical implications of their findings.

Keywords: brand transparency, brand attachment, social responsibility, brand ability, word of mouth, Facebook, brand attitude, brand purchase, self-enhancement

1 Introduction

1.1 Motivation and Research Questions

Despite 24 hours news channels, a growing number of social media, and information sharing websites, the structure of most if not all markets is best described as imperfect: firms usually hold more information and know more about the brands they sell than consumers (Erdem and Swait, 1998; Mishra et al., 1998). This leaves many consumers in a situation where they need and want more information about firms and their brands because it reduces risks and helps them with their purchase decisions (Trifts and Häubl, 2003). Furthermore, the recent financial crisis has led to calls for increased transparency and reduced information asymmetries between firms and their consumers (Gunelius, 2010a; Wilkin, 2009; Stewart, 2009).

In marketing research, the effective management of information is an integral element of successful customer relationship management and is attracting increased interest (Jayachandran et al., 2005; Russo et al., 1986; Thomas et al., 2009). A close examination of the literature suggests that allowing partners to “see through” or to access information (i.e. information transparency, which will be discussed at greater depth later) is of high importance to excel in effective relationship management, including both internal relationship management (e.g., with employees) and external relationship management (e.g., with customers and various stakeholders). For example, in internal relationship management, information transparency can provide an efficient solution to a firm’s insider threat resulting from an economic downturn (Campbell and Lefler, 2009), or help financial services firms to rebuild their reputation with the organisation after the global crisis (Wilkin, 2009). In external relationship management, importance of transparency and information sharing was examined in the context of conducting business with external parties including customers, suppliers, and partners (Lawrence et al., 2005). In contrast to the positive viewpoint on information transparency, some articles revealed side effects of information transparency, such as threats resulting from easily-obtained

cost transparency (Singh and Sirdeshmukh, 2000; Zhu, 2004). Despite the apparent relevance of information transparency, much of these viewpoints are based on anecdotal evidence and empirical investigation is largely missing.

Both marketing practice and marketing research agree that an effective communication between consumers and firms or their brands is needed in consumer brand relationship management (Tuftte and Guterman, 2009; Wernerfelt, 1996; Ball, 2004). However, the current literature has not provided a clear and comprehensive framework, and developed and tested a construct such as transparency to effectively capture the free information flow between firms or their brands and consumers. It remains unclear what exactly constitutes transparency in the eyes of consumers, and whether and when firms benefit from offering more information relating to their product/service offerings. Based on these points, this thesis aims to answer the following two important questions. First, how can consumer-brand communication be more effective, and thus lead to positive affective and behavioural responses by consumers? Second, as WOM is an increasingly important channel for consumers to obtain information, what affects the generation of consumers positive eWOM on social online sites? And how does eWOM on social online sites differ from traditional WOM?

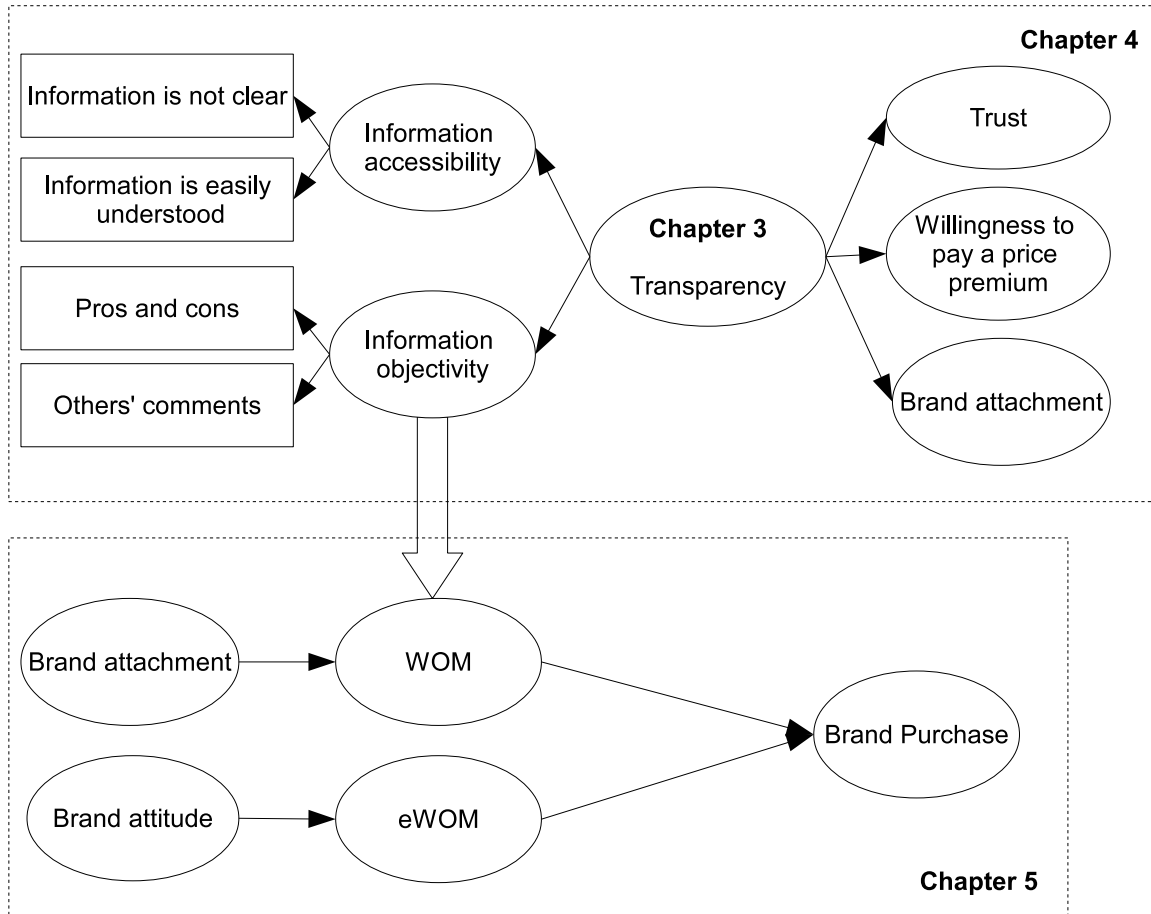
1.2 Summary of Thesis and Main Findings

In this research, I employed both qualitative and quantitative research methods to answer the research questions (see Figure 1.1). Chapter 2 reviews the relevant literature. Chapter 3 aims to articulate the defining elements of the transparency construct, which is an indicator of effective communication, by conducting a qualitative study. Chapter 4 aims to validate empirically a measure that effectively captures the domain of the brand transparency construct, and examines the impact of brand transparency on consumers brand behaviours and its boundary conditions.

Chapter 5 focuses on one vital factor of transparency, namely WOM. Two forms of WOM, namely traditional WOM and WOM on social online sites were compared in terms of their antecedents and roles in consumer-brand relationships. Specifically, I examined the roles of traditional WOM and eWOM on Facebook in the relationships between brand attachment, attitude, and brand purchases, explored antecedents of eWOM on Facebook and studied the underlying process through which eWOM on Facebook versus traditional WOM helps to predict consumers purchase behaviour.

Moderators in these relationships are identified.

Figure 1.1: Thesis Overview



The research has three main findings. First, transparency is the accessibility of objective information a firm (or its brand) provides consumers regarding its product offering. Two key factors are identified: information objectivity and information accessibility. Information objectivity refers to the extent to which a firm (or its brand) provides both pros and cons about its product offering and access to other consumers comments, reviews, or feedbacks; information accessibility refers to the extent to which a firm (or its brand) puts effort to make information clear and easily-understood by consumers. Second, brand transparency is positively associated with consumers trust on a brand, willingness to pay a price premium for a brand, and even attachment to a brand. The findings also identify an important boundary condition

for these effects: the impact of transparency is moderated by consumers perceptions of a brand's ability, but not by social responsibility associations. Third, the findings suggest that 1) consumers are less likely to provide eWOM on social online sites, and 2) eWOM on social online sites explains the impact of brand attachment on brand purchase better than traditional WOM. Importantly, the mediating effects are stronger for consumers with high desire for self-enhancement.

1.3 Contribution

The research makes three key contributions to theory. First, information transparency has been defined in the extant body of literature in a broad and unsatisfactory manner. This research provides a clear and effective definition of information transparency and identifies the conceptual properties of the transparency concept. Differentiating it from other relevant concepts is important and will help future research build on this work. Importantly, due to the lack of measurement efforts of transparency, this research developed an reliable, valid, and effective measure of brand transparency, which will enable and facilitate future empirical investigation on brand transparency.

Second, although the importance of brand transparency has been proposed many times, there is considerable controversy regarding the effects of information transparency. A framework of relationships between brand transparency and other variables in consumer-brand relationship management was provided and empirically demonstrated in this research. The framework will facilitate effective customer relationship management.

Third, although WOM has been identified as a vital element of brand transparency, an increasing important form of WOM, namely eWOM on social online sites (eWOM soc hereafter), has not received sufficiently close examination. This research shows that there are significant differences between traditional WOM and eWOM soc in consumer's propensity to provide them, their antecedents, mediating roles in the relationship between brand attachment and consumer brand purchase, and their interaction with self-enhancement. The findings offer a starting point for researchers to explore the unique characteristic of consumers' eWOM on social online sites.

The research makes three key contributions to managerial practice. First, firms are encouraged to explore the positive impact transparency can have on their business.

Marketing managers learn when and under what conditions transparency could benefit firms, and when it could harm firms. Second, the research explains the defining properties of brand transparency, and provides an effective measure of it. Marketing manager can construct a transparent brand by adopting this measure. For instance, they can disclose both pros and cons of products offerings, provide access to other consumers reviews, encourage consumers to provide WOM, and make information easily understood and clear.

Third, the findings show that consumers' willingness to talk up a brand on social online sites such as Facebook indicates a strong consumer-brand relationship more effectively than willingness to offer traditional WOM. Thus, marketing managers can identify some of their most loyal consumers and find suitable ways to engage them effectively by tracking WOM on social online sites.

Finally, the findings show that once consumers have a high brand attachment, not only will they be loyal to the brand, but also they will be more likely to talk up the brand in their social circles. This can inform marketing managers segmentation efforts. Among the consumers, as part of this research, those with high self-enhancement and male consumers are more likely to offer eWOM on social sites. Companies may trade upon these findings by serving their needs.

2 Literature Review

2.1 Consumer-Brand Communication Channels

Information or messages can be carried by a variety of communication channels in consumer-brand relationships (see Table 2.1). Wernerfelt (1996) summarized and compared different communication channels and proposed firms should treat customers as partners when communication plans are designed. Similarly, Coulter et al. (2005) examined four important channels from which customers obtain market information (advertising, personal search, influential others, and product experience).

Table 2.1: Communication Channels

Channels of information	Studies
Labels or Package of Products	Balasubramanian and Cole (2002); Burton et al. (2009); Fuan et al. (2000); Howlett et al. (2009); Kozup et al. (2003); Russo et al. (1986)
Official Website or Internet	Eisingerich and Kretschmer (2008); Hogg et al. (2003); Hung and Wyer (2009)
Sales Force	Eisingerich and Bell (2006); Wernerfelt (1996)
Retail Showrooms/Trials	Wernerfelt (1996)
Print or Television Advertising	Peracchio and Meyers-Levy (1994); Wernerfelt (1996)
Word of Mouth	Wernerfelt (1996)

Among the different channels, word-of-mouth referral (WOM) has been recognized to be a key one in information transmission, sharing, and communication (Chevalier and Mayzlin, 2006; Liu, 2006). Especially with digital development and revolution, online reviews and social network service such as blogs have been playing increasing important roles in information accessibility, making brands to be more transparent inevitable (Bennis, 2009). However, only a small body of the extent literature pays

attention to the interaction between online WOM and consumer-brand relationships. It is necessary to explore how consumers generate online WOM and what is the effect of online WOM on consumer-brand relationships.

2.2 Effective Communication

Although the availability of multiple channels makes it easier for consumers to obtain information, simply providing general information is not enough to meet consumer's information requirement, to generate positive consumer attitude towards a brand, and in turn to create purchase behaviour. Some characteristics of information, such as truth, honesty, openness or candour are discussed in existing research (Bennis, 2009; Bennis et al., 2008; O'Toole and Bennis, 2009). Day (1976) suggests three main characteristics of information when testing information effectiveness, representing whether the information is (1) accessible, (2) comprehensible, and (3) relevant. Similarly, O'Toole and Bennis (2009) suggest that enabling people to gain access to relevant, timely, and valid information is important for a firm to build transparency or a culture of candour.

Among these characteristics, sidedness of information has drawn much attention in prior research. Table 2.2 provides a review of the main literature on sidedness of information. The provision of two-sided information, which covers both positive and negative information, has been suggested to enhance consumer's perceived credibility, honesty, and trustworthiness of an advertiser or communicator (Bohner et al., 2003; Crowley and Hoyer, 1994; Kamins and Marks, 1987; Pechmann, 1992), to reduce the effects of attacks on consumer's belief through stronger counterarguments (Kamins and Assael, 1987), and to make consumers more motivated to attend to and process information (Crowley and Hoyer, 1994). However, conflicting empirical findings are reported in terms of consumer's attitude toward and overall evaluation of a brand that provides two-sided information and it remains unclear when communicating the pros and cons about a brand leads to more favourable brand evaluations (Crowley and Hoyer, 1994; Eisend, 2007; Etgar and Goodwin, 1982; Kamins and Assael, 1987; Pechmann, 1992). Moreover, although the provision of two-sided information has been shown to positively affect consumers in certain contexts, sidedness of information in advertising is only one element of and does not fully reflect the role of information in consumer-brand relationships.

A review of the literature shows calls for increased attention to reducing information

asymmetries and allowing consumers to “see through” product offerings or to access more information about brands and their offerings (Bennis et al., 2008; Gunelius, 2010a; Offenheiser, 2009; Stewart, 2009). Foremost, the generalization of the findings regarding sidedness of information is limited as attributes of product offerings are innumerable and vary greatly across product categories and in importance across individual consumers. Furthermore, research on sidedness of information focused primarily on information in advertising, which is only one of the sources used by consumers to obtain information about a brand (Golden and Alpert, 1987; Kamins and Assael, 1987). Other sources such as word of mouth and online reviews have played increasingly important roles in the brand-consumer relationships. This raises the need for research that goes beyond the consideration of sidedness of information in advertising and attribute-/content-related factors when studying the role of information sharing by a brand in consumer-brand relationships.

Table 2.2: Review of the Literature on Two-Sided Information

Selected studies(s)	Operationalization	Dependent variable			Key findings
		SC	AA	FA	
Golden and Alpert (1987)	To provide a two-sided argument, determinant attributes were used for positive claims and non-determinant attributes were used for disclaimers. (p. 20)		X		Two-sided messages were positively associated with advertising credibility, advertising effectiveness, and purchase intentions.
Kamins et al. (1989)	Two-sided ads were identical to one-sided with an additional disclaimer on attributes with a moderate degree of importance and consistency in evaluation.	X	X	X	Two-sided messages were positively associated with advertising credibility, advertising effectiveness, and purchase intentions.

Selected studies(s)	Operationalization	Dependent variable			Key findings
		SC	AA	FA PI	
Kamins and Marks (1987)	<p>“For the one-sided appeal, each of the five performance attributes was presented positively. For the two-sided refutational and nonrefutational appeals, the performance of the pen was disclaimed on two of the attributes.” (p. 33)</p>	X	X	X	<p>1) Two-sided appeals led to less counter-argumentation and source derogation; 2) refutational two-sided appeals led to greater support argumentation than one-sided appeal; 3) two-sided appeals led to less belief change than one-sided appeals when customers experienced a disconfirming product trial; and 4) two-sided appeals had no effect on purchase intention.</p>

Selected studies(s)	Operationalization	Dependent variable			Key findings
		SC	AA	FA	
					1) Two-sided ad was more effective than one-sided ads only when negatively correlated (vs. uncorrelated) attributes were featured; 2) positive impact of two-sided ad on judgements of the primary attribute and the overall firm evaluation were mediated by the firm's unfavorable positioning on the negatively correlated secondary attribute and the advertiser's perceived honesty.
Pechmann (1992)	A two-sided ad depicted the firm favourably on the primary attribute but unfavourably on the secondary attribute; a one-sided ad featured the same two attributes and depicted the firm favourably on both.	X	X	X	

Selected studies(s)	Operationalization	Dependent variable			Key findings
		SC	AA	FA	
Etgar and Goodwin (1982)	A two-sided comparative appeal described the firm “as more appealing than three leading competing firms along all the attribute dimensions described”; a one-sided comparative appeal “recognized that on one or more attributes the firm was less appealing than the competing firms”. (p. 461)	X	X	X	X
					Two-sided comparative appeals were more strongly related to attitudes toward a new-firm than one-sided comparison appeals.

Selected studies(s)	Operationalization	Dependent variable			Key findings
		SC	AA	FA	
					1) Two-sided ad was more strongly associated with perceived judgements source credibility than one-sided ad;
Bohner et al. (2003)	A two-sided unrelated ad mentioned two negative attributes that were unrelated to any of the positive claims made; a two-sided related ad mentioned two negative attributes that were linked to the positive claims made.	X	X	X	2) the relation between negative and positive attributes mentioned in a two-sided ad was positively related to favourable inferences about the positive attributes.

Selected studies(s)	Operationalization	Dependent variable			Key findings	
		SC	AA	FA		PI
Rucker et al. (2008)	A one-sided framing message included mention of positive reviewer feedback whereas a two-sided framing message included both positive and negative reviewer feedback.	X	X	X	X	<p>1) Two-sided framing was positively associated with attitudes certainty;</p> <p>2) two-sided framing increased attitude-behaviour correspondence over one-sided framing.</p>

Selected studies(s)	Operationalization	Dependent variable			Key findings
		SC	AA	FA	
Belch (1981)	The comparative messages made direct comparison with other firm on several attributes whereas the noncomparative message did not mention any other firm; the two-sided appeals disclaimed superiority on one attribute.	X	X	X	X
Hastak and Jong-Won (1990)	Two relatively unimportant attributes were disclaimed in the two sided message.	X	X	X	X

Note: SC= Source credibility, AA= Advertisement attitude, FA= Firm attitude, PI= Purchase intention.

2.3 Word of Mouth

Word-of-mouth (WOM) has been recognized as one of the most influential ways of information transmission, sharing, and communication. With the spread of information technology and Internet, online WOM plays an increasingly significant role in consumer purchasing decisions and can serve as a new element in the marketing communications mix (Chen and Xie, 2008). Table 2.3 provides a review of existing studies on WOM.

2.3.1 Online Consumer Reviews

One key and prevalent form of online WOM is online consumer reviews. Consumer review information is considered as a complement to seller-created product attribution information. These different types of information interact with each other as substitutes under certain conditions (Chen and Xie, 2008).

Review Valence Much work has focused on the effect of review valence (i.e. the preferences carried in the review information), which is often measured as positive or negative. The impact of negative reviews is generally considered to be greater than positive reviews (Basuroy et al., 2003; Chevalier and Mayzlin, 2006). However, a great number of empirical findings suggest that the effect of review valence is more complex and is moderated by many factors. For example, consumption goals that consumers associated with the reviewed product are proposed as a moderator of the effect of review valence on consumer's perceived review persuasiveness (Zhang et al., 2010). Specifically, a positivity bias (i.e. positive reviews are more persuasive than negative ones) is found for products associated with promotion consumption goals; whereas a negativity bias (i.e. negative reviews are more persuasive than positive ones) is found for products associated with prevention consumption goals.

Review Extremity Review extremity (i.e. extreme reviews versus moderate reviews) has drawn some attention as well. Mudambi and Schuff (2010) suggests that consumers' rating stars play as a reflection of review extremity: a very low (e.g. one-star) or a very high consumer rating (e.g. five-star) indicates an extremely negative or positive view of a product; a moderate rating (e.g. three-star) reflects a moderate view. There are conflicting findings about the effect of review extremity. Some research suggested that the extreme ratings are more influential and helpful

than moderate ones (Forman et al., 2008; Pavlou and Fygenon, 2006). However, as a moderate review could be a two-sided review per se where a series of positive and negative comments cancel each other out, some research proposed that moderated reviews could be more helpful than extreme reviews according to evidences of the positive effect of two-sided information on source credibility (Mudambi and Schuff, 2010).

Review Volume Another important characteristic of consumer reviews of a product or service is review volume: the amount or the quantity of review disseminated. It is considered as representing the product's popularity (Park et al., 2007). Previous research suggested that the quantity of online consumer reviews has a positive effect on consumers' purchasing intention (Park et al., 2007) and leads to higher products sales such as box office revenue (Duan et al., 2008). However, there is also some research found that it is other factors such as review valence not review volume that have a significant impact on product future sales (Chintagunta et al., 2010).

Review Quality Review quality reflects the content of the reviews and is defined as quality of a review's contents in terms of information characteristics including relevance, understandability, sufficiency, and objectivity (Park et al., 2007). A high-quality review is suggested to be one that is "more logical and persuasive, and supports its evaluation with reasons based on specific facts about a product", whereas a low-quality review is one which is "emotional, subjective, and vacuous, offer no factual information and simply make a recommendation" (Park et al., 2007, page 128). Some other research used objective (versus subjective) reviews or anecdotal (versus detailed attribute) information (Herr et al., 1991) to represent the characteristic similar to review quality. Previous findings also suggested that reviews quality has a positive effect on consumers' purchasing intention (Park et al., 2007).

Table 2.3: Summary of Existing Studies on WOM

Selected studies	Data	Antecedents	Consequences	Moderators	Key findings
Brown and Reingen (1987)		Social ties	-	-	At the macro level, weak ties serve as an important bridging function; at the micro level, strong ties are more likely to be activated for the flow of referral information. Strong ties are perceived more influential than weak ties.
Nyer (1997)	Computer system	Consumption emotions e.g. anger, sadness, and joy/satisfaction	-	-	The appraisals of goal relevance, goal congruence, and coping potential are determinants of consumption emotions such as anger, sadness, and joy/satisfaction, which are also determinants of post-consumption behaviours such as WOM intentions.

Selected studies	Data	Antecedents	Consequences	Moderators	Key findings
Anderson (1998)	Customer data from Sweden and USA	Satisfaction	-		There is an asymmetric U-shape relationship between customer satisfaction and WOM.
Gremler et al. (2001)	Bank; dental patients	Trust, care, familiarity, and personal connection	-	-	Interpersonal bonds or relationships between employees and customers can significantly influence positive WOM communication.
Jyh-Shen et al. (2002)	Banking and stock exchange	Perceived service quality, overall satisfaction, trust	-	knowledge	The relationship of trust to WOM is both direct and indirect through satisfaction for both high and low knowledge group.
Harrison-Walker (2001)		customer commitment, service quality	-	Industry	Affective commitment is positively related to WOM communication but that high sacrifice commitment is not related to WOM communication. Statement that the service quality on WOM communication is industry dependent

Selected studies	Data	Antecedents	Consequences	Moderators	Key findings
Hennig-Thurau et al. (2004)	2,000 consumers	Consumers' desire for social interaction, desire for economic incentives, their concern for other consumers, and the potential to enhance their own self-worth are the primary factors leading to eWOM behaviour.	-	-	Consumers' desire for social interaction, desire for economic incentives, their concern for other consumers, and the potential to enhance their own self-worth are the primary factors leading to eWOM behaviour.
Brown et al. (2005)	Product and service retail	Satisfaction, consumer identification, consumer commitment	-	Commitment	Commitment is a mediator and moderator of satisfaction on positive WOM. Commitment is a mediator of identification on WOM.

Selected studies	Data	Antecedents	Consequences	Moderators	Key findings
de Matos and Rossi (2008)	A list of studies for empirical meta-analysis	Commitment, satisfaction, loyalty, quality, trust, perceived value		WOM valence, WOM incidence (intention vs., behaviour), study characteristics	All the antecedents have significant effects on WOM. WOM valence is a significant moderator. The link between loyalty and WOM behaviour is weaker than that between loyalty and WOM intention. Satisfaction is a stronger antecedent of positive WOM than loyalty whereas Disloyalty is a stronger antecedent of negative WOM than dissatisfaction.
Dichter (1966)	Product-involvement, self-involvement, other-involvement, message-involvement				The four involvements motive people to talk about their experiences.

Selected studies	Data	Antecedents	Consequences	Moderators	Key findings
Okazaki (2008)	Questionnaire to young consumers via mobile device	Commitment to brand, relationship with mobile service, group-person connectivity			Commitment to the promoted brand, relationship with the mobile device, and group-person connectivity are the antecedents of motives to participate in the mobile-based referral campaign.

2.3.2 Moderated Effects on Reviews

Although the effect of reviews seems to be simple and straightforward according to some research findings, mixed results exist among the existing research and therefore increasing number of research has examined the moderators of review's effect.

Product Type as a Moderator Product type is often examined as a moderator (Huang et al., 2009; Sen and Lerman, 2007). For example, some research classified products into utilitarian products and hedonic products, and suggested that consumers exhibit a negative bias for utilitarian product reviews only (Sen and Lerman, 2007).

The majority of research which examined product type categorized products into experience products and search products based on consumers' request for information about the quality of products. According to Nelson (1970), consumers have a choice between searching and experiencing to obtain the information about a product's quality. Experience products refer to products that require sampling or purchase to evaluate product quality (Mudambi and Schuff, 2010), e.g. cameras (Nelson, 1970), shoes (Huang et al., 2009), while search products refer to products for which consumers have the ability to obtain information about product quality prior to purchase (Mudambi and Schuff, 2010), e.g. wines (Senecal and Nantel, 2004), books (Chevalier and Mayzlin, 2006). Experience products have drawn the majority of attention. Movies and books, as typical representatives of experience products, have been used by a great number of studies, virtually all of which examined the effect of consumer reviews on the book sales and movie box office revenue using data collected from major websites e.g. Amazon.com (Chevalier and Mayzlin, 2006; Li and Hitt, 2008) or Yahoo! Movies website (Chintagunta et al., 2010).

Studies which examined both types of product found that consumer reviews (Huang et al., 2009) and recommendations (Nelson, 1970; Senecal and Nantel, 2004) are significantly more influential on consumer search and purchase behaviour for experience than for search products. Some others found that reviews with extreme ratings are more helpful than reviews with moderate ratings for search products (not experience products) (Mudambi and Schuff, 2010).

Involvement as a Moderator Furthermore, consumers' product involvement has also drawn much attention as a moderator (Lee et al., 2008; Park et al., 2007). The

effect of quality of negative review on consumers' product attitude is greater for high-involvement consumers than for low-involvement consumers (Lee et al., 2008). Low-involvement consumers are affected by review quantity rather than review quality whereas high-involvement consumers are affected by review quantity mainly when review quality is high (Park et al., 2007).

Review Source as a Moderator When searching and processing information, consumers take source credibility into account. Online consumer reviews could be achieved from different types of website: a retailer's website or a third-party's website. However, sufficient empirical evidence for the role of websites where reviews are released is not found in existing research. For example, the type of website on which recommendation was provided was found not to affect consumers' perceived trustworthiness and not to affect their propensity to follow the product recommendation (Senecal and Nantel, 2004).

3 What is Transparency?

The effective management of information is an integral element of successful marketing and is attracting increased interest in the field of relationship marketing research. A close examination of the literature suggests that allowing partners “see through” or access information (i.e. information transparency, which be discussed at greater depth later) is of high importance to excel in effective relationship management, including both internal relationship management (e.g., with employees) and external relationship management (e.g., with customers and various stakeholders). For example, in internal relationship management, information transparency can provide an efficient solution to a firm’s insider threat resulting from an economic downturn (Campbell and Lefler, 2009), or help financial services firms to rebuild their reputation in their companies after the global crisis (Wilkin, 2009). In external relationship management, importance of transparency and information sharing in the context of conducting business with external parties including customers, suppliers, and partners was examined (Lawrence et al., 2005). In contrast to the positive viewpoint on information transparency, some articles revealed side effects of information transparency, such as threats resulting from easily-obtained cost transparency (Sinha, 2000; Zhu, 2004). Despite the apparent relevance of information transparency, much of these viewpoints are based on anecdotal evidence and reasonable empirical investigation is missing.

Defining the concept of information transparency is a prerequisite for understanding the role and importance of it in consumer-brand relationships. Yet, to this day no research has offered a clear definition of transparency. Thus, the purpose of this chapter is to address what does transparency mean in consumer - brand relationships. To achieve the purpose, I first carried out a literature review to closely examine the existing body of literature on the concept of information transparency and related relevant theories. Next, a series of interview was conducted to explore what elements could reflect transparency.

3.1 Conceptualization: What Does Transparency Mean?

In the extant body of literature, information transparency has been broadly defined and many terms or definitions have been used, including information provision, information disclosure, information exchange, and information sharing. It is important to assess whether these terms have the exact same meaning as information transparency and what should be taken into account when conceptualizing information transparency. Thus, I searched the literature using keywords including “transparency”, “information provision”, “information disclosure”, “information sharing”, “information asymmetry”, “customer/consumer knowledge,” and “consumer education” in EBSCO Business Source Complete database.

3.1.1 Communication in Relationship Marketing

3.1.1.1 Information Content

When talking about information, myriad information content may come to mind. To begin with, there is a need to know what content needs to be included when considering transparency. Some researchers have proposed that, in the context of internal relationships, employees may prefer their leaders to be transparent, open and honest about their dealings, but, in reality, employees are not told all that they need to know or even have the right to know (Bennis, 2009; Bennis et al., 2008). Similarly, in the context of customer relationships, customers may want sellers or firms to be transparent to them. Thus, an important factor to be considered is the content of information a customer needs or wants to know about to make an informed decision.

Prior studies, especially those on “information disclosure” or “information provision”, examined various types of information. The majority of studies focused on disclosures of certain specific information. What has attracted most interest in research is financial disclosure largely due to the availability of publicly published reports that offered data on this (Anctil et al., 2004; Walther, 2004). Furthermore, customer (Pan and Zinkhan, 2006) and employee privacy personal information disclosure (Woodman et al., 1982) has also drawn researchers’ interest. Nutrition information is a type of information which has received much attention in the marketing research on information disclosure as well (Burton et al., 2009; Howlett et al., 2009; Kozup et al., 2003; Moorman et al., 2005; Muller, 1985). Based on part of Day

3.1 Conceptualization: What Does Transparency Mean?

(1976)'s work, which illustrates a variety of information disclosure requirements, I summarize the relevant types of information in prior literature shown in Table 3.1.

Table 3.1: Summary of Types of Information in the Literature

Information Content	Studies
<i>Comparative Performance and Efficiency</i>	
Quality information disclosure	Liang and Ying 2009
Nutrition information disclosure	Balasubramanian and Cole (2002); Burton et al. (2009); Fuan et al. (2000); Howlett et al. (2009); Kozup et al. (2003); Moorman et al. (2005); Muller (1985); Russo et al. (1986)
<i>Comparative Prices</i>	
Truth in lending disclosure	Day and Brandt (1974)
Unit prices information disclosure	Russo (1977)
Cost transparency	Sinha (2000)
Comparative price claim	Pechmann (1996)
<i>Privacy Policy Disclosure</i>	Pan and Zinkhan (2006)
<i>Social Disclosure</i>	Ullmann (1985)
<i>Personal Information Disclosure</i>	Phillips et al. (2009)

Moreover, information disclosure has been examined in the form of mandatory information provision. As Day (1976) noted, information disclosure was the disclosure of mandatory product information required by legal or regulation. One example regarding the mandatory information disclosure is Truth in Lending, which is an U.S. federal law and was signed into law in May 1968 as Title 1 of the Consumer Credit Protection Act (Day and Brandt, 1974). Another one is the nutrition information disclosure, which is legal in the Nutrition Labelling and Education Act of 1990 (Balasubramanian and Cole, 2002). It could be seen that most research on information disclosure has been provoked by legislation. Rosch (1975) examined the role of the U.S. Federal Trade Commission law in the context of detective advertising practices and product information disclosure. Besides mandatory information disclosure, voluntary information disclosure is vitally important to a firm

and forms another major approach, I posit. In terms of voluntary information disclosure, Liang and Ying (2009) examined firm's voluntary quality disclosure in their research. DeKinder and Kohli (2008) examined the importance of voluntary disclosure for start-up firms. Information provided voluntarily to customers will be the focus of my research.

It is reasonable to argue that an important indicator of information transparency is the content of information (what information firms provide to their customers). As the majority of previous work has focused only on specific type of information, there remains a need for research on more general type of information.

3.1.1.2 Information Characteristics

Only simply providing general information to customers may not be enough to enable a firm to be considered transparent. Transparency is closely related to truth, honesty, openness or candour (Bennis, 2009; Bennis et al., 2008; O'Toole and Bennis, 2009). In addition to the aspect of the content of provided information, another key aspect of information transparency should involve characteristics of information (i.e. how the information is provided). Day (1976) suggests three main characteristics of information when testing information effectiveness, representing whether the information is (1) accessible, (2) comprehensible, and (3) relevant. Similarly, O'Toole and Bennis (2009) suggests that enabling people have access to relevant, timely, and valid information is important for a firm to build transparency or a culture of candour. In this research, I thus examine whether and how the characteristics of information that is provided to customers take priority over information itself (i.e. the content of information) when building information transparency.

3.1.1.3 Information Channels

A customer obtains information from various sources or channels including firm-provided and third party channels, as reviewed in Chapter 2. Wernerfelt (1996) summarized and compared different communication channels in a firm's customer partnership. Four important sources from which customers obtain market information were examined by Coulter et al. (2005). They were advertising, personal search, influential others, and product experience. With technology development, digital revolution such as internet or blogs has already played an important role

in information accessibility, making information transparency inevitable (Bennis, 2009).

3.1.2 Defining Information Transparency

Information transparency can be defined as an customer's subjective perception of being informed about the accessible objective information of the firms.

The construct of transparency is a multi-facet construct. Research has increasingly focused on the concept of "transparency" in recent years. Zhu (2004) offered a definition that information transparency is the degree of visibility and accessibility of information. It is in line with the viewpoint that the type of information is an important aspect of information transparency. Furthermore, transparency means not only "capable of being seen through", but also "open, frank, candid" and "without guile or concealment" (Bennis, 2009). It indicates that simply providing information to customers is not enough (Day and Brandt, 1974) and the multi-facet of information transparency is supported.

The construct of transparency indicates the communication between firms and customers in a B2C context. As Bennis et al. (2008) noted, information transparency is "the free flow of information within an organization and between the organization and its stakeholders including the public". Similarly, O'Toole and Bennis (2009) argued that transparency means much more than just full disclosure of financial information to investors and that a firm cannot be transparent to stakeholders without be transparent to its employees first. He proposed a broader definition that transparency is "the degree to which information flows freely within an organization, among managers and employees, and outward to stakeholders". These definitions suggest that information transparency exists throughout all the firm's relationships: customer partnership, internal partnership (employee partnership), supplier partnership, and external partnership. In the context of customer relationship, which is my focus, Hung and Wyer (2009) defined information transparency as the willingness of firm in providing customers information about the service and the firm itself.

The construct of transparency is subjective perception. From the previous definitions, information transparency seems to be an objective characteristic or quality of a firm. However, customers may not perceive information transparency in the same way as organizations. That means information transparency also includes subjec-

tive characteristics. Taking understandability or comprehensibility as an example, it is a kind of evaluation or subjective response of customers to information. Thus, I posit that information transparency should be customers' evaluation of the degree of different aspects of firm-provided information such as visibility, accessibility, comprehensibility.

Literature has addressed some relevant constructs: information provision, information disclosure, strategic sharing, selective revealing, customer education (see Table 3.2 for a summary of selected relevant constructs). Although I built the construct of transparency on a systematic review of these constructs, I consider that information transparency is different from these construct in the following ways. First, information provision, disclosure, or revealing normally refers to company's activity of providing information, such as cost information, nutrition information, etc, which is not consumer's subjective perception. But the proposed transparency construct is consumer's subjective perception of information provided by company. Second, these construct reflects company's effort on revealing specific types of information, e.g. the great amount of two-sided information revealing. But the proposed transparency construct does not focus on specific information, which I considered varies among different industries and has limitation of extending to others context, but focuses on general characteristics of information. Third, strategic information sharing and relationships transparency capture the information communication activities in a B2B context whereas the proposed transparency construct aims to reflect the information communication in a B2C context. Forth, construct such as customer education capture a totally different effort on increasing customer's firm-related and market-related knowledge.

Table 3.2: Selected Relevant Constructs

Relevant Construct (Studies)	Definition
Information Transparency (Hung and Wyer, 2009; Van Riel et al., 2001)	The willingness of e-service marketers in providing service and company information to their customers

3.2 Measurement: How is Transparency Measured?

Relevant Construct (Studies)	Definition
Relationship Transparency (Eggert and Helm, 2003)	An individual's subjective perception of being informed about the relevant actions and properties of the other party in the interaction
Customer Education (Bell and Eisingerich, 2007a; Eisingerich and Bell, 2006, 2007)	To the extent to which service employees provide customers with the skills and abilities needed to utilise information
Information Exchange (Cannon and Perreault Jr, 1999)	Expectations of open sharing of information that may be useful to both parties
Voluntary Disclosure (DeKinder and Kohli, 2008)	The total number of a firm's voluntary communications (i.e., not required by law) about itself
Strategic Sharing (Frazier et al., 2009)	Sharing external strategic information (ESI, processed and retained data within the distributor organization about customers and competitors that have implications for firms' long-range decision making) and internal strategic information (ISI, processed and retained data within the distributor organization on future plans that have implications for firms' long-range decision making)

3.2 Measurement: How is Transparency Measured?

In this section, I identify the existing measures of constructs related to information transparency. Table 3.3 shows an overview of the existing measures in the literature.

Table 3.3: Existing Measures in Literature

Research	Measures and Items
Information Transparency (Hung and Wyer, 2009)	We are willing to inform customers of... 1) Our annual marketing plan. 2) Our latest research and development. 3) Our new technologies. 4) Our annual report. 5) The profiles of our management staff.
Information Provision (Homburg et al., 2008)	People in the sales (marketing) unit of our business unit/company... 1) Are willing to deal with information request from marketing (sales) people. 2) Respond promptly and without a reminder to information requests from marketing (sales) people. 2) Inform the marketing (sales) unit proactively.
Voluntary disclosure (DeKinder and Kohli, 2008)	The total number of a firm's voluntary communications (i.e., not required by law) about itself, including its strategy, earnings, costs, new product development, and human-resources decisions released through multiple media, such as annual reports, earnings announcements, press releases, analyst meetings, and transcript feeds for television.

3.2 Measurement: How is Transparency Measured?

Research	Measures and Items
External Strategic Information Sharing (Frazier et al., 2009)	Respondents' attention on strategic discussions during the previous year (either by telephone or in person) between themselves and upper management of the supplier on issues regarding... Customer information (a. customer feedback on major product innovations, b. customer feedback on major changes in the delivery system, c. customer feedback on major improvements needed in product quality), and Competitor information (d. long-term changes in the distributor's trade area on a competitor going out of business, e. long-term changes in the distributor's increased competition, f. long-term changes in the distributor's product innovations by the supplier's competition, g. long-term changes in the distributor's new pricing strategy by the supplier's competition, h. long-term changes in the distributor's service improvements by the supplier's competition)
Internal Strategy Information Sharing (Frazier et al., 2009)	Respondents' attention on strategic discussions during the previous year (either by telephone or in person) between themselves and upper management of the supplier on issues regarding... Operational planning information (a. long-term plans regarding the distributor's inventory levels, b. long-term plans regarding pricing strategies, c. long-term plans regarding profit margins), and Customer planning information (d. long-term plans regarding the distributor's key market segments, e. long-term plans regarding new services, f. long-term plans regarding important customers)
Information Exchange (Cannon and Perreault Jr, 1999)	In this relationship it is expected that... 1) Proprietary information is shared with each other. 2) We win both share relevant cost information. 3) We include each other in product development meetings 4) We always share supply and demand forecasts.

Research	Measures and Items
Consumer Education (Bell and Eisingerich, 2007a; Eisingerich and Bell, 2008, 2006)	1) My adviser keeps me very well informed about what is going on with my investments; 2) My adviser explains financial concepts and recommendations in a meaningful way; 3) My adviser always offers me as much information as I need; 4) My adviser always explains to me the pros and cons of the investment he/she recommends to me.

Careful examination of the prior measures provides the following insights First, although information transparency has drawn an increasing amount of attention and a significant number of studies imply the great importance of information transparency, the majority literature is based on anecdotal evidence (Bennis, 2009; Bennis et al., 2008; Campbell and Lefler, 2009; Garten, 2002; Hopkins, 2009; Offenheiser, 2009; Wilkin, 2009) and empirical research is sparse. When interview data is combined with rigorous empirical work it does not address information transparency per se but customer education (Bell and Eisingerich, 2007b; Eisingerich and Bell, 2008, 2006), which although highly relevant and important is conceptually different from information transparency. Most of the empirical research employs fields experiment to examine the impacts of information transparency or information disclosure (Futrell and Jenkins, 1978; Howlett et al., 2009; Lee and Shavitt, 2009; Moon, 2000; Pan and Zinkhan, 2006; Peracchio and Meyers-Levy, 1994; Srivastava and Chakravarti, 2009) or interviews (Day and Brandt, 1974; Hogg et al., 2003). As a result, the current literature does not offer an effective measure of information transparency.

Second, limited empirical research is conducted on measure development of information transparency and only a few on that of related construct such as information disclosure, sharing or exchange. The majority (e.g. those trying to examine the role of information disclosure) consider not multiple facets but only simple absence or presence of certain information (Burton et al., 2009; DeKinder and Kohli, 2008; Fuan et al., 2000; Howlett et al., 2009).

Third, as indicated in the previous section, information transparency is a multifaceted construct. However, the majority of prior multi-item measures (most of related constructs) focus on only one dimension about the type of information

(i.e. what information is disclosed or provided by a firm). For instance, Hung and Wyr (2009) measure information transparency as whether a firm is willing to inform its customers of its annual marketing plan, latest research and development, new technologies, annual report and the profiles of management staff. Cannon and Perreault Jr (1999) measure information exchange in a B2B market as whether a seller and a buyer share proprietary information, cost information, product development information, and supply and demand forecasts information with each other. DeKinder and Kohli (2008) measure voluntary disclosure as the total number of a firm's voluntary communications about its strategy, earnings, costs, new product development, human-resources decisions and etc. Some factors such as timeliness and comprehensibility should be included in an effective measure of information transparency.

Fourth, as I noted previously, information transparency can be understood as either an objective quality of a firm or customers' subjective evaluation. Although many existing tools are trying to scale information transparency objectively from a firm's perspective, for example, by measuring the numbers of communications (DeKinder and Kohli, 2008), or by directly measuring a firm's willingness (Hung and Wyr, 2009), I consider that measuring information transparency from a customer's perspective is as, if not more, important than transparency from a firm's perspective.

Overall, there remains a need for an empirical research including an efficient measure of information transparency.

3.3 The Importance of Transparency

A review of the literature suggests that information transparency is of importance to effective customer relationship management. It has close relationships with choice confidence, customer trust, customer satisfaction, loyalty, and purchase intention. I review these relationships in the following sections.

3.3.1 Confidence, Trust and Transparency

Trust or confidence is an important variable closely related to information transparency. Information transparency is of importance to customer's trust and confidence in firm. Within an organization, transparency is important to build trust by

ensuring each employee be aware of what others are doing and by sharing information with them (Ghosn, 2002), and on the other hand, a lack of transparency erodes trust (Bennis, 2009). Correspondingly, in the context of customer relationship management, much research proposes that there is a positive relationship between trust and transparency. For instance, clear disclosure of an e-retailer's privacy policy has obvious positive impact on trust of on-line customers (Pan and Zinkhan, 2006). Informing customers service-related concepts and explaining the pros and cons of recommended service products also lead to stronger customer trust (Eisingerich and Kretschmer, 2008; Eisingerich and Bell, 2008). Similarly viewpoint can be found in Day (1976)'s work, which summarized prior research and suggested that information enhances confidence in choice and possibly satisfaction with the purchase.

However, in certain cases, information transparency can negatively impact consumer trust. For example, Pirson and Malhotra (2008) studied the impacts on trust of five factors (integrity, managerial competence, technical competence, benevolence, transparency and identification) and proposed that transparency was overrated and that transparency was able to diminish trust depending on what is disclosed. To explain this result, they pointed out that information transparency is able to diminish trust depending on what is disclosed and that a perception of concern for the well-being of consumers is crucial to trust as well as perceptions of honesty and integrity. That means the characteristics of information are vital to building trust. If information provided customer is less favourable enough, customers will decide not to purchase a product whereas those without the information may purchase it, avoiding informing customers such information will leads them to mistrust firms (Wernerfelt, 1996). As Egan (2008) noted, sharing meaningful and timely information is likely to build up trust.

3.3.2 Commitment, Loyalty and Transparency

Another important variable related to information transparency is commitment or loyalty, which is widely accepted as an essential ingredient for successful customer relationship (Eisingerich and Bell, 2006; Garbarino and Johnson, 1999; Morgan and Hunt, 1994; Bell and Eisingerich, 2007b,a). Similar with employee commitment to an organization, customer commitment is considered as a construct comprising customer psychological attachment, loyalty, concern for future welfare, identification, and pride in being associated with the organization (Garbarino and Johnson, 1999). Being transparent to customers in terms of information such as cost was able to

weaken customer loyalty to brands (Sinha, 2000). However, a great number of studies are in favour of positive influences of information transparency on customer loyalty. In general, sharing information, e.g. sellers' unique knowledge (Dawar and Vandebosch, 2004), with customers enables firms to gain loyalty. The influence was examined by Bell and Eisingerich (2007a). They investigated customer education in the context of financial services and stated that although increasing customers' knowledge of the financial service market may decrease loyalty, an increase in loyalty resulting from increasing customers' knowledge about how the firm works outweighs this decrease for a positive net effect.

3.3.3 Purchase Behaviour, Future Intention and Transparency

Behavioural effects of information disclosure have also been explored. Positive points of view were found in the research on nutrition information disclosure. For example, Muller (1985) tested whether and how four factors about nutrition information affects consumers brand purchase behaviour in a field experiment and founded that nutrition presentation format and the extent of variation in brand ratings generated changes in consumers' purchase behaviour while nutrition information amount and nutrient importance did not.

However, there are also claims of negative effects of information transparency. For example, Wernerfelt (1996) point out that if information provided customer is less favourable enough, customers will decide not to purchase a product whereas those without the information may purchase it. Relatively weak relationship between information disclosure and purchase behaviour is also found in Day and Brandt (1974)'s work about truth in lending disclosure. Day (1976) offered a possible explanation for the lack of evidence found in prior research on the relationship between information disclosure and purchase behaviour that suggests that "awareness, comprehension, and consideration of the information must produce a change in attitude before choice behaviour can be changed" (page 44).

Due to the conflicting evidences, some researchers conduct further research to explain this phenomenon clearly and propose the effect on consumers' purchase behaviour is moderated by other variables, e.g. product claims and consumer motivation (Howlett et al., 2009) or the discrimination between consumers' expectation and actual nutrition levels (Burton et al., 2009).

In sum, prior research findings demonstrate that simply providing consumers with

more information is not enough to change consumer purchase behaviour (Day and Brandt, 1974).

3.3.4 Consumer Knowledge and Transparency

Consumer knowledge has a close relationship with information transparency. It is easily to draw an inference that information transparency leads to an increase in consumer knowledge as consumers therefore knows more from a firm with high degree of transparency. For instance, a change in consumer knowledge is an important outcome of truth in lending disclosure (Day and Brandt, 1974).

Moreover, consumers' prior knowledge or expertise may be seen to play a moderating role (Eisingerich and Bell, 2006; Bell and Eisingerich, 2007a). Day (1976) proposed that consumers' lack of necessary knowledge will cause ineffective use of information disclosure. Fuan et al. (2000) investigated the potential moderating role played by consumers' nutrition knowledge which consists of nutrition familiarity (i.e. the number of nutrition-related experiences a consumer has) and nutrition ability (i.e. ability to perform nutrition-related tasks successfully). Both discouraging and encouraging evidences on the moderating role were found in the relevant literature, and a possible explanation was that the inconsistent finding is due to the differences in the type of knowledge (Fuan et al., 2000).

3.4 Qualitative Study

Because the literature on information transparency is not rich enough to provide a sound conceptual foundation for building transparency construct, I conducted fourteen in-depth interviews with senior managers and consumers to achieve three primary objectives. First, insights from the interviews helped me revise and confirm the domain of brand transparency (i.e., what should be included and excluded in the construct). Second, interview findings helped to understand the key components of brand transparency and informed the development of an initial set of scale items. Third, interview findings offered initial insights regarding potential relevance of and role played by brand transparency in consumer-brand relationships.

3.4.1 Method

Using convenience sampling instead of probability sampling, seven top or senior managers involved in marketing department from six firms and seven experienced customers were selected in China. I am keenly aware that this is unlikely to be representative of a global population. However, this is not problematic as the objective of the interview is not to verify hypotheses but to generate new ideas. The sampled firms vary in terms of industries, including professional services (e.g. banking services), heavy industry (e.g. transmission/gearbox manufacturer), and light industry (e.g. clothe manufacturer). The variety enabled me to explore some common ideas and similarities which could be extended to a general context.

The interviews were conducted face-to-face in China in February 2010, involving open-ended, moderately directive interview questions. Managers were asked questions about the type and characteristic of information (in terms of the brand) their firms provide customers with, and what channels they believe customers obtains information via. Customers were asked questions about type and characteristic of information (in terms of the brand) they think firms should provide and what channels they obtain information via. Necessary additional questions were asked to help responds understand the meaning of the main questions. The interview lengths varied from 30min to more than 1 hour. Table 3.4 provides the length of each interview.

The interview data was coded and analyzed carefully over several stages. A great number of codes were firstly generated from the transcripts in terms of each question, and then were merged rigorously according to their meanings. Codes mentioned relatively less frequently by respondents were deleted. At last, several key codes of transparency were identified from the interview data, which are in well line with those from our review of the extant literature.

3.4.2 Findings

Table 3.5 provides a summary of the key concepts mentioned by different respondents. Ten of fourteen interviewees indicated that brands were prone to provide only favorable information and discard less positive news about a product. Moreover, the majority of interview respondents considered comments or reviews by other consumers as relevant. All consumers we interviewed mentioned that they have sought

Table 3.4: Summary of Interviews

Interviews	Industry	Gender	Length of Interview
Manager 1 (M1)	Financial Service	Female	58min
Manager 2 (M2)	Financial Service	Male	1h, 3min
Manager 3 (M3)	Banking Service	Male	31min
Manager 4 (M4)	Manufacturer	Male	52min
Manager 5 (M5)	Real Estate	Female	52min
Manager 6 (M6)	Clothes	Male	50min
Manager 7 (M7)	Auto dealer	Female	1h, 6min
Customer 1 (C1)	-	Male	1h, 4min
Customer 2 (C2)	-	Female	27min
Customer 3 (C3)	-	Female	25min
Customer 4 (C4)	-	Female	32min
Customer 5 (C5)	-	Female	55min
Customer 6 (C6)	-	Male	37min
Customer 7 (C7)	-	Female	31min

information from third parties before in order to seek information that they perceived as more objective about a brand or product. Consumer indicated that transparent brand would facilitate third party reviews (e.g. through brand discussion boards). Finally and consistent with prior research, interview findings indicated that information accessibility was a necessary ingredient for brand transparency. Information needs to be easily understood by consumers and should not involve too many technical terms but user familiar terms. Nine interviewees mentioned that often they were unable to understand the information provided and also believed that it was a firm's obligation to make information easily-understood and more accessible to consumers in terms of language used.

Specifically, the keywords could be categorized into two groups. The first one reflects

Table 3.5: Summary of Key Concepts in Interviews

Keywords	Frequency of Concept Mentioned													
	C1	C2	C3	C4	C5	C6	C7	M1	M2	M3	M4	M5	M6	M7
Honesty/Accuracy ^a			4	4	5	5	2	3	5	1		3	1	3
Objectivity	2			3	14	3	1	2				4		2
Comparative	8			2	2	7		2	2	5	1	8		2
Comprehensive				3	2	1	2	5						
Two-sided	5	4		7	2	11		3	2	2	11	9	1	3
Pros and cons	8	3	3	5	2			8	4			1	2	1
Consumer reviews	6	3		5	4	7	11			1	3	4	2	1
Timely	3		4	2	2	5		6				2		3

^aValue denotes frequency of the key concept in the row was mentioned by the respondent in the column.

the content of the information, answering “what information should be perceived to be provided?”; the second one reflect the manner the information is provided, answering “how the information is accessed?”

3.4.2.1 What Information is Communicated?

with regards to the content of information should be provided, several factors were identified.

Accurate Information First, twelve out of fourteen respondents argue that firms should provide accurate information and tell the truth. This is the most frequently mentioned one by both managers and customers. A customer indicated as follows when asked what kind of information she is eager for:

“First of all, truth! This is most important.”

Objective Information Second, a large proportion of customer respondents highlights objectivity of information, and considers that providing objective information

is necessary for building transparency. In contrast, only one manager mentioned objectivity and most managers admit that firms are prone to exaggerate the favourable information and try to hide or downplay the unfavourable. Thus, there is a need to include objectivity when considering transparency. A customer points out this view as follows:

“In my opinion, if a firm can do it objectively when providing information, then please provide me with information as much as possible. I prefer objective information. In other words, if objective, then please provide more to me. Otherwise, please do not provide me; let me to make decision by myself, and do not let non-objective information interfere with my decision making.”

Comparative Information Third, numerable respondents (ten out of fourteen) believe that comparative information is an important ingredient of information transparency. That means customers desire acquiring information about the similar products which enables them to compare the product features and to make an appropriate choice. A customer describes her experience of buying financial products and mentioned this point of view:

“I did attempt to buy financial products. But there is a lack of comparison (in the information the firm provided). What other products are available to me? (I) only understand the present product is better than the previous one, and a comparison of similar products is extraordinarily absent.”

These three viewpoints in substance reveal honesty (some respondents mentioned honesty directly). Thus, the results are consistent with the previous view which suggests the close relationships between transparency and truth, honesty, or candour (Bennis, 2009; Bennis et al., 2008; O’Toole and Bennis, 2009).

Comprehensive Information First of all, a significant difference was found between customers and managers: in contrast to merely one manager, nearly all customer respondents directly note that comprehensive information is necessary. For example, a customer said that:

“... next point is the comprehensiveness of information. That means the set of information must not lack a particular type.”

Pros and Cons A significant proportion of respondents admit that firms are prone to provide only favourable information, i.e. information about selling points, and pros. For example, a manager of a firm said that:

“Customers come to our store, and we tell customers our strengths ... every store only tell customers the advantages. Regarding to the disadvantages, if customers do not mention them, we will certainly not mention them.”

However, majority of customers highlight that they want to be informed about both pros and cons of a product. A customer explained that:

“For example, when I buy a financial product of x bank, I would like to ask y bank about the product. This is because from a rival of x bank, I can learn the weaknesses of the product. I believe that the majority information from a firm is about the advantages of its product and it is impossible for it to provide unfavourable information, at least nowadays ... As long as my basic demand can be met, I prefer a product with more information (both pros and cons)”

3.4.2.2 How Information is Communicated?

with regards to how information is provided, several factors were identified.

Understandable Information Additionally, a great number of respondents also proposed a consistent point of view that understandability of the information is a necessary ingredient to build information transparency. Many customers consider that in considerable cases, they are unable to understand the information provided to them. They also believe that it is firms’ obligation to make information easily understandable or express information in a straightforward language. A customer highlights this as follows:

“Every firm is disseminating its product s’ advantages, using some technical terms or something I am totally not familiar with. For example, (claim) I apply this technique, or that technique, which is even protected by a patent. As a customer, I even do not know what the technique is used for ... In the majority cases, I felt that by using the technical term, a firm aims not to enable customer to understand it but to masquerade as a professionalize firm.”

Consumer Reviews Furthermore, the majority respondents considered that consumer reviews played a vital role in providing information. Although most common and popular channel for a customer to obtain this type of information is the third party channel, e.g. general search engine and third party user forum, most customers claimed that they would believe and use the information if a firm shared consumer reviews and ratings with them. In other words, consumer reviews were widely considered to be a key ingredient of transparency. A customer expressed his opinion about consumer reviews as follows:

“A firm’s official website only describes the basic specifications (of a product), which can be accessed everywhere and (this type of information found in different places) is stereotyped. Customers’ most concerned (information) is other users’ reviews and ratings of a product. This type of information can be found in user forums and by using search engines. . . specially, the low reviews or ratings should be paid much attention on. The aim is to acquire bad information and information hidden by sellers.
”

Regarding to the characteristics of information, I also found some results worth noting.

Timely Information Apart from these aforementioned three points of view, another important aspect is that any information should be updated timely. In other words, a firm should inform customers (including prospective customers) of any changes in information timely. For example, a customer highlights the timeliness of providing information by showing an example:

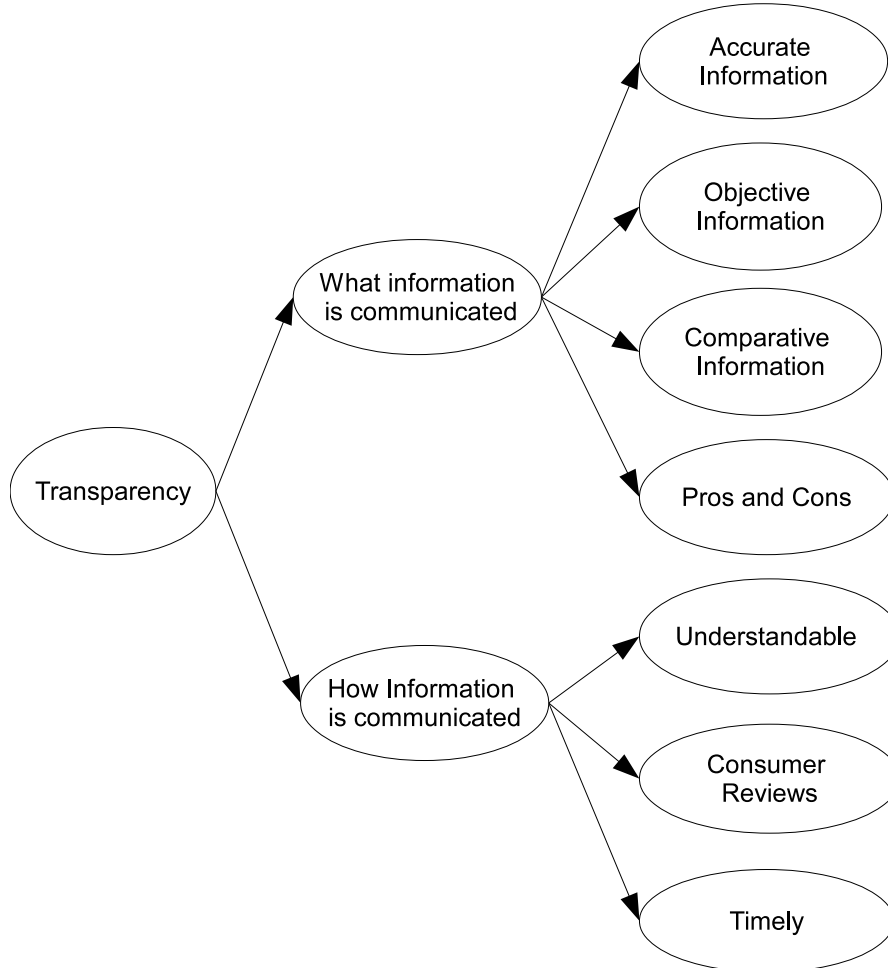
“(this phenomenon is) very common. Taking digital product as an example, the price of a particular product in the official website is possible the price half a year ago. Actually, the price has already been 40% or half off. If you had saved money according to the prices in websites, you would have finally found that you are able to buy one and a half product!”

3.4.3 Reduction of Transparency Components

Based on the interview findings, seven components were firstly generated. The full lists of the components are presented in Figure 3.1. Comprehensive information

were emerged into Pros & Cons, as providing both pros and cons reflects whether the information is comprehensive or not.

Figure 3.1: Components of Transparency



On the basis of the components of the information transparency constructs, I generated an item pool representing various facets of all components of brand transparency from the perspective of customer's perception, shown in Table 3.6 .

Table 3.6: Initial Pool of Items of Transparency

Construct Items
Accurate Information
1) The brand provides relevant information about its products.
2) The brand tells the truth about its products.
3) The information reflects the truth about its products.
4) There is no contradiction between the product information provided by the brand via various channels.
5) The information provided by the brand from various sources is not in a good agreement. ^R
6) You reach the described results when following the information the brand provided.
7) Products do not work as well as the brand stated. ^R
8) The highlights of products do not prove to be true. ^R
Objective Information
9) The brand provides product-related information objectively.
10) The information provided by the brand is misleading. ^R
11) The brand provides product-related information without bias.
12) The brand exaggerates the advantages of its products unreasonably. ^R
13) The brand conceals negative information about its own products. ^R
14) The brand makes statements about itself and its products without sufficient evidence. ^R
Comparative Information

Construct Items

- 15) The brand compares the pros and cons of its products vs. competitor offerings.
- 16) The brand compares the pros and cons among its various products.
- 17) The pros and cons of the products are provided with no comparison. ^R
- 18) The brand compare its products with other brands' to illustrate the pros and cons.
- 19) The brand compare the pros and cons of new released products with those of past ones.

Pros and Cons

- 20) The information provided by the brand involves both pros and cons of itself and its products.
- 21) The brand mentions little about the disadvantages of its products. ^R
- 22) The brand only provides the advantages of its products. ^R
- 23) It is difficult to obtain sufficient information about the brand's products offerings.
- 24) Necessary information about products is not available from the brand. ^R

Understandable Information

- 25) Information provided by the brand about its products is difficult to understand. ^R
- 26) The information enables you to know more about the brands.
- 27) There are many professional terms in the information the brand provides without any explanation. ^R
- 28) Information provided by the brand about its products is easily understood.

Construct Items

- 29) It requires you more professional knowledge to follow the information the brand provides you. ^R
- 30) The brand provides helpful information about its products.
- 31) Information provided by the brand about its products is not clear. ^R

Consumer Reviews

- 32) The brand offers access to other consumers' comments or ratings of its products.
- 33) The brand openly shares consumer reviews about its products.
- 34) The brand does not provide consumer ratings. ^R
- 35) The brand makes it difficult for consumers to access reviews made by other consumers about its products. ^R
- 36) The subjective information about products is provided by the brand in forms of consumer reviews.
- 37) The brand shares even negative consumer reviews about itself and its products.
- 38) It seems that the brand provides consumer reviews as an important way to help you obtain information.

Timely Information

- 39) The brand keeps updating information.
- 40) You receive information from the brand in time.
- 41) The brand provides you information timely.
- 42) You are informed by the brand when it or its products have any changes.
- 43) There is a severe delay to receive the brand or its products changes information from the brand. ^R

3.5 Summary

Construct Items

44) There are timely responses to your requirements about information.

Note: R for reverse coded.

I continued to reduce and simplify the component of the transparency components.

3.5 Summary

In this chapter, I proposed information transparency as an important construct in consumer-brand relationships. Several key components were identified by using a qualitative study. They are accuracy, objectivity, comparativeness, pros & cons, understandability, consumer reviews, and timeliness. Furthermore, a pool of items was provided for further use of information transparency measurement. Based on the literature review and the findings in this chapter, an effective measure for transparency with good reliability and validity will be developed in next chapter.

4 When Is Being Transparent Beneficial to a Brand?

“They muddy the water, to make it seem deep.”

————— Friedrich Nietzsche

The financial crisis is responsible for having reduced consumers’ trust in brands. Hence, it comes as no surprise that business transparency has received much attention in the media as of late (Gunelius, 2010a,b). A brand’s transparency matters for at least two reasons. First, consumers are demanding higher standards from brands in return for their trust, and greater transparency, which means that organizations need to consider allowing consumers to “see through” the brand and its product offerings (Stewart, 2009; Wilkin, 2009). Second, brands find it increasingly difficult to hide negative information when things go wrong (Ward and Ostrom, 2006). However, many organizations remain reluctant to share brand-related information with consumers openly, as organizations are unsure whether and when it pays off to do so. Research in marketing has yet to address these important questions.

This chapter aims to fill this gap, and by doing so, I contribute to the existing marketing research literature in two ways. First, this chapter articulates the defining properties of transparency and offers a framework for the relationship between a brand’s transparency (defined as consumers’ perceived accessibility of objective information about a brand and its product offerings), and critical outcomes of interest to both researchers and practitioners in customer relationship management. Importantly, I also test when transparency is (vs. is not) beneficial to service and product brands and demonstrate that two brand associations that consumers have - namely, a brand’s ability or expertise, and its social responsibility - play a different contingency role on the relationship between transparency and consumers’ responses to a brand (Becker-Olsen et al., 2006; Berens et al., 2005; Brown and Dacin, 1997; Luo and Bhattacharya, 2006; Sen and Bhattacharya, 2001). In so doing, I argue that the concept of brand transparency goes above and beyond the mere provision

of positive and negative information to consumers. For example, research on sidedness of information has focused primarily on information in advertising, but this approach is only one of the many ways in which consumers obtain information about a brand (e.g., Golden and Alpert 1987; Kamins and Marks 1987). Second, previous research has examined brands' information sharing activity but has not approached the issue from a consumer's perspective, that is whether consumers view a brand as transparent or not (Fuan et al., 2000; Howlett et al., 2009; Hung and Wyer, 2009).

In addition to theoretical implications, the findings of this chapter offer useful guidance to management. The boundary conditions identified in this research can be of significant help to marketers and managers in making more effective customer relationship management decisions. In the following section, I review extant research in the area and elaborate on the measurement development of the transparency construct. I then present three studies to test the proposed hypotheses, discuss implications for theory and practice, and explore avenues for future research.

4.1 Theoretical Background and Hypotheses Development

A review of the marketing literature indicates that transparency commonly refers to “being seen through” or the degree of visibility and accessibility of information (Zhu, 2004); that is, the extent to which information flows freely, for example within an organization, among managers and employees, or outward to stakeholders (Fuan et al., 2000; Howlett et al., 2009; Hung and Wyer, 2009). Alternatively, it is also seen as the willingness of marketers to provide product and company related information to their consumers (Hung and Wyer, 2009).

Several conceptual points are noteworthy about transparency. First, extant research has examined firm' information sharing activity but has not approached it from a consumer's perspective, i.e., a consumer's perception of the firm's information sharing activity; (Fuan et al., 2000; Howlett et al., 2009; Hung and Wyer, 2009). Most research has examined transparency or the provision of information as an objective characteristic from the firm's perspective—for example, the absence or presence of certain attribute information provided by a firm, such as nutrition information (Fuan et al., 2000; Howlett et al., 2009), research and development efforts, and profiles of management staff (Hung and Wyer, 2009). Cannon and Perreault Jr (1999) measure information exchange in a B2B context in terms of whether a seller and a buyer share proprietary information, cost information, product development infor-

mation, and supply and demand forecasts information with each other. DeKinder and Kohli (2008) capture voluntary disclosure as the total number of a firm's voluntary communication about its strategy, earnings, costs, new product development, and human-resources decisions. They suggest that when certain attribute information is missing, consumers will often infer a lower value for that attribute, thus evaluating the firm less favourably than if it had provided the focal information. However, discrepancies between what is perceived as transparent by managers and consumers are likely to exist. For instance, a firm may publish annual reports and offer information about its latest research and development projects and still not be viewed as transparent by consumers. As a departure from extant research that has examined transparency only from the firm's perspective, I approach the transparency from the consumer's perspective, capturing the subjective perceptions or associations regarding a firm's information disclosure practices regarding a brand.

Second, as shown in Chapter 2, a stream of research has focused on the sidedness of information (i.e., positive and negative) in advertising (e.g. Golden and Alpert, 1987; Kamins and Marks, 1987), with particular emphasis on source credibility, attitudes toward an advertisement or a firm, and purchase intentions. However, I argue that transparency is a richer concept, which goes above and beyond the provision of both positive and negative information. With this approach in mind, I conceptualize transparency in the next section.

4.1.1 Development of the Brand Transparency Construct

Extant research on the role of information disclosure primarily considers absence or presence of certain information or focuses on the content of information (i.e., what information is disclosed or provided by a firm) including nutrition information (Fuan et al., 2000; Howlett et al., 2009), latest research and development, and profiles of management staff (Hung and Wyer, 2009). Cannon and Perreault Jr (1999) for instance measure information exchange in a B2B market as to whether a seller and a buyer share proprietary information, cost information, product development information, and supply and demand forecasts information with each other, whereas DeKinder and Kohli (2008) measure voluntary disclosure as the total number of a firm's voluntary communications about its strategy, earnings, costs, new product development, and human resources decisions. A stream of research focused on particular dimensions about the type of information such as sidedness of information (see Chapter 2). I acknowledge the contribution made by research on two-sided in-

formation and argue that much is to be gained by complementing it with work that in addition to the type of disclosed information considers other relevant dimensions of information disclosure in order to provide a comprehensive examination of brand information in consumer-brand relationship.

Transparency commonly refers to “being seen through” or the degree of visibility and accessibility of information (Zhu, 2004); that is, the extent to which information flows freely within an organization, among managers and employees, and outward to stakeholders (O’Toole and Bennis, 2009), or the willingness of marketers to provide product and company related information to their consumers (Hung and Wyer, 2009). Previous research treats transparency as an objective characteristic or quality of a brand. However, consumers may not perceive brand transparency in the same way as brand managers. For example, a firm may publish annual reports and offer information about latest research and development projects and still not be viewed as transparent by consumers. This suggests that brand transparency also includes subjective elements. While extant research tries to examine transparency objectively from a firm’s perspective, for example, by measuring a firm’s willingness to provide information (Hung and Wyer, 2009)), I posit that much is to be gained by measuring brand transparency from a consumer’s perspective. Thus, although transparency exists (or does not exist) in all the relationships a firm may have with different exchange partners, including customers, employees, suppliers, or external stakeholders, my focus in this research is on the role of transparency in consumer-brand relationships. In the next sections, I discuss the underlying key factors of brand transparency in a consumer - brand relationship context.

4.1.1.1 Information Accessibility and Objectivity

Findings from Chapter 3 provides me a framework to investigate the potential dimensions of brand transparency in the consumer-brand relationships. According to the findings, both accessible and diagnostic information is more likely to be used when people making decision.

Information Accessibility The first is whether a brand offers information that is *accessible*. As noted in previous research, information accessibility is considered an important criterion to gauge information disclosure (Day, 1976). Specifically, for information to be accessible it not only has to be made available but it needs to be

clear and easily-understood by the target audience. Too much (Ziamou and Ratneshwar, 2002) or too complex information (Cox and Cox, 1988; Lowrey, 1998) increases consumers' perceived uncertainty about the information and may lead to negative reactions. For instance, the use of overly technical language can have adverse effects on consumers who are unable to understand such language, and information can only be beneficial to consumers when it is comprehensible (Bradley III and Meeds, 2004). Thus, accessible information should be easily understood by consumers. For example, consider a digital camera manufacturer that provides consumers with a great amount of information that is encoded using technical terms. Although consumers can easily obtain this type of information, it is difficult for them to understand and use it and as a result they are less likely to consider the information as accessible and in turn the brand as transparent.

Information Objectivity In addition to information accessibility (i.e., whether information is comprehensible and clear to consumers), prior research suggests that *objective* information serves as an important indicator of transparency. In this sense, transparency refers to truth, honesty, frankness, candour, and “without guile or concealment” (Bennis et al., 2008; O’Toole and Bennis, 2009). Simply providing consumers with clear and understandable information is not sufficient (Day and Brandt, 1974). As O’Toole and Bennis (2009) suggest, it is also important for a firm to build transparency by offering information that is objective and not selective, and to avoid misleading or exaggerating the positives. As mentioned earlier, two-sided comparative information has been adopted as a prevailing way of providing objective information to consumers and has been shown to enhance consumers' perceived credibility of a message, advertiser or communicator (Bohner et al., 2003; Crowley and Hoyer, 1994; Kamins and Marks, 1987; Pechmann, 1992), and to strengthen brand evaluation (Kamins and Marks, 1987; Pechmann, 1992; Rucker et al., 2008). However, sidedness of information in advertising is only one element and does not fully reflect the role of a firm's information sharing activity in customer-firm relationships.

Despite reported positive effects of two-sided information, firms inevitably tend to focus on exaggerating the pros of their offerings and downplaying the potential cons. Hence, due to the proliferation of information sharing websites and social media, consumers increasingly seek information from trusted third-parties to obtain unbiased and objective information (Taylor, 1974; Zhu and Zhang, 2010). Take word of mouth communication as an example, which has been important sources

of information for consumers who seek to examine other people's experiences and perceived product quality in order to reduce their own uncertainty and risks of dissatisfaction with a product after purchase (e.g., because it operates differently from what is advertised). Many consumers see online reviews as a good proxy for overall word of mouth. This can be highly influential their decision making for people who seek to reduce their own uncertainty and risk of dissatisfaction with a product after purchasing (Zhu and Zhang, 2010). In light of this, I propose that enabling consumers to access third-party information (e.g., reviews by others) is perceived by consumers as another critical element of a firm's provision of objective information aside from two-sided information.

Importance of Both Indicators Both information objectivity and information accessibility are critical indicators of brand transparency. First, although information may be clear and easily-understood, it could be biased and misleading. Brands that offer clear and comprehensible information about their product offerings will be perceived as more transparent when consumers consider the offered information as objective and not biased (i.e., communicating both pros and cons of product offerings and enabling access to third party product reviews). Second, while a firm might consider that brand transparency means providing both pros and cons of product offerings, consumers still may not trust information provided by a firm and seek information from third parties (i.e., reviews by other consumers). Thus, information accessibility and objectivity are both important indicators of brand transparency. I turn to signalling theory as a basis for predicting the role of brand transparency in consumer-brand relationships.

4.1.1.2 Brand Transparency as a Signal

Taking the imperfect and asymmetrical informational structure of the market into account, I examined brand transparency from a perspective that is based on signalling theory from information economics. Signalling theory emerged from research in economics (Nelson, 1970) and the argument is that in a market characterized by information asymmetries, where exchange partners possess different levels of information, an exchange partner communicates unobservable elements in a transaction by providing an observable signal (Rao and Bergen, 1992; Spence, 1973; Kirmani and Rao, 2000). In marketing, most of the research involving signalling theory has examined the signals from firms to consumers. Any action of a firm that conveys

information about its true characterization (e.g., intention, ability, skill level) represents an important signal (Erdem and Swait, 1998; Kirmani and Rao, 2000). Signals can be transmitted in many forms, including marketing mix such as advertising (Kirmani, 1990, 1997), warranty (Boulding and Kirmani, 1993), price (Dawar and Parker, 1994), and retailer (Dawar and Parker, 1994; Chu and Chu, 1994), and brands such as brand name (Dawar and Parker, 1994; Rao et al., 1999) and brand equity (Erdem and Swait, 1998).

A signal can create value to consumers by decreasing consumers' information costs and perceived risk, frequently defined as the perceived probability of loss (Erdem and Swait, 1998). Consumers are confronted with perceived risk or face uncertainty in numerous occasions. When consumers are not sure of a product's quality or whether what is promised by a firm actually matches their needs and wants, consumers perceive a transaction as risky or uncertain (Erdem and Swait, 1998).

Uncertainty and risk encourage consumers to engage in information handling activity that consists of information acquisition, information transmission, and information processing (Erdem and Swait, 1998; Taylor, 1974). Consumers incur costs when seeking information in order to reduce uncertainty and perceived risk, including expenditure of time, money, energy (Erdem and Swait, 1998). The presence of a signal may enable consumers to spend less on information costs when making a purchase decision. I suggest that brand transparency as a signal of the brand's product offering's position can create value to consumers by lowering their information costs and reducing their perceived risk and uncertainty. As I show in the following three studies, brand transparency plays a pronounced role in consumer-brand relationships and is associated with several consequences at the consumer level.

4.1.2 The Impact of Transparency on Trust, Willingness to Pay, and Attachment

I draw on signalling theory to investigate the potential effects of transparency. Consumers consider the provision of accessible and objective brand-related information as a signal that reduces uncertainty and perceived risk in the transaction with a firm. This signalling function of transparency can lead to greater trust in the brand as consumers perceive it to be more honest.

Moreover, because consumers incur costs when seeking information to reduce uncertainty and perceived risk (such as expenditure of time, money, and energy), trans-

parency creates value to consumers by reducing their information costs (Erdem and Swait, 1998). Thus, I expect transparency to be positively associated with consumers' willingness to pay a price premium for a serviced offered by a firm.

Finally, recent work suggests that brand attachment, or the extent to which consumers self-identify with a brand (brand connection) and how prominent a brand is in consumers' minds (brand prominence), can be considered the ultimate consumer-brand relationships destination (Park et al., 2010, 2013). Consumers may interpret the extra effort undertaken by a transparent brand as a signal that the brand has its consumers' interests at heart and that its objectives are in line with those of its consumers. Consumers are known to value the extra effort made by a firm to help them in their decision making process (Pechmann, 1992; Trifts and Häubl, 2003). As consumers see that a brand's interests and perspectives are aligned with their own, they may begin to identify themselves with the brand, viewing it as part of their self (Aron et al., 1991). Transparent brands may also be recalled more easily by consumers and thus be more prominent in their minds, since the provision of objective information such as two-sided information motivates consumers to attend to and process the information deeply (Crowley and Hoyer, 1994). For these reasons, I expect a positive impact of transparency on consumer-brand relationship outcomes such as consumers' trust in a brand, their willingness to pay a price premium for its offerings, and attachment to it. Formally stated, I predict that:

- H1: Transparency will be positively associated with consumers' (a) trust, (b) willingness to pay a price premium, and (c) attachment to a brand.

The impact of brand transparency, however, is likely to depend on key existing associations that consumers have with a brand. The discussion now turns to potential moderating factors.

4.1.3 The Moderating Roles of Brand Associations: Ability and Social Responsibility

Brand transparency refers to consumers' perceived accessibility and objectivity of the information regarding a brand. Brand image is also a perception about a brand held in a consumer's memory (Keller, 1993). It is easily to consider that whether the effect of brand transparency is related to some constructs such as brand image, which is reflected by a set of brand associations (Keller, 1993). Much research has focused on two distinct types of associations that consumers have with a brand when examining

consumer-brand relationships: corporate ability associations and corporate social responsibility associations (Berens et al., 2005; Brown and Dacin, 1997; Eisingerich et al., 2011; Luo and Bhattacharya, 2006; Sen and Bhattacharya, 2001). Brands may position on either ability or social responsibility or both and build associations around it (Brown and Dacin, 1997). I name them herein brand ability associations and brand social responsibility associations, reflecting the perceptions of a brand's core and outer activities, respectively.

4.1.3.1 Brand Ability Associations

Brand ability associations reflect a brand's core technical expertise. To build association related to a brand's technical expertise, a firm can focus on communicating the expertise of its employees, superiority of internal research and development, manufacturing expertise, and industry leadership (Brown and Dacin, 1997). Thus, brand ability associations are defined in terms of a brand's "expertise in producing and delivering its outputs" (Brown and Dacin, 1997, p. 68).

I predict that the impact of transparency on consumers' responses to a brand will depend on perceived levels of brand ability. Transparent information will not only help consumers gain clear knowledge about a brand's technical expertise in producing and delivering its offerings, but also help them recall relevant associations pertaining to the brand's expertise more easily, and thus further appreciate the brand's ability (Berens et al., 2005; Sen and Bhattacharya, 2001). In addition, consumers build trust for brands that have the capability of producing high quality products and services and that have a high degree of expertise. When capable brands are further perceived to be honest and transparent, a consumer-brand relationship will be strengthened with trust. However, when a low-quality brand engages in transparent information sharing with consumers, consumers are likely to make questionable attributions regarding the brand's motives. That is, the brand's genuine motivation to be transparent is likely to be under scrutiny when a brand lacks perceived expertise. More fundamentally, I noted earlier that transparency will reduce uncertainty and perceived risk involved in a transaction with a brand and thus act as a signal to consumers. However, when ability associations are low, and thus the expertise and technological capabilities of the brand are in question, the positive signalling effect of transparency will be weakened.

4.1.3.2 Social Responsibility Associations

Distinct from brand ability associations, social responsibility associations are the associations consumers have with respect to a brand's "status and activities with respect to its perceived societal obligations" (Brown and Dacin, 1997, p. 68). To build positive social responsibility associations, brands have adopted strategies that focus on environmental friendliness, commitment to diversity in hiring and promotion, community involvement, sponsorship of cultural activities, and corporate philanthropy (Brown and Dacin, 1997; Sen and Bhattacharya, 2001). They have been linked to positive attitudes, satisfaction, and consumer-brand identification (Bhattacharya and Sen, 2003; Brown and Dacin, 1997; Luo and Bhattacharya, 2006).

Unlike what I predicted about brand ability, I expect that the effect of transparency on consumers' responses to a brand will not be moderated by consumers' social responsibility associations with the brand. Transparency reflects consumers' perceptions of the brand being open and fair in its information sharing activities and the need for consumers to minimize risk or uncertainty associated with a brand's product or service offerings. In this regard, social responsibility associations, which are not related to technological expertise or performance of products, should not play a moderating role in the outcome of transparency. Although social responsibility associations are believed to enhance the trustworthiness and likeability of a business (Aaker, 1996), they are not directly relevant to evaluating product offerings. Therefore, I predict that even when social responsibility associations are low, the positive effect of transparency is less likely to be undermined. Likewise, I do not expect that the effect of transparency to be heightened when social responsibility associations are high. I gain support for this prediction from prior research, which demonstrated the limited role of social responsibility associations, especially when informational needs about core capabilities are limited. For example, Becker-Olsen et al. (2006) found that social initiatives cannot replace what is expected of the brand in terms of product performance and desired functionality. Social responsibility associations are also unable to shield a brand from negative information related to its core service offering (Eisingerich et al., 2011). Combined, it appears that although the positive effect of social responsibility may have an independent effect on consumer-brand relationship outcomes, goodwill established through social responsibility involvement would not have an effect on how transparency operates on consumer-brand relationship outcomes.

Based on this reasoning, I formally hypothesize:

H2: (a) Brand ability associations will moderate the effect of transparency on trust, willingness to pay a price premium, and attachment such that the positive effect of transparency will occur only when brand ability associations are high (vs. low). (b) However, the positive effect of transparency will occur regardless of the level of social responsibility associations, and thus there will be no moderating role of social responsibility associations.

4.1.4 The Moderating Roles of Information Involvement

Involvement has been shown to influence most consumer decisions including the way related information is processed (Laurent and Kapferer, 1985; Saqib et al., 2010b). Consumers may arrive at different decisions in conditions with varying levels of involvement (Saqib et al., 2010b,a). Thus, the moderating roles of brand ability and CSR may be influenced by how involved consumers are in a particular purchase or decision making context. Because perceived risk differs across contexts (i.e., the purchase of a soft drink is generally perceived as less risky than purchase of a car based on the monetary costs involved) consumers may engage in different information searching and processing activities across high and low involvement conditions. High involvement can psychologically increase consumers' perceived importance of gains and losses and enhance consumers' loss aversion (Saqib et al., 2010b,a). When consumers are less involved, they are not strongly motivated to search and process additional data that would inform their purchase decision Berens et al. (2005), and thus will be satisfied with and rely on easily accessible information without additional information search effort. Consequently, we predict that associations of a brand including brand ability and CSR are more likely to influence the relationship between brand transparency and brand attachment when consumer involvement is low rather than high. Stated formally:

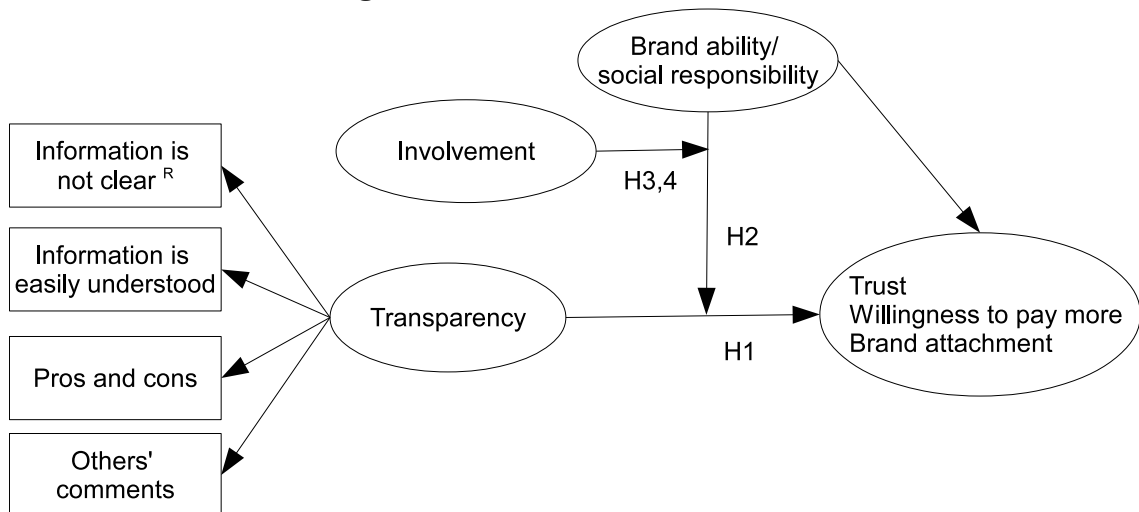
H3: (a) When consumer involvement is high, brand transparency will be positively associated with brand attachment both when brand ability is high and when brand ability is low; (b) when consumer involvement is low, brand transparency will be positively associated with brand attachment when brand ability is high but negatively associated with brand attachment when brand ability is low.

H4: (a) When consumer involvement is high, brand transparency will be positively associated with brand attachment both when social respon-

sibility is high and when social responsibility is low. (b) when consumer involvement is low, brand transparency will be positively associated with brand attachment when social responsibility is high but not significantly associated with brand attachment when social responsibility is low.

Across three studies, the research investigates these issues (see Figure 4.14). Study 1 develops a measure that taps into defining properties of the concept of transparency and tests the effects of transparency on consumer trust and willingness to pay a price premium. Study 2 further examines whether the positive effect of transparency extends to consumers' attachment to a brand and tests the moderating roles of consumers' brand ability and social responsibility associations. Finally, I replicate the findings with different product brands while ruling out alternative explanations.

Figure 4.1: Overview of Studies



Overview of Studies

Study 1: Test of H1

Study 2: Test of H2

Study 3: Test of H3,4

Note: R for reverse coded

4.2 Study 1

Study 1 was designed to develop a measure that can effectively capture the critical dimensions of the transparency construct and to test the effects of transparency on consumer trust and willingness to pay a price premium (H1a-b).

4.2.1 Method

I followed Churchill (1979)'s recommended procedure for developing measures of marketing constructs and empirically verified the reliability as well as construct validity (i.e., convergent and discriminant validity) and criterion validity (i.e., predictive validity) of the transparency scale.

First, based on the work in the previous chapter, I generated an extensive list of 35 preliminary items to capture customer's perception of transparency. The items represented various facets of the potential components of brand transparency. With the help of a lecturer in MBA programme for the accessibility, I conducted two focus groups of MBA students ($n = 15$). Through discussion with them, I refined the initial preliminary list and reduced it to 14 items (see Table 4.1). I tested the remaining 14 items with 338 undergraduate students, who voluntarily filled out an online questionnaire. As a token of appreciation, four participants were randomly selected and each received a £25 Starbucks gift voucher. To help establish the generalizability of the scale in different services contexts, I used three different focal brands which, based on findings of a pretest ($n = 43$), were equally well known and liked, yet represented different product categories; Kellogg's (cereal), HSBC (retail bank) and GAP (retail clothing). Student participants were randomly assigned to one of these three brands. All questions used a seven-point, Likert-type scale with anchors from 1 (strongly disagree) to 7 (strongly agree).

Table 4.1: Tested Transparency Scale Items

Items	Component	
	1	2
[Brand name] offers access to other consumers' comments or ratings of its products or services.	.91	.29

Items	Component	
	1	2
[Brand name] openly shares consumer reviews about its products or services.	.88	.36
[Brand name] conceals negative information about its own products or services. ^a	.87	.41
[brand name] compares the pros and cons of its products or services vs. competitor offerings.	.87	.32
[Brand name] makes it difficult for consumers to access reviews made by other consumers about its products or services. ^a	.87	.41
[Brand name] provides relevant information about its products or services.	.84	.45
[Brand name] provides helpful information about its products or services.	.80	.29
Information provided by [brand name] about its products or services is difficult to understand. ^a	.77	.32
The information provided by [brand name] about its products or services is misleading. ^a	.63	.62
It is difficult to obtain sufficient information about [brand name]'s products or service offerings. ^a	.31	.91
Information provided by [brand name] about its products or services is easily understood.	.33	.88
Information about [brand name]'s products or services is easily accessible.	.35	.86
[Brand name] tells the truth about its products or service offerings.	.39	.84
Information provided by [brand name] about its products or services is not clear.^a	.37	.81
<i>Eigenvalues</i>	6.78	5.13
<i>Variance explained %</i>	48.46	36.60

Note: ^aReverse coded; Items in bold are final items.

4.2.2 Results

4.2.2.1 Four-Item vs. Ten-Item Scale

Through exploratory factor analysis using varimax factor rotation, two factors were extracted based on Eigenvalues greater than 1.00, together explaining 85.06% variance, as seen in Table 4.1. However, four items were noticed with high cross-loading ($> .40$), not loading clearly onto one factor. Thus, I remove those items and reduced the original pool of 14 items into 10 items based on high cross factor loadings ($> .40$). Another round of factor analysis was conducted with the remaining 10 items. As suggested in table Table 4.2, two factors remain based on Eigenvalues greater than 1.00, together explaining 84.58% variance, almost same with the 14 item. All remaining 10 items have high factor loadings ($> .80$) and low cross factor loadings ($< .40$).

Although the resultant ten-item scale is not unusually long for academic use, I wanted to develop a more parsimonious scale that would lend itself to marketing practice. Therefore, I selected items that best map the conceptual definition of the two components based on statistical grounds (strong factor loadings and reliability tests) and literature review. I reduced ten-items scale to a four-items scale, each factor compromised of only two items.

To determine whether and to what extent the reduced set of items affected the reliability of the scale, I examined the change in alpha coefficient and explained variance for the ten-item versus the more parsimonious four-item scale. As shown in Table 4.2, the four items contribute to one common factor explaining 74.88% variance, whereas the ten items contribute to two factors explaining 84.58% variance. The change is acceptable. The Cronbach α values for two factors of ten-item scale are $\alpha = .96$ and $\alpha = .95$, respectively, and that for the four-item scale is $\alpha = .88$. Combined, these results reveal that reducing the number of indicators provides a parsimonious transparency scale that does not sacrifice reliability and variance-explaining.

I then compared the effectiveness of the two scales in predicting consumer's responses by conducting two sets of regressions with transparency as independent, and trust and willingness to pay price premium as dependent variables (mean of multiple items were computed for variables). The results show that transparency measured by ten-item scale is positively associated with consumer's trust ($\beta = .88$, $p < .001$,

Table 4.2: Study1 Factor Analysis Results of Ten-Item vs. Four-Item Scales of Transparency

	Component	
	1	2
<hr/>		
Ten-Item Scale		
Difficult to obtain sufficient information	.92	.29
Information is easily understood	.89	.33
Information is easily accessible	.87	.33
tells truth	.84	.35
Information is not clear	.82	.38
Offers access to other's comments	.31	.89
Compares pros and cons of product with competitor's offerings	.32	.88
Openly shares consumer reviews	.38	.86
Provides helpful information	.31	.81
Information is difficult to understand	.32	.79
<i>Eigenvalues</i>	4.29	4.17
<i>Variance explained %</i>	42.90	41.68
<hr/>		
Four-Item Scale		
Offers access to other's comments	.87	
Information is not clear	.87	
Information is easily understood	.86	
Compares pros and cons of product vs. competitors' offerings	.86	
<i>Eigenvalues</i>	3.00	
<i>Variance explained %</i>	74.88	
<hr/>		

$R^2 = .77$) and consumer's willingness to pay price premium ($\beta = .54$, $p < .001$, $R^2 = .29$). Similarly, transparency measured by four-item scale is identically positively associated with trust ($\beta = .84$, $p < .001$, $R^2 = .71$) and willingness to pay price premium ($\beta = .55$, $p < .001$, $R^2 = .30$) and have an equal explanatory power.

Overall, I could use the four-item, instead of the nine-item scale, to capture the domain of transparency effectively. reducing the number of indicators (from ten to four) provides a more parsimonious scale without significant loss of reliability. Reduction also provides equally strong prediction consumer behavior. The retained items were: "[Brand name] compares the pros and cons of its products with competitor offerings objectively" (abbreviated as "compares pros and cons of product with

competitors' offerings"); "[Brand name] offers access to other consumers' comments or ratings of its products" (abbreviated as "offers others' comments"); "Information provided by [brand name] about its products is not clear" (abbreviated as "information is not clear," which was reverse coded); and "Information provided by [brand name] about its products is easily understood" (abbreviated as "information is easily understood").

4.2.2.2 Reliability and Validity

The Cronbach α values ($\alpha = .88$) suggests that the four-item scale has a good reliability. Next, the face validity is supported by a carefully review by some experts.

Construct validity refers to whether a scale measures or correlates with the theorized construct that it purports to measure (Campbell and Fiske, 1959). In other words, it is the extent to which what was to be measured was actually measured. It has two subtypes; one is discriminant validity, which tests whether concepts or measurements that are supposed to be unrelated are, in fact, unrelated, and the other one is convergent validity, which refers to the degree to which two measures of constructs that theoretically should be related, are in fact related (Campbell and Fiske, 1959). In order to test convergent and discriminant validity of transparency, I conducted two confirmatory factor analysis; one in which my newly developed transparency scale and the widely cited communication scale by Parasuraman et al. (1985) were allowed to correlate ($r = .46$; $\chi^2(11) = 43.70$) and another in which the two constructs were forced to be perfectly correlated ($\chi^2(12) = 61.70$). I chose Parasuraman et al. (1985)'s scale because it measures a firm's individualized attention to consumers, as well as its efforts to adjust its communication language to different consumers and explain the cost and trade-offs regarding different offerings. Thus, I deemed the scale as highly appropriate to use to examine the convergent and discriminant validity of the transparency scale (see Table 4.3 for a list of scales used in Study 1). The change in χ^2 ($\Delta\chi^2(1) = 18.00$; $p < .001$) was significant. These results indicate that the transparency construct is positively related to ($r = .46$, $p < .001$) but distinct from the previously published communication construct.

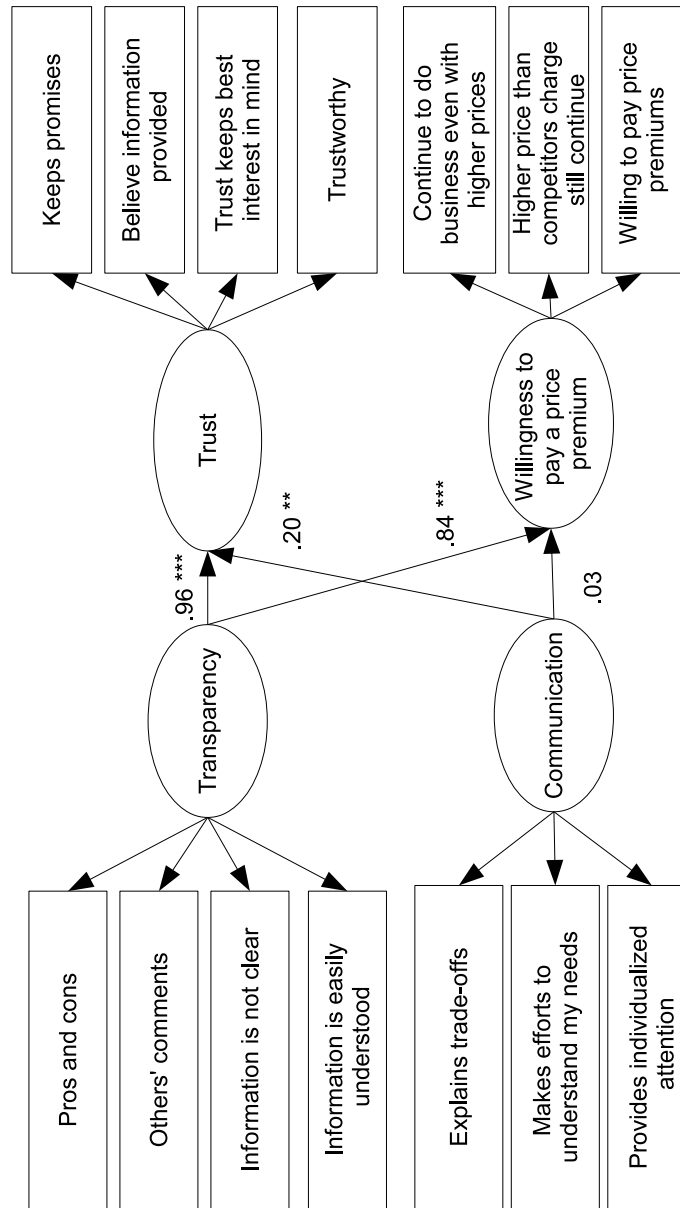
Table 4.3: Scales in Study 1

Scales
<p>[Brand name] compares the pros and cons of its products with competitor offerings objectively.</p> <p>[Brand name] offers access to other consumers' comments or ratings of its products.</p> <p>Information provided by [brand name] about its products is not clear.</p> <p>Information provided by [brand name] about its products is easily understood.</p>
<p>Trust (Doney and Cannon, 1997)</p> <p>[Brand name] keeps promise it makes to me.</p> <p>I believe the information that [brand name] provides me.</p> <p>I trust [brand name] keeps my best interests in mind.</p> <p>[Brand name] is trustworthy.</p>
<p>Willingness to pay a price premium (Zeithaml et al., 1996)</p> <p>I continue to do business with [brand name] if its prices increase somewhat.</p> <p>I pay a higher price than competitors charge for the benefits I currently receive from [brand name].</p> <p>I am willing to pay a price premium to buy from [brand name].</p>
<p>Communication (Parasuraman et al., 1985)</p> <p>[Brand name] explains the services it offers to me in the language I can understand.</p> <p>[Brand name] explains how much the various services it offers cost.</p> <p>[Brand name] explains the trade-off between the service it offers and the cost.</p> <p>[Brand name] assures me that a problem will be handled.</p>

Next, I assessed the transparency scale's criterion validity, which involves the correlation between the test and a criterion variable (or variables) taken as representative of the construct. In other words, it compares the test with other measures or out-

comes (the criteria) already held to be valid. I adopted the published consumer trust scale developed by Doney and Cannon (1997) and willingness to pay a price premium scale by Zeithaml et al. (1996). The results show that transparency was more strongly related to consumers' trust ($\gamma = .96, p < .001$) than was the communication scale ($\gamma = .20, p < .01; z = 7.62, p < .001$), and transparency was also more strongly related to consumers' willingness to pay a price premium ($\gamma = .84, p < .001$) than was the communication scale ($\gamma = .03, p > .05; z = 2.77, p < .01$) (see Figure 4.2).

Figure 4.2: Study 1 Model of Transparency Predicting Trust and Willingness to Pay a Price Premium



Furthermore, in order to assess whether transparency explains additional variance above and beyond that of communication on the dependent variables, I ran a set of hierarchical regression analysis to check the change in R-square. The results in Table 4.4 indicate that transparency is a stronger measure than communication. As noted in Models 1 and 3, communication is initially significantly related to trust ($t =$

6.72) and willingness to pay a price premium ($t = 2.81$), respectively. However, when transparency was added in Models 2 and 4, the effect of communication on trust and on willingness to pay a price premium became non-significant. Transparency explained an additional 28% and 59% of the variance in trust and in willingness to pay a price premium, respectively. The R-changes were statistically significant.

Table 4.4: Study 1 Hierarchical Regression Results

	DV: trust		DV: pay more	
	Model 1	Model 2	Model 3	Model 4
Predictor				
Communication	.08*	0.4	-.02	-.06
Transparency		.55***		.41***
Controls				
Familiarity	.64***	.31***	.38***	.13
Attitude	.20***	.05	.19***	.08
F	212.97***	251.86***	40.28***	39.03***
R ² _{adj.}	.65	.75	.26	.32
ΔF		127.17***		26.19***

Note: *** $p < .001$; ** $p < .01$; * $p < .05$.

4.2.3 Discussion

Study 1 developed and tested a scale measure of brand transparency. Findings show that four items contribute to the measurement of a brand's transparency. The study also provides empirical evidence in support of the convergent and discriminant validity of the transparency scale, which showed that transparency, was related to, but distinct from, the previously published communication scale. Furthermore, the findings demonstrated that transparency was more strongly associated with consumers trust in a brand and willingness to pay a price premium for a brand's product/service offerings than the previously published and widely cited communication scale. The positive association with consumers trust and willingness to pay a price premium

offered preliminary support for H1. However, Study 1 did not examine whether a brand's transparency also positively influences consumers' attachment to the brand and whether and how the two dominant associations consumers have with a brand - ability and social responsibility - affect the effect of transparency. Thus, I conducted Study 2 in order to address these issues and to examine whether results can be replicated with different brands.

4.3 Study 2

Study 2 was designed to replicate the positive effect of brand transparency on consumers' trust and willingness to pay a price premium and further extend its effect to consumers' attachment to a brand (H1a-c). Study 2 also examined whether brand ability (H2a) and social responsibility associations (H2b) moderate the relationships between transparency and consumer trust, willingness to pay a price premium, and attachment.

4.3.1 Method

Study 2 employed 219 voluntarily participants from graduate students. Out of the participants, four were randomly selected and rewarded with a \$25 Amazon.com gift voucher. Based on a pretest ($n = 71$), four different brands, Starbucks, ExxonMobil, Delta Airlines, and US Postal Services, were selected to represent different levels of ability (high vs. low) and social responsibility (high vs. low) associations that consumers had with the brand. Specifically, pretest results indicated that Starbucks was perceived as a brand with high ability and high social responsibility, ExxonMobil as high in ability and low in social responsibility, Delta Airlines as low in ability and high in social responsibility, and U.S. Postal Service as low in ability and low in social responsibility. Each participant was randomly assigned to one of the four brands and evaluated its transparency, ability, and social responsibility as well as reported his or her feelings and attitudes towards the brand by completing a questionnaire (see Figure 4.3 for the four adopted brands).

I used the four-item scale developed in Study 1 to measure a brand's transparency ($\alpha = .99$) and employed the same trust ($\alpha = .86$) and price premium ($\alpha = .97$) measures as in Study 1. Additionally, I employed Park et al. (2010)'s four-item

Figure 4.3: Study 2 Research Design

attachment scale ($\alpha = .98$). Finally, I adopted Brown and Dacin (1997)'s four-item corporate ability associations scale ($\alpha = .99$) and their three-item social responsibility associations scale ($\alpha = .96$). All questions used a seven-point, Likert-type scale (1 = "strongly disagree" to 7 = "strongly agree") (see Table 4.5 for a detailed list of the measures).

Table 4.5: Scales in Study 2

Attachment (Park et al., 2010)

To what extent is [brand name] part of you and who you are?

To what extent do you feel that you are personally connected to [brand name]?

To what extent are your thoughts and feelings toward [brand name] often automatic, coming to mind seemingly on their own?

To what extent do your thoughts and feelings toward [brand name] come to you naturally and instantly?

Ability association (Brown and Dacin, 1997)

Scales

[Brand name] is a leader in its industry.

[Brand name] has strong research and development capability.

[Brand name] has high level of technological innovativeness.

[Brand name] excels in its employee expertise and training.

Social responsibility associations (Brown and Dacin, 1997)

I consider [brand name] as a socially responsible brand.

[Brand name] is more beneficial to society's welfare than other brands.

[Brand name] contributes something to society.

I conducted a set of analysis of variance (ANOVA) to check the differences in ability, social responsibility, transparency, brand attitude, and familiarity across the four different services firms. The descriptive results reported in Table 4.6 show that participants perceived no difference across the four brand in brand transparency ($F(3, 215) = 1.06$, ns) and in the two control variables—that is, their attitude towards ($F(3, 215) = .95$, ns) and familiarity with the brands ($F(3, 215) = .08$, ns). As expected, significant differences were found in brand ability ($F(3, 215) = 26.43$, $p < .001$) and in social responsibility ($F(3, 215) = 25.73$, $p < .001$). Starbucks ($M = 4.78$) and ExxonMobil ($M = 5.06$) were perceived as being high in brand ability, whereas Delta airlines ($M = 2.62$) and US postal Service ($M = 2.71$) were perceived as low in brand ability. In terms of social responsibility, Starbucks ($M = 5.81$) and Delta Airlines ($M = 5.60$) were perceived as high, whereas ExxonMobil ($M = 3.58$) and US Postal Service ($M = 3.80$) were perceived as low (F 's, $p < .001$).

4.3.2 Results

In order to test brand ability and social responsibility associations as moderators, I performed three sets of moderated hierarchical regression with trust, willingness to pay price premium (abbreviate as “pay more”), and brand attachment as dependent variables perceptively. Independent variables are transparency, brand ability and

Table 4.6: Study 2 Descriptive Results

	Starbucks	ExxonMobil	Delta Airlines	US Postal Service	
N	54	55	54	56	
Ability	4.78 ^a	5.06 ^a	2.62 ^b	2.71 ^b	F (3, 215) = 26.43 ^{***}
Social Re- sponsibility	5.81 ^a	3.58 ^b	5.60 ^a	3.80 ^b	F (3, 215) = 25.73 ^{***}
Transparency	4.54 ^a	5.15 ^a	4.52 ^a	3.89 ^a	F (3, 215) = 1.06
Attitude	4.77 ^a	4.94 ^a	4.99 ^a	5.13 ^a	F (3, 215) = .95
Familiarity	5.31 ^a	5.25 ^a	5.31 ^a	5.36 ^a	F (3, 215) = .08

Note: ^{***} $p < .001$; Means with different subscripts are significantly different, $p < .05$.

social responsibility; interaction between transparency and ability, and transparency and social responsibility are included; control variables are brand attitude and brand familiarity. Mean of each multiple-measured variable is computed and centered. The results are shown in Table 4.7. Model 1 shows that that initially transparency ($B = .40$, $p < .001$) and ability ($B = .13$, $p < .05$) are significantly related to trust whereas social responsibility is not ($B = .03$, ns); the model explains totally 19% of variance ($F = 11.34$, $p < .001$, $R^2 = .19$). When interaction variables were added into the model, the main effects of transparency ($B = .37$, $p < .001$) and ability ($B = .13$, $p < .05$) on trust are still significant whereas that of social responsibility remains not significant ($B = -.01$, ns); the interaction effect between transparency and ability is significant ($B = .29$, $p < .001$) whereas that between transparency and social responsibility is not ($B = -.01$, ns); the model explains totally 27% of variance, better than the main effect model. This indicates that transparency and ability are positively associated with trust, and ability also moderates the effect of transparency on trust.

Similarly, as shown in Table 4.7, the effects of transparency on willingness to pay price premium and brand attachment were moderated by ability as well. These results supported H2a, indicating an important boundary condition to the positive effects of transparency on outcomes observed in Study 1.

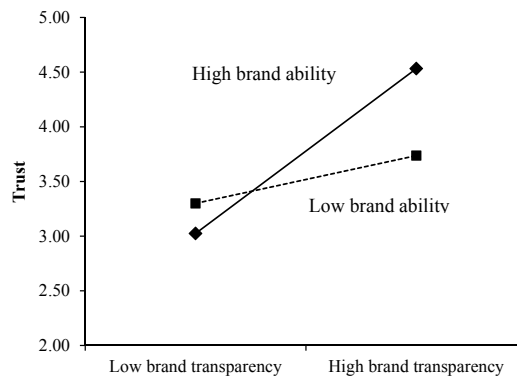
In order to explain the nature of the moderation, a 2 (transparency: high vs. low) by 2 (ability: high vs. low) ANOVA was conducted and the results further supported

Table 4.7: Moderated Hierarchical Regression Results

DV	Trust		Pay more		Attachment	
	1	2	3	4	5	6
Model	B	B	B	B	B	B
Predictor	B	B	B	B	B	B
Main effect						
Transparency (T)	.40***	.37***	.30***	.27***	.33***	.30***
Ability (A)	.13*	.13*	.13*	.14*	.14*	.13*
Social responsibility (SR)	.03	-.01	.05	.02	.02	-.01
Interaction						
T * A		.29***		.32***		.24***
T * SR		-.01		-.05		.06
Control						
Brand attitude	.18**	.16*	.02	.00	.18**	.16*
Brand familiarity	.02	.03	.06	.06	.11	.13
F-value	11.34***	12.38***	5.56***	8.31***	9.93***	10.01***
Adjusted R-square	.19	.27	.10	.19	.17	.22

these findings (see Panel A of Table 4.8). As expected, I observed a main effect of transparency ($F(3, 215) = 27.75, 12.07, \text{ and } 20.16, p < .001$, for trust, willingness to pay a price premium, and attachment, respectively) and a 2-way interaction ($F(3, 215) = 8.44, 14.91, \text{ and } 5.61, p < .05$, respectively) such that when ability was high (vs. low), transparency had a positive effect (vs. no effect) on the outcome variables (see also Figure 4.4, Figure 4.5, and Figure 4.6).

Similarly, a 2 (transparency: high vs. low) \times 2 (social responsibility: high vs. low) ANOVA reveals only a main effect of transparency ($F(3, 215) = 28.46, 14.39, \text{ and } 20.17, ps < .001$, for trust, willingness to pay a price premium, and attachment, respectively; see panel B of Table 4.8). Hence, social responsibility did not function as a moderator in the relationships between transparency and the outcome variables

Figure 4.4: Study 2 Effects of Brand Ability and Transparency on Trust

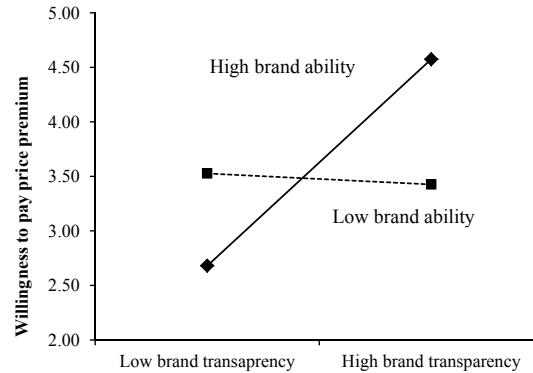
(see Figure 4.7, Figure 4.8, and Figure 4.9).

4.3.3 Discussion

Study 2 not only replicated the positive effect of transparency observed in Study 1 but also extended its effect to consumer attachment to a brand. In addition, I noticed a critical boundary condition of these effects. High transparency was associated with greater consumer trust in a brand, willingness to pay a price premium, and attachment when a brand's ability was high but not when a brand's ability was perceived as low. Confirming my prediction, the results of Study 2 also demonstrated that social responsibility had no significant moderating effect on the relationships between transparency and consumer trust, willingness to pay a price premium, and attachment. Because social responsibility associations are not directly associated with the ability to produce quality products and services (Brown and Dacin, 1997), they may not be diagnostic enough to influence the impact of transparency on trust, willingness to pay, and attachment.

Despite strong support for my predictions, Study 2 still presented some limitations.

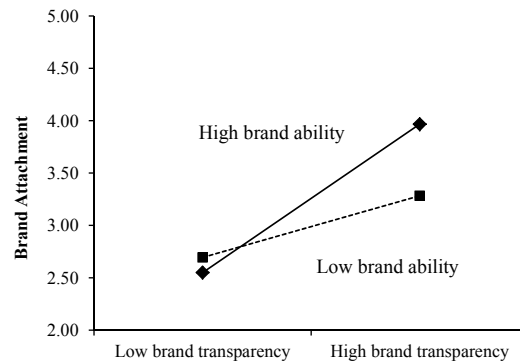
Figure 4.5: Study 2 Effects of Brand Ability and Transparency on Willingness to Pay a Price Premium



Study 2 tested brands from a broad spectrum of the service industry (Starbucks, ExxonMobil, Delta Airlines, and US Postal Services), potentially creating uncontrollable confounding factors. For example, consumers may have different levels of involvement toward different product categories, which could drive the effects I found. Therefore, I explore an additional boundary condition of the impact of transparency for brands with varying degrees of ability and social responsibility, namely consumer involvement. Involvement is a key factor in consumer decision making (Laurent and Kapferer, 1985; Saqib et al., 2010b) and we investigate whether the moderating role of brand ability and CSR is affected by consumer involvement contexts.

4.4 Study 3

Study 2 confirmed that the positive effect of transparency on various consumer-brand relationship outcomes was moderated by brand ability associations, but the effect was independent of social responsibility associations. Study 3 aimed to replicate these findings with brands from the same industry, namely automobile brands. I aimed to establish the robustness of the findings in order to rule out the possibility that consumers' product category involvement drives the effects and to increase the generalization of my results beyond the service industry. Study 3 also employed a delayed measure in the report of dependent variables to ensure that consumers do not respond to all scales measured in a systematic manner.

Figure 4.6: Study 2 Effects of Brand Ability and Transparency on Attachment

4.4.1 Method

Participants and design. Three hundred and twenty-seven undergraduate students participated in Study 3. Based on a pretest ($n = 93$), we selected cars as high in consumer involvement and soft drinks as low in consumer involvement. Similar to Study 2, we adopted four different brands to represent different levels of brand ability and CSR (for details, see Table 6Table 6). Study 3 was conducted in two rounds. In the first round, each respondent was asked to report his or her perception of brand transparency, brand ability, and CSR for one the eight brands in Study 3. Eight days after the first round, respondents were asked to report their perceived brand attachment to the brand in round 2 of Study 3.

Study 3 employed online survey data from 327 graduate students at Imperial. Four randomly selected participants received a £25 Starbucks gift voucher as a token of appreciation. Based on pretest results ($n = 93$), I selected cars as high in consumer involvement and soft drink as low in consumer involvement. Similar to Study 2, I adopted four brands that represented different levels of ability and social responsibility associations. Based on pretest results ($n = 62$), Toyota, GMC, Ford, and Suzuki were selected for cars and Gatorade, Pepsi Cola, Lipton, 7up were selected for soft drinks (see Figure 4.10 for the adopted brands). Study 3 was conducted in two waves. In the first wave, each participant was randomly assigned to one of the four firms and asked to report his or her perception of transparency, ability, and social responsibility for that firm. One week after the first wave, the same group

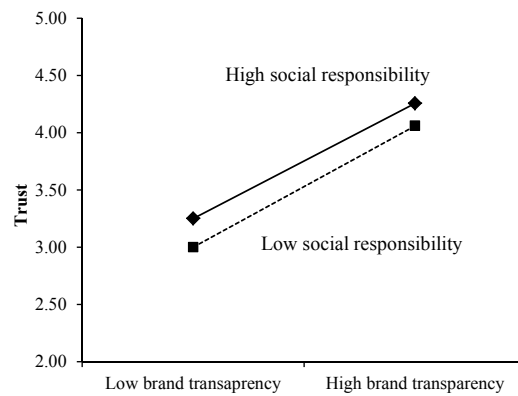
Table 4.8: Study 2 ANOVA Results

A. Transparency and Ability			
	F Value		
	Main Effect: Transparency	Main Effect: Ability	Interaction Effect
Trust	27.75 ^{***}	1.99	8.44 ^{**}
Willingness to pay	12.07 ^{***}	.43	14.91 ^{**}
Attachment	20.16 ^{***}	1.46	5.61 [*]
B. Transparency and Social Responsibility			
	F Value		
	Main Effect: Transparency	Main Effect: SR	Interaction Effect
Trust	28.46 ^{***}	1.33	.02
Willingness to pay	14.39 ^{***}	.93	.52
Attachment	20.17 ^{***}	2.63	.03

Note: ^{***} $p < .001$; ^{**} $p < .01$; ^{*} $p < .05$.

of participants was sent another survey link inviting them to report their trust in the brand, willingness to pay a price premium, and attachment to which they were assigned in Wave 1. The measures were identical to those in Study 2.

As expected and illustrated in Table 4.9, I observed a significant difference in involvement for cars and soft drinks ($M_{\text{cars}} = 5.46$, $M_{\text{soft drinks}} = 2.47$; $t(325) = 18.31$, $p < .001$). I conducted a series of ANOVAs to examine the differences in ability, social responsibility, transparency, attitude, and familiarity across the different brands. The results are in accordance with my expectations; no significant differences were found in transparency, attitude, and familiarity, whereas significant differences were found in both brand ability and social responsibility (see Table 4.9). Toyota was perceived as high in ability ($M = 4.79$) and social responsibility ($M = 5.48$), whereas Suzuki was seen as low in ability ($M = 2.87$) and social responsibility ($M = 3.45$). GMC was high in ability ($M = 4.84$) but low in social responsibility ($M = 3.88$), and Ford was seen as low in ability ($M = 2.50$) and high in social responsibility ($M = 4.72$)

Figure 4.7: Study 2 Effects of Social Responsibility and Transparency on Trust

(F's, $p < .001$).

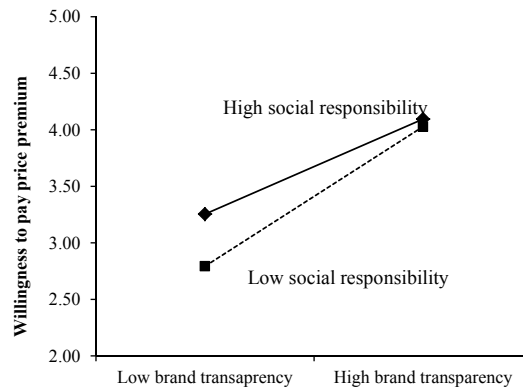
4.4.2 Results

4.4.2.1 Moderated Moderation of Ability Associations

I estimated a SEM using multi-group latent variable (brand ability as grouping factor) modeling approach to examine the differences in the effects of brand transparency on brand attachment. As shown in Panel A of Table 4.10, when consumer involvement is high, brand transparency has a significant positive effect on brand attachment both when brand ability is high ($\lambda = .64$, $p < .001$) and low ($\lambda = .24$, $p < .05$). The effect is significantly stronger when brand ability is high than when brand ability is low ($p < .05$). When consumer involvement is low, brand transparency is positively associated with brand attachment when brand ability is high ($\lambda = .48$, $p < .001$) but negatively associated with brand attachment when brand ability is low ($\lambda = -.25$, $p < .05$). These results provide support for H5 regarding the moderating effect of consumer involvement.

A 2 (transparency: high vs. low) \times 2 (ability: high vs. low) ANOVA replicated the SEM results (see Panel A Table 4.11). As predicted, I observed a main effect of transparency for both high involvement ($F(1, 159) = 43.96$, $p < .001$) and low

Figure 4.8: Study 2 Effects of Social Responsibility and Transparency on Willingness to Pay a Price Premium

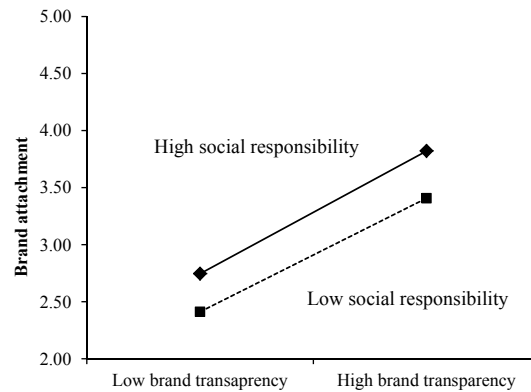


involvement ($F(1, 160) = 6.29, p < .05$). I also observed a 2-way interaction effect for both high ($F(1, 159) = 18.39, p < .05$) and low involvement ($F(1, 160) = 13.78, p < .001$). But the interaction in low involvement is stronger than that in high involvement (see also Figure 4.11).

4.4.2.2 Moderated Moderation of Social Responsibility Associations

SEM results (as shown in Panel B of Table 4.10), using multi-group latent variable (social responsibility as grouping factor) modeling approach, suggest that when consumer involvement is high, brand transparency is positively associated with brand attachment both when social responsibility is high ($\lambda = .42, p < .001$) and when social responsibility is low ($\lambda = .55, p < .001$), which is in line with the results in Study 2. When consumer involvement is low, brand transparency is positively associated with brand attachment when social responsibility is high ($\lambda = .41, p < .001$) but not when social responsibility is low ($\lambda = -.15, p > .05$). The results demonstrated the moderating effect of involvement, consistent with H5. ANOVA results (Panel B of Table 4.11) further support our hypotheses. Means of brand attachment across different categories are illustrated in Figure 9.

Figure 4.9: Study 2 Effects of Social Responsibility and Transparency on Attachment



4.4.3 Discussion

The results in Study 3 demonstrate important additional boundary conditions for the effects of brand transparency on brand attachment. First, in the high involvement product category, brand ability moderates the positive impact of brand transparency on brand attachment. The results largely replicate those of Study 2 with an exception that when involvement is high and brand ability is low, transparency is positively associated with brand attachment but when involvement is low, transparency is negatively associated with attachment. This extends our findings, in Study 2, where results showed that when brand ability is low, brand transparency has no significant impact on brand attachment. A potential explanation is that the sample of brands in Study 2 was not selected based on involvement and consumer involvement in Study 2 could be high, low, or moderate. Second, when consumer involvement is high, social responsibility does not moderate the effects of brand transparency on brand attachment. The results showed that in the low involvement product category: 1) brand transparency is positively associated with brand attachment when brand ability is high but is negatively associated with brand attachment when brand ability is low; 2) brand transparency is positively associated with brand attachment when social responsibility is high but is not significantly related to brand attachment when social responsibility is low.

Figure 4.10: Study 3 Research Design

4.5 General Discussion and Implications

In recent years, transparency has risen to the top of the corporate agenda, spurred by a financial crisis and calls for greater accountability and openness. My goal was to articulate the defining properties of transparency and examine the impact of service and product brands' transparency on the consumer-brand relationship. Moreover, I sought to examine important boundary conditions for the impact of transparency and test when transparency is beneficial to service and product brands and when it is not. Importantly, I found support for the hypotheses across different service and product industries (Studies 1-3) and even when I took a more conservative approach of using delayed measures for the main dependent variables (Study 3).

Table 4.9: Study 3 Manipulation Checks and Controls

A: product category	Cars	Soft drinks			
N	163	164			
Involvement	5.46 ^a	2.47 ^b			
B: cars	Toyota	GMC	Ford	Suzuki	
N	43	37	41	42	
Ability	4.79 ^a	4.84 ^a	2.50 ^b	2.87 ^b	F(3, 159) = 17.20 ^{***}
Social responsibility	5.48 ^a	3.88 ^b	4.72 ^{ab}	3.45 ^b	F(3, 159) = 8.40 ^{***}
Transparency	4.35 ^a	4.32 ^a	4.87 ^a	4.25 ^a	F(3, 159) = .71
Attitude	4.94 ^a	4.88 ^a	5.16 ^a	5.02 ^a	F(3, 159) = .42
Familiarity	5.58 ^a	5.49 ^a	5.93 ^a	5.55 ^a	F(3, 159) = 1.11
C: soft drinks	Gatorade	Pepsi Cola	Lipton	7up	
N	43	39	42	40	
Ability	5.14 ^a	4.76 ^a	2.53 ^b	3.12 ^b	F(3, 160) = 17.85 ^{***}
Social responsibility	5.86 ^a	3.78 ^b	5.28 ^a	3.73 ^b	F(3, 160) = 13.70 ^{***}
Transparency	4.83 ^a	4.22 ^a	4.96 ^a	4.51 ^a	F(3, 160) = .93
Attitude	5.19 ^a	4.87 ^a	5.04 ^a	4.90 ^a	F(3, 160) = .73
Familiarity	5.79 ^{ab}	6.15 ^a	5.43 ^b	5.53 ^{ab}	F(3, 160) = 2.76 [*]

Note: ^{***} $p < .001$, ^{**} $p < .05$; Means with different subscripts are significantly different, $p < .05$.

4.5.1 Theoretical and Practical Implications

The proposed transparency construct complements extant research on consumer-brand relationships and offers thought-provoking insights for theory building. I empirically demonstrate that both information objectivity and information accessibility are critical and non-redundant dimensions of transparency. I also find that the transparency scale is not only related to consumers' trust and willingness to pay a price premium for a brand, in support of its predictive validity, but also to consumers' attachment to a brand. The fact that transparency is positively associated with brand attachment is noteworthy considering that attachment taps into brand-self connection and the ease with which memory of brand-related thoughts and feelings

Table 4.10: Study 3 SEM Results

Panel A. Moderating effects of ability		
	Ability	
	High	Low
High involvement (cars)		
Transparency → brand attachment	.64 ^{***}	.24 [*]
Low involvement (soft drinks)		
Transparency → brand attachment	.48 ^{***}	-.25 [*]
Panel B: Moderating effects of social responsibility		
	Social responsibility	
	High	Low
High involvement (soft drinks)		
Transparency → brand attachment	.42 ^{***}	.55 [*]
Low involvement (soft drinks)		
Transparency → brand attachment	.41 ^{***}	-.15

Note: ^{***} $p < .001$; ^{*} $p < .05$.

are brought to mind, which represent deeper and more meaningful consumer-brand relationships (Park et al., 2010). Together, the current findings suggest that the measure of a brand's transparency offers a rich opportunity for future empirical investigation of consumer-brand relationships and information disclosure (Pechmann and Wang, 2010).

Although brand transparency has received much attention in the media as of late, empirical evidence regarding potential effects of brand transparency was mixed at best and missing at large. In this research, I offered a framework for the relationships between brand transparency and other variables of interest to researchers in consumer-brand relationship management. I illustrate that the impact of brand transparency is influenced by brand ability and social responsibility and the moderating effects of brand ability and social responsibility varies across product categories with different consumer involvement levels. The results contribute to our understanding of how information affects consumers' attitude responses in different marketing contexts.

Table 4.11: Study 3 ANOVA Results

Panel A. Transparency and Ability			
	F Value		
DV: attachment	Main Effect: Transparency	Main Effect: Ability	Interaction Effect
High involvement (cars)	43.96 ^{***}	3.54 ⁺	18.39 ^{**}
Low involvement (soft drinks)	6.29 [*]	23.55 ^{***}	13.75 ^{***}

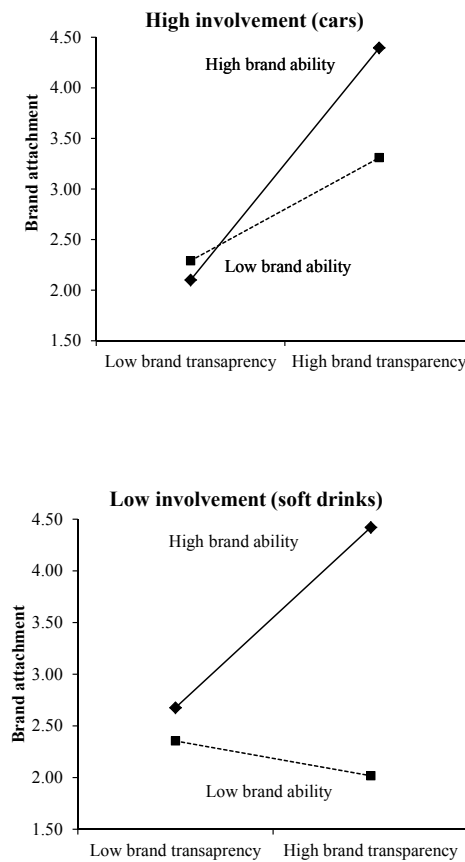
Panel B. Transparency and Social Responsibility			
	F Value		
DV: attachment	Main Effect: Transparency	Main Effect: SR	Interaction Effect
High involvement (cars)	45.91 ^{***}	2.80 ⁺	.80
Low involvement (soft drinks)	2.13 ^{***}	.15	8.09 ^{**}

Note: ^{***} $p < .001$; ^{**} $p < .01$; ^{*} $p < .05$; ⁺ $p < .10$.

The research findings offer direct implications for management. When brand ability is high, no matter whether consumer involvement is high or low, brands should adopt a high transparency brand policy to positively impact consumers' responses. However, when both brand ability and consumer involvement is low, brands should not adopt brand transparency because it will negatively impact consumer trust, willingness to pay more, and attachment. However, when consumer involvement is high, a high brand transparency policy still generates positive effects on consumers even when brand ability is low. When social responsibility is high, no matter whether consumer involvement is high or low, brands can achieve stronger consumer brand attachment by being transparent. When both social responsibility and consumer involvement are low, transparency has not effect, whereas a brand low in social responsibility can still achieve greater brand attachment by adopting high levels of brand transparency when consumer involvement is high.

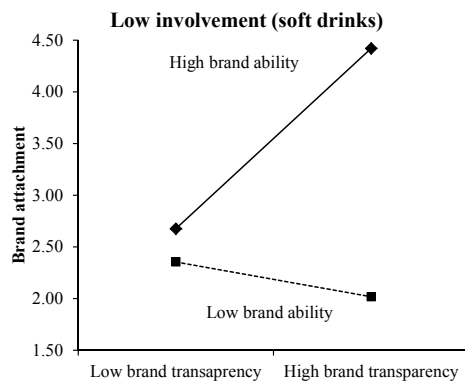
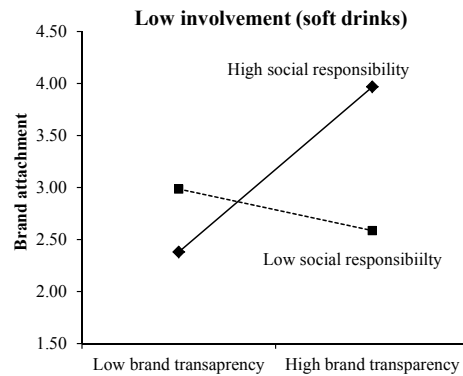
4.5.2 Limitations

Although the findings of this research are valuable and perhaps provocative, they need to be viewed in light of the following limitations that also point to promising

Figure 4.11: Effects of Transparency and Ability on Attachment

avenues for further research. I looked at the effect of ability and social responsibility separately on the relationship between brand transparency and trust, willingness to pay a price premium, and attachment. The interaction between ability and social responsibility associations was not the focus of my study, so I did not hypothesize this effect. Moreover, in the follow-up analysis, I did not find a significant 3-way interaction effect between ability association, social responsibility association, and brand transparency or a 2-way interaction effect between ability and social responsibility associations. However, in certain contexts, ability and social responsibility associations, both representing what consumers know about a brand (Berens et al., 2005; Brown and Dacin, 1997) and thus may interact to affect consumers' responses to a brand's transparency. For example, to what extent might social responsibility

Figure 4.12: Effects of Transparency and Social Responsibility on Attachment



association serve to counterbalance the moderating effect of ability association, or vice versa? Additional research could examine the interaction between ability and social responsibility in the context of brand transparency.

It is likely that a brand’s specific motivation to be transparent will influence the effects of transparency on consumers trust and other consumer-brand relationship variables. For instance, the noted positive effects of transparency might go away when consumers feel that a brand has been “forced” to be more transparent, or when consumers are sceptical about the brand’s motivation for “acting transparent” (Friestad and Wright, 1995). Thus, I invite future work to explore the role of brands’ motivation for being transparent in these relationships.

Finally, a worthwhile avenue for further research is to generalize my results to other

stakeholders and test whether current results hold using data collected in other industry contexts. Research has already highlighted the general importance of transparency in organizations (O'Toole and Bennis, 2009). A brand's ability and social responsibility associations are likely to play an important role as well in evaluating jobs and company stocks, although the role may be different from that in the context of consumers' product evaluations (Berens et al., 2005). I invite future research to examine how brand transparency impacts employees' or investors' reactions, and whether the effects and boundary conditions discovered in this research remain the same or differ for other stakeholder groups such as employees and investors.

4.6 How Does EWOM on Social Online Sites Differ from Traditional WOM?

“Why Recommending a Brand Face-to-Face but not on Facebook? ”

Social online sites such as Facebook are a global phenomenon. Today Facebook has over 900 million active users worldwide; 50% of all users log on to Facebook on any given day; more than 30 billion pieces of content (web links, blog posts etc.) are shared each month (Dan, 2011). Facebook has transformed social interactions among people, enabling them among other things to offer electronic (or online) word-of-mouth (hereafter eWOM) more easily (Chevalier and Mayzlin, 2006; Hennig-Thurau et al., 2010; Park et al., 2007).

In addition to Facebook, consumers have access to an ever-increasing number of social online sites or platforms that facilitate eWOM. Recent research (Hennig-Thurau et al., 2010) and conventional wisdom appear to suggest that eWOM is supplanting traditional word of mouth (WOM) as a driver of consumer behaviour and that Internet platforms are the future of customer relationship management. While the shift toward e-commerce is undeniable and although both WOM and eWOM have received considerable attention by researchers and theorists as of late (Hennig-Thurau et al., 2004; Trusov et al., 2009), it is not altogether clear how eWOM on social online sites such as Facebook, Weibo, etc., differs from traditional WOM and other eWOM alternatives, such as online user reviews (as shown in Chapter 2).

We know little about how eWOM on social online sites vs. traditional WOM can be built and what consumers' willingness to offer eWOM on social sites (vs. traditional WOM) says about the nature of the customer-brand relationship. In two empirical

studies I propose and find that, contrary to conventional wisdom, consumers are less willing to offer eWOM on social sites than traditional WOM. I complement prior research, which notes that strong brand attitudes and attachment influence traditional WOM, by noting that strong attitudes about a brand do not suffice to make consumers offer eWOM on social sites and instead only attachment acts as a significant driver thereof. In contrast to what one might expect, I find that male (vs. female) attached consumers are more willing to offer eWOM on social sites. The results also show that consumers' desire for self-enhancement influences the ability of eWOM on social sites to explain the impact of attachment on consumer behaviour. This chapter ends with discussion of implications and avenues for future research.

4.6.1 Theoretical Background and Hypotheses Development

4.6.1.1 Word of Mouth

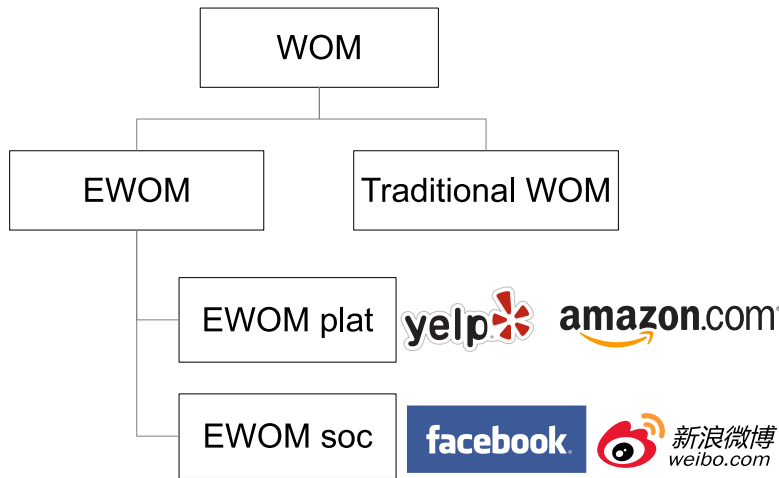
WOM is defined as oral, informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, an organization, or a service (Higie et al., 1987). The definition suggests some essential parts.

Positive WOM Although WOM might be used to refer to any interpersonal communication in daily life, including “hearsay” or “rumour”, WOM in marketing refers to talking about commercial entities including products, brands, marketers, and advertising (Dichter, 1966). The talking is not necessarily praise the product, service, or brands; it could be either positive or negative. Accordingly, negative WOM (NWOM) has been defined as “interpersonal communication among consumers concerning a marketing organization or product which denigrates the object of communication” (Richins, 1984), or simply “complaining to friends and relatives” (Singh, 1990). In contrast, positive WOM (PWOM) is the product-related information transmitted by satisfied customers. Research has suggested that the influence of WOM is asymmetrical: negative WOM has a stronger influence rather than positive WOM does (Basuroy et al., 2003; Chevalier and Mayzlin, 2006; Laczniak et al., 2001; Sen and Lerman, 2007; Zhang et al., 2010). However, given the marketers' natural interest in promoting positive WOM and the perspective of communicators, the present chapter focuses on the consumers' positive words.

EWOM In its broadest sense, WOM is transferred from one individual to another either in person or via a real-time communication medium (Brown et al., 2005). The rise of new media, such as the Internet, has provided customers with extensive options for actively sharing information about services and products and thereby spawning eWOM (Chen and Xie, 2008). While traditional WOM focuses on the information communication in person, eWOM focuses on that in the electronic form, which is becoming a significant and dynamic part of personal marketing communication channel (Sun et al., 2006). Researchers have similarly shown that eWOM has played increasingly significant roles in consumer purchasing decision and can serve as a new element in the marketing communications mix (Chen and Xie, 2008).

A typical eWOM activity may be an online customer review, which has drawn much attention in prior research (Chatterjee, 2001; Clemons et al., 2006; Dellarocas et al., 2007; Forman et al., 2008; Mudambi and Schuff, 2010; Zhu and Zhang, 2010) on platforms including professional review sites such as Yelp, Inc. or online sellers such as Amazon.com. Additionally, social networking websites have become another vital tool for transmitting eWOM (Hennig-Thurau et al., 2010). For instance Facebook, considered by some as the largest “news” organization in the world, facilitates the dissemination of a great deal of commercial information (Gans, 2011). It helps people communicate more efficiently with their friends, family and co-workers and facilitates the sharing of information through the social graph, the digital mapping of people’s real-world social connections. Anyone can sign up for Facebook and interact with the people they know in a trusted environment. Facebook users may create a personal profile, add other users as friends, and exchange messages, including automatic notifications when they update their profile. Moreover, they may join common-interest user groups, organized by workplace, school or college, or other characteristics. All these characteristics enable Facebook to be an ideal place for eWOM communication, e.g. users can simply broadcast their experience and recommendation via their status bars.

In this research three types of WOM are examined; Traditional WOM refers to the WOM which is transferred person-to-person; eWOM platform (hereafter eWOM plat) refers to the eWOM which is provided on online selling or review platforms in the form of reviews, including professional reviews and consumer reviews; eWOM social online sites hereafter eWOM soc) refers to the eWOM which is transferred on social networking sites or social online sites (see Figure 4.13).

Figure 4.13: Three Types of WOM

Traditional WOM, EWOM Plat, and EWOM Soc Table 4.12 provides a comparison between traditional WOM and the two forms of eWOM. First, compared to traditional WOM, eWOM on soc are one-to-many communication through written words rather than one-to-one through oral communication (Phelps et al., 2004); they enable consumers to share and to seek information at their convenient time and place (Sun et al., 2006). Second, eWOM plat is generally provided by less well-known, sometimes anonymous consumers rather than traditional WOM and eWOM soc, which are basically provided by a firmly established, deeply rooted, or everyday-based circle of people, such as family, friends, schoolmates, and acquaintances (Okazaki, 2008). Third, given the both strong and weak social ties between communicators and receivers, eWOM soc communicators have relatively stronger desire for social interaction and economic incentives (Hennig-Thurau et al., 2004) and the motivation to increase their attention and status and to improve their online reputation by means of sharing experience with and opinion on products and services with a multitude of others. Fourth, eWOM soc has an advantage of absence of face-to-face pressure (Phelps et al., 2004), which enable consumers feel more comfortable to sharing their experiences and opinions. Fifth, it is much easier and convenient to spread eWOM soc, for instance, recommending a product by simply writing a few words of their experience in their Facebook status.

Interestingly, eWOM soc such as Facebook or Weibo shares characteristics of both traditional WOM and eWOM plat such as blogs, discussion forums and YouTube.

Table 4.12: Comparison between Traditional WOM and EWOM

	Traditional WOM	EWOM Plat	EWOM Soc
Receivers	Individuals	Internet users	Social network
Communicators	Identifiable and accountable	Less well known, sometimes anonymous	Identifiable and accountable
Interaction	One-to-one, high level of interaction	One-to-many, limited interaction	One-to-many, limited interaction
Communication	Simultaneous communication through spoken word in a face-to-face situation	Non-simultaneous communication through written word in a non face-to-face situation	Non-simultaneous communication through written word in a non face-to-face situation
Social connection between communicators and receivers	Strong ties	Usually weak ties	Weak or strong ties

Unlike eWOM plat where largely weak ties exist among anonymous users, people providing eWOM soc are embedded in their unique social networks. Thus, eWOM on social networking sites appears to share more in common with traditional WOM. In all other ways, however, eWOM soc is more similar to eWOM plat in that it is more broad reaching and potentially more frequent than traditional WOM. For instance, eWOM enables consumers to share and to seek information at a time and place that is most convenient for them (Sun et al., 2006).

Further, both types of eWOM (eWOM soc and eWOM plat) have the advantage of an absence of face-to-face pressure (Phelps et al., 2004), which notionally makes consumers feel more comfortable about sharing their experiences and opinions. Finally, and compared to traditional WOM, both forms of eWOM are one-to-many communication through written words rather than one-to-one through oral communication (Phelps et al., 2004) providing a higher level of convenience.

It is plausible, however, that consumers will be less likely to provide eWOM on social sites than traditional face-to-face WOM and other forms of eWOM. First, users of social sites typically have a list of friends that are part of the site with

which they share both strong and weak ties (e.g., “old friend”, “good buddy”, “work colleague”, “boss at work”, etc.). Unlike eWOM on blogs and a chat rooms, etc., which is generally provided by less well-known, sometimes anonymous consumers, eWOM on Facebook, Weibo or other social sites is basically provided by a firmly established, deeply rooted, or everyday-based circle of people, such as family, friends, schoolmates, and acquaintances (Okazaki, 2008; Sun et al., 2006). There is a great deal more social risk in providing a recommendation to a social network in which one’s reputation is built and maintained. Furthermore, the variable nature of the ties within typical social network platforms (i.e., ranging from close friends work acquaintances) makes tailoring the message to various audiences nested within the network quite complicated. Traditional WOM, which typically involves sharing one’s view with one or a few others at any given time, allows customization of the message to the audience as well as a natural limit to the social risk to which one is exposed. I therefore predict that:

H1: Consumers are less likely to provide eWOM on social sites than traditional WOM.

4.6.1.2 Brand Attachment and Brand Attitude

While the overall propensity to provide eWOM is less than traditional WOM, this difference is likely to vary given certain antecedent conditions. Research has identified several important factors that facilitate consumers’ propensity to spread positive WOM (Anderson, 1998; Brown et al., 2005), including product quality (Parasuraman et al., 1988; Zeithaml et al., 1996), service recovery (Maxham, 2001), customers’ emotional or affective experiences such as the satisfaction or dissatisfaction with previous purchasing experience (Anderson, 1998; Brown et al., 2005; Hennig-Thurau et al., 2002; Nyer, 1997), and relationships between customers and brands or employees, including the interpersonal bonds between employees and customers (Gremmler et al., 2001). Of these factors, one’s brand attachment (i.e., the strength of the bond connecting the brand with the self) (Park et al., 2010) is likely to be a particularly strong influence on customers’ willingness to generate positive WOM.

Brand attachment is the strength of the bond connecting the brand with the self (Park et al., 2010). People possess an inherent motivation or desire to incorporate other individuals and entities (e.g., a brand) into their conception of “self” through a process of self-expansion (Aron et al., 2005). When consumers self-identify with a brand to a high extent and the brand is prominent in their mind, consumers are

considered as highly attached to the brand. Highly attached consumers view the brand as part of themselves and have salient thoughts and feelings about it (Park et al., 2009, 2010; Thomson et al., 2005). They are often not just recipients of a brand's resources, but also actively invest their own time, money, and effort to maintain their relationship with the brand (Johnson and Rusbult, 1989; Muniz Jr and O'Guinn, 2001; Park et al., 2010; Schouten and McAlexander, 1995). These efforts may be manifest in actions such as; defending the brand against others (Johnson and Rusbult, 1989), derogating alternative brands (Johnson and Rusbult, 1989), and getting involved in brand communities and brand promotion through social media (Muniz Jr and O'Guinn, 2001; Schouten and McAlexander, 1995). Saying positive words about a brand or recommending a brand to others may provide consumers with a means of expressing their high attachment to the brand.

Prior research has also demonstrated empirically that brand attitude - the valence of consumers' attitude towards a brand (Park et al., 2010) - has implications for a range of consumer behaviours including willingness to recommend the brand. However, brand attitude does not necessarily capture consumers' self-connection with a brand and is less strongly linked to consumers' willingness to invest their own resources to sustain their brand relationship (Fedorikhin et al., 2008; Park et al., 2010). I argue that providing eWOM on a social site requires more of a consumers' resources (e.g., one's reputation, mental effort, etc.) than traditional WOM. Therefore, I predict that:

H2: Brand attitude impacts traditional WOM but has no effect on eWOM on social sites, while brand attachment affects both.

Building on these arguments and research, which notes attachment as a more accurate and stronger predictor of consumer behaviour than other relationship measures including brand attitude (Fedorikhin et al., 2008; Park et al., 2010), I predict that:

H3: The positive association between eWOM soc and brand purchase will be stronger than the association between traditional WOM or eWOM plat and brand purchase.

4.6.1.3 Self-Enhancement and Gender as Moderators

The definition of WOM shows that even though the content of WOM is commercial, the communicators are not, or at least are perceived not to be, motivated commercially (Kirby and Marsden, 2006). WOM is simply commercial talk among

consumers, none of whom is perceived to be associated with marketers (Kirby and Marsden, 2006). That means consumers don't talk about brands because they are employees of the company or receive any incentives from it, but talk at their own will. Self-involvement (Dichter, 1961; Engel et al., 1993; Sundaram et al., 1998) was identified as a major motive for consumers to talk about products or services (Dichter, 1961). Nobody will speak about a product or service unless he gets something out of it, i.e. a consumer is likely to choose such words as are most apt to serve his underlying needs and ends (Dichter, 1961).

In psychology literature regarding self-motives, self-enhancement was widely discussed (Sedikides and Strube, 1995). Self-enhancement refers to people's desire to see themselves in a positive frame or to generally feel positive about themselves (Gregg et al., 2011; Sedikides and Gregg, 2008). Most consumers tend to rate themselves above-average on most personally important traits (Guenther and Alicke, 2010). I considered consumers' desire for self-enhancement as a potential moderator in the relationship between attachment and brand purchase relationships.

When providing WOM, the experience with the product is immediately put to use in the service of self-enhancement of the speaker and of his need to reassure himself in front of others (Dichter, 1966). Consumers are likely to talk about products and services to meet their goals such as feeling of power and prestige of influencing other's behaviours, gaining attention, showing connoisseurship, feeling like a pioneer, having inside information, suggesting social status, enhancing position within a group, spreading the gospel, seeking confirmation of own judgement, asserting superiority (Blackwell et al., 2001; Dichter, 1966; Hennig-Thurau et al., 2004). The broader reach of social sites such as Facebook or Twitter means that such platforms will be a particularly effective medium for confirming to others one's favoured brands and receiving feedback on expressed opinions. EWOM soc will, therefore, be more likely as consumers seek to enhance their self-concept and to maintain and increase their levels of self-esteem (Sedikides, 1993). Consumers' desire to self-enhance will also increase the motivation to align purchase behaviour with expressed opinions. Based on these arguments, I predict that:

H4: Consumers' desire for self-enhancement strengthens the relationship between: a) brand attachment and eWOM soc, and b) eWOM soc and purchase behaviour.

Gender is commonly found to influence communication style (Bae and Lee, 2011; Garbarino and Strahilevitz, 2004). The difference between men and women is of-

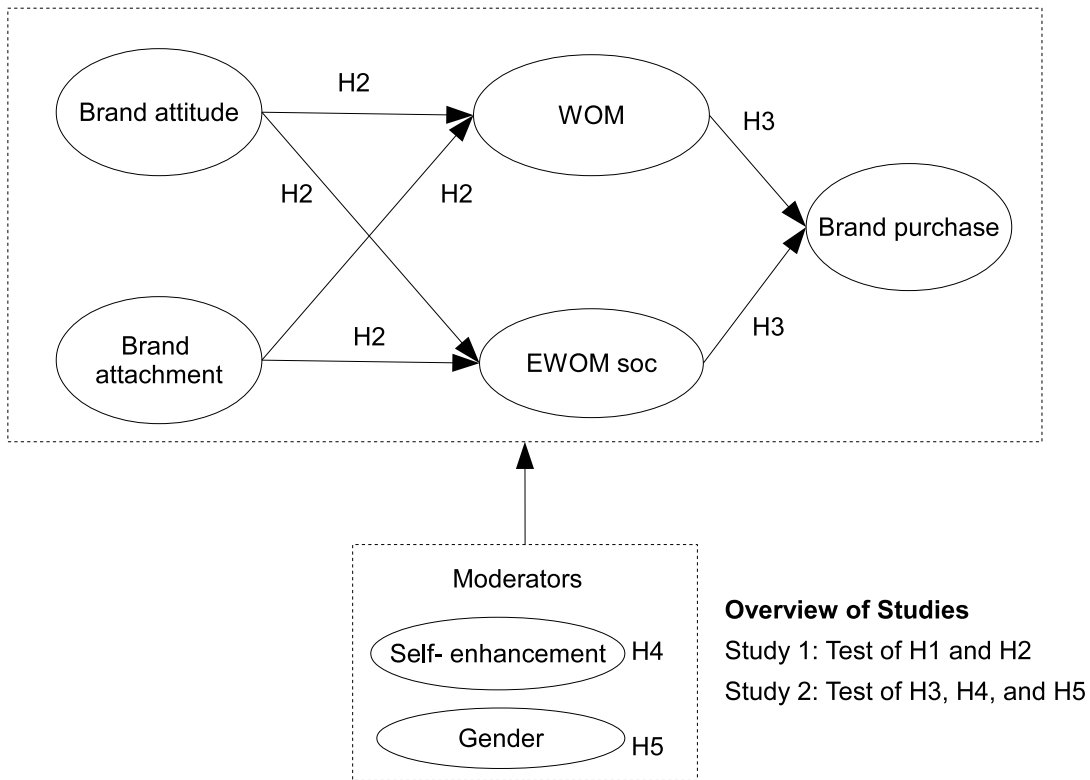
ten thought to derive from differences in the way individuals perceive, comprehend, and interpret the world around them (i.e., their approach to self-construal) (Cross and Madson, 1997). For individuals with an independent self-construal, self-enhancement derives from the ability to maintain a sense of autonomy or independence (Markus and Kitayama, 1994). By contrast, for the individuals with an interdependent self-construal, self-representations are woven together with representations of “close others” (e.g. one’s spouse or best friend). Positive feelings about the self derive from the development and maintenance of close relationships and from participation in the well-being of others.

In general, men are suggested to construct and maintain an independent self-construal, whereas women are suggested to construct and maintain an interdependent self (Cross and Madson, 1997; Markus and Kitayama, 1991). Thus, once men are attached to a brand, they are less likely to be concerned about the social risk of broadcasting their opinions widely. Equally, they will be less concerned about the nuance of the various strata of relationships within their social network. Hence, men are more likely to generate eWOM on social sites such as Facebook or Twitter as a result of their attachment to a particular brand. They are also more likely to purchase a brand that helps them meet their self-image. By contrast women, attached to a particular brand, are more likely to be concerned about the differences between groups within their social network and will, accordingly, talk about their experiences with others in person in order to enable message customization. Thus, I predict that:

H5: Gender will moderate the relationship between: a) brand attachment and eWOM soc, and b) eWOM soc and purchase behaviour such that these relationships are stronger for male than female consumers.

Two empirical studies were conducted in order to test these hypotheses (see Figure 4.14). In the first study, I examined the difference between consumers’ willingness to provide traditional WOM and eWOM soc and plat in terms of antecedents, i.e. brand attachment and brand attitude. Study 2 examines how eWOM soc and traditional WOM mediate the influence of brand attachment on consumer behaviour, and under what conditions (gender, consumers’ desire for self-enhancement).

Figure 4.14: Overview of Studies



4.6.2 Study 1

4.6.2.1 Method

For Study 1, data were collected using an online survey. I first sent out our online questionnaire link to 42 randomly chosen respondents from a large pool of postgraduate students to conduct a pilot test to check if the questionnaire was clear and easily understood. Following a revision of the questionnaire, I emailed the online questionnaire link to postgraduate students of a postgraduate marketing course. They were asked to first state whether they currently use one or several social sites. Next, they were then asked to name one of their favourite brands and then to report their evaluation and feelings of the brand. All responses were recorded anonymously. In the end of the questionnaire, I asked respondents whether they would like to leave their email address to take an opportunity to win a £100 cash prize, a thank-you for completing the questionnaire. In the end I collected 341 usable responses.

lists all measures and item sources. I assessed brand attitude using items that

captured attitude valence with anchors including; “good” (+5) versus “bad” (-5); “positive” (+5) versus “negative” (-5); “liked” (+5) versus “disliked” (-5). All other variables were measured using nine-point Likert scales. I measured brand attachment using the published scale of Park et al. (2010) ($\alpha = .94$). WOM captured consumers’ willingness to recommend the brand to relatives and friends and was measured by the three-item scale of Zeithaml et al. (1996) ($\alpha = .83$). EWOM soc and Traditional WOM were measured with items adapted from Zeithaml et al. (1996). Specifically, EWOM soc was measured using the following three items; (1) “To what extent do you say positive things about [brand name] on social sites such as Facebook?”, (2) “To what extent do you use social sites to encourage friends and relatives to buy [brand name]’s products?”, and (3) “To what extent do you recommend [brand name] on social sites such as Facebook?” ($\alpha = .90$). Other, traditional WOM was measured using the following three items; (1) “To what extent do you offer positive word-of-mouth about [brand name] in online discussion fora, product review sites, etc., without necessarily indicating your real name?”, (2) “To what extent do you recommend [brand name] online without disclosing your real name?”, and (3) “To what extent do you say positive things about [brand name] in online product review sites, discussion fora, or blogs?” ($\alpha = .94$). for convince, I will use WOM to refer to traditional WOM in the results.

Table 4.13: Measurement Items

Construct	Items
Brand attitude (only measured in Study 1)	Please describe your opinion about your favourite brand. For you, [brand name] is...(1) “bad [-5]/ good [5],” (2) “negative [-5]/ positive [5],” (3) “dislike [-5]/ like [5]”
Brand attachment (Park et al., 2010)	(1) To what extent is [brand name] part of you and who you are? (2) To what extent do you feel personally connected to [brand name]? (3) To what extent are your thoughts and feelings toward [brand name] often automatic, coming to mind seemingly on their own? (4) To what extent do your thoughts and feelings towards [brand name] come to you naturally and instantly? (1= “not at all”, 9= “completely”)

Construct	Items
WOM (Zeithaml et al., 1996)	(1) To what extent do you say positive things about [brand name] to other people in person? (2) To what extent do you encourage friends and relatives to buy [brand name]'s products in person? (3) To what extent do you personally recommend [brand name] to someone who seeks your advice? (1= "not at all", 9= "completely")
EWOM soc (Zeithaml et al., 1996)	(1) To what extent do you say positive things about [brand name] on social sites such as Facebook? (2) To what extent do you use social sites to encourage friends and relatives to buy [brand name]'s products? (3) To what extent do you recommend [brand name] on social sites such as Facebook? (1= "not at all", 9= "completely")
Brand purchase (only measured in Study 2)	"Please note down the total amount of money spent on Starbucks products in the last month"
Self-enhancement (Gregg et al., 2011) (only measured in Study 2)	Please describe your self. (1) "In general, I like to hear that I am a great person", and (2) "In general, I want to discover that I have excellent qualities" (1= "not like me at all", and 9 = "just like me")

A confirmatory factor analysis (CFA) was conducted in AMOS 18.0 to assess the reliability and validity of the multi-item scales used in my study. Table 4.14 provides a summary of the measure validation results. The measurement model shows a good overall fit; comparative fit index (CFI) = .98, normed fit index (NFI) = .98, and root mean square error of approximation (RMSEA) = .048. Each of the measures exhibits strong composite reliability, from a low of .84 for Traditional WOM to a high of .94 for brand attachment. All exceed the thresholds typically proposed in the literature (Bagozzi and Yi, 1988). Together with reported values of Cronbach's alpha, these results suggest good reliability for each of our measures. Furthermore, all indicators

have significant loadings on their respective latent constructs. The correlation matrix ensures that unit correlation among latent variables is unlikely. Following Fornell and Larcker (1981)'s criterion, I found that the average variance extracted exceeded the squared correlations between all pairs of constructs, supporting the discriminant validity of the constructs.

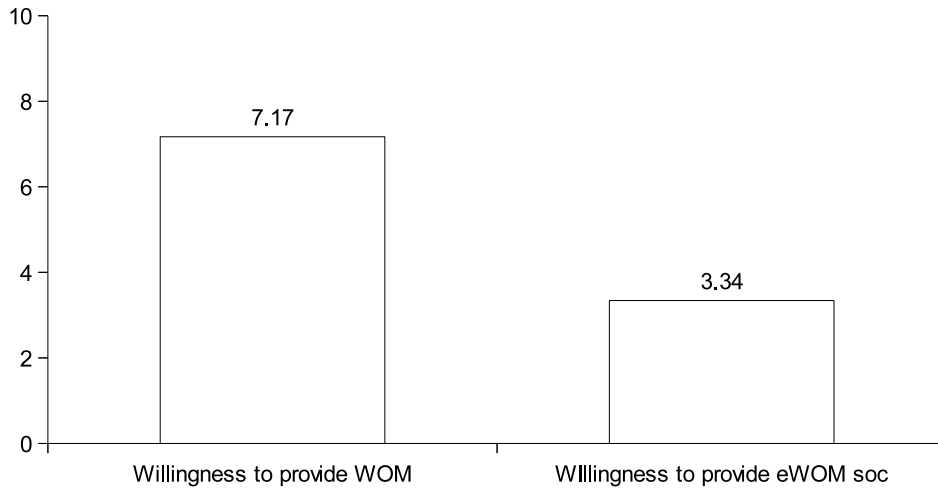
Table 4.14: Study 1 Measurement Model in SEM

Construct	Number of Items	Composite Reliability	AVE	Correlations			
				1	2	3	4
1. Brand attitude	3	.88	.72	1.00			
2. Brand attachment	4	.94	.79	.26	1.00		
3. WOM	3	.84	.63	.54	.36	1.00	
4. EWOM soc	3	.92	.78	.02	.54	.22	1.00

4.6.2.2 Findings and Discussion

Descriptive statistics for consumers' WOM and eWOM on social sites are provided in Figure 4.15. There is a significant difference between the two ($t(340) = 26.85$, $p < .001$); consumers provide WOM more frequently ($M_{\text{traditional WOM}} = 7.17$) than eWOM soc ($M_{\text{eWOM soc}} = 3.34$). This supports the predication that in general consumers more willing to offer traditional WOM than to provide eWOM soc. Given this significant difference between the two, I next examine potential antecedents.

Next, I used Structural Equation Modelling (SEM) approach to test our hypotheses. As presented in Figure 4.16 and Table 4.15, the result of the structural model shows that our overall model fit statistics are good ($X^2/df = 2.62$, $RMSEA = .07$, $CFI = .97$, $GFI = .94$, $NFI = .96$). It is noticed from the result that: 1) brand attitude is positively associated with traditional WOM, but not with eWOM soc; 2) brand attachment is positively associated with both traditional WOM and eWOM soc.

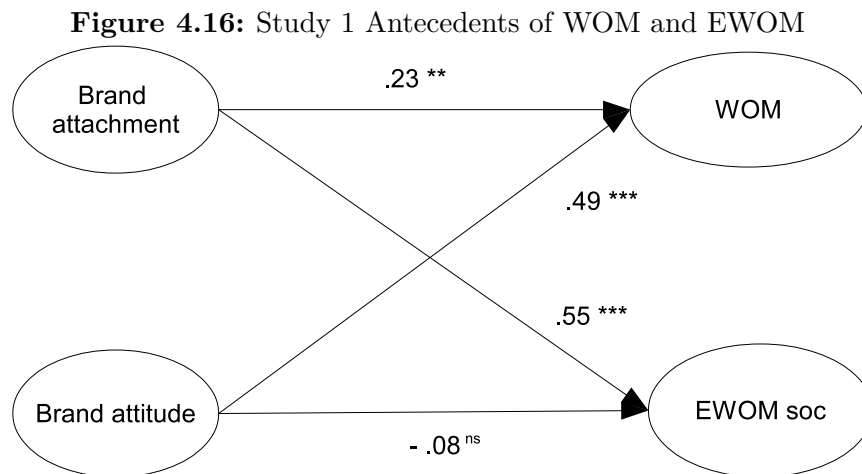
Figure 4.15: Study 1 Difference between Willingness to Provide WOM and EWOM

In summary, Study 1 provides empirical support for the notion that consumers are less willing to offer positive eWOM on online social sites such as Facebook than traditional WOM (H1). Study 1 results also show that when consumers have either a high brand attitude or a high brand attachment they are willing to provide traditional WOM, i.e. to recommend the brand person-to-person. Importantly, brand attitude shows a stronger predicting effect than brand attachment (H2). In contrast, willingness to provide eWOM soc is not affected by brand attitude but is significantly influenced by consumers' level of brand attachment. As suggested in literature that a high brand attachment is more hardly to gain than a high brand attitude, the result explains why traditional WOM is much more common than eWOM on Facebook.

4.6.3 Study 2

4.6.3.1 Method

For this study, field data was collected from Starbucks consumers at South Kensington Store. They were approached as they walked out of a Starbucks shop and



asked if they were willing to take part in a research study. Upon completion of the survey, participants received either a small pack of Starbucks Sumatra Blend Coffee or Starbucks Tazo Zen Green Tea as a thank you and sign of appreciation. Over the course of eight days, a total of 208 usable responses was received. All variables were measured using nine-point Likert scales anchored by 1 = “strongly disagree” and 9 = “strongly agree” except stated otherwise. Brand attachment ($\alpha = .94$) and willingness to provide eWOM soc ($\alpha = .96$) were measured identically to Study 1. Brand purchasing behaviour measured respondents’ self-reported total money spent on Starbucks products in the last month (e.g., “Please note down the total amount of money spent on Starbucks products in the last month.”). Consumers’ desire for self-enhancement was measured by Gregg et al. (2011)’s two-items scale: (1) “In general, I like to hear that I am a great person”, and (2) “In general, I want to discover that I have excellent qualities”) ($r = .84$). For full measures, see Table 4.13.

4.6.3.2 Findings

I adopted multiple regressions and a bootstrapping procedure described by Hayes (2012) along with the SPSS macro provided by the author. An index score was computed for the use in analysis. Descriptive statistics and pairwise correlations for the measures used in analysis are shown in Table 4.16.

Table 4.15: Study 1 SEM Results

	Standardized Regression Weights
Brand attitude -> WOM	.49 ^{***}
Brand attachment -> WOM	.23 ^{**}
Brand attitude -> eWOM soc	-.08
Brand attachment -> eWOM soc	.55 ^{***}

Overall model fit statistics

$$R^2_{\text{WOM}} = .35$$

$$R^2_{\text{eWOM soc}} = .29$$

$$X^2/df = 2.62$$

$$\text{Root mean square error of approximation (RMSEA)} = .07$$

$$\text{Comparative fit index (CFI)} = .97$$

$$\text{Goodness-of-fit index (GFI)} = .94$$

$$\text{Normed fit index (NFI)} = .96$$

Note: ** $p < .01$; *** $p < .001$.

Self-Enhancement as a Moderator I used Hayes (2012)'s SPSS macro to run the moderated mediation analysis with self-enhancement as moderator first. Table 4.17 presents the result for three multiple regressions with self-enhancement as a moderator. The result shows that attachment is positively associated traditional WOM (the first regression) and eWOM soc (the second regression); EWOM soc are positively associated with purchase while traditional WOM and attachment are not (the third regression). This indicates that eWOM soc, rather than traditional WOM, better explains (mediates) the effect of attachment on brand purchase.

Table 4.17: Study 2 Test of Moderated Mediation (Moderator: Self-Enhancement)

Predictors	B (SE)	t
Mediator variable model (predicting WOM)		

Table 4.17: Study 2 Test of Moderated Mediation (Moderator: Self-Enhancement)

Predictors	B (SE)	t
Self-enhancement	.08 (.08)	1.02
Attachment	.21 (.07)	2.94**
Attachment × Self-enhancement	.05 (.02)	2.14*
R2		.24
Mediator variable model (predicting eWOM soc)		
Self-enhancement	.30 (.07)	4.23***
Attachment	.52 (.06)	8.22***
Attachment × Self-enhancement	.06 (.02)	2.53*
R2		.72
Dependent variable model (predicting purchase)		
Self-enhancement	7.49 (3.83)	1.96
Attachment	-.84 (3.87)	-.22
Attachment × Self-enhancement	1.77 (1.78)	1.00
WOM	-3.81 (3.30)	-1.17
WOM × Self-enhancement	-3.25 (1.46)	-2.22*
EWOM soc	22.12 (3.95)	5.60***
EWOM soc × Self-enhancement	6.00 (1.69)	3.55***
R2		.62

Note: N=327; * $p < .05$; ** $p < .01$; *** $p < .001$

Table 4.16: Study 2 Correlations

Variable	M	SD	1	2	3	4	5	6
1 Brand purchase	70.17	100.30	1.00					
2 Attachment	3.49	2.39	.61**	1.00				
3 WOM	3.67	1.55	.33**	.47**	1.00			
4 EWOM soc	3.04	2.28	.74**	.82**	.45**	1.00		
5 Self-enhancement	3.41	2.18	.63**	.83**	.44**	.78**	1.00	
6 Gender	-	-	.19**	.19**	.25**	.28**	.23**	1.00

Note: ** $p < .01$

The results also show that the interaction between self-enhancement and attachment is positively associated with traditional WOM (the first regression) and eWOM soc (the second regression); the interaction between self-enhancement and eWOM soc is positively associated with purchase while the interaction between self-enhancement and traditional WOM is negatively associated with purchase (the third regression). This indicates that self-enhancement positively moderates the relationship between attachment and eWOM soc, attachment and traditional WOM, and eWOM soc and purchase, but, interestingly, negatively moderates the relationship between traditional WOM and purchase. Thus, traditional WOM and eWOM soc interact differently with consumer self-enhancement.

In order to probe the significant interactions, I adopted the bootstrapping procedure to test the significance of the direct and indirect effects with self-enhancement as moderator. The bootstrapping procedure has been found to be superior to other methods, such as the Sobel test which has relatively low statistical power (MacKinnon et al., 2002). Conditional indirect effects are calculated as the product of the unstandardised regression weight for the path from the predictor (attachment in this study) to the mediator (traditional WOM and eWOM soc in this study) and the unstandardised regression weight for the path from the mediator to the outcome variable (purchase in this study) separately across the level of the moderator (self-enhancement in this study). The indirect effect is significant if the confidence interval does not contain zero (Hayes, 2012).

For the present study, 5000 bootstrap samples were drawn. As shown in Table 4.18, the conditional direct effect of attachment on brand purchase is not significant either

when self-enhancement desire is high or low. Among low self-enhancement desire consumers, the indirect effect of attachment on purchase neither through traditional WOM nor through eWOM soc is significant (as the confidence interval (CI) includes zero). Among high self-enhancement consumers, the indirect effect of attachment on purchase both through traditional WOM and through eWOM soc is significant (as CI does not include zero). These results indicate that when consumers' desire for self-enhancement is low there is no mediation while when consumers' desire for self-enhancement is high eWOM soc mediates the effect of brand attachment on consumer brand purchase.

Table 4.18: Study 2 Bootstrap Results for Moderated Mediation (Moderator: Self-Enhancement)

	Low self- enhancement B(SE)	High self- enhancement B(SE)
Direct effect:		
Attachment -> brand purchase	-4.71 (5.86)	3.03 (5.09)
Indirect effect:		
Attachment -> WOM -> brand purchase (CI)	.30 (.67) (-.29, 2.66)	-3.49 (2.37) (-9.64, -.03)
Attachment -> eWOM soc -> brand purchase (CI)	3.58 (4.35) (-2.12, 16.03)	22.46 (4.77) (14.48, 33.29)

Note: CI = 95% confidence interval for indirect effect; if CI does not include zero indirect effect is considered statistically significant and is displayed in bold. ** $p < .01$

Gender a Moderator I ran the same analysis with gender as a moderator. Table 4.19 and Table 4.20 present the results of our regressions. I find that attachment and gender are positively associated with traditional WOM (the first regression) and eWOM soc (the second regression). More specifically, eWOM soc is positively associated with purchase while traditional WOM and attachment are not (the third regression). This indicates that eWOM soc mediates the effect of attachment on purchase, while

traditional WOM does not. The result also shows that the interaction between attachment and gender is associated with eWOM soc (the second regression). This indicates that gender moderates the relationship between attachment and eWOM soc. That is, the positive impact of brand attachment on eWOM soc is stronger for male than for female consumers.

Table 4.19: Study 2 Test of Moderated Mediation (Moderator: Gender)

Predictors	B (SE)	t
Mediator variable model (predicting WOM)		
Gender	52 (.19)	2.67**
Attachment	.29 (.04)	7.11***
Attachment × Gender	-.07 (.08)	-.91
R ²		.25
Mediator variable model (predicting eWOM soc)		
Gender	.64 (.18)	3.60***
Attachment	.74 (.04)	19.92***
Attachment × Gender	.22 (.08)	2.88**
R ²		.70
Dependent variable model (predicting purchase)		
Gender	-4.24 (10.10)	-.42
Attachment	.22 (3.59)	.06
Attachment × Gender	-.63 (7.16)	-.09
WOM	.05 (3.56)	.01

Predictors	B (SE)	t
WOM × Gender	4.47 (7.12)	.63
EWOM soc	32.41 (3.85)	8.41***
EWOM soc × Gender	2.12 (7.73)	3.28
R ²		.55

Note: N=327; * $p < .05$; ** $p < .01$; *** $p < .001$

Table 4.20: Study 2 Bootstrap Results for Moderated Mediation (Moderator: Gender)

	Female B(SE)	Male B(SE)
Direct effect:		
Attachment -> brand purchase	.55 (4.88)	-.08 (5.24)
Indirect effect:		
Attachment -> WOM -> brand purchase (CI)	-.74 (1.85) (-4.28, 3.09)	-.55 (1.46) (-1.99, 3.89)
Attachment -> eWOM soc -> brand purchase (CI)	19.75 (5.90) (8.83, 32.38)	28.31 (5.90) (18.49, 42.17)

Note: CI = 95% confidence interval for indirect effect; if CI does not include zero indirect effect is considered statistically significant and is displayed in bold. ** $p < .01$

4.6.3.3 Discussion

Study 2 replicated the results in Study 1 in a field setting and empirically extended them to show that consumers' willingness to provide eWOM soc (rather than willingness to provide traditional WOM) explains the impact of brand attachment on consumer brand purchase behaviour (H3). Importantly, consumers' desire for self-enhancement and gender play a significant role as moderators in the mediation

model (H4 and H5). That is, attached male versus female consumers are more likely to provide eWOM soc. Furthermore, when consumers have a strong desire for self-enhancement, brand attachment is more likely to lead them to provide eWOM soc and in turn to purchase the brand. Finally, traditional WOM and eWOM soc interact with self-enhancement differently in influencing brand purchase, further suggesting the difference between traditional WOM and eWOM soc.

4.6.4 General Discussion and Implications

Social online sites such as Facebook have been making front-page news for years. Yet, little is known about whether and how consumers' eWOM on these social sites such as Facebook, Weibo, and others, differs from providing traditional WOM or other forms of eWOM. Contrary to what conventional wisdom might suggest, this research finds that consumers are generally less likely to offer eWOM on a social site (eWOM soc) than traditional WOM and other forms of eWOM (eWOM plat). Furthermore, rather than traditional WOM, eWOM soc better explains the effect of brand attachment on brand purchase with consumers' desire for self-enhancement and gender acting as significant moderators.

4.6.4.1 Theoretical Contribution

In terms of theory, the findings show that there are significant differences between traditional WOM and eWOM soc. The differences lies in consumers' propensity to provide them, their antecedents, mediating roles in the relationship between brand attachment and consumers' brand purchase, and their interaction with self-enhancement. Self-enhancement strengthens the relationship between eWOM soc and brand purchase but weakens that between traditional WOM and brand purchase.

The findings raise interesting questions about exactly what makes people hesitant to offer eWOM on a social site they often visit daily and spend hours browsing. Despite this heightened level of social activity, individuals are still more likely to share information with others on a face-to-face basis. Future research might attempt to address these questions in more detail. When highly attached to a brand, male consumers are more likely to provide eWOM on social sites than their female counterparts. Again, this raises interesting questions. What are the specific mechanisms that lead attached male (vs. female) consumers to engage in more eWOM

soc despite the fact that female consumers on average spend more time on and log in more frequently to social online sites such as Facebook than male users?

The findings suggest that the mediating effect of eWOM soc between brand attachment and brand purchase is moderated by consumers' desire for self-enhancement. Highly attached consumers with high desire for self-enhancement (versus low desire for self-enhancement) are more likely to provide eWOM soc and in turn repurchase the brand. Interestingly, the findings also show that highly attached consumers with high desire for self-enhancement are more likely to provide traditional WOM as well, which, however, does not mean more brand purchase (and can even mean less purchase). Why is this so? Future research in this area is without doubt richly deserving.

4.6.4.2 Practical Implications

The findings of this research are of relevance for the practice of marketing. First, current findings show that consumers' willingness to talk up a brand on social online sites such as Facebook can be a more effective indicator of strong consumer-brand relationships than willingness to offer traditional WOM. Companies can thus track and use WOM soc to identify some of their most loyal consumers and find suitable ways to engage them effectively.

Second, putting effort into developing consumers' brand attachment benefits a company (Park et al., 2010). EWOM soc explains the influence of brand attachment on consumers' brand purchase behaviour. Once consumers are highly attached to a brand, not only will they be loyal to the brand (i.e., the positive effect of brand attachment on brand purchase), but also they will be more likely to talk up the brand in their social circles (i.e., the mediating role of eWOM soc in the positive relationship between brand attachment and brand purchase). Surprisingly, male (vs. female) consumers and those with high desire for self-enhancement play the most important role in these relationships and companies may trade upon this finding by serving their needs.

4.6.4.3 Limitation and Future research

In line with Park (2012)'s editorial, I hope that the current empirical findings can shed additional light on the phenomenon of eWOM soc and offer avenues for future research to further explore the various mechanisms explaining eWOM soc. Our

research distinguishes consumers' willingness to provide eWOM from their willingness to provide other forms of eWOM and traditional WOM. Given the marketers' natural interest in promoting positive WOM and the perspective of communicators, the present paper focuses on the consumers' positive brand WOM. However, WOM could be either positive or negative. Research has identified some bias of WOM (Basuroy et al., 2003; Sen and Lerman, 2007). Thus, it is worthwhile to further explore negative eWOM on social sites.

4.7 Discussion and Implications

4.7.1 Overview

Information between firms (or their brands) and consumers is inevitably asymmetric in most instances. Consumers have to admit and accept the fact that firms usually hold more information about their products offerings. In recent years, spurred by a financial crisis, calls for greater accountability and openness has grown louder. Moreover, 24 hours news channels, a growing number of social media, and information sharing websites have provided great opportunities for consumers to obtain more information from other sources. Firms face an unprecedented situation that calls for increased attention to reducing information asymmetries and allowing consumers to "see through" product offerings have become louder (Stewart, 2009; Wilkin, 2009). Nowadays, transparency has risen to the top of the corporate agenda.

However, some gaps exist between existing the research and the practice . First, the definition of transparency was not clear. Previous research treated transparency as an objective characteristic or quality of a brand. However, consumers may not perceive transparency in the same way as brand managers. This suggests that brand transparency also includes subjective elements. While extant research tries to examine transparency objectively from a firm's perspective, for example, by measuring a firm's willingness to provide information (Hung and Wong 2009), I posit that much is to be gained by measuring brand transparency from a consumer's perspective.

Second, consumers' WOM has been demonstrated as a vital factor of brand transparency. Especially with the widespread of Internet, social online sites such as Facebook have been making front-page news for years. However, little is known about whether and how consumers' eWOM on these social sites such as Facebook, Weibo, and others, differs from providing traditional WOM or other forms of eWOM.

Specifically, are consumers willing to provide traditional WOM and eWOM on social online sites to the same extent? Do antecedents to traditional WOM differ from those to eWOM on social sites? Do traditional WOM and eWOM on social sites say the same thing in the consumer-brand relationships?

The thesis aimed to fill these gaps. First, I articulated the defining properties of transparency and examined the impact of service and product brands' transparency on the consumer-brand relationship. I found support for the hypotheses across different service and product industries (see Chapter 4) and even when I took a more conservative approach of using delayed measures for the main dependent variables (see Study 3 in Chapter 4). Second, I sought to examine important boundary conditions for the impact of transparency and test when transparency is beneficial to service and product brands and when it is not (See Study 2 and 3 in Chapter 4). Third, contrary to what conventional wisdom might suggest, my research finds that consumers are generally less likely to offer eWOM on social sites (eWOM soc) than traditional WOM and other forms of eWOM (eWOM plat) (see Study 1 in Chapter 5). Fourth, rather than traditional WOM, eWOM soc better explains the effect of brand attachment on brand purchase with consumers' desire for self-enhancement and gender acting as significant moderators (see Study 2 in Chapter 5).

4.7.2 Theoretical Contribution

Across three major research (see Chapter 3, 4, and 5), my work offers thought-provoking insights for theory building, contributing in several important ways. Foremost, the proposed transparency construct complements and extends extant research; it is suggested to be a better indicator than communication of information flow between consumers and brands. Adopting accessibility - diagnosticity model, two critical and non-redundant dimensions of transparency are proposed: information objectivity and information accessibility. A valid and effective measure for transparency is developed. It offers a rich opportunity for future empirical investigation of consumer-brand relationships and information disclosure (Pechmann and Wang, 2010).

Second, transparency is demonstrated to be positively related to consumer's trust, willingness to pay a price premium for a brand., and especially consumers' attachment to a brand. This is noteworthy since attachment taps into brand-self connection and the ease with which memory of brand-related thoughts and feelings

are brought to mind, which represent deeper and more meaningful consumer-brand relationships (Park et al., 2010).

Third, WOM has been suggested as a vital factor of transparency. Since social online sites is increasingly popular and important, I also conducts a deep examination on eWOM on social sites. The findings show that there are significant differences between traditional WOM and eWOM soc in consumers' propensity to provide them, their antecedents, mediating roles in the relationship between brand attachment and consumer brand purchase, and their interaction with self-enhancement. Self-enhancement strengthens the relationship between eWOM soc and brand purchase but weakens that between traditional WOM and brand purchase.

4.7.3 Practical Implication

The findings of this research are of relevance for the practice of marketing. First, firms learn when transparency will benefit them. When a brand is high in ability associations, it can reap significant benefits from being transparent, i.e., greater levels of consumers' trust, willingness to pay a price premium, and attachment. When a brand is low in ability associations, it can also employ a brand transparency policy because at the very least, it is not harmful. Importantly, a brand low in social responsibility associations can still achieve high consumer-brand relationship outcomes by adopting high levels of brand transparency. While transparency reflects consumer's need to minimize risk or uncertainty associated with a firm's product or service offerings, social responsibility associations have nothing to do with technological expertise or performance of the products/services. Thus, consumers seem to appreciate a firm's transparency regardless of their social responsibility associations with the firm. Firms have been reluctant to be transparent, perhaps in fear that the 'king might be seen as naked'. The results of my research show that service and product firms alike do not lose but rather have much to gain from being transparent, even when a brand is perceived as low in social responsibility.

Second, my measure of transparency suggests many ways which could be adopted to generate a transparent brand, e.g. disclosing both pros and cons of products offerings, providing access to consumer reviews, encouraging consumers to provide WOM, making information easily understood and clear.

Third, current findings show that consumers' willingness to talk up a brand on social online sites such as Facebook can be a more effective indicator of strong consumer-

brand relationships than willingness to offer traditional WOM. Companies can thus track and use WOM soc to identify some of their most loyal consumers and find suitable ways to engage them effectively.

Forth, putting effort into developing consumers' brand attachment benefits a company (Park et al., 2010, 2013). EWOM soc explains the influence of brand attachment on consumers' brand purchase behaviour. Once consumers are highly attached to a brand, not only will they be loyal to the brand (i.e., the positive effect of brand attachment on brand purchase), but also they will be more likely to talk up the brand in their social circles (i.e., the mediating role of eWOM soc in the positive relationship between brand attachment and brand purchase). Surprisingly, male (vs. female) consumers and those with high desire for self-enhancement play the most important role in these relationships and companies may trade upon this finding by serving their needs.

4.7.4 Limitation and Future research

I hope the current empirical findings can shed additional light on the phenomenon of transparency. Although the findings of this research are valuable and perhaps provocative, they need to be viewed in light of the some limitations which may offer promising avenues for future research. When testing the moderation effect on the relationship between brand transparency and trust, willingness to pay a price premium, and attachment, I examined ability and social responsibility separately. I did not hypothesize the interaction effect between ability and social responsibility associations, which is not the focus of my study. I did not find a significant 3-way interaction effect between ability association, social responsibility association, and brand transparency or a 2-way interaction effect between ability and social responsibility associations in the flow-up analysis. However, both brand ability and social responsibility associations represent what consumers know about a brand (Berens et al., 2005; Brown and Dacin, 1997) and thus may interact to affect consumers' responses to a brand's transparency. For example, to what extent might social responsibility association serve to counterbalance the moderating effect of ability association, or vice versa? Future research could examine the interaction between ability and social responsibility in the context of brand transparency.

A brand's specific motivation to be transparent is very likely to influence the effects of transparency on consumers trust and other consumer-brand relationship variables. When consumers feel that a brand has been "forced" to be more transparent, or when

consumers are sceptical about the brand's motivation for "acting transparent", the positive effects of transparency might go away (Friestad and Wright, 1995). Thus, future work could explore the role of brands' motivation for being transparent in these relationships.

Another worthwhile avenue for further research is to generalize our results to other stakeholders and test whether current results hold using data collected in other industry contexts. My research has already highlighted the general importance of transparency in organizations (O'Toole and Bennis, 2009). A brand's ability and social responsibility associations are likely to play an important role as well in evaluating jobs and company stocks, although the role may be different from that in the context of consumers' product evaluations (Berens et al., 2005). I invite future research to examine how brand transparency impacts employees' or investors' reactions, and whether the effects and boundary conditions discovered in this research remain the same or differ for other stakeholder groups such as employees and investors.

It is still not clear what exactly makes people hesitant to offer eWOM on a social site they often visit daily and spend hours browsing. Despite of the heightened level of social activity, consumers are still more likely to share information with others in a face-to-face manner. This is interesting. Moreover, when highly attached to a brand, male consumers are more likely to provide eWOM on social sites than their female counterparts. This also raises interesting questions. What are the specific mechanisms that lead attached male (vs. female) consumers to engage in more eWOM soc despite the fact that female consumers on average spend more time on and log in more frequently to social online sites such as Facebook than male users? Does it concern the characteristic of their social network. Thus, I invite future research to address these questions in more detail.

The findings suggest that the mediating effect of eWOM soc between brand attachment and brand purchase is moderated by consumers' desire for self-enhancement. It is reasonable that highly attached consumers with high desire for self-enhancement (versus low desire for self-enhancement) are more likely to provide eWOM soc and in turn repurchase the brand. Interestingly, highly attached consumers with high desire for self-enhancement are more likely to provide traditional WOM as well, which, however, does not mean more brand purchase (and can even mean less purchase). Why is this so? Future research in this area is without doubt richly deserving.

Consumer reviews and word of mouth could be either positive or negative. Yet,

given the marketers' natural interest in promoting positive WOM and the perspective of communicators, my work focuses solely on the consumers' positive WOM. Research has already identified some bias of WOM (Basuroy et al., 2003; Sen and Lerman, 2007). Thus, it is worthwhile to further explore negative eWOM on social sites, testing how my findings change when it comes to negative WOM.

5 How Does EWOM on Social Online Sites Differ from Traditional WOM?

“Why Recommending a Brand Face-to-Face but not on Facebook? ”

Social online sites such as Facebook are a global phenomenon. Today Facebook has over 900 million active users worldwide; 50% of all users log on to Facebook on any given day; more than 30 billion pieces of content (web links, blog posts etc.) are shared each month (Dan, 2011). Facebook has transformed social interactions among people, enabling them among other things to offer electronic (or online) word-of-mouth (hereafter eWOM) more easily (Chevalier and Mayzlin, 2006; Hennig-Thurau et al., 2010; Park et al., 2007).

In addition to Facebook, consumers have access to an ever-increasing number of social online sites or platforms that facilitate eWOM. Recent research (Hennig-Thurau et al., 2010) and conventional wisdom appear to suggest that eWOM is supplanting traditional word of mouth (WOM) as a driver of consumer behaviour and that Internet platforms are the future of customer relationship management. While the shift toward e-commerce is undeniable and although both WOM and eWOM have received considerable attention by researchers and theorists as of late (Hennig-Thurau et al., 2004; Trusov et al., 2009), it is not altogether clear how eWOM on social online sites such as Facebook, Weibo, etc., differs from traditional WOM and other eWOM alternatives, such as online user reviews (as shown in Chapter 2).

We know little about how eWOM on social online sites vs. traditional WOM can be built and what consumers' willingness to offer eWOM on social sites (vs. traditional WOM) says about the nature of the customer-brand relationship. In two empirical studies I propose and find that, contrary to conventional wisdom, consumers are less willing to offer eWOM on social sites than traditional WOM. I complement prior research, which notes that strong brand attitudes and attachment influence traditional WOM, by noting that strong attitudes about a brand do not suffice to make consumers offer eWOM on social sites and instead only attachment acts as a

significant driver thereof. In contrast to what one might expect, I find that male (vs. female) attached consumers are more willing to offer eWOM on social sites. The results also show that consumers' desire for self-enhancement influences the ability of eWOM on social sites to explain the impact of attachment on consumer behaviour. This chapter ends with discussion of implications and avenues for future research.

5.1 Theoretical Background and Hypotheses Development

5.1.1 Word of Mouth

WOM is defined as oral, informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, an organization, or a service (Higie et al., 1987). The definition suggests some essential parts.

5.1.1.1 Positive WOM

Although WOM might be used to refer to any interpersonal communication in daily life, including "hearsay" or "rumour", WOM in marketing refers to talking about commercial entities including products, brands, marketers, and advertising (Dichter, 1966). The talking is not necessarily praise the product, service, or brands; it could be either positive or negative. Accordingly, negative WOM (NWOM) has been defined as "interpersonal communication among consumers concerning a marketing organization or product which denigrates the object of communication" (Richins, 1984), or simply "complaining to friends and relatives" (Singh, 1990). In contrast, positive WOM (PWOM) is the product-related information transmitted by satisfied customers. Research has suggested that the influence of WOM is asymmetrical: negative WOM has a stronger influence rather than positive WOM does (Basuroy et al., 2003; Chevalier and Mayzlin, 2006; Laczniak et al., 2001; Sen and Lerman, 2007; Zhang et al., 2010). However, given the marketers' natural interest in promoting positive WOM and the perspective of communicators, the present chapter focuses on the consumers' positive words.

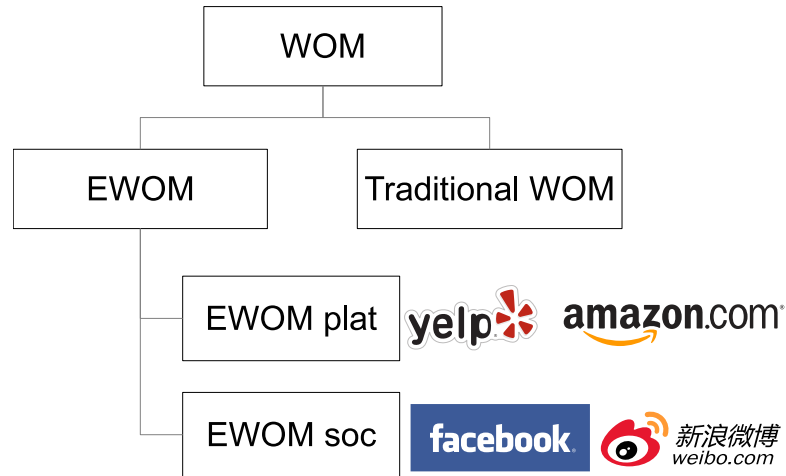
5.1.1.2 EWOM

In its broadest sense, WOM is transferred from one individual to another either in person or via a real-time communication medium (Brown et al., 2005). The rise of new media, such as the Internet, has provided customers with extensive options for actively sharing information about services and products and thereby spawning eWOM (Chen and Xie, 2008). While traditional WOM focuses on the information communication in person, eWOM focuses on that in the electronic form, which is becoming a significant and dynamic part of personal marketing communication channel (Sun et al., 2006). Researchers have similarly shown that eWOM has played increasingly significant roles in consumer purchasing decision and can serve as a new element in the marketing communications mix (Chen and Xie, 2008).

A typical eWOM activity may be an online customer review, which has drawn much attention in prior research (Chatterjee, 2001; Clemons et al., 2006; Dellarocas et al., 2007; Forman et al., 2008; Mudambi and Schuff, 2010; Zhu and Zhang, 2010) on platforms including professional review sites such as Yelp, Inc. or online sellers such as Amazon.com. Additionally, social networking websites have become another vital tool for transmitting eWOM (Hennig-Thurau et al., 2010). For instance Facebook, considered by some as the largest “news” organization in the world, facilitates the dissemination of a great deal of commercial information (Gans, 2011). It helps people communicate more efficiently with their friends, family and co-workers and facilitates the sharing of information through the social graph, the digital mapping of people’s real-world social connections. Anyone can sign up for Facebook and interact with the people they know in a trusted environment. Facebook users may create a personal profile, add other users as friends, and exchange messages, including automatic notifications when they update their profile. Moreover, they may join common-interest user groups, organized by workplace, school or college, or other characteristics. All these characteristics enable Facebook to be an ideal place for eWOM communication, e.g. users can simply broadcast their experience and recommendation via their status bars.

In this research three types of WOM are examined; Traditional WOM refers to the WOM which is transferred person-to-person; eWOM platform (hereafter eWOM plat) refers to the eWOM which is provided on online selling or review platforms in the form of reviews, including professional reviews and consumer reviews; eWOM social online sites hereafter eWOM soc) refers to the eWOM which is transferred on social networking sites or social online sites (see Figure 5.1).

Figure 5.1: Three Types of WOM



5.1.1.3 Traditional WOM, EWOM Plat, and EWOM Soc

Table 5.1 provides a comparison between traditional WOM and the two forms of eWOM. First, compared to traditional WOM, eWOM on soc are one-to-many communication through written words rather than one-to-one through oral communication (Phelps et al., 2004); they enable consumers to share and to seek information at their convenient time and place (Sun et al., 2006). Second, eWOM plat is generally provided by less well-known, sometimes anonymous consumers rather than traditional WOM and eWOM soc, which are basically provided by a firmly established, deeply rooted, or everyday-based circle of people, such as family, friends, schoolmates, and acquaintances (Okazaki, 2008). Third, given the both strong and weak social ties between communicators and receivers, eWOM soc communicators have relatively stronger desire for social interaction and economic incentives (Hennig-Thurau et al., 2004) and the motivation to increase their attention and status and to improve their online reputation by means of sharing experience with and opinion on products and services with a multitude of others. Fourth, eWOM soc has an advantage of absence of face-to-face pressure (Phelps et al., 2004), which enable consumers feel more comfortable to sharing their experiences and opinions. Fifth, it is much easier and convenient to spread eWOM soc, for instance, recommending a product by simply writing a few words of their experience in their Facebook status.

Table 5.1: Comparison between Traditional WOM and EWOM

	Traditional WOM	EWOM Plat	EWOM Soc
Receivers	Individuals	Internet users	Social network
Communicators	Identifiable and accountable	Less well known, sometimes anonymous	Identifiable and accountable
Interaction	One-to-one, high level of interaction	One-to-many, limited interaction	One-to-many, limited interaction
Communication	Simultaneous communication through spoken word in a face-to-face situation	Non-simultaneous communication through written word in a non face-to-face situation	Non-simultaneous communication through written word in a non face-to-face situation
Social connection between communicators and receivers	Strong ties	Usually weak ties	Weak or strong ties

Interestingly, eWOM soc such as Facebook or Weibo shares characteristics of both traditional WOM and eWOM plat such as blogs, discussion forums and YouTube. Unlike eWOM plat where largely weak ties exist among anonymous users, people providing eWOM soc are embedded in their unique social networks. Thus, eWOM on social networking sites appears to share more in common with traditional WOM. In all other ways, however, eWOM soc is more similar to eWOM plat in that it is more broad reaching and potentially more frequent than traditional WOM. For instance, eWOM enables consumers to share and to seek information at a time and place that is most convenient for them (Sun et al., 2006).

Further, both types of eWOM (eWOM soc and eWOM plat) have the advantage of an absence of face-to-face pressure (Phelps et al., 2004), which notionally makes consumers feel more comfortable about sharing their experiences and opinions. Finally, and compared to traditional WOM, both forms of eWOM are one-to-many communication through written words rather than one-to-one through oral communication (Phelps et al., 2004) providing a higher level of convenience.

It is plausible, however, that consumers will be less likely to provide eWOM on social sites than traditional face-to-face WOM and other forms of eWOM. First, users of social sites typically have a list of friends that are part of the site with which they share both strong and weak ties (e.g., “old friend”, “good buddy”, “work colleague”, “boss at work”, etc.). Unlike eWOM on blogs and a chat rooms, etc., which is generally provided by less well-known, sometimes anonymous consumers, eWOM on Facebook, Weibo or other social sites is basically provided by a firmly established, deeply rooted, or everyday-based circle of people, such as family, friends, schoolmates, and acquaintances (Okazaki, 2008; Sun et al., 2006). There is a great deal more social risk in providing a recommendation to a social network in which one’s reputation is built and maintained. Furthermore, the variable nature of the ties within typical social network platforms (i.e., ranging from close friends work acquaintances) makes tailoring the message to various audiences nested within the network quite complicated. Traditional WOM, which typically involves sharing one’s view with one or a few others at any given time, allows customization of the message to the audience as well as a natural limit to the social risk to which one is exposed. I therefore predict that:

H1: Consumers are less likely to provide eWOM on social sites than traditional WOM.

5.1.2 Brand Attachment and Brand Attitude

While the overall propensity to provide eWOM is less than traditional WOM, this difference is likely to vary given certain antecedent conditions. Research has identified several important factors that facilitate consumers’ propensity to spread positive WOM (Anderson, 1998; Brown et al., 2005), including product quality (Parasuraman et al., 1988; Zeithaml et al., 1996), service recovery (Maxham, 2001), customers’ emotional or affective experiences such as the satisfaction or dissatisfaction with previous purchasing experience (Anderson, 1998; Brown et al., 2005; Hennig-Thurau et al., 2002; Nyer, 1997), and relationships between customers and brands or employees, including the interpersonal bonds between employees and customers (Gremler et al., 2001). Of these factors, one’s brand attachment (i.e., the strength of the bond connecting the brand with the self) (Park et al., 2010) is likely to be a particularly strong influence on customers’ willingness to generate positive WOM.

Brand attachment is the strength of the bond connecting the brand with the self (Park et al., 2010). People possess an inherent motivation or desire to incorporate

other individuals and entities (e.g., a brand) into their conception of “self” through a process of self-expansion (Aron et al., 2005). When consumers self-identify with a brand to a high extent and the brand is prominent in their mind, consumers are considered as highly attached to the brand. Highly attached consumers view the brand as part of themselves and have salient thoughts and feelings about it (Park et al., 2009, 2010; Thomson et al., 2005). They are often not just recipients of a brand’s resources, but also actively invest their own time, money, and effort to maintain their relationship with the brand (Johnson and Rusbult, 1989; Muniz Jr and O’Guinn, 2001; Park et al., 2010; Schouten and McAlexander, 1995). These efforts may be manifest in actions such as; defending the brand against others (Johnson and Rusbult, 1989), derogating alternative brands (Johnson and Rusbult, 1989), and getting involved in brand communities and brand promotion through social media (Muniz Jr and O’Guinn, 2001; Schouten and McAlexander, 1995). Saying positive words about a brand or recommending a brand to others may provide consumers with a means of expressing their high attachment to the brand.

Prior research has also demonstrated empirically that brand attitude - the valence of consumers’ attitude towards a brand (Park et al., 2010) - has implications for a range of consumer behaviours including willingness to recommend the brand. However, brand attitude does not necessarily capture consumers’ self-connection with a brand and is less strongly linked to consumers’ willingness to invest their own resources to sustain their brand relationship (Fedorikhin et al., 2008; Park et al., 2010). I argue that providing eWOM on a social site requires more of a consumers’ resources (e.g., one’s reputation, mental effort, etc.) than traditional WOM. Therefore, I predict that:

H2: Brand attitude impacts traditional WOM but has no effect on eWOM on social sites, while brand attachment affects both.

Building on these arguments and research, which notes attachment as a more accurate and stronger predictor of consumer behaviour than other relationship measures including brand attitude (Fedorikhin et al., 2008; Park et al., 2010), I predict that:

H3: The positive association between eWOM soc and brand purchase will be stronger than the association between traditional WOM or eWOM plat and brand purchase.

5.1.3 Self-Enhancement and Gender as Moderators

The definition of WOM shows that even though the content of WOM is commercial, the communicators are not, or at least are perceived not to be, motivated commercially (Kirby and Marsden, 2006). WOM is simply commercial talk among consumers, none of whom is perceived to be associated with marketers (Kirby and Marsden, 2006). That means consumers don't talk about brands because they are employees of the company or receive any incentives from it, but talk at their own will. Self-involvement (Dichter, 1961; Engel et al., 1993; Sundaram et al., 1998) was identified as a major motive for consumers to talk about products or services (Dichter, 1961). Nobody will speak about a product or service unless he gets something out of it, i.e. a consumer is likely to choose such words as are most apt to serve his underlying needs and ends (Dichter, 1961).

In psychology literature regarding self-motives, self-enhancement was widely discussed (Sedikides and Strube, 1995). Self-enhancement refers to people's desire to see themselves in a positive frame or to generally feel positive about themselves (Gregg et al., 2011; Sedikides and Gregg, 2008). Most consumers tend to rate themselves above-average on most personally important traits (Guenther and Alicke, 2010). I considered consumers' desire for self-enhancement as a potential moderator in the relationship between attachment and brand purchase relationships.

When providing WOM, the experience with the product is immediately put to use in the service of self-enhancement of the speaker and of his need to reassure himself in front of others (Dichter, 1966). Consumers are likely to talk about products and services to meet their goals such as feeling of power and prestige of influencing other's behaviours, gaining attention, showing connoisseurship, feeling like a pioneer, having inside information, suggesting social status, enhancing position within a group, spreading the gospel, seeking confirmation of own judgement, asserting superiority (Blackwell et al., 2001; Dichter, 1966; Hennig-Thurau et al., 2004). The broader reach of social sites such as Facebook or Twitter means that such platforms will be a particularly effective medium for confirming to others one's favoured brands and receiving feedback on expressed opinions. EWOM will, therefore, be more likely as consumers seek to enhance their self-concept and to maintain and increase their levels of self-esteem (Sedikides, 1993). Consumers' desire to self-enhance will also increase the motivation to align purchase behaviour with expressed opinions. Based on these arguments, I predict that:

H4: Consumers' desire for self-enhancement strengthens the relationship

between: a) brand attachment and eWOM soc, and b) eWOM soc and purchase behaviour.

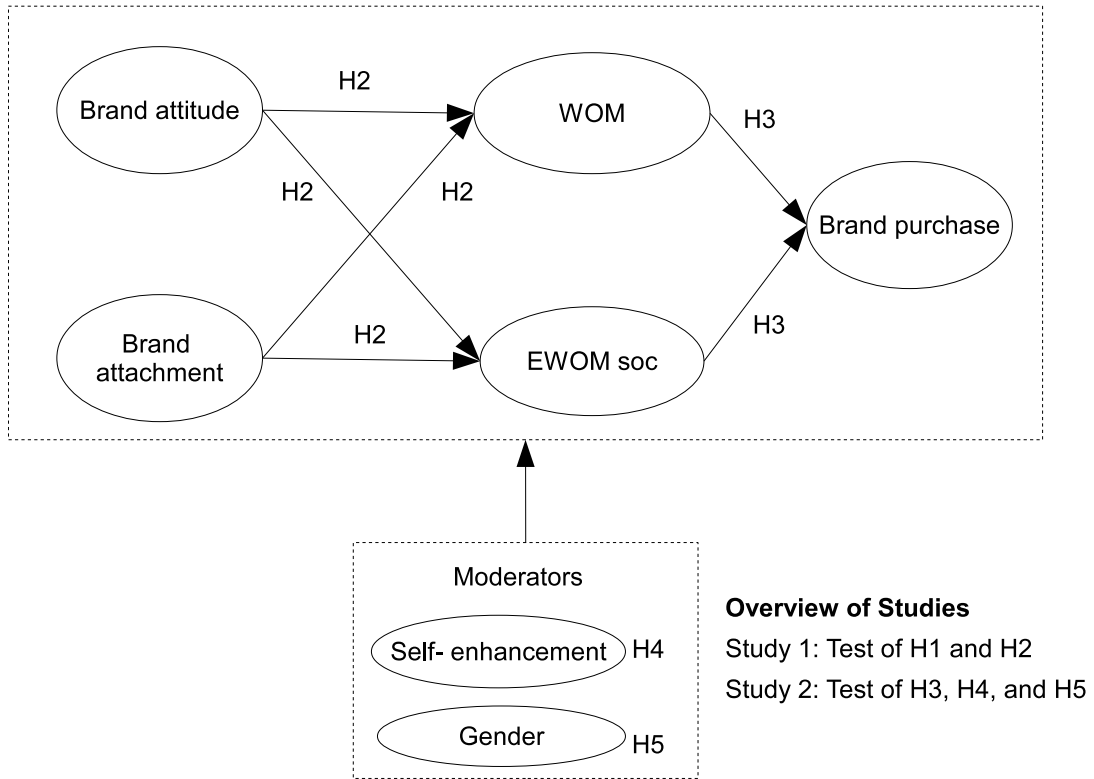
Gender is commonly found to influence communication style (Bae and Lee, 2011; Garbarino and Strahilevitz, 2004). The difference between men and women is often thought to derive from differences in the way individuals perceive, comprehend, and interpret the world around them (i.e., their approach to self-construal) (Cross and Madson, 1997). For individuals with an independent self-construal, self-enhancement derives from the ability to maintain a sense of autonomy or independence (Markus and Kitayama, 1994). By contrast, for the individuals with an interdependent self-construal, self-representations are woven together with representations of “close others” (e.g. one’s spouse or best friend). Positive feelings about the self derive from the development and maintenance of close relationships and from participation in the well-being of others.

In general, men are suggested to construct and maintain an independent self-construal, whereas women are suggested to construct and maintain an interdependent self (Cross and Madson, 1997; Markus and Kitayama, 1991). Thus, once men are attached to a brand, they are less likely to be concerned about the social risk of broadcasting their opinions widely. Equally, they will be less concerned about the nuance of the various strata of relationships within their social network. Hence, men are more likely to generate eWOM on social sites such as Facebook or Twitter as a result of their attachment to a particular brand. They are also more likely to purchase a brand that helps them meet their self-image. By contrast women, attached to a particular brand, are more likely to be concerned about the differences between groups within their social network and will, accordingly, talk about their experiences with others in person in order to enable message customization. Thus, I predict that:

H5: Gender will moderate the relationship between: a) brand attachment and eWOM soc, and b) eWOM soc and purchase behaviour such that these relationships are stronger for male than female consumers.

Two empirical studies were conducted in order to test these hypotheses (see Figure 5.2). In the first study, I examined the difference between consumers’ willingness to provide traditional WOM and eWOM soc and plat in terms of antecedents, i.e. brand attachment and brand attitude. Study 2 examines how eWOM soc and traditional WOM mediate the influence of brand attachment on consumer behaviour, and under what conditions (gender, consumers’ desire for self-enhancement).

Figure 5.2: Overview of Studies



5.2 Study 1

5.2.1 Method

For Study 1, data were collected using an online survey. I first sent out our online questionnaire link to 42 randomly chosen respondents from a large pool of postgraduate students to conduct a pilot test to check if the questionnaire was clear and easily understood. Following a revision of the questionnaire, I emailed the online questionnaire link to postgraduate students of a postgraduate marketing course. They were asked to first state whether they currently use one or several social sites. Next, they were then asked to name one of their favourite brands and then to report their evaluation and feelings of the brand. All responses were recorded anonymously. In the end of the questionnaire, I asked respondents whether they would like to leave

their email address to take an opportunity to win a £100 cash prize, a thank-you for completing the questionnaire. In the end I collected 341 usable responses.

lists all measures and item sources. I assessed brand attitude using items that captured attitude valence with anchors including; “good” (+5) versus “bad” (-5); “positive” (+5) versus “negative” (-5); “liked” (+5) versus “disliked” (-5). All other variables were measured using nine-point Likert scales. I measured brand attachment using the published scale of Park et al. (2010) ($\alpha = .94$). WOM captured consumers’ willingness to recommend the brand to relatives and friends and was measured by the three-item scale of Zeithaml et al. (1996) ($\alpha = .83$). EWOM soc and Traditional WOM were measured with items adapted from Zeithaml et al. (1996). Specifically, EWOM soc was measured using the following three items; (1) “To what extent do you say positive things about [brand name] on social sites such as Facebook?”, (2) “To what extent do you use social sites to encourage friends and relatives to buy [brand name]’s products?”, and (3) “To what extent do you recommend [brand name] on social sites such as Facebook?” ($\alpha = .90$). Other, traditional WOM was measured using the following three items; (1) “To what extent do you offer positive word-of-mouth about [brand name] in online discussion fora, product review sites, etc., without necessarily indicating your real name?”, (2) “To what extent do you recommend [brand name] online without disclosing your real name?”, and (3) “To what extent do you say positive things about [brand name] in online product review sites, discussion fora, or blogs?” ($\alpha = .94$). for convince, I will use WOM to refer to traditional WOM in the results.

Table 5.2: Measurement Items

Construct	Items
Brand attitude (only measured in Study 1)	Please describe your opinion about your favourite brand. For you, [brand name] is...(1) “bad [-5]/ good [5],” (2) “negative [-5]/ positive [5],” (3) “dislike [-5]/ like [5]”

Construct	Items
Brand attachment (Park et al., 2010)	(1) To what extent is [brand name] part of you and who you are? (2) To what extent do you feel personally connected to [brand name]? (3) To what extent are your thoughts and feelings toward [brand name] often automatic, coming to mind seemingly on their own? (4) To what extent do your thoughts and feelings towards [brand name] come to you naturally and instantly? (1= “not at all”, 9= “completely”)
WOM (Zeithaml et al., 1996)	(1) To what extent do you say positive things about [brand name] to other people in person? (2) To what extent do you encourage friends and relatives to buy [brand name]’s products in person? (3) To what extent do you personally recommend [brand name] to someone who seeks your advice? (1= “not at all”, 9= “completely”)
EWOM soc (Zeithaml et al., 1996)	(1) To what extent do you say positive things about [brand name] on social sites such as Facebook? (2) To what extent do you use social sites to encourage friends and relatives to buy [brand name]’s products? (3) To what extent do you recommend [brand name] on social sites such as Facebook? (1= “not at all”, 9= “completely”)
Brand purchase (only measured in Study 2)	“Please note down the total amount of money spent on Starbucks products in the last month”
Self-enhancement (Gregg et al., 2011) (only measured in Study 2)	Please describe your self. (1) “In general, I like to hear that I am a great person”, and (2) “In general, I want to discover that I have excellent qualities” (1= “not like me at all”, and 9 = “just like me”)

A confirmatory factor analysis (CFA) was conducted in AMOS 18.0 to assess the reliability and validity of the multi-item scales used in my study. Table 5.3 provides

a summary of the measure validation results. The measurement model shows a good overall fit; comparative fit index (CFI) = .98, normed fit index (NFI) = .98, and root mean square error of approximation (RMSEA) = .048. Each of the measures exhibits strong composite reliability, from a low of .84 for Traditional WOM to a high of .94 for brand attachment. All exceed the thresholds typically proposed in the literature (Bagozzi and Yi, 1988). Together with reported values of Cronbach's alpha, these results suggest good reliability for each of our measures. Furthermore, all indicators have significant loadings on their respective latent constructs. The correlation matrix ensures that unit correlation among latent variables is unlikely. Following Fornell and Larcker (1981)'s criterion, I found that the average variance extracted exceeded the squared correlations between all pairs of constructs, supporting the discriminant validity of the constructs.

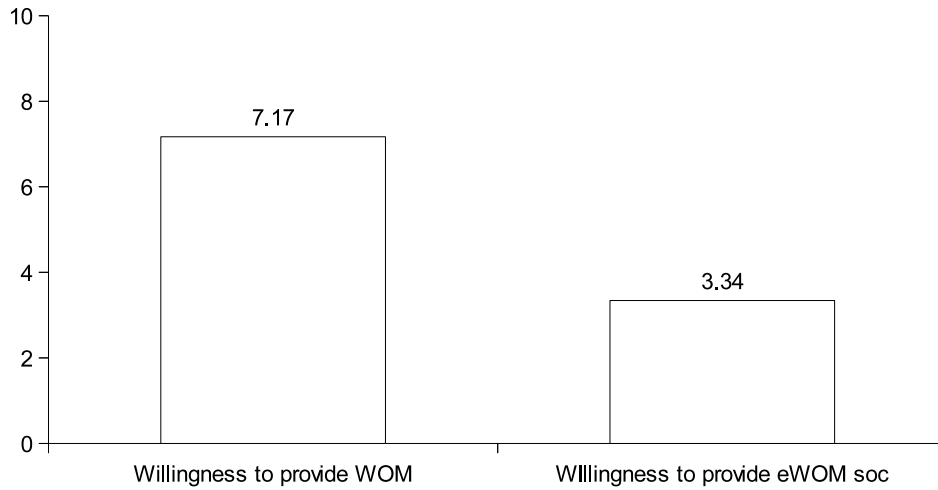
Table 5.3: Study 1 Measurement Model in SEM

Construct	Number of Items	Composite Reliability	AVE	Correlations			
				1	2	3	4
1. Brand attitude	3	.88	.72	1.00			
2. Brand attachment	4	.94	.79	.26	1.00		
3. WOM	3	.84	.63	.54	.36	1.00	
4. EWOM soc	3	.92	.78	.02	.54	.22	1.00

5.2.2 Findings and Discussion

Descriptive statistics for consumers' WOM and eWOM on social sites are provided in Figure 5.3. There is a significant difference between the two ($t(340) = 26.85$, $p < .001$); consumers provide WOM more frequently ($M_{\text{traditional WOM}} = 7.17$) than eWOM soc ($M_{\text{eWOM soc}} = 3.34$). This supports the predication that in general consumers more willing to offer traditional WOM than to provide eWOM soc. Given this significant difference between the two, I next examine potential antecedents.

Figure 5.3: Study 1 Difference between Willingness to Provide WOM and EWOM



Next, I used Structural Equation Modelling (SEM) approach to test our hypotheses. As presented in Figure 5.4 and Table 5.4, the result of the structural model shows that our overall model fit statistics are good ($X^2/df = 2.62$, $RMSEA = .07$, $CFI = .97$, $GFI = .94$, $NFI = .96$). It is noticed from the result that: 1) brand attitude is positively associated with traditional WOM, but not with eWOM soc; 2) brand attachment is positively associated with both traditional WOM and eWOM soc.

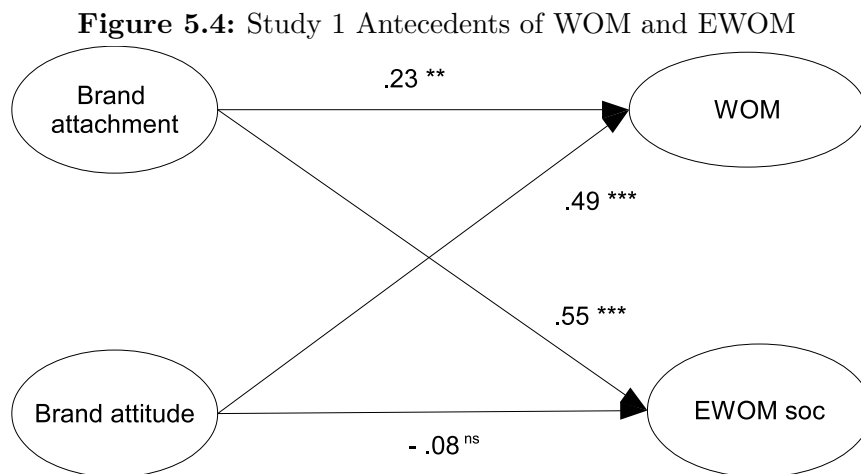


Table 5.4: Study 1 SEM Results

	Standardized Regression Weights
Brand attitude -> WOM	.49 ^{***}
Brand attachment -> WOM	.23 ^{**}
Brand attitude -> eWOM soc	-.08
Brand attachment -> eWOM soc	.55 ^{***}
Overall model fit statistics	
$R^2_{\text{WOM}} = .35$	
$R^2_{\text{eWOM soc}} = .29$	
$X^2/df = 2.62$	
Root mean square error of approximation (RMSEA) = .07	
Comparative fit index (CFI) = .97	
Goodness-of-fit index (GFI) = .94	
Normed fit index (NFI) = .96	

Note: ^{**} $p < .01$; ^{***} $p < .001$.

In summary, Study 1 provides empirical support for the notion that consumers are less willing to offer positive eWOM on online social sites such as Facebook than traditional WOM (H1). Study 1 results also show that when consumers have either a high brand attitude or a high brand attachment they are willing to provide traditional WOM, i.e. to recommend the brand person-to-person. Importantly, brand attitude shows a stronger predicting effect than brand attachment (H2). In contrast, willingness to provide eWOM soc is not affected by brand attitude but is significantly influenced by consumers' level of brand attachment. As suggested in literature that a high brand attachment is more hardly to gain than a high brand attitude, the result explains why traditional WOM is much more common than eWOM on Facebook.

5.3 Study 2

5.3.1 Method

For this study, field data was collected from Starbucks consumers at South Kensington Store. They were approached as they walked out of a Starbucks shop and asked if they were willing to take part in a research study. Upon completion of the survey, participants received either a small pack of Starbucks Sumatra Blend Coffee or Starbucks Tazo Zen Green Tea as a thank you and sign of appreciation. Over the course of eight days, a total of 208 usable responses was received. All variables were measured using nine-point Likert scales anchored by 1 = “strongly disagree” and 9 = “strongly agree” except stated otherwise. Brand attachment ($\alpha = .94$) and willingness to provide eWOM soc ($\alpha = .96$) were measured identically to Study 1. Brand purchasing behaviour measured respondents’ self-reported total money spent on Starbucks products in the last month (e.g., “Please note down the total amount of money spent on Starbucks products in the last month.”). Consumers’ desire for self-enhancement was measured by Gregg et al. (2011)’s two-items scale: (1) “In general, I like to hear that I am a great person”, and (2) “In general, I want to discover that I have excellent qualities”) ($r = .84$). For full measures, see Table 5.2.

5.3.2 Findings

I adopted multiple regressions and a bootstrapping procedure described by Hayes (2012) along with the SPSS macro provided by the author. An index score was computed for the use in analysis. Descriptive statistics and pairwise correlations for the measures used in analysis are shown in Table 5.5.

5.3.2.1 Self-Enhancement as a Moderator

I used Hayes (2012)’s SPSS macro to run the moderated mediation analysis with self-enhancement as moderator first. Table 5.6 presents the result for three multiple regressions with self-enhancement as a moderator. The result shows that attachment is positively associated traditional WOM (the first regression) and eWOM soc (the second regression); EWOM soc are positively associated with purchase while traditional WOM and attachment are not (the third regression). This indicates that

Table 5.5: Study 2 Correlations

Variable	M	SD	1	2	3	4	5	6
1 Brand purchase	70.17	100.30	1.00					
2 Attachment	3.49	2.39	.61**	1.00				
3 WOM	3.67	1.55	.33**	.47**	1.00			
4 eWOM soc	3.04	2.28	.74**	.82**	.45**	1.00		
5 Self-enhancement	3.41	2.18	.63**	.83**	.44**	.78**	1.00	
6 Gender	-	-	.19**	.19**	.25**	.28**	.23**	1.00

Note: ** $p < .01$

eWOM soc, rather than traditional WOM, better explains (mediates) the effect of attachment on brand purchase.

Table 5.6: Study 2 Test of Moderated Mediation (Moderator: Self-Enhancement)

Predictors	B (SE)	t
Mediator variable model (predicting WOM)		
Self-enhancement	.08 (.08)	1.02
Attachment	.21 (.07)	2.94**
Attachment \times Self-enhancement	.05 (.02)	2.14*
R ²		.24
Mediator variable model (predicting eWOM soc)		
Self-enhancement	.30 (.07)	4.23***
Attachment	.52 (.06)	8.22***
Attachment \times Self-enhancement	.06 (.02)	2.53*
R ²		.72

Table 5.6: Study 2 Test of Moderated Mediation (Moderator: Self-Enhancement)

Predictors	B (SE)	t
Dependent variable model (predicting purchase)		
Self-enhancement	7.49 (3.83)	1.96
Attachment	-.84 (3.87)	-.22
Attachment \times Self-enhancement	1.77 (1.78)	1.00
WOM	-3.81 (3.30)	-1.17
WOM \times Self-enhancement	-3.25 (1.46)	-2.22*
EWOM soc	22.12 (3.95)	5.60***
EWOM soc \times Self-enhancement	6.00 (1.69)	3.55***
R ²		.62

Note: N=327; * $p < .05$; ** $p < .01$; *** $p < .001$

The results also show that the interaction between self-enhancement and attachment is positively associated with traditional WOM (the first regression) and eWOM soc (the second regression); the interaction between self-enhancement and eWOM soc is positively associated with purchase while the interaction between self-enhancement and traditional WOM is negatively associated with purchase (the third regression). This indicates that self-enhancement positively moderates the relationship between attachment and eWOM soc, attachment and traditional WOM, and eWOM soc and purchase, but, interestingly, negatively moderates the relationship between traditional WOM and purchase. Thus, traditional WOM and eWOM soc interact differently with consumer self-enhancement.

In order to probe the significant interactions, I adopted the bootstrapping procedure to test the significance of the direct and indirect effects with self-enhancement as moderator. The bootstrapping procedure has been found to be superior to other methods, such as the Sobel test which has relatively low statistical power (MacKinnon et al., 2002). Conditional indirect effects are calculated as the product of

the unstandardised regression weight for the path from the predictor (attachment in this study) to the mediator (traditional WOM and eWOM soc in this study) and the unstandardised regression weight for the path from the mediator to the outcome variable (purchase in this study) separately across the level of the moderator (self-enhancement in this study). The indirect effect is significant if the confidence interval does not contain zero (Hayes, 2012).

For the present study, 5000 bootstrap samples were drawn. As shown in Table 5.7, the conditional direct effect of attachment on brand purchase is not significant either when self-enhancement desire is high or low. Among low self-enhancement desire consumers, the indirect effect of attachment on purchase neither through traditional WOM nor through eWOM soc is significant (as the confidence interval (CI) includes zero). Among high self-enhancement consumers, the indirect effect of attachment on purchase both through traditional WOM and through eWOM soc is significant (as CI does not include zero). These results indicate that when consumers' desire for self-enhancement is low there is no mediation while when consumers' desire for self-enhancement is high eWOM soc mediates the effect of brand attachment on consumer brand purchase.

Table 5.7: Study 2 Bootstrap Results for Moderated Mediation (Moderator: Self-Enhancement)

	Low self- enhancement	High self- enhancement
	B(SE)	B(SE)
Direct effect:		
Attachment -> brand purchase	-4.71 (5.86)	3.03 (5.09)
Indirect effect:		
Attachment -> WOM -> brand purchase (CI)	.30 (.67) (-.29, 2.66)	-3.49 (2.37) (-9.64, -.03)
Attachment -> eWOM soc -> brand purchase (CI)	3.58 (4.35) (-2.12, 16.03)	22.46 (4.77) (14.48, 33.29)

Note: CI = 95% confidence interval for indirect effect; if CI does not include zero indirect effect is considered statistically significant and is displayed in bold. ** $p < .01$

5.3.2.2 Gender a Moderator

I ran the same analysis with gender as a moderator. Table 5.8 and Table 5.9 present the results of our regressions. I find that attachment and gender are positively associated with traditional WOM (the first regression) and eWOM soc (the second regression). More specifically, eWOM soc is positively associated with purchase while traditional WOM and attachment are not (the third regression). This indicates that eWOM soc mediates the effect of attachment on purchase, while traditional WOM does not. The result also shows that the interaction between attachment and gender is associated with eWOM soc (the second regression). This indicates that gender moderates the relationship between attachment and eWOM soc. That is, the positive impact of brand attachment on eWOM soc is stronger for male than for female consumers.

Table 5.8: Study 2 Test of Moderated Mediation (Moderator: Gender)

Predictors	B (SE)	t
Mediator variable model (predicting WOM)		
Gender	.52 (.19)	2.67**
Attachment	.29 (.04)	7.11***
Attachment × Gender	-.07 (.08)	-.91
R ²		.25
Mediator variable model (predicting eWOM soc)		
Gender	.64 (.18)	3.60***
Attachment	.74 (.04)	19.92***
Attachment × Gender	.22 (.08)	2.88**
R ²		.70

5.3 Study 2

Predictors	B (SE)	t
Dependent variable model (predicting purchase)		
Gender	-4.24 (10.10)	-.42
Attachment	.22 (3.59)	.06
Attachment × Gender	-.63 (7.16)	-.09
WOM	.05 (3.56)	.01
WOM × Gender	4.47 (7.12)	.63
EWOM soc	32.41 (3.85)	8.41***
EWOM soc × Gender	2.12 (7.73)	3.28
R ²		.55

Note: N=327; * $p < .05$; ** $p < .01$; *** $p < .001$

Table 5.9: Study 2 Bootstrap Results for Moderated Mediation (Moderator: Gender)

	Female	Male
	B(SE)	B(SE)
Direct effect:		
Attachment -> brand purchase	.55 (4.88)	-.08 (5.24)
Indirect effect:		
Attachment -> WOM -> brand purchase	-.74 (1.85)	-.55 (1.46)
(CI)	(-4.28, 3.09)	(-1.99, 3.89)
Attachment -> eWOM soc -> brand purchase	19.75 (5.90)	28.31 (5.90)
(CI)	(8.83, 32.38)	(18.49, 42.17)

Note: CI = 95% confidence interval for indirect effect; if CI does not include zero indirect effect is considered statistically significant and is displayed in bold. ** $p < .01$

5.3.3 Discussion

Study 2 replicated the results in Study 1 in a field setting and empirically extended them to show that consumers' willingness to provide eWOM soc (rather than willingness to provide traditional WOM) explains the impact of brand attachment on consumer brand purchase behaviour (H3). Importantly, consumers' desire for self-enhancement and gender play a significant role as moderators in the mediation model (H4 and H5). That is, attached male versus female consumers are more likely to provide eWOM soc. Furthermore, when consumers have a strong desire for self-enhancement, brand attachment is more likely to lead them to provide eWOM soc and in turn to purchase the brand. Finally, traditional WOM and eWOM soc interact with self-enhancement differently in influencing brand purchase, further suggesting the difference between traditional WOM and eWOM soc.

5.4 General Discussion and Implications

Social online sites such as Facebook have been making front-page news for years. Yet, little is known about whether and how consumers' eWOM on these social sites such as Facebook, Weibo, and others, differs from providing traditional WOM or other forms of eWOM. Contrary to what conventional wisdom might suggest, this research finds that consumers are generally less likely to offer eWOM on a social site (eWOM soc) than traditional WOM and other forms of eWOM (eWOM plat). Furthermore, rather than traditional WOM, eWOM soc better explains the effect of brand attachment on brand purchase with consumers' desire for self-enhancement and gender acting as significant moderators.

5.4.1 Theoretical Contribution

In terms of theory, the findings show that there are significant differences between traditional WOM and eWOM soc. The differences lies in consumers' propensity to provide them, their antecedents, mediating roles in the relationship between brand attachment and consumers' brand purchase, and their interaction with self-enhancement. Self-enhancement strengthens the relationship between eWOM soc and brand purchase but weakens that between traditional WOM and brand purchase.

The findings raise interesting questions about exactly what makes people hesitant to offer eWOM on a social site they often visit daily and spend hours browsing. Despite this heightened level of social activity, individuals are still more likely to share information with others on a face-to-face basis. Future research might attempt to address these questions in more detail. When highly attached to a brand, male consumers are more likely to provide eWOM on social sites than their female counterparts. Again, this raises interesting questions. What are the specific mechanisms that lead attached male (vs. female) consumers to engage in more eWOM soc despite the fact that female consumers on average spend more time on and log in more frequently to social online sites such as Facebook than male users?

The findings suggest that the mediating effect of eWOM soc between brand attachment and brand purchase is moderated by consumers' desire for self-enhancement. Highly attached consumers with high desire for self-enhancement (versus low desire for self-enhancement) are more likely to provide eWOM soc and in turn repurchase the brand. Interestingly, the findings also show that highly attached consumers with high desire for self-enhancement are more likely to provide traditional WOM as well, which, however, does not mean more brand purchase (and can even mean less purchase). Why is this so? Future research in this area is without doubt richly deserving.

5.4.2 Practical Implications

The findings of this research are of relevance for the practice of marketing. First, current findings show that consumers' willingness to talk up a brand on social online sites such as Facebook can be a more effective indicator of strong consumer-brand relationships than willingness to offer traditional WOM. Companies can thus track and use WOM soc to identify some of their most loyal consumers and find suitable ways to engage them effectively.

Second, putting effort into developing consumers' brand attachment benefits a company (Park et al., 2010). EWOM soc explains the influence of brand attachment on consumers' brand purchase behaviour. Once consumers are highly attached to a brand, not only will they be loyal to the brand (i.e., the positive effect of brand attachment on brand purchase), but also they will be more likely to talk up the brand in their social circles (i.e., the mediating role of eWOM soc in the positive relationship between brand attachment and brand purchase). Surprisingly, male (vs. female) consumers and those with high desire for self-enhancement play the most

important role in these relationships and companies may trade upon this finding by serving their needs.

5.4.3 Limitation and Future research

In line with Park (2012)'s editorial, I hope that the current empirical findings can shed additional light on the phenomenon of eWOM soc and offer avenues for future research to further explore the various mechanisms explaining eWOM soc. Our research distinguishes consumers' willingness to provide eWOM soc from their willingness to provide other forms of eWOM and traditional WOM. Given the marketers' natural interest in promoting positive WOM and the perspective of communicators, the present paper focuses on the consumers' positive brand WOM. However, WOM could be either positive or negative. Research has identified some bias of WOM (Basuroy et al., 2003; Sen and Lerman, 2007). Thus, it is worthwhile to further explore negative eWOM on social sites.

6 Discussion and Implications

6.1 Overview

Information between firms (or their brands) and consumers is inevitably asymmetric in most instances. Consumers have to admit and accept the fact that firms usually hold more information about their products offerings. In recent years, spurred by a financial crisis, calls for greater accountability and openness has grown louder. Moreover, 24 hours news channels, a growing number of social media, and information sharing websites have provided great opportunities for consumers to obtain more information from other sources. Firms face an unprecedented situation that calls for increased attention to reducing information asymmetries and allowing consumers to “see through” product offerings have become louder (Stewart, 2009; Wilkin, 2009). Nowadays, transparency has risen to the top of the corporate agenda.

However, some gaps exist between existing the research and the practice . First, the definition of transparency was not clear. Previous research treated transparency as an objective characteristic or quality of a brand. However, consumers may not perceive transparency in the same way as brand managers. This suggests that brand transparency also includes subjective elements. While extant research tries to examine transparency objectively from a firm’s perspective, for example, by measuring a firm’s willingness to provide information (Hung and Wong 2009), I posit that much is to be gained by measuring brand transparency from a consumer’s perspective.

Second, consumers’ WOM has been demonstrated as a vital factor of brand transparency. Especially with the widespread of Internet, social online sites such as Facebook have been making front-page news for years. However, little is known about whether and how consumers’ eWOM on these social sites such as Facebook, Weibo, and others, differs from providing traditional WOM or other forms of eWOM. Specifically, are consumers willing to provide traditional WOM and eWOM on social online sites to the same extent? Do antecedents to traditional WOM differ from

those to eWOM on social sites? Do traditional WOM and eWOM on social sites say the same thing in the consumer-brand relationships?

The thesis aimed to fill these gaps. First, I articulated the defining properties of transparency and examined the impact of service and product brands' transparency on the consumer-brand relationship. I found support for the hypotheses across different service and product industries (see Chapter 4) and even when I took a more conservative approach of using delayed measures for the main dependent variables (see Study 3 in Chapter 4). Second, I sought to examine important boundary conditions for the impact of transparency and test when transparency is beneficial to service and product brands and when it is not (See Study 2 and 3 in Chapter 4). Third, contrary to what conventional wisdom might suggest, my research finds that consumers are generally less likely to offer eWOM on social sites (eWOM soc) than traditional WOM and other forms of eWOM (eWOM plat) (see Study 1 in Chapter 5). Forth, rather than traditional WOM, eWOM soc better explains the effect of brand attachment on brand purchase with consumers' desire for self-enhancement and gender acting as significant moderators (see Study 2 in Chapter 5).

6.2 Theoretical Contribution

Across three major research (see Chapter 3, 4, and 5), my work offers thought-provoking insights for theory building, contributing in several important ways. Foremost, the proposed transparency construct complements and extends extant research; it is suggested to be a better indicator than communication of information flow between consumers and brands. Adopting accessibility - diagnosticity model, two critical and non-redundant dimensions of transparency are proposed: information objectivity and information accessibility. A valid and effective measure for transparency is developed. It offers a rich opportunity for future empirical investigation of consumer-brand relationships and information disclosure (Pechmann and Wang, 2010).

Second, transparency is demonstrated to be positively related to consumer's trust, willingness to pay a price premium for a brand., and especially consumers' attachment to a brand. This is noteworthy since attachment taps into brand-self connection and the ease with which memory of brand-related thoughts and feelings are brought to mind, which represent deeper and more meaningful consumer-brand relationships (Park et al., 2010).

Third, WOM has been suggested as a vital factor of transparency. Since social online sites is increasingly popular and important, I also conducts a deep examination on eWOM on social sites. The findings show that there are significant differences between traditional WOM and eWOM soc in consumers' propensity to provide them, their antecedents, mediating roles in the relationship between brand attachment and consumer brand purchase, and their interaction with self-enhancement. Self-enhancement strengthens the relationship between eWOM soc and brand purchase but weakens that between traditional WOM and brand purchase.

6.3 Practical Implication

The findings of this research are of relevance for the practice of marketing. First, firms learn when transparency will benefit them. When a brand is high in ability associations, no matter involvement is high or low, it can reap significant benefits from being transparent, i.e., greater levels of consumers' trust, willingness to pay a price premium, and attachment. When a brand is low in ability associations, it can also employ a brand transparency policy when involvement is high, because at the very least, it is not harmful. But Importantly, when a brand is low in ability associations and low involvement, brands should not adopt brand transparency because it will negatively impact consumer trust, willingness to pay more, and attachment. Also, a brand low in social responsibility associations can still achieve high consumer-brand relationship outcomes by adopting high levels of brand transparency. While transparency reflects consumer's need to minimize risk or uncertainty associated with a firm's product or service offerings, social responsibility associations have nothing to do with technological expertise or performance of the products/services. Thus, consumers seem to appreciate a firm's transparency regardless of their social responsibility associations with the firm. Firms have been reluctant to be transparent, perhaps in fear that the 'king might be seen as naked'. The results of my research show that service and product firms alike do not lose but rather have much to gain from being transparent, even when a brand is perceived as low in social responsibility.

Second, my measure of transparency suggests many ways which could be adopted to generate a transparent brand, e.g. disclosing both pros and cons of products offerings, providing access to consumer reviews, encouraging consumers to provide WOM, making information easily understood and clear.

Third, current findings show that consumers' willingness to talk up a brand on social

online sites such as Facebook can be a more effective indicator of strong consumer-brand relationships than willingness to offer traditional WOM. Companies can thus track and use WOM soc to identify some of their most loyal consumers and find suitable ways to engage them effectively.

Forth, putting effort into developing consumers' brand attachment benefits a company (Park et al., 2010, 2013). EWOM soc explains the influence of brand attachment on consumers' brand purchase behaviour. Once consumers are highly attached to a brand, not only will they be loyal to the brand (i.e., the positive effect of brand attachment on brand purchase), but also they will be more likely to talk up the brand in their social circles (i.e., the mediating role of eWOM soc in the positive relationship between brand attachment and brand purchase). Surprisingly, male (vs. female) consumers and those with high desire for self-enhancement play the most important role in these relationships and companies may trade upon this finding by serving their needs.

6.4 Limitation and Future research

I hope the current empirical findings can shed additional light on the phenomenon of transparency. Although the findings of this research are valuable and perhaps provocative, they need to be viewed in light of the some limitations which may offer promising avenues for future research. When testing the moderation effect on the relationship between brand transparency and trust, willingness to pay a price premium, and attachment, I examined ability and social responsibility separately. I did not hypothesize the interaction effect between ability and social responsibility associations, which is not the focus of my study. I did not find a significant 3-way interaction effect between ability association, social responsibility association, and brand transparency or a 2-way interaction effect between ability and social responsibility associations in the flow-up analysis. However, both brand ability and social responsibility associations represent what consumers know about a brand (Berens et al., 2005; Brown and Dacin, 1997) and thus may interact to affect consumers' responses to a brand's transparency. For example, to what extent might social responsibility association serve to counterbalance the moderating effect of ability association, or vice versa? Future research could examine the interaction between ability and social responsibility in the context of brand transparency.

A brand's specific motivation to be transparent is very likely to influence the effects

of transparency on consumers trust and other consumer-brand relationship variables. When consumers feel that a brand has been “forced” to be more transparent, or when consumers are sceptical about the brand’s motivation for “acting transparent”, the positive effects of transparency might go away (Friestad and Wright, 1995). Thus, future work could explore the role of brands’ motivation for being transparent in these relationships.

Another worthwhile avenue for further research is to generalize our results to other stakeholders and test whether current results hold using data collected in other industry contexts. My research has already highlighted the general importance of transparency in organizations (O’Toole and Bennis, 2009). A brand’s ability and social responsibility associations are likely to play an important role as well in evaluating jobs and company stocks, although the role may be different from that in the context of consumers’ product evaluations (Berens et al., 2005). I invite future research to examine how brand transparency impacts employees’ or investors’ reactions, and whether the effects and boundary conditions discovered in this research remain the same or differ for other stakeholder groups such as employees and investors.

It is still not clear what exactly makes people hesitant to offer eWOM on a social site they often visit daily and spend hours browsing. Despite of the heightened level of social activity, consumers are still more likely to share information with others in a face-to-face manner. This is interesting. Moreover, when highly attached to a brand, male consumers are more likely to provide eWOM on social sites than their female counterparts. This also raises interesting questions. What are the specific mechanisms that lead attached male (vs. female) consumers to engage in more eWOM soc despite the fact that female consumers on average spend more time on and log in more frequently to social online sites such as Facebook than male users? Does it concern the characteristic of their social network. Thus, I invite future research to address these questions in more detail.

The findings suggest that the mediating effect of eWOM soc between brand attachment and brand purchase is moderated by consumers’ desire for self-enhancement. It is reasonable that highly attached consumers with high desire for self-enhancement (versus low desire for self-enhancement) are more likely to provide eWOM soc and in turn repurchase the brand. Interestingly, highly attached consumers with high desire for self-enhancement are more likely to provide traditional WOM as well, which, however, does not mean more brand purchase (and can even mean less purchase).

Why is this so? Future research in this area is without doubt richly deserving.

Consumer reviews and word of mouth could be either positive or negative. Yet, given the marketers' natural interest in promoting positive WOM and the perspective of communicators, my work focuses solely on the consumers' positive WOM. Research has already identified some bias of WOM (Basuroy et al., 2003; Sen and Lerman, 2007). Thus, it is worthwhile to further explore negative eWOM on social sites, testing how my findings change when it comes to negative WOM.

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