



Brand Identity or Product-Focus: Small Business Video Storytelling to Build Brand Trust

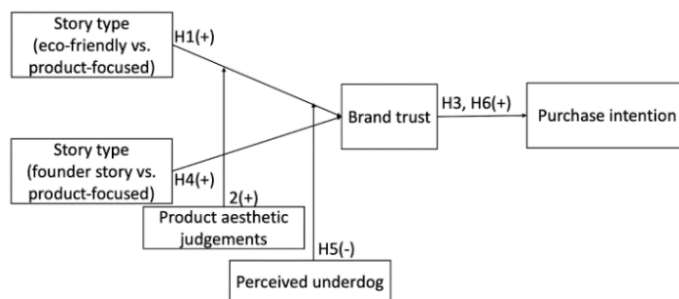
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Introduction: To build brand awareness and survive in the heavy competition, small businesses need to earn consumer trust in the brand-building stage. Brand storytelling, a set of brand activities that establish a story, helps companies effectively deliver their products and brand identities (Hall, 2019). A growing number of small fashion companies position themselves with unique identities, such as eco-friendliness (e.g., Tentree) and founder experience (e.g., Universal Standard). However, the effectiveness of brand identity in building brand trust is under-studied despite the storytelling contents determining the brand’s characteristics (Fog et al., 2010; Hall, 2019). We categorize brand stories into two types (Fog et al., 2010; Hall, 2019; Miller, 2017). First, identity-focused stories holistically convey a brand’s distinctive meaning, philosophy, and values to create unique brand characteristics (e.g., eco-friendly, founder stories). Second, product-focused stories describe product functions such as design, fitting, and fabric. Applying signaling theory, this experimental research aims to compare these different story types in building brand trust and future purchase intention. We also incorporated two moderators (product aesthetic judgment and perceived underdog) relevant to each story's content. We used video storytelling, which has gained huge popularity recently.

Literature Review: We developed two studies (Figure 1). Study 1 (H1–H3) compares eco-friendly with product-focused stories, while Study 2 (H4–H6) compares founder stories with product-focused stories.

Study 1: Eco-friendly storytelling may indicate the brand’s competency in offering sustainable products and demonstrate benevolence in caring beyond its own sake and benefits. On the other hand, product-focused storytelling may signal the brand’s offering of quality and comfort. We



expect the former creates more distinctive brand characteristic, which enables a stronger and more attractive brand identity. This, in turn, can enhance brand trust (Balmer, 2001; Bhattacharya & Sen, 2003). Thus, *H1: An eco-friendly story leads to a higher brand trust than a product-focused story.* Consumers are often concerned about the aesthetic quality of eco-friendly products, which makes them hesitate to purchase

*Study1: eco-friendly story (H1-H3), Study 2: founder story (H4-H6)

**H3 and H6 are mediating effects.

Figure 1. Research framework

(Bandyopadhyay & Ray, 2020). Although a brand appeals through eco-friendly storytelling,

without the aesthetic value of a product, consumers may not trust the brand. Therefore, *H2: Consumers' perceived product aesthetic judgments moderate H1 such that an eco-friendly story with high perceived product aesthetic judgment lead to higher brand trust than an eco-friendly story with low perceived product aesthetic judgment.* Higher brand trust translates to higher purchase intention because trust can form favorable brand-consumer relationships (Guenzi et al., 2009). When lacking brand trust, consumers find it difficult to assure themselves the brand is worth purchasing (Herbst et al., 2013). Encapsulating the previous studies and the rationale of H1, H3 was developed: *Brand trust positively mediates the relationship between story types and purchase intention.*

Study 2: An example of a founder story can be how a founder faced difficulties in finding products in the marketplace and ultimately launched a business to solve this problem. Consumers may feel the brand deeply understands the problem and offers a practical solution. It can signify a brand's authenticity and competence, compared to product-focused stories, which focus on basic product functions. Thus, H4 was formulated: *A founder story leads to a higher brand trust than a product-focused story.* Small businesses often position themselves as underdogs emphasizing their insufficient resources, humble beginnings, and efforts to overcome initial difficulties. It helps consumers feel stronger sympathy than top-dog positioning (rich resources and a smooth start to launch the business), which leads to higher brand trust. Thus, H5 was as follows: *The perceived underdog positioning moderates H4 such that a founder story with a perceived underdog position leads to higher brand trust than a founder story with a perceived top dog position.* Following the same rationale as H3, H6 was formulated: *Brand trust positively mediates a founder story to lead to higher purchase intention than a product-focused story.*

Methods: We developed two types of stimuli. First, we created 30-second-long storytelling videos of a fictitious fashion brand, Luna, for the main (H1, H4) and mediating effects (H3, H6). Second, for moderating effects (H2, H5), written scenarios were manipulated, with different levels of perceived product aesthetic judgments (i.e., high vs. low) and perceived underdog positioning (i.e., underdog vs. top dog). Each respondent was randomly assigned to one setting and exposed to stimuli. Then, they answered questions about manipulation checks, brand trust, purchase intention, and demographics. Each measurement was adapted from or modified based on previous studies.

Results: Before the hypotheses testing, the manipulation checks confirmed that the stimuli were perceived as intended. Exploratory factor analyses and Cronbach's alpha tests (0.79–0.96) also confirmed the validity and reliability of the measurements. In Study 1, the hypothesis testing results showed that H1 ($MS = 5.17$, $F_{(1,103)} = 4.31^{**}$) and H2 ($MS = 7.75$, $F_{(1,73)} = 4.85^{**}$) were supported. Tested through PROCESS SPSS 14.1, H3 was also accepted with full mediating effect, as the direct effect was not significant ($\beta = -.08$, $se = .24$, $LLCI = -.55$, $ULCI = .39$), but the indirect effect was significant ($\beta = .43$, $se = .21$, $LLCI = .02$, $ULCI = .83$). However, in Study 2, H4 ($MS = 3.32$, $F_{(1,103)} = 2.20$, $sig = .14$) and H5 ($MS = 1.87$, $F_{(1,60)} = 2.05$, $sig = .16$) were rejected. H6 was not supported, showing insignificant results for both direct ($\beta = -.07$, $se = .11$,

$LLCI = -.16$, $ULCI = .27$) and indirect effect ($\beta = .14$, $se = .10$, $LLCI = -.06$, $ULCI = .35$). Thus, no mediating effect was found in H6.

Conclusion and Discussion: Results from Study 1 indicated that an eco-friendly story led to higher brand trust than a product-focused story and translated to purchase intention only via increased brand trust. Additionally, high product aesthetic judgment led to greater brand trust than low product aesthetic judgment, confirming its moderating role between eco-friendly storytelling and brand trust. Results from Study 2, however, did not find evidence supporting founder stories over product-focused stories in evoking brand trust. No mediating effect of brand trust was found also. This can be due to personal relevance, as explained by the construal level theory (Trope & Liberman, 2003). It suggests if consumers feel closer to the brand with the same experiences, they may have higher brand trust. The underdog effect also did not work in a founder story to build brand trust. We believe the reason could be the nature of brand trust. Consumers may feel higher brand trust when perceiving a brand with sufficient resources for product development as having stronger competence (Kao, 2019; Paharia et al., 2011). Thus, for building brand trust, small companies are encouraged to tell a story about their genuine and unique identity that highlights their competence.

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