The Primacy of Corporate Brand Trust for New Market Entrants

How to cite:

© 2020, Emerald Publishing Limited

https://creativecommons.org/licenses/by-nd/4.0/

Link(s) to article on publisher’s website:
http://dx.doi.org/doi:10.1108/JPBM-05-2021-3457

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online’s data policy on reuse of materials please consult the policies page.

oro.open.ac.uk
The Primacy of Corporate Brand Trust for New Market Entrants

Abstract

Purpose: The purpose of this paper is to test if the order in which potential customers receive company related information and product related information about a new brand can influence their trust and purchase intentions towards that brand. The empirical context is when both product and company are new to a market and share a brand name.

Design/methodology: Two experiments, each involving a different product type, are used to test whether higher trust and purchase intentions towards a new brand are likely when company related information is provided first compared to when product related information is provided first.

Findings: Company related information is more diagnostic than product related information and carries more weight in initial consumer trust judgements particularly when it is evaluated first. There is a similar primacy effect on purchase intentions but one mediated by initial trust. The effect is more pronounced for product types that involve a higher perceived risk when buying.

Research implications: The paper adds to our understanding of the respective roles of corporate and product communication in the process of brand trust formation for newly launched brands by evidencing and explaining primacy effects related to the greater diagnosticity of corporate brand information.

Practical implications: Market entrants should communicate information about their company before promoting their products.

Originality: While prior work has shown that both company and product related information can influence customers’ trust towards a new brand, there has been no assessment of the
benefits from ordering these communications. The focus here is then on the processes involved in brand trust formation, rather than on identifying specific antecedents of brand trust.

**Keywords:** brand trust, order effects, company information, product information, accessibility diagnosticity theory
The Primacy of Corporate Brand Trust for New Market Entrants

Introduction

Imagine a consumer who comes across an unfamiliar brand while searching for a specific product. The vendor might choose to provide the customer with information about the company behind the brand first and then with information about the product. A different vendor however, in a similar situation, might choose to provide the customer with product related information first and company related information second. Which of the two tactics would be more likely to facilitate consumers’ trust in the unfamiliar brand so that they are more likely to proceed and buy the product?

This situation often occurs in the marketplace, since many new products that enter a market are from suppliers who are unfamiliar to potential customers as they come from abroad or represent business start-ups. Prior work continues to emphasise the high attrition rate of new market offerings generally (Victory et al., 2021) and the need to understand the factors associated with success or failure, including how best to execute initial marketing activities and develop customer relationships (Ernst, 2002; Müller-Stewens and Möller, 2017). Trust is one such factor, since trust encourages product trial (Kwon et al., 2020) and positive recommendations to other potential customers (Vlachos et al., 2009). Additionally, brand trust has been shown to mediate, and thus explain, relationships between information about a brand’s trustworthiness and purchase behaviour (Huang, 2017; Palacios-Florencio et al., 2018) and between brand communication and consumer judgements (Sundar and Cao, 2020). Increasing brand trust can then influence such relationships as well as increasing the chances of successful market entry.
Prior work has identified the factors responsible for brand trust formation as well as the mechanisms and boundary conditions that contribute to brand trust formation. For example, perceived warmth and competence mediate the effects of brand authenticity on brand trust (Portal et al., 2019) while peer influence moderates the relationships between corporate brand communications and trust (Ozdemir et al., 2020). Perceived value (Chae et al., 2020; Paulssen et al., 2014), perceived quality (Konuk, 2021), competence (Hegner and Jevons, 2016; Mal et al., 2018; Ozdemir et al., 2020; Sichtmann, 2007; Sung and Kim, 2010), benevolence/integrity (Hegner and Jevons, 2016; Mal et al., 2018), consumer perceptions of a company’s ethicality (Singh et al., 2012) and social responsibility (Kang and Hustvedt, 2014), were some of the factors identified as contributing to brand trust formation (see table 1 for an overview of research into brand trust formation). Such factors can be divided into those associated with the products marketed under a brand name (the name which identifies and differentiates the product) and those associated with the company behind the brand (Mal et al., 2018). These are labeled here as product related factors and company related factors.

Providing consumers with information about both types of factor can elicit trust judgements towards brands, as well as purchase intentions (Li and Miniard, 2006). However, insights into the information processing mechanism responsible for brand trust formation are lacking, i.e. whether information about company related factors should be provided first or second, in particular when introducing a new brand to potential customers. Most prior work in brand trust formation has looked at the factors responsible for trust formation towards well known brands (see table 1).

<<Insert table 1 here>>

This paper focuses on this issue by testing empirically whether more favourable brand trust judgements, and higher purchase intentions towards a new brand, occur when consumers come across information about company related factors first, and across product related
factors subsequently. The context is the introduction of a new offer when the public are
unaware of both the product/brand itself and the company marketing it. Therefore, the main
contribution of this paper is to the literature on brand trust formation that has identified the
factors responsible for brand trust formation (see for example Delgado-Ballester and
Munuera-Aleman 2001; Kang and Hustvedt 2014; Mal et al., 2018; Sichtmann 2007; Singh
et al., 2012) by showing that the order in which consumers learn about such factors will
generate different levels of trusting beliefs and intentions towards a brand. Hence, the current
work focuses on the processes involved in brand trust formation (rather than on identifying
specific antecedents of brand trust) by investigating the information processing mechanism
relevant to our understanding of the formation of brand trust.

The next section contains a review of prior work on brand trust formation, and an explanation
of the main theories (the belief adjustment model and accessibility diagnosticity theory) that
guided the empirical work on order effects reported here. There follows a report on two
experiments and their findings and finally a discussion that highlights their implications for
theory and practice.

**Theoretical background and hypotheses development**

**Brand trust**

There are different forms of trust (see McKnight and Chervany, 2001) and a number of ways
to define trust (Sharma et al., 2020). In in this paper, the focus is on trust as both a belief and
an intention, in line with similar approaches evident in the literature (see for example Kim et
al., 2009; Becerra and Korgaonkar, 2011). Trust as a belief is relevant here because the
context of the current study is judgement formation towards a new brand, with trust as an
intention being an outcome of trust as a belief (McKnight and Chervany, 2001; Becerra et al.,
2008). Trust as an intention is usually defined as one party’s willingness to rely on the party
to be trusted in situations characterized by risk and uncertainty (Mayer et al., 1995; McKnight and Chervany, 2001; Schoorman et al., 2007), with some suggesting that trust is more important when risk, involvement and price are high (Chaudhuri and Holbrook, 2002; Delgado-Ballester and Munuera-Aleman, 2001; Elliott and Yannopoulou, 2007). Here trust as an intention is operationalized as purchase intention since purchase is characterized by risk or uncertainty, in particular when consumers buy a product for the first time, as in the context of the current study. Similar approaches are evident in the literature, for example Becerra and Korgaonkar (2011) who operationalized trusting intentions as intention to purchase and intention to provide personal information.

Risk and uncertainty are not characteristics of trust as a belief (Becerra et al., 2008), which means ‘the extent to which one believes… that the other party has characteristics beneficial to one’ (adapted from McKnight and Chervany, 2001, p.36). Trust as a belief usually includes assessments regarding competence and benevolence/integrity (e.g. Basso and Pizzuti, 2016) which can be either product related or company related (Mal et al., 2018). Trust in the products offered by a brand is then promoted by signalling its competence, i.e. by making evident the high quality and reliability of a brand’s products (Chaudhuri and Holbrook, 2002; Delgado-Ballester and Munuera-Aleman, 2001; Li and Miniard, 2006; Mal et al., 2018); and by signalling its benevolence/integrity, i.e. being caring and responsive towards consumers (Delgado-Ballester and Munuera-Aleman, 2001; Li and Miniard, 2006; Mal et al., 2018; Nikbin et al., 2022), treating consumers fairly (Li and Miniard, 2006), and being honest and consistent when communicating with them (Mal et al., 2018; Pyle et al., 2021). Similarly, trust in the company providing the goods or services is promoted by signalling its competence (Ozdemir et al., 2020), i.e., by making evident qualities such as innovation, good manufacturing facilities and leadership (Sichtmann, 2007; Mal et al., 2018).

Benevolence/integrity is signalled by being caring, honest, transparent, responsible and
accountable towards stakeholders other than customers such as employees, business partners, and society in general (Kang and Hustvedt, 2014; Mal et al., 2018).

Benevolence/integrity and competence mirror the aspects of ‘warmth’ (which embraces benevolence) and ‘competence’ identified in the literature on how brands are judged on first contact (Kervyn et al., 2012; Kervyn et al., 2022). Such thinking is based on the stereotype content model, originally derived in the context of human-to-human interaction (Fiske et al., 2002) which has been extended to include human to brand interactions (Aaker et al., 2010; Kervyn et al., 2012; Kervyn et al., 2022). The theory predicts that, when first faced with any new entity with humanistic associations (including both brands and organisations), humans automatically look to judge their warmth and competence (Fiske et al., 2002; Kervyn et al., 2012). Perceived warmth and competence can then elicit brand trust (Portal et al., 2019).

Consequently, from both work on brand trust formation (Mal et al., 2018) and work on how brands are judged on initial contact (Kervyn et al., 2012), trust judgements should be elicited by providing positive information regarding the competence and benevolence/integrity of a brand, at a product level and at a company level (Mal et al., 2018).

The order in which product related information and company related information should be provided to optimise their joint effect is at issue in this study. When given two or more facts or messages and later asked to recall them when making a judgement, the order in which they are received has been shown consistently to influence how well they are individually recalled and used when making a judgement (Morrison et al., 2014; Millroth et al., 2019). The context can also influence whether a message received first has more saliency than one received later (Alpert and Saxton, 2015) and theory can help predict such effects.
The belief adjustment model and the accessibility diagnosticity theory

Hogarth and Einhorn (1992) proposed a model of belief updating that explains the influence of information order in judgement formation. They argued that people revise beliefs through a sequential anchoring and adjustment process in which the current opinion (an anchor) is adjusted when receiving subsequent pieces of information. If the last piece of information received has the greatest influence on final judgments, recency effects are present (Dagger and Danaher, 2014; Camilleri, 2020). However, if the first piece of information received has a stronger impact on final judgements, primacy effects are present (González-Vallejo et al., 2014). Primacy effects are more likely when no prior evaluations about a target exist (as in the current context of a new entrant) (Haugtvedt and Wegener, 1994; Kardes and Kalyanaram, 1992; Wooten and Reed, 1998; Niedrich and Swain, 2008) and/or when the first piece of information is perceived as particularly relevant (Murphy et al., 2006; Biswas et al., 2009; Offergeld et al., 2020).

When two separate pieces of information are present, accessibility diagnosticity theory can explain what can be expected when one piece of information is perceived as particularly relevant compared to the other piece of information used to inform a decision (Feldman and Lynch, 1988; Lynch, 2006; Lynch et al., 1988). It holds that all such information is likely to be used when making a judgement, but because of unequal diagnosticity, more favourable judgements occur when the more diagnostic piece of information is evaluated first and the less diagnostic item is evaluated second (a primacy effect), because the more diagnostic piece of information carries more weight in judgements when evaluated first (Feldman and Lynch, 1988; Hogarth and Einhorn, 1992; Haughtvedt and Wegener, 1994; Biswas et al., 2009; Offergeld et al., 2020). Possible explanations are that the more diagnostic item is stored more effectively in memory because of the greater amount of processing devoted to it (see Nahari...
and Ben-Shakhar, 2013) or that the more diagnostic information influences consumers’ information adoption (Filieri, 2015).

In the current research there are two pieces of information, product related and company related, and the next section aims to explain which of these can be expected to be more diagnostic in creating initial brand trust, trust that can be created when the public first become aware of a brand (Delgado-Ballester and Munuera-Aleman, 2001). Initial brand trust is different from long term trust, which develops over time or as an outcome of a mutual relationship between a consumer and a brand (McKnight et al., 1998; Morgan and Hunt, 1994).

**Hypotheses**

Prior work has emphasised how the associations made with the corporate brand can influence those made with the products marketed by that company (Biehal and Sheinin 2007; Tezer and Tofighi, 2021). Product attributes are inferred from such associations particularly when consumers know little about a company’s products (Chernev and Blair, 2015). Further, Biehal and Sheinin (2007) found, in the context of launching brand extensions, that company information was more diagnostic than product information in the evaluation of the new offerings. In the context of brand trust, Lau and Lee (1999) argued that trust in the company that owns a brand influences trust in the company’s new products as consumers are likely to infer their quality from the image they have of the company. In online business, trust in the company is seen as a prerequisite to customer engagement (Koufaris and Hampton-Sosa, 2004) further suggesting that company information is more important and diagnostic than product information on initial contact and in creating initial trust. Given that in the case of new brands primacy effects are more likely and company information more diagnostic than product information, the following is proposed:
H1: Initial brand trust will be higher when consumers evaluate company information first and product information second.

As trust has been associated with purchase intention in various settings (Sichtmann, 2007; Chiu et al., 2012; Chae et al., 2020; Hegner and Jevons, 2016; Kang and Hustvedt, 2014; Konuk, 2021; Oliveira et al., 2017) including the introduction of a new brand (Li and Miniard, 2006), similar logic can be used when considering the effect of information order on purchase intentions. Consequently, a primacy effect on purchase intention will exist, and higher purchase intentions will be more likely when the more diagnostic piece of information is evaluated first (see also Christodoulides et al., 2012):

H2: Higher purchase intentions will result when consumers evaluate company information first and product information second.

However, since brand trust beliefs have been previously shown to mediate the relationship between information relevant to a brand’s trustworthiness and purchase behaviour (Huang, 2017; Palacios-Florencio et al., 2018; Li and Miniard, 2006) and since trust as an intention (operationalized here as purchase intentions) is an outcome of trust as a belief (McKnight and Chervany, 2001; Becerra et al., 2008), we can expect message order to enhance purchase intention indirectly through brand trust beliefs.

What distinguishes trusting beliefs from trusting intentions is risk (Mayer et al., 1995; McKnight and Chervany, 2001; Becerra et al., 2008). For this reason, prior work has proposed risk and involvement as moderators of the relationship between trust and its outcomes (Delgado-Ballester and Munuera-Aleman, 2001; Gürhan-Canli and Batra, 2004; Paulssen et al., 2014). Hence, trust should be more relevant in situations characterized by higher risk (Grabner-Kräuter and Kaluscha 2003; Elliott and Yannopoulou 2007), for example purchase decisions for product categories perceived as having a high risk involved
when buying (Li and Miniard, 2006; Paulssen et al., 2014). Therefore, information aimed to elicit trusting beliefs should appeal more in circumstances characterized by higher risk. Additionally, corporate associations have a greater impact on consumer evaluations in purchase situations characterized by higher risk (Gürhan-Canli and Batra, 2004). Hence, when company information is presented first, brand trust beliefs should facilitate higher purchase intentions for product types associated with higher risk when buying as compared to low risk, for example an automobile (high risk) versus hand cream (low to medium level of risk) (Girard and Dion, 2010). We would therefore expect that product type would moderate the mediating effect of brand trust beliefs on purchase intentions (see figure 1):

<<Insert Figure 1 here>>

**Methodology**

*Design and procedure*

Two randomized experiments were used to test the hypotheses, each with a different product type (hand cream in the first experiment, cars in the second one). A comparison group approach was used, comparing the consequences of two treatments (Vargas et al., 2017). In both experiments the order in which product information and company information were provided to two different groups of participants differed, some receiving product related information first, some company related information first. As the focus here is on understanding trust formation in the case of a brand that has just been launched into the market, a fictitious brand name was created for each experiment. The methodology remained the same in both experiments, just the product and company descriptions were changed to fit the context. Product information and company information were derived based upon prior work that had identified antecedents of brand trust, as discussed earlier. Appendices 1 and 2 contain the information provided to respondents. For example, in experiment 1 (the hand...
cream product), product related information signalled both competence (excellent product reviews from consumers due to good product quality) and benevolence (the brand is open and honest when communicating with consumers). Similarly, company related information conveyed competence (e.g., the company behind the brand has good manufacturing capabilities) and benevolence (e.g., the company is treating its suppliers fairly, has a good environmental record). Similar information was used in experiment 2 where the product type was changed to cars.

Participants were provided first with either product information only (group 1) or company information only (group 2). The two dependent variables, brand trust and purchase intentions, were measured immediately after the first piece of information. To separate the two pieces of information, participants were then given an unrelated task to complete, in line with prior work on order effects (Biswas et al., 2009; Offergeld et al., 2020). Immediately after that, participants were given the second piece of information (group 1 received company information, while group 2 received product information). Overall brand trust and overall purchase intentions (now based upon both pieces of information) were measured immediately after.

Measures
Brand trust and purchase intentions were measured using existing scales, adapted to the context of the current work (Appendix 3). In addition to age and gender, the following control variables were measured: disposition to trust, perceived risk, involvement and expertise. Their measures were adapted from existing research (Appendix 3). Average Variances Extracted were above 0.5 and acceptable (Fornell and Larcker, 1981) and alpha values were above 0.87 (Table 2).

<< Insert Table 2 here>>
Data collection
Respondents were recruited online using a market research agency, whose panel membership is representative of the UK population, the context for the research. In total, in experiment 1 (hand cream), 251 individuals participated (62.5% females and 37.5% males, all aged above 18 and from a wide range of age groups; see Appendix 4 for participant characteristics). They were randomly assigned to each group, with 105 participants in group 1 (product information first and company information second) and 146 participants in group 2 (company information first and product information second). In experiment 2 (cars), 213 participants were recruited in the same way and randomly assigned to two groups (54% females, 46% males, from various age groups, see Appendix 4), with 107 participants in group 1 (product information first and company information second), and 106 participants in group 2 (company information first and product information second).

Manipulation checks
For both studies, it was important to check whether each piece of information conveyed the trustworthiness of the brand and whether company related information was perceived as more diagnostic than product related information. In experiment 1, trust based only upon company related information was significantly higher than trust based only upon product related information, and both were above the mid-point of the scales ($M_{\text{CompInfoOnly}}=5.46$ vs $M_{\text{ProdInfoOnly}}=5.13$, $t(249)= 2.16, p=.02$). Similar results were evident in experiment 2 ($M_{\text{CompInfoOnly}}=5.32$ vs $M_{\text{ProdInfoOnly}}=5.00$, $t(211)= 2.12, p=.02$). Hence, both pieces of information managed to convey the trustworthiness of the brand, but company related information was more diagnostic than product related information. Additionally, although company information was perceived by participants as more diagnostic than product information, overall brand trust judgements (i.e., after all information) were not strongly adjusted when company information was provided second. There was then no recency effect
due to information diagnosticity (Appendix 5), confirming that the more diagnostic piece of information carries more weight in judgements when evaluated first (Feldman and Lynch, 1988; Hogarth and Einhorn, 1992; Haugtvedt and Wegener, 1994; Biswas et al., 2009; Offergeld et al., 2020).

Additionally, the perceived risk associated with each product type was significantly different, $M_{\text{risk cars}}=4.23$ vs $M_{\text{risk cream}}=2.91$, $t(462)=13.8$, $p<.001$, as well as the purchase involvement $M_{\text{purchase inv cars}}=5.65$ vs $M_{\text{purchase inv cream}}=4.90$, $t(462)=5.937$, $p<.001$. As expected, more risk and more involvement was associated with cars than with hand cream when buying.

**Combined sample analysis**
Data from the combined samples of experiments one and two were analysed first. Across the combined sample, participants’ overall brand trust (measured after receiving both pieces of information) was significantly higher when they evaluated company information first and product information second, compared with when they evaluated product information first and company information second ($M_{\text{CompInfoFirst}} = 5.53$ vs $M_{\text{ProdInfoFirst}} = 5.16$, $t(462)=3.33$, $p<.01$). Participants’ overall purchase intentions were also significantly higher when they evaluated company related information first ($M_{\text{CompInfoFirst}} = 5.23$ vs $M_{\text{ProdInfoFirst}} = 4.90$, $t(462)=2.38$, $p=.01$). The consideration of controls (age, gender, disposition to trust, expertise, involvement and perceived risk) did not change these results with respect to statistical significance at $p<0.05$. In summary, both brand trust and purchase intentions were significantly higher when participants evaluated company information first.

**Experiment 1: Analysis and results**
The data were then analysed separately for experiments one and two. For experiment one, participants’ overall brand trust was significantly higher when they evaluated company information first and product information second, compared with when they evaluated product information first and company information second ($M_{\text{CompInfoFirst}} = 5.58$ vs
Participants’ overall purchase intentions were also higher when they evaluated company information first, but the difference was not significant ($M_{CompInfoFirst} = 5.10$ vs $M_{ProdInfoFirst} = 4.83$, $t(249) = 1.27$, $p = .11$). Therefore, H1 was supported, but H2 was not.

Experiment 2: Analysis and results
For experiment 2 (cars), participants’ overall brand trust was significantly higher when they evaluated company information first and product information second, compared with when they evaluated product information first and company information second ($M_{CompInfoFirst} = 5.46$ vs $M_{ProdInfoFirst} = 5.14$, $t(211) = 2.03$, $p = .02$). Participants’ overall purchase intentions were also significantly higher when they evaluated company information first ($M_{CompInfoFirst} = 5.41$ vs $M_{ProdInfoFirst} = 4.97$, $t(211) = 2.59$, $p = .01$). This time both H1 and H2 were supported.

Mediation test
Whether having company information first or second directly influenced purchase intention or, alternatively, whether the influence of ordering is mediated by brand trust were tested using the Hayes Process Macro (Hayes, 2017), model 4 with 5,000 resamples, on the combined data. Information order was the independent variable, brand trust belief was the mediator and purchase intention the dependent variable. The effect of information order on purchase intentions was fully mediated by brand trust belief as the upper and lower limits of the confidence intervals did not include zero (BootLLCI = .1492, BootULCI = .5863, see Table 3). The model was also run with the control variables included (age, gender, disposition to trust, expertise, involvement and perceived risk) but the results remained unchanged with regard to statistical significance. H2 is supported but the effect on purchase intention from ordering the two pieces of information is fully mediated by trusting beliefs.

<< Insert Table 3 here>>
Moderated mediation test

To test for moderated mediation, Process model 14 was used with 5,000 resamples (Hayes, 2017) on the combined sample data (Figure 2). Information order was the independent variable, brand trust belief the mediator, purchase intentions the dependent variable and product type (cosmetics versus cars) the moderator. When company information was provided first, more positive purchase intentions were likely, through brand trust beliefs, for cars (coefficient = 0.3998, SE = 0.1230, 95% CI = 0.1685, 0.6515) compared to cosmetics (coefficient = 0.3189, SE = 0.1002, 95% CI = 0.1323, 0.5278). The index of moderated mediation was 0.0809 and significant (95% CI = 0.0198, 0.1657). Table 4 shows the results for the moderated mediation analysis. The model was also run with the control variables included, specifically age, gender, expertise, disposition to trust; involvement and perceived risk were not included as they are captured by the moderator, i.e., product type. The results remained unchanged with regard statistical significance.

<< Insert Table 4 here >>

<< Insert Figure 2 here >>

Discussion

This work contributes to the literature on brand trust formation which has previously established that both product and company related attributes are responsible for brand trust (Mal et al., 2018; Sichtmann 2007). It shows that the order in which customers learn about such attributes can generate different effects on their initial trust in, and purchase intention towards, a new brand. Specifically, more favourable brand trust beliefs and purchase intentions towards a new brand are likely when company related information is presented first. The effect on purchase intention is better explained through brand trust beliefs since
brand trust beliefs mediate the effects of information presentation order on purchase intention. This complements the literature which has considered the mediating effects of trust on outcomes such as purchase intention (Huang, 2017; Palacios-Florencio et al., 2018; Li and Miniard 2006). Additionally, when company information is presented first, brand trust beliefs facilitate more favourable purchase intentions for product categories characterized by high risk and involvement when buying, e.g. cars in this study. Hence, product type is a moderator of the relationship between brand trust beliefs and brand trust intentions (operationalized here as purchase intentions), further suggesting that trusting intentions differ from trusting beliefs in terms of risk. This is in line with prior research which found that risk is not a necessary condition for trust beliefs to occur (Becerra et al., 2008, p.708). Therefore, in the context of consumer trust towards brands, risk might be an important aspect during purchase (i.e., for trusting intentions) but not during judgement formation (i.e., for trust beliefs).

The current work adds insights to the wider body of literature considering the interaction between product and company related information (Berens et al. 2005; Biehal and Sheinin, 2007; Brexendorf and Keller, 2017; Tezer and Tofighi, 2021) by demonstrating the primacy effect of corporate information compared with product information when building trust for new brands. While the corporate brand literature emphasizes the importance of developing strong and favourable corporate brands as a strategic asset that might provide competitive advantage when launching new products (Balmer and Grey, 2003), it does not provide evidence as to whether learning about the company behind a brand first, rather than about its products, might lead to more positive evaluations about the brand. This study provides evidence for such effects.

Additionally, the current findings provide evidence relevant to the consumer information processing literature (e.g., Hagtvedt and Wegener 1994; Lynch 2006) by showing that company information is a diagnostic input that can facilitate more favourable trust
judgements and purchase intentions towards a new brand, when evaluated first. This is important since it is difficult to identify strong inputs in the context of order effects in belief updating (Offergeld et al., 2020). The evidence presented here is in line with prior research acknowledging the effects of information diagnosticity and of primacy on explicit evaluations (Van Dessel et al., 2020). Finally, the current work provides further evidence that more favourable evaluations are likely when consumers are presented with written information in the sequence strong-weak, for example brand reputation followed by warranty related information (Biswas et al., 2009; Offergeld et al., 2020).

**Practical implications**

The failure rate of new product introductions remains an issue (Victory et al., 2021) and one that can be amplified when a product is being launched into a foreign market (Balabanis et al., 2019). Unfamiliar brands are generally at a disadvantage (Saini and Lynch, 2016). The findings reported here demonstrate the benefit from ensuring potential customers are given company related information designed to promote brand trust before they are exposed to information designed to promote trust in individual products. For example, websites might be designed so that when an internet search leads a potential customer to it, company related information is provided first on product related pages rather than in a separate ‘Who we are’ section. Corporate advertising focussing on building trust in the company behind the brand is also implied and reinforced by communication aimed at purchasers before they are faced with product decisions. For example, companies marketing consumer goods might consider communicating their social responsibility initiatives using outdoor advertising close to the retail centres that stock their brands. Sales presentations, particularly when entering a new market, might begin with information about the company before mention of product related content. Leaflets aimed at promoting a new brand could start with information about the new company. For companies that use influencer marketing, asking influencers to provide
company related information before product reviews is particularly important since influencers facilitate consumer trust and purchase intentions towards brands (Lou and Yuan 2019). Inside the firm, coordination between those responsible for promoting corporate and product associations will be essential in ensuring potential customers receive each communication and in an optimal order.

**Potential limitations and propositions for future research**

The two pieces of information given to respondents here were sequenced and respondents were distracted between each communication. However, some research has found that order effects are unlikely when two pieces of information are presented simultaneously (Kardes and Kalyanaram, 1992; Millroth et al., 2019) and when participants are asked to choose between two brands (Kardes and Herr, 1990). Therefore, higher trust towards a new brand is unlikely to occur if consumers learn for the first time about the brand in a purchase situation or when both product and company information are provided simultaneously, for example on product packaging or in store. In both instances the information about the company and product may not be processed sequentially.

Future research can test for order effects when other types of information are manipulated. For example, ability information such as product quality can be tested alongside benevolence information (for example customer service) since ability related information might have a different importance than benevolence or integrity related information in trust formation (Sichtmann, 2007; Pyle et al., 2021).

There are several approaches to brand architecture (Brexendorf and Keller, 2017) and the findings reported here provide empirical support for order effects when the product and corporate brands share the same name. Future research could test if similar order effects occur when the product and company brand names differ.
Finally, the context here was one country and at one point in time. However, the findings are underpinned by theory and supported across two product types, adding to confidence in their generalisability. That said only consumers, rather than commercial buyers, were considered and no service brands. Therefore, it would be interesting to explore whether the findings can be replicated in other contexts.
Appendices

Appendix 1. Brand information provided to participants in study 1

Product information

NatureC is a brand of cosmetics for both women and men, well-known in other parts of the world and now available in this country. The NatureC range is quite large (new products are introduced regularly) and includes a hand cream designed for both men and women.

NatureC hand cream has won several awards worldwide and is the second best-selling hand cream in Europe. NatureC hand cream constantly receives excellent reviews from consumers. This is because most consumers consider that the NatureC hand cream ‘significantly improves the skin’ by making it look ‘less dry and healthier’. More recently, the NatureC brand has won some awards for using natural ingredients in their cosmetics.

Also, the NatureC brand has recently won an award in a competition to find Europe’s ‘Most Agreeable Cosmetics Brand’. The judges explained that NatureC ‘provides both positive and negative information about all the ingredients it uses in its products’. They also saw NatureC brand’s advertising as being ‘refreshingly open and reassuring’ more ‘like a friend than a brand’ in the way it communicates and ‘using straightforward language’.

Company information

NatureC is known as a good company to work for as it offers salaries above the average and has a good pension scheme. For these reasons, NatureC has been constantly voted amongst the best places to work for. NatureC is also known for treating its suppliers fairly and are signatories to the Prompt Payment Code. They have a good record on the environment; for example, all its packaging is recyclable. Moreover, NatureC is known for sponsoring the activities of several charities and its involvement in local communities is well known and
visible especially during the Christmas season. The company’s manufacturing approach emphasises quality and meets both American FDA requirements and well as the relevant European ISO standards.

**Appendix 2. Brand information provided to participants in study 2**

**Product information**

KAuto is a car manufacturer founded more than 40 years ago, which now offers a full range of cars. Over the years, KAuto managed to expand its market share by establishing an excellent reputation for quality and innovativeness in passenger safety. A survey conducted by a UK independent consumer agency confirmed that consumers are highly satisfied with the performance, design, reliability, durability, and safety features of the KAuto cars. Specifically, consumers described the KAuto cars as ‘agile’ with ‘impressive technology’ and ‘fine engines’ which make them ‘smooth and easy to drive’. Consumers were happy with the ‘high-tech safety features’ of the KAuto cars and with their ‘low running costs’. Indeed, the KAuto cars received the maximum five stars in the safety EuroNCAP tests, scored above the average on JD Power reliability tests, and received awards for quality (e.g. The Quality Award by JD Power).

Consumers are also highly satisfied with the aftersales servicing and the 5 years warranty that KAuto offers for its cars. Due to the high customer satisfaction with its aftersales service, KAuto received the Gold Winner award from Auto Express in 3 consecutive years.

Consumers are also happy with the ‘straightforward language’ KAuto uses for promoting its cars and for communicating both ‘the positives and negatives of their cars’.
Company information

KAuto is known as a good company to work for as it offers salaries above the average and has a good pension scheme. For these reasons, KAuto has been constantly voted amongst the top organizations to work for. KAuto is also known for treating its suppliers fairly and are signatories to the Prompt Payment Code. KAuto has a good environmental record and for its environmentally friendly vehicles it has won the 2015 Environmental Award. Moreover, KAuto is known for sponsoring the activities of several charities and for its involvement in sponsoring projects with focus on road safety. The company’s manufacturing approach emphasises quality and meets the relevant ISO standards.

Appendix 3. Scales used for measuring the dependent variables and the control variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Trust</td>
<td>I think I would trust the NatureC brand (^1) (1=strongly disagree; 7=strongly agree)</td>
</tr>
<tr>
<td></td>
<td>I think the NatureC brand would be competent (^3)</td>
</tr>
<tr>
<td></td>
<td>I think NatureC products would be effective (^3)</td>
</tr>
<tr>
<td></td>
<td>I would expect any information on NatureC’s packaging to be truthful (^2)</td>
</tr>
<tr>
<td></td>
<td>I would expect the NatureC brand to be honest in its claims (^2)</td>
</tr>
<tr>
<td></td>
<td>I would expect NatureC advertising to tell me what I want to know (^2)</td>
</tr>
<tr>
<td></td>
<td>I would expect NatureC advertising to be open (^2)</td>
</tr>
<tr>
<td></td>
<td>The brand’s policies would include putting the customer first (^4)</td>
</tr>
<tr>
<td>Purchase intentions(^5)</td>
<td>Just based upon what you have just read, how interested would you be in buying a NatureC brand of hand cream? (1=not at all; 7=very much)</td>
</tr>
<tr>
<td></td>
<td>How likely would you be to buy a NatureC hand cream if the price was within your budget? (1=not at all; 7=very much)</td>
</tr>
<tr>
<td></td>
<td>What are your overall impressions of the NatureC brand? (1=negative; 7=positive)</td>
</tr>
<tr>
<td>Disposition to trust(^6)</td>
<td>I generally trust others (1=strongly disagree; 7=strongly agree)</td>
</tr>
<tr>
<td></td>
<td>I tend to count upon others</td>
</tr>
</tbody>
</table>

23
I generally have faith in humanity
I tend to trust even when not knowing it
Trusting others is easy
My tendency to trust others is high
It is easy to trust others

Perceived risk

It would be a big deal if I bought the wrong hand cream (1=doesn’t apply at all; 5=applies completely)
It would be really annoying to make an unsuitable hand cream purchase
For me, a poor hand cream choice would be upsetting
In purchasing a hand cream, I am certain of my choice
I never know if I am buying the right-hand cream
For me, purchasing a hand cream isn’t complicated

Involvement

In selecting from the many types and brands of hand creams available in the market, would you say that (1= I would not care at all as to which one I buy; 7= I would care a great deal as to which one I buy)
How important would it be for you to make a right choice of this product? (1= not at all important; 7= extremely important)
In making your selection of this product, how concerned would you be about the outcome of your choice? (1= not at all concerned; 7= very much concerned)
Do you think that the various types and brands of hand creams available in the market are: (1= all very similar; 7= all very different)
For you hand creams are: (1= important; 7= unimportant); (1= of no concern; 7= of concern to me); (1= mean a lot to me; 7= mean nothing to me); (1= matter to me; 7= do not matter to me); (1= significant; 7= insignificant);

Expertise

How familiar are you with hand creams? (1= not at all familiar; 7= very familiar)
How would you rate your knowledge of hand creams relative to other people? (1= one of the least knowledgeable; 7= one of the most knowledgeable)

---

1 Item adapted from Becerra and Korgaonkar (2011)
2 Items adapted from Davies et al. (2004)
3 Item adapted from Aaker et al. (2010)
4 Item adapted from Sirdeshmukh et al. (2002)
5 Scale adapted from Aaker et al. (2010)
6 Scale adapted from Becerra and Korgaonkar (2011)
7 Scale adapted from Paulssen et al. (2014)
8 Scale adapted from Mittal (1995)
9 Scale adapted from Mitchell and Dacin (1996)
### Appendix 4. Participants’ characteristics

| Participants | Experiment 1 | | Experiment 2 | | |
|--------------|--------------|---------------------|---------------------|
| | Group 1 | Group 2 | | Group 1 | Group 2 | |
| | n=105 | % | n=146 | % | n=107 | % | n=106 | % |
| Gender | | | | | | | | |
| Female | 64 | 61 | 93 | 64 | 59 | 55 | 56 | 53 |
| Male | 41 | 39 | 53 | 36 | 48 | 45 | 50 | 47 |
| Age | | | | | | | | |
| < 20 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20-29 | 4 | 4 | 2 | 1 | 5 | 5 | 2 | 2 |
| 30-39 | 13 | 12 | 8 | 6 | 20 | 19 | 15 | 14 |
| 40-49 | 24 | 23 | 23 | 16 | 31 | 29 | 27 | 25 |
| 50-59 | 30 | 29 | 41 | 28 | 21 | 19 | 22 | 21 |
| > 60 | 32 | 30 | 72 | 49 | 30 | 28 | 40 | 38 |

### Appendix 5. Means and standard deviations for the dependent variables

| Variable | Hand cream | | Cars | |
|----------|------------|---------------------|---------------------|
| | M | SD | M | SD |
| Brand trust (company information only) | 5.46 | 1.24 | 5.32 | 1.11 |
| Brand trust (product information only) | 5.13 | 1.13 | 5.00 | 1.09 |
| Overall brand trust (company information first, product information second) | 5.58 | 1.19 | 5.46 | 1.16 |
| Overall brand trust (product information first, company information second) | 5.19 | 1.18 | 5.14 | 1.15 |
| Purchase intentions (company information only) | 5.05 | 1.59 | 5.22 | 1.17 |
| Purchase intentions (product information only) | 4.65 | 1.64 | 4.89 | 1.22 |
| Overall purchase intentions (company information first, product information second) | 5.10 | 1.70 | 5.41 | 1.20 |
| Overall purchase intentions (product information first, company information second) | 4.83 | 1.59 | 4.97 | 1.25 |
References


Hayes A.F. (2017), *Introduction to mediation, moderation, and conditional process analysis*


