

Time Matters – The Role of Future Orientation in Consumer Judgment of Brand Heritage: A Stereotype Content Model Perspective

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Abstract:

This paper examines the mediating roles of warmth and competence in brand heritage effects on consumer responses including the moderating effect of people's orientation towards the future. To test the research model, two online experiments were seated in divergent contexts (Study 1 wine brand; Study 2 hotel brand). The results of both studies indicate that 1) brand heritage positively influences consumer intentions of voice and action, 2) the positive effect of brand heritage on consumer intentions of voice and action is mediated by warmth and competence and 3) a consumer's future orientation has a negative moderating effect on the brand heritage-warmth and brand heritage-competence relationship. Consequently, the results show that indirect effects of brand heritage through warmth and competence on positive consumer behavioral intention are weaker with increasing orientation towards the future.

Keywords: brand heritage, stereotype content model, temporal orientation

Track: Product and Brand Management

1. Introduction

Perception of brand heritage is induced by long-time of existence, importance of the brand history, track record as well as persistent core values and symbols (Urde, Greyser & Balmer, 2007). In times of crisis and uncertainty these characteristics become especially important to consumers (Wiedmann, Hennigs, Schmidt & Wuestefeld, 2011). Positive consumer responses to brand heritage include more positive feelings and trust towards the brand, stronger brand attachment (Rose, Merchant, Orth & Horstmann, 2016), greater loyalty, as well as an increasing willingness to pay, stronger purchase intention (Wiedmann et al., 2011) and perceived quality (Pecot, Merchant, Valette-Florence & De Barnier, 2018). While positive effects of brand heritage on consumer evaluation and perception of a brand have been reported in various studies, little is known about underlying mechanisms that explain these effects. To overcome this limitation, this study examines two universal dimensions (warmth and competence), which have been frequently used by consumers to evaluate service providers (e.g. Gao & Matilla, 2014) and brands (e.g. Kervyn, Fiske & Malone, 2012). Therefore, our goal is to examine the stereotype content model as a possible explanatory mechanism in the contexts of brand heritage.

A second goal lies within the temporal dimension of brand heritage. Heritage is strongly related to time and conveys values from the past to the present and future (Urde et al., 2007; Pfannes, Meyer, Orth & Rose, 2021). For consumer decisions, time plays an important role as well (Usunier & Valette-Florence, 1994). A few studies have examined the influence of past orientation on outcomes of brand heritage (e.g. Pecot et al., 2018), but none has analyzed the effect of an individual's orientation towards the future. Thus, the present study aims to examine if and how a consumers' future orientation impacts response to brand heritage.

Next, we will review theory to derive hypotheses. Then, two experiments will be presented aimed at testing effects with divergent product categories (Study1: wine brand; Study 2: hotel brand). The paper concludes with a discussion of findings including their relevance for theory and practice as well as limitations and possible future research.

2. Conceptual Framework and Hypotheses

The stereotype-content model has its origin in social psychological research and posits that people evaluate the intentions (warmth) and abilities (competence) of others. Those judgments and arising emotions subsequently influence behavior towards people and groups

Fiske, Cuddy & Glick, 2007). Previous research confirmed that people use competence and warmth to judge brands in the same way they judge people (Kervyn et al., 2012). If brands in general are judged in the same way as people, on the dimensions competence and warmth, it appears likely that warmth and competence judgments including their effect on consumer responses also take place for brand heritage.

Helpfulness, sincerity, kindness and trustworthiness are related to warmth (e.g. Kervyn et al., 2012). Just as warmth is associated with trust, one effect of brand heritage is that consumers see them as trustworthy (Rose et al., 2016) and that its perception is driven by credibility (e.g. Wiedmann et al., 2011). Similarly, competence is perceived when a brand is efficient, intelligent, conscientious and skilled (Kervyn et al., 2012), traits that can be transferred to brand heritage as well. Driving forces of brand heritage are success (Wiedmann et al., 2011) and the communication of it over time (track record) (Urde et al., 2007). Moreover, the good reputation of a heritage brand is thought to be the outcome of a firm's good performance skills for many years and thus the result of the brand's longevity which increases perceived reliability and expertise (Hudson & Balmer, 2013). Brands that remain successful for a long time are also perceived as high in favorable intentions and abilities (Kervyn et al., 2012). To sum up, brand heritage contains a number of elements that overlap with important components and drivers of warmth and competence.

Extant research on heritage brands has established many positive consumer responses to brand heritage. For example, brand heritage can enhance positive emotions and trust (Rose et al., 2016) and can signal high quality (Pecot et al., 2018). These positive responses can lead to attachment, a stronger purchase intention, (Rose et al., 2016) and higher willingness to pay (Pecot et al., 2018). Moreover, brand heritage can lead to more positive recommendation behavior and brand loyalty (Wiedmann et al., 2011). Paralleling these outcomes, perceived warmth and competence of a brand or service provider can result in positive responses of consumers including an increasing purchase intention and loyalty (Kervyn et al., 2012) and recommendation intentions (Jha, Balaji, Peck, Oakley & Deitz, 2020).

To sum up, the positive effect of brand heritage on consumers intention of voice (positive word of mouth) and action (intention to book) should be mediated (in parallel) by competence and warmth:

H1: Brand heritage has a positive influence on (a) warmth and (b) competence, which, in turn, have a positive effect on consumer behavioral intention (word of mouth; intention to book). (a) Warmth and (b) competence thus mediate the positive relationship between brand heritage and consumer behavioral intentions.

People vary in how much they value time frames which can influence consumer decision making. For example, some people are more oriented towards the future while others are more oriented towards the past (Usunier & Valette-Florence, 1994). Pecot and colleagues (2018) show that differences in individual time orientation lead to divergent reactions towards brand heritage. Specifically, people who are past-orientated react more strongly to brand heritage. The reason may be that past-orientated people pay more attention to previous times (Usunier & Valette-Florence, 1994). Moreover, people who have a favorable attitude towards the past exhibited higher purchase intentions for past-related products (Sierra & McQuitty, 2007). Heritage brands usually emphasize their longevity and history (Urde et al., 2007). They convey lasting brand values and stability to consumers (Merchant & Rose, 2013). Given that future-orientated people are more focused on times to come rather than the past (Usunier & Valette-Florence, 1994), it appears likely that forward-looking consumers will react less strongly to brand heritage.

H2: A person's orientation towards the future moderates the relationship between brand heritage and (a) warmth as well as brand heritage and (b) competence such that the positive effects of brand heritage become weaker as future orientation increases.

3. Empirical Studies

Two studies, seated in divergent contexts, tested the effects of brand heritage, through warmth and competence, on consumers' intention of voice (Study 1) and action (Study 2) including the moderating role of a person's orientation towards to the future.

3.1 Study 1 – Fictitious wine brand experiment

To initially examine the effects of warmth and competence as mediators of the brand heritage-positive word of mouth (H1), as well as to further test for the moderating role of future orientation (H2), Study 1 employed an online experiment with a 2 (brand heritage people focus: high versus low) x 2 (brand heritage production method focus: high versus low) full-factorial design and a fictitious wine brand. Control variables included a person's anxiety state, subjective category knowledge, product category involvement and age. Wine was deemed an appropriate category because consumers commonly associate wine with tradition and heritage (Beverland, 2005). Manipulating brand heritage with a focus on people vs. methods (technology) is justified by the fact that research has identified these as main types of brand heritage narratives (Pfannes et al., 2021).

3.1.1 Method Four vignettes were created, each introducing a fictitious wine brand, but varying in brand heritage focus on people and production methods. Elements employed for manipulating the variables of interest included the brand's logo and a short text.

An initial sample of 565 consumers participated in the experiment through Amazon Mechanical Turk (MTurk). Because 198 participants failed to provide correct answers to at least one of two attention check questions, the final sample used for analysis consisted of 367 consumers (M= 38.4 years, SD=11.71 years; 39.5% females and 60.5% males).

Prior to being assigned to one randomly selected treatment, participants indicated their current feelings on the three item seven-point anxiety state scale adapted from Pham (1996). Following exposure to the stimulus, participants then submitted scores on established scales assessing brand heritage (adapted from Merchant & Rose, 2013), warmth, and competence (Aaker, Vohs & Mogilner, 2010), and the intention to recommend the brand (Arnold & Reynold, 2009). The questionnaire concluded by assessing category involvement (De Wulf, Odekerken-Schröder & Iacobucci 2001), subjective knowledge (Brucks, 1985), time-orientation (Usunier & Valette-Florence, 1994) and demographic information. All measures used 7-point Likert scales and were reliable, indicating Cronbach's Alpha of .89 or higher.

3.1.2 Analyses and results To test the mediating roles of warmth and competence (H1) and the moderating effect of future orientation (H2), we conducted a parallel moderated mediation analysis (Hayes, 2013, PROCESS model 7, number of bootstrap samples = 5000). Brand heritage was the independent variable; warmth and competence were two parallel mediators; future orientation was included as moderator variable; and the intention to recommend the brand was the dependent variable. Consumer anxiety state, subjective knowledge, product category involvement and age were included as covariates. Continuous variables were mean-centred (Hayes, 2013).

The results indicated that perceived warmth was influenced significantly and positively by brand heritage (B=.45, SE=.04, p=.001), future orientation (B=.09, SE=.04, p=.040), and involvement (B=.15, SE=.04, p=.001). Perceived competence was influenced significantly and positively by brand heritage (B=.51, SE=.04, p=.001), future orientation (B=.11, SE=.04, p=.003) and involvement (B=.08, SE=.04, p=.041). Importantly, the effect of the brand heritage x future orientation interaction term on warmth (B=-.06, SE=.02, p=.003) and competence (B=-.10, SE=.02, p=.001) was negative and significant.

Positive word of mouth was influenced significantly and positively by heritage (B=.23, SE=.05, p=.001), warmth (B=.30, SE=.06, p=.001), competence (B=.28, SE=.07, p=.001) and category involvement (B=.19, SE=.04, p=.001). The indirect effects of brand heritage,

through warmth and competence on positive word of mouth were significant and positive (in support of H1a H1b), decreasing with stronger orientation towards the future. Thus, the effect was the strongest with a weak orientation towards the future (through warmth: $B_{\text{indirect}}=.16$, $SE=.04$, 95% CI [.09, .24]; through competence $B_{\text{indirect}}=.18$, $SE=.07$, 95% CI [.05, .33];) and was the lowest with a strong orientation towards the future (through warmth: $B_{\text{indirect}}=.10$, $SE=.04$, 95% CI [.04, .19]; through competence $B_{\text{indirect}}=.10$, $SE=.05$, 95% CI [.03, .21];), supporting H2a and H2b.

3.2 Study 2 - *Fictitious hotel brand experiment*

Study 1 provides initial evidence for the mediating role of brand competence and warmth for the brand heritage-word of mouth relationship and the negative moderating role of consumers' future orientation. However, Study 1 examines one brand in one category (wine), which brings up the question of whether this is transferable to other categories, like service products. Study 2 was designed to address these issues and to confirm and extend the results for a distinct outcome by introducing a fictitious hotel brand.

3.2.1 Method A small pretest ($N=6$) aided in creating two vignettes (short text about a hotel brand), manipulating the perceived heritage of a fictitious hotel brand (high vs. low). A hotel brand was selected because warmth and competence represent key attributes of hotel's services (Gao & Matilla, 2014).

An initial sample of 509 participants was recruited through Mturk aiming for an equal representation of females and males. Next, 97 data sets were excluded because participants failed attention checks, leaving a final sample of 412 participants ($M_{\text{age}}= 38.96$ years, $SD=12.30$ years; 49.3% female, 50.2% male and 0.5% diverse) for analyses. Measures and procedures were identical to those used in Study 1, with an additional measure for intention to book (adapted from Agag & El-Masry, 2016) and an alternative more recent measure of warmth and competence (adapted from Halkias & Diamantopoulos, 2020) All measures were reliable due to Cronbach's Alpha of at least .72.

3.4.2 Analyses and results Similar to Study 1, a parallel moderated mediation process model (Hayes, 2013, PROCESS model 7, number of bootstrap samples = 5000) tested the mediating roles of warmth and competence as well as the moderating role of future orientation. All included variables were the same as those in Study 1, except for the dependent variable, which was replaced with intention to book a night in the hotel (Hayes, 2013).

The results indicate significant and positive effects for brand heritage on warmth ($B=.51$, $SE=.04$, $p=.001$) and competence ($B=.60$, $SE=.04$, $p=.001$). In turn, warmth ($B=.28$,

SE=.07, $p=.001$) and competence ($B=.39$, $SE=.06$, $p=.001$) affected the intention to book, which was additionally influenced by the consumer age ($B=-.11$, $SE=.05$, $p=.019$) and marginally by subjective knowledge ($B=.07$, $SE=.04$, $p=.051$) and category involvement ($B=.09$, $SE=.05$, $p=.070$).

Importantly, the direct effect of brand heritage on intention to book was significant ($B_{\text{direct}}=.17$, $SE=.06$, 95% CI [.05, .28]) as were the indirect effects through warmth and competence were significant and positive, supporting H1a and H1b. The effect through warmth increased with an decreasing orientation towards the future, due to a negative effect of the brand heritage x future orientation interaction term on warmth ($B=-.04$, $SE=.02$, $p=.054$). Specifically, the effect was the strongest with a low orientation towards the future ($B_{\text{indirect}}=.16$, $SE=.06$, 95% CI [.04, .26]) and was the lowest with a strong orientation towards the future ($B_{\text{indirect}}=.13$, $SE=.05$, 95% CI [.04, .23]), supporting H2a. The effects through competence decreased with an increasing orientation towards the future because of the negative and significant effect of the brand heritage x future orientation interaction term on competence ($B=-.07$, $SE=.02$, $p=.001$). Thus, the indirect effect through competence was the strongest with a low orientation towards the future ($B_{\text{indirect}}=.28$, $SE=.08$, 95% CI [.14, .44]), and was the lowest with a strong orientation towards future ($B_{\text{indirect}}=.20$, $SE=.06$, 95% CI [.10, .34]), in support of H2b.

Other significant effects on warmth included positive influences of future orientation ($B=.08$, $SE=.03$, $p=.015$) and category involvement ($B=.20$, $SE=.04$, $p=.001$). Furthermore, competence was negatively influenced by anxiety ($B=-.06$, $SE=.03$, $p=.032$), positively by future orientation ($B=.10$, $SE=.03$, $p=.002$) and marginally by category involvement ($B=.07$, $SE=.04$, $p=.098$).

4. General Discussion

This study used the stereotype content model as possible explanation for positive reactions of brand heritage. Two studies provided empirical evidence that brand warmth and competence mediate the effects of brand heritage on intention of voice and action, with a clear moderating effect found for a person's orientation towards the future. Taken together, the results indicate that the effects through competence and warmth are stronger when people are less focused on the future. These effects are robust when controlling for important individual and situational difference variables, including consumers' age, state anxiety, category involvement and knowledge.

4.1 Implications for research

Our research builds on the brand heritage and stereotype content literature. It confirms the importance of the universal dimensions warmth and competence for brands (e.g. Kervyn et al., 2012) in a brand heritage context – perceived brand heritage results in stronger perception of warmth and competence. Second, it confirms the positive effects of behavioral intentions in brand heritage (e.g., Rose et al. 2016; Wiedmann et al., 2011), and shows that these are mediated by perceived warmth and competence across divergent product categories (wine and hotel brands). Third, the influence of the orientation towards the future as an individual difference was analyzed and confirmed. Previous research confirmed the role of past orientation as important for the reaction towards brand heritage (Pecot et al., 2018). This study extends the research on temporal orientation as important for reactions towards brand heritage by showing that the perception of warmth and competence is weaker for people that are orientated towards the future.

4.2 Managerial implications

The findings can help marketers to better understand the judgment of brand heritage and the positive effects of brands being perceived as warm and competent. Warmth and competence were emerged as important dimensions in transmitting widely confirmed positive intentions of action and voice for brand heritage (e.g. Wiedmann et al., 2011). Marketers should consider that consumer vary in their temporal orientation when positioning their brands, especially when emphasizing warmth and competence. Previous research confirmed more positive outcomes of brand heritage (e.g. higher perceived quality) for consumers orientated towards the past (Pecot et al., 2018). This study confirmed less positive indirect effects of brand heritage on the intention of voice and action through warmth and competence for people that are orientated towards the future.

4.3 Limitations and future research

The mediating effects of warmth and competence for positive outcomes of brand heritage and the moderating role of the orientation towards the future were robust for two divergent product categories. However, the brands examined in both experiments were fictitious brands. Therefore, future research is needed to clarify whether the effects also exist for perceived heritage of real brands across divergent categories.

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