From Cheap To Chic

A quantitative study on using comparative transparency as a tool for brand attribute upgrading

Course:

1351 - Thesis in Business and Management, Stockholm School of Economics

Authors:

Adrian Brännstam (42106)

Simon Eliasson (42105)

Date of hand-in:

2023-05-12

Supervisor:

Hanna Berg

Word count:

18 478

Abstract

This thesis constitutes the first attempt to investigate the concept of comparative transparency, a novel type of brand alliance, inspired by comparative advertising and enabled by the growing trend of business transparency in the apparel industry. Broadly, the present study is designed to investigate whether a weak brand can capitalize on the positive attributes of a strong brand merely by being presented as having common manufacturers in an online retailing context. More specifically, this study aims to investigate the effects on consumers' brand- and product quality perceptions following the application of comparative transparency. While no significant effects were observed for high price brands, the results of a quantitative 2x2 between-subject experiment revealed initial evidence for that low price can expect increases in perceived (1) brand effort, (2) brand ability, (3) product quality, and (4) acquisition value when sharing information on other strong premium brands that utilizes the same manufacturer as the focal brand. Moreover, it was concluded that these effects could be explained by signaling theory and that product price moderated the effect of comparative transparency on perceived product quality. Conclusively, this thesis offers insights into a novel branding strategy related to brand alliances and transparency, as well as implications for managers and practitioners on how to effectively leverage one's transparency efforts.

Keywords: *Brand alliances, Business Transparency, Comparative Advertising, Apparel Industry, Brand Attribute Upgrading, Brand- and Product Quality Perceptions*

Table of contents

Acknowledgements

Supervisor, Hanna Berg

Thank you for sharing your expertise and guiding us throughout the writing of this thesis.

Norstat

Thank you for giving us the opportunity to conduct this study and supporting us with your resources for the data collection.

norstat

www.norstat.se/

Key phrases and definitions

Comparative transparency (CT)	The sharing of otherwise commonly withheld information to external stakeholders, which compares a focal brand and its offering to another strong brand with the purpose of creating a sense of similarity, even though the joint presentation may not have been mutually agreed upon by the strong brand.
Business transparency	The act of disclosing information to all of the organization's stakeholders through its reporting mechanisms (Martinez, Crowther 2008)
Comparative advertising	Advertising that "compares two or more specifically named or recognisable presented brands of the same generic product or service class and makes such a comparison in terms of one or more specific product or service attribute" (Wilkie, Farris 1975, p.7)
Brand alliances	All circumstances in which two or more brand names are presented jointly to the consumer (Rao, Qu et al. 1999)
Brand strength	Refers to the ability of a brand to effectively communicate a certain level of quality and affect brand choice. Brands can be classified as either weak or strong depending on consumers' familiarity and positive associations to the brand (Mühlbacher, Raies et al. 2016).
Brand- and product quality perceptions	Consumers' individual perception of a brand and the quality of its products prior to having experienced the product themselves.
Brand attribute upgrading	The enhancement of consumers' perception toward one or more specific brand attributes through marketing activities.

1. Introduction

The following section provides an overview and problematization of the research topic. Moreover, it covers the report's expected contributions, its delimitations, as well as research questions. Finally, a summary of the report's disposition is presented.

1.1 Background and problematization

There is an important distinction between an actual and communicated product, whereby consumers may perceive two products as objectively similar but vastly different in terms of marketing and communication. For instance, perceived quality is not always equivalent to actual quality, and the superiority of a product is not solely dependent on its objective attributes. Hence, the best product does not always win, but rather the best communicated one (Dahlén, Lange et al. 2017). A vital asset for companies when communicating a product is their brand as it may help differentiate one's offering, elicit positive emotions, establish trust and simplify consumer decision-making (Vaidyanathan, Aggarwal 2022).

However, building robust brand associations that provide these benefits requires considerable resources, time, and effort. In recent years, there has been a growing trend of brands collaborating with one another by forming brand alliances with the intention of effectively expanding their brand equity and strengthening brand associations (Vaidyanathan, Aggarwal 2022). Typically, such brand alliances, the intentional joint display of two or more brands to consumers, occur between strong brands as they stand to gain something from each other (Newmeyer, Venkatesh et al. 2018). As a result, weaker and less established brands generally find it difficult to enter a partnership with a strong brand and enjoy the benefits from such an alliance (Vaidyanathan, Aggarwal 2022). Nevertheless, there are instances where such opportunities arise. Recently, a novel and yet to be studied type of brand alliance, enabled by the growing trend of business transparency, has emerged in the apparel industry and will be the focus of this thesis.

To illustrate its application, consider, for instance, the following scenario. A new apparel brand that seeks to differentiate itself through being transparent regarding the production practices of its products and offering great value for money may choose to produce its merchandise at the same manufacturer used by an already established, strong, and reputable brand. To signal the quality of their products to the market, the weak brand, which has yet to establish a reputation for its high-quality products, states on its website that its product was manufactured by the same producer as a comparable product from the strong brand. Applications of this precise strategy have recently been observed at up-and-coming brands, such as Italic and Iuiga, both of which apply a similar and innovative subscription-based business model that allows them to offer premium-quality products at lower price points (Italic 2023, Iuiga 2023).

The theoretical justification of this strategy may be that it serves as a signal for demonstrating their comparable product quality with well-known premium brands, despite their lack of reputation and significantly lower prices (Spence, M. 1974, Cohen 1982, Rose, Miniard et al. 1993, Fiske 1982). By emphasizing their shared manufacturers, these brands have thereby further capitalized on the transparency strategy and leveraged the concept of comparative advertising (Wilkie, Farris 1975) to enable the creation of an *asymmetric brand alliance* in which the strong brand has not necessarily agreed to enter the partnership (Vaidyanathan, Aggarwal 2022). This showcases a new, and more progressive application of transparency, going from being merely a compulsory action to a proactive strategic marketing tool. Given the potential assimilation to more expensive and established brands, this strategy offers an interesting opportunity for low price brands, that are typically regarded as having products of lower quality (Spence, M. 1974, Tirole 1990), to communicate their products and differentiate themselves from within-class competitors. In this report, the term *comparative transparency* will be employed to denote this particular concept.

Although the advantages of brand alliances with more traditional characteristics have been thoroughly researched and recorded, the implications of asymmetric brand alliances, as the one previously exemplified, are not yet well understood (Vaidyanathan, Aggarwal 2022). Additionally, despite the fact that an increasing number of companies are embracing the trend of displaying increased transparency throughout the supply-chain, the practice is still not widely adopted and viewed as a standard practice (Tong, Su 2022, Kim, Kim et al. 2020), and very few empirical studies have been conducted to further investigate its effect on consumers' brand- and product perceptions. In order for practitioners to gain insights into how to maximize the potential benefits of this strategy and what the effects of different applications of it are, research on how to effectively apply it is necessary.

1.2 Purpose and expected contributions

Given the competitiveness of the apparel fashion market, managers continuously need to find new ways to stand out and effectively convey the value of their offering. As consumers' expectations and requirements towards transparent product disclosure continue to rise, contemporary marketers need to understand what, when, and how to provide consumers with the information they require without harming their brand (Buell 2019).

The purpose of this study is to examine the use of referral brands in companies' transparency efforts as a tool to increase brand- and product quality perceptions in an online retailing context. More specifically this study deploys an experimental research design to investigate whether and when the application of such comparative transparency efforts can benefit the focal brand.

Practically, this study thus seeks to contribute to the knowledge of leveraging comparative transparency as a marketing tool, and hence guide contemporary marketers' decision making of whether and when to utilize external brands as production reference points as part of the brand's transparency efforts. Theoretically, this study seeks to advance the current body of knowledge of three research streams, namely business transparency, comparative advertising, and brand alliances, and how the combination of such efforts affect brand- and product quality perceptions of the focal brand. Moreover, by focusing on perceived product quality as a central variable, this study will contribute to the theoretical knowledge of how consumers perceive product quality prior to a purchase.

1.3 Research question

Broadly, the present study is designed to investigate whether a weak brand can capitalize on the positive attributes of a strong brand merely by being presented as having common manufacturers in an online retailing context. More specifically, this study will investigate the effects on consumers' brand- and product quality perceptions following the application of comparative transparency. Hence, this thesis aims to answer the following research question:

What are the effects on consumer's brand- and product quality perceptions from using external brands as production reference points?

In addition, this thesis will also shed light on one additional research question, namely whether the effects differ for different brand types in terms of price class.

1.4 Delimitations

This report has been delimited in several ways. First, this report has solely focused on the application of comparative transparency in the apparel industry, and results may therefore not be generalizable for other product categories or industries. Secondly, this report has focused on generated effects in an online retailing business to consumer setting and has therefore been delimited to that context. Moreover, while comparative transparency could arguably be applied in several different ways, this report has been delimited to focus on comparative transparency related to production. Finally, this study will include only Swedish respondents, which means that the results will not necessarily be transferable to other populations.

1.5 Disposition

In the following section, a comprehensive review of the relevant literature will be conducted and the theoretical framework that underlies the main concepts of this thesis will be outlined. Furthermore, a detailed discussion of the methodological perspectives and procedures that were employed throughout the study will be presented. Finally, an analysis of the results, including this thesis' main theoretical contributions and practical implications for management, the research’s limitations, and recommendations for future studies will be covered.

2. Literature review and theoretical background

2.1 Business transparency: understanding its growth and impact on consumers

---

In order to understand how business transparency can influence consumer perceptions, this section will include a definition of transparency, a brief background to its rise within the apparel industry, as well as findings from previous research on the topic.

In recent years, consumers have become less trusting of apparel brands and their quality claims following a long range of scandals. Today's consumers are showing an increasing concern about fair labor as well as value for money and frequently conduct thorough product evaluations before making a purchase (Amed, Berg et al. 2019, Gazzola, Colombo et al. 2017). Consequently, this has put higher demands on companies to communicate the true value of their products (Kim, Kim et al. 2020). As a response, *business transparency* has become a prevalent trend in the fashion industry with many brands taking steps towards providing more information in order to bolster trust, differentiate themselves and gain an advantage over their competitors (Mohan, Buell et al. 2020, Septianto, Kemper et al. 2021). Conclusively, adopting the practice may serve as a means to highlight a company's innovative operational practices, the unique aspects of their offering as well as provide consumers with credible insights to back up their claims about product quality, reasonable pricing, sustainability practices, and more (Tong, Su 2022, Södergren 2021, Septianto, Kemper et al. 2021).

Research on business transparency is still emerging and scholars within the field are yet to agree on one unified definition of the concept (Egels-Zandén, Hansson 2016). Martinez &

Crowther (2008) define *transparency* as “the act of disclosing information to all of the organization’s stakeholders through its reporting mechanisms’’. Although the overarching term is commonly merely perceived as “disclosure of information’’ (Mol 2015), there are multiple subtypes of transparency explored in the literature. One such subtype is referred to as *supply-chain transparency*. According to the definition provided by (Egels-Zandén, Hansson 2016), supply-chain transparency entails the seller disclosing more extensive information of three key components: (1) identification of the suppliers involved in the production of the firm's products (traceability), (2) information regarding the sustainability conditions at these supplier companies, and (3) the purchasing practices of the buying firm. Furthermore, scholars have made a distinction between internal- (traceability / visibility) and external information disclosure (transparency) (Pagell, Wu 2009, Sodhi, Tang 2019). This thesis will focus on external information disclosure related to manufacturing practices and will therefore combine the definitions provided by Martinez & Crowther (2008), Egels-Zandén & Hansson (2016), and Pagell & Wu (2009) and refer to transparency as: the disclosure of otherwise withheld manufacturing information to external stakeholders.

Transparency has been described as especially relevant for brands in the apparel industry given the frequent criticism it faces for its production practices (Amed, Berg et al. 2019). Furthermore, out of all activities along the fashion supply-chain, manufacturing is widely regarded as the most controversial and impenetrable as demonstrated by the frequent disputes surrounding the general mistreatment of workers (Joy, Sherry et al. 2012). Due to this, a majority of apparel industry executives claim to experience a significant ROI when adopting transparency efforts as a result of its positive effect on brand reputation and loyalty (Salfino 2019). However, despite the growing demand and apparent benefits of increased transparency throughout supply-chains, some managers have been reluctant to embrace it, claiming the information should be kept confidential, partly due to its competitive value (Doorey 2011).

Prior empirical studies within the area of business transparency in the apparel industry have mainly focused on *cost transparency*, i.e. the practice of disclosing a product's true production cost and markup. However, previous findings on transparency suggests that disclosing transparent production information may serve as a tool to build legitimacy and strengthen reputation (Carter, Rogers 2008) as well as retaining consumer trust and help build brand image (Strunin 2008). Further, previous research has indicated that supply-chain transparency positively influences brand equity (Kim, Kim et al. 2020) and purchase intention (Bhaduri, Ha-Brookshire 2011, Egels-Zandén, Hansson 2016, Kim, Kim et al. 2020). Nevertheless, relatively few studies have been carried out to empirically investigate the effects on consumer responses to transparency outside of the scope of sustainability and ethical aspects, and there has currently been no attempt to empirically investigate transparency efforts when including external brands as reference points.

As Perkins and Hendry (2005) states, an increased extent of information disclosure does not necessarily correspond to an enhancement in efficacy since the information requires interpretation by the receiver. The phenomenon of information overload (Jacoby, Speller et al. 1974) has been posited to describe why consumers may be better served by a reduced set of cues to mitigate the possibility of creating a demanding cognitive challenge (Montgomery, Hosanagar et al. 2004). Studies on consumer's cognitive journeys throughout the decision-making process indicate that consumers frequently utilize a mental mechanism for filtering information to decrease its complexity and simplify judgments (Jacoby 1984, Chen, Shang et al. 2009). Hence, despite its possible advantages, increased transparency may not always yield favorable outcomes (Buell 2019, Kim, Kim et al. 2020), indicating that managers should consider that complete transparency may not always be the optimal solution. Managers should take into account the potential risks and benefits of transparency in each specific context, considering what, when, and how to reveal such information (Buell 2019). In order for practitioners to gain insights into how to maximize the potential benefits of this strategy, research on how and when to effectively apply it is necessary. Given the emerging nature of transparency as a marketing tool, brands are continuously experimenting with new applications. Hence, as expressed by Kim, Kim et al. (2020), there is a need to further investigate additional and new applications of transparency and how it might affect consumers' brand perceptions.

2.2 How including other brands in communication can affect brand perceptions

In order to properly understand the influence of including multiple brands in communication on consumer perceptions and brand positioning, this section will provide definitions of central concepts and present a review of relevant literature.

2.2.1 Brand strength and brand names as signals of quality

One key function of a brand name is to carry information about the expected quality of a product and thereby reduce the consumer's shopping effort (Gardner, Levy 1955). While product quality can be derived from both objective attributes (e.g. the tangible benefits of a specific ingredient) and subjective attributes (e.g. the psychological and emotional associations linked to a particular brand), consumers who seek a certain standard of quality within a product category can search for familiar brands that align with their desired level of quality (Rao, Ruekert 1994). How well a brand name is able to communicate a certain level of quality expectations is, in turn, dependent on the strength of the brand.

Brand strength is derived from brand knowledge and how consumers evaluate that knowledge. It is defined by (Mühlbacher, Raies et al.) (2016, p.2774) as "an evaluative or behavioral response such as commitment, trust, reputation, or recommendation […] that affects brand choice". Brand strength has been measured using three broad indicators of consumer-based brand equity (reputation, trust, and image) and has proved to be a predictor for the amount, degree of favorability, uniqueness, and consensus of associations connected to a brand (Mühlbacher, Raies et al. 2016). Moreover, they establish that, based on these brand associations, it is possible to place brands on a continuum from weak to strong. However, later research has also made the simplified distinction between weak and strong brands (Vaidyanathan, Aggarwal 2022). Strong brands are easily recognized in the marketplace and consumers have created several positive associations toward the brand over time, which typically translates to strong brand equity, positive attitudes, and choice intentions (Mühlbacher, Raies et al. 2016, He, Calder 2020). On the other end of the spectrum are weak brands. Relative to strong brands, weak brands are unknown and consumers have not yet experienced many positive interactions with the brand (Mühlbacher, Raies et al. 2016, Vaidyanathan, Aggarwal 2022). Due to consumers' lack of familiarity with weak brands, they have very limited brand equity and quality associations connected to their brand name.

When a brand is not able to signal a particular level of quality on their own, they can make use of external resources, such as distributing their products through a respected and established retailer (Chu, Chu 1994). However, as shown through several studies, brands can also leverage the reputation of other brands to signal product quality, either through comparative advertising or brand alliances (Rose, Miniard et al. 1993b, Rao, Qu et al. 1999).

2.2.2 Comparative advertising

When consumers evaluate multiple offerings, they generally expect a lower product or service price to be associated with tradeoffs on certain product features or benefits. Such tradeoffs, however, are not always present in reality, but can still exist in the perception of consumers (Van Auken, Adams 1998). In such situations, marketers have turned to comparative advertising to emphasize the superior value associated with choosing the focal product or service by comparing it against other competitors' offerings. The general assumption is that consumers who lack the ability to effectively assess two separate offerings in isolation may be better equipped to make an informed purchase decision due to the provided reference information (Rose, Miniard et al. 1993).

Wilkie & Farris define comparative advertising as advertising that "(1) compares two or more specifically named or recognisable presented brands of the same generic product or service class and (2) makes such a comparison in terms of one or more specific product or service attribute" (Wilkie, Farris 1975, p.7). The definition of comparative advertising has broadened over time and later research has included both implicit and explicit comparisons on any dimension such as quality, price, and company status (McDougall 1977, Ash, Wee 1983). Moreover, literature on the topic has identified two distinct types of comparative advertising; those that follow an associative or differentiative approach (Lamb, Pride et al. 1978, Pride, Lamb et al. 1979). Advertisements that follow an associative approach highlight brand similarities, while differentiative comparative advertisements emphasize brand superiority or differences. Conclusively, the concept of comparative advertising is a promotional marketing technique in which a brand, either implicitly or explicitly, emphasizes any chosen benefits of its product or service in relation to the company's competitors.

As previously mentioned, comparative advertising is commonly used by brands looking to bridge the gap between themselves and their competitors. Similarly to providing consumers with reference points, Stewart (1989) suggests that comparative advertising, acting as a relative measure, can help consumers better interpret and evaluate information in a competitive environment. Furthermore, Rose, Miniard et al. (1993) argues that comparative advertising can help consumers better extract meaning from a set of information as well as impact what meaning is extracted, and thus have the ability to shape the impression made from the information.

These claims have gained support as several studies have indicated that comparative advertising from a challenger brand can indeed lead to a closer perceptual challenger-leader proximity as well as a strengthened position for the focal brand in relation to its within-class competitors (Van Auken, Adams 1998, Gorn, Weinberg 1984, Sujan 1985). Moreover, previous research within comparative advertising has shown that low-share brands tend to gain more perceptual benefits, such as improved brand attitude and increased purchase intentions, from being compared to with a high-share brand than when compared to another brand with low market-share or when evaluated alone (Grewal, Kavanoor et al. 1997, Pechmann, Stewart 1990). Conclusively, there is significant evidence that low-share brands can benefit from assimilation with established high-share brands through comparative advertising.

However, the results from previous research are mixed, and comparative advertising has also been shown to reduce persuasion (Grossbart, Muehling et al. 1986, Iyer 1988, Pechmann, Stewart 1990, Swinyard 1981). For instance, Stutts (1982) found that readers of comparative advertising showed higher levels of claim counterarguing compared to readers of noncomparative advertisement. Moreover, as found in the study by Murpmy & Amundsen (1981), noncomparative ads that did not include superiority claims, were more effective than comparative advertising for new brands competing with established brands. This study, however, focused specifically on brand perceptions of consumers who had already used and expressed a preference for the compared established brand in question (Murpmy, Amundsen 1981). These learnings from previous studies indicate that the effectiveness of comparative advertising is indeed contextual and may or may not be a suitable strategy for brands depending on the scenario of application.

2.2.3 Brand alliances

Another approach through which brands attempt to leverage the existing reputation of another brand is by forming brand alliances. A brand alliance can be defined as “all circumstances in which two or more brand names are presented jointly to the consumer” (Rao, Qu et al. 1999), p.259). Brand alliances can range from several brands being physically integrated in a product to several brands being featured in the same promotion. As stated by Rao, Qu, and Ruekert (1999), a brand alliance can be created between an unknown brand and a reputable brand as well as between two well-known brands.

In order to gain a deeper understanding of the various types of brand alliances, the concept of alliance integration has been employed to build a continuum of alliance characteristics. Described as “the extent to which the partnering brands are intertwined in form and function’’

(Newmeyer et al., 2018, p. 105), the alliance integration continuum spans from very low to very high integration. The greatest degree of integration is present when multiple brands join forces to co-create a full product offering and the most benefit is derived when the brands are utilized together. On the other hand, low integration is seen in the collective display of brands that mostly stay separate in form, such as co-location or co-promotion (Newmeyer et al., 2018).

Multiple studies have confirmed the validity of this strategy, and the basic notion that having a brand ally present when communicating a product can enhance consumers' perception of the focal brand has been repeatedly supported (Washburn, Till et al. 2000, Voss, Tansuhaj 1999). More specifically, the presence of a brand ally may signal greater perceived product quality (Rao, Qu et al. 1999, Park, Jun et al. 1996), elevate customer-based brand equity (Washburn, Till et al. 2004), and trigger affect transfer from a high-quality brand to a low-quality brand (Levin, Davis et al. 1996). Moreover, as indicated by Simonin and Ruth (1998), the positive effects generated from a brand alliance are stronger on less known brands than on well-known brands. A weak brand allying with a strong brand as a strategy to signal product quality often occurs when the former lacks reputation and is unable to effectively communicate its product quality to the market without assistance (Chu, Chu 1994). The underlying premise of such a strategy is that established brand names carry meaning and quality expectations that can be transferred to a weak brand when jointly presented to consumers (Rao, Qu et al. 1999). In other words, the aim of this approach is to overcome the difficulty of a weak brand to establish its reputation, despite having high-quality products, by being associated with a strong brand. In general, the consensus regarding brand alliances, where both parties are aware of the partnership, is that they benefit the involved brands, and particularly less known brands.

However, in practice, the majority of alliances consist of two brands of equal strength, considering that a central objective of a brand alliance is for both parties to mutually benefit from each other's positive brand associations (Newmeyer et al., 2018). Such a collaboration between two brands of comparable strength can be referred to as a *symmetric brand alliance* (Vaidyanathan, Aggarwal 2022). A strong brand has little to gain from an alliance with a weak brand since it, by definition, has not yet developed such positive associations (Vaidyanathan, Aggarwal 2022). However, despite the fact that a strong brand has no apparent incentive to enter an alliance with a weak brand, certain situations can create opportunities where a weak brand is able to ally with a strong one without the strong brand having to explicitly agree to it. Vaidyanathan and Aggarwal (2022) call these partnerships *asymmetric brand alliances* and define them as having two characteristics: "1) a strong brand is paired with a weak brand, and 2) the strong brand does not have to explicitly agree to partner with the weak brand" (p. 214).

Previous research on the topic of brand alliances provides some explanations for why a weaker brand might stand to benefit disproportionately more in such asymmetric alliances using two theoretical approaches; signaling theory (Rao, Ruekert 1994, Rao, Qu et al. 1999) and the mere association effect (Dimofte, Yalch 2011). According to signaling theory, the mere act of being presented jointly with a stronger brand might unconsciously signal unobservable quality to the consumer, assuming that the stronger brand would carry out its due diligence and assure that the weaker brand would meet such preconditional standards prior to entering the joint promotion (Rao & Ruekert 1994; Rao et al. 1999). Further, the mere association effect suggests that the simple act of presenting two brands together is sufficient to transfer associations from one brand to the other (Dimofte, Yalch 2011). Hence, whether or not the stronger brand has explicitly agreed upon the joint promotion, the association transfer effect would still emerge (Vaidyanathan, Aggarwal 2022).

However, in contrast to much of the previous findings on symmetric brand alliances, a recent study by Vaidyanathan and Aggarwal (2022) suggests contradicting evidence. Their investigation of the brand- and consumer effects of asymmetric brand alliances through joint sales promotions in the food industry, serves as a warning to retailers considering to adopt the strategy. The study demonstrates that asymmetric brand alliances do not only fail to aid the weaker brand, but even cause harm by highlighting the brand contrast. The authors explain their findings by pointing to the level of alliance integration as a moderating factor for the transfer of associations from the strong brand to the weaker brand. According to their findings, when a weak brand is paired with a powerful brand as part of a joint sales campaign, it decreases the attitude towards the weak brand while reducing consumer’s willingness to buy compared to when the same weak brand is combined with another weak brand in the promotional activity. The authors further note that the only condition for a weak brand to leverage a more prominent brand’s associations through joint sales promotions, is under conditions when the alliance integration is perceived to be high. However, they state that the consequences of asymmetrical brand alliances are still poorly understood and call for further research to determine its boundary conditions and under what circumstances it can benefit the weak brand (Vaidyanathan, Aggarwal 2022).

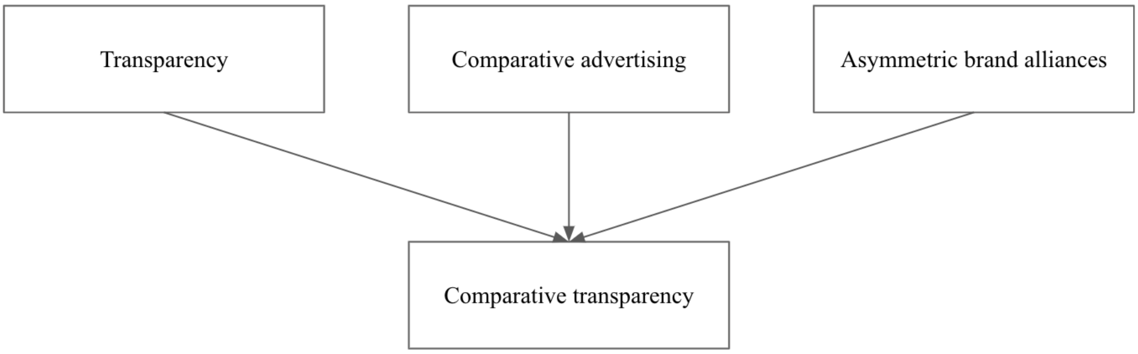
2.3 The concept of comparative transparency

The novel concept referred to as comparative transparency throughout this thesis and its proposed effects on consumer perceptions builds on three separate research areas; business transparency, comparative advertising, and brand alliances.

At the center of the concept of comparative transparency lies the act of sharing commonly withheld or confidential information with external stakeholders, in line with the definition of external transparency made by Pagell and Wu (2009). A second key element of comparative transparency is the inclusion of an external strong brand in the focal brand's communication efforts with the purpose of creating a sense of similarity between the two brands. This practice can also be interpreted as associative comparative advertising, which aims to enhance the perceived similarity between the focal brand and referred brand (Lamb, Pride et al. 1978, Pride, Lamb et al. 1979). Lastly, comparable to the notion of asymmetric brand alliances (Vaidyanathan, Aggarwal 2022), the strong brand ally is not a voluntary participant in the partnership with the focal brand but is unable to withdraw their involvement due to the circumstances at hand.

Thus, the authors of this thesis define the concept of comparative transparency as; (1) the sharing of otherwise commonly withheld information to external stakeholders, which (2) compares the focal brand and its offering to another strong brand(s) with the purpose to create a sense of similarity, even though (3) the joint presentation may not have been mutually agreed upon by the strong brand. Hence, given this definition, there are other potential domains for the application of comparative transparency beyond merely sharing information pertaining to manufacturer comparisons. Additional areas of utilization may encompass, for instance, the comparison of costs and prices, materials, production techniques, and sustainability aspects. However, for the purpose of this thesis, the emphasis will be placed on comparing strong brands that share the same manufacturer as the focal brand.

Figure 1. Comparative transparency as a synthesis of three research areas



2.4 Theoretical background

2.4.1 Signaling theory

To explain the potential positive effects of comparative transparency, the authors turn to signaling theory. The theory is commonly used to describe the situation where information asymmetry between two parties is resolved by one party sharing information to the other party as well as to describe how information about products, services, and brands are interpreted by consumers before a purchase (Kirmani, Rao 2000, Spence, 2002). The purpose of a signal is to enable the other party to assess an object despite not having access to complete information (Spence 1974, Kirmani, Rao 2000). Consumers often have to rely on a brand's communication efforts to attain information regarding a brand and its products, which makes signaling theory relevant to communication research (Liljedal, Berg et al. 2020). In situations where potential buyers of a product do not have all the necessary information to evaluate product quality prior to receiving the product, sellers may wish to communicate the product's quality by providing a signal (Spence 1974). A signal in this context can function as a method for the seller to showcase a credible justification for the product's unobservable quality to the potential customer (Rao, Qu et al. 1999). Hence, there is an important distinction between actual and communicated products, concerning the fact that two objectively similar products may be perceived very differently by consumers as a result of their respective marketing and communication. In that sense, perceived quality is not the same as actual quality and thus, the best product does not always win, but rather the best communicated product (Dahlén, Lange et al. 2017)

Similar to the way product warranties and high prices signal product quality by posing a risk to the firm's future revenue if quality claims turn out to be false, brand names also have the potential to signal product quality. A brand name typically holds and provides consumers with information regarding the producer of a particular product, and consequently what brand to criticize if a product does not meet expectations. Hence, due to the potential financial losses a brand may suffer if high quality claims are not followed by high-quality products, high quality claims often serve as an effective signal to provide assurance (Kirmani, Rao 2000). Following the same reasoning, branded products are more likely to install quality aspects in their products compared to unbranded products because of the fear of such punishments. Hence, leveraging brand alliances may provide quality assurance for brands wishing to convey consumers about their quality standards when the brand is unable to signal inherent quality on its own (Rao, Ruekert 1994).

Research has identified two types of signals in consumer interaction: intrinsic and extrinsic cues. Intrinsic cues are inherent product features that constitute the core characteristics of a product, whilst extrinsic cues are non-inherent product-related features that in themselves do not have an influence on a product's fundamental nature (Wells, Valacich et al. 2011). Thus, cues such as price (Dawar, Parker 1994), brand name (Erdem, Swait 1998), reputation of the retailer (Chu, Chu 1994, Dawar, Parker 1994), country of origin (Teas, Agarwal 2000, Oude Ophuis, Van Trijp 1995), and store environment (Baker, Grewal et al. 1994) can all be considered extrinsic cues. Although both types of cues can be used by consumers when evaluating products, they tend to rely more on extrinsic cues in situations where time is limited and the need for cognition is low (Zeithaml 1988, Chatterjee, Heath et al. 2002) due to the fact that extrinsic cues are easier to interpret and comprehend when involvement and interest to deeply explore the product is limited (Dawar, Parker 1994, Zeithaml 1988).

Additionally, prior research on signaling theory suggests that creative advertising can be used to provide consumers with a signal regarding an increased level of brand effort, which is subsequently linked to perceived brand ability. That is, if a brand is perceived to deliver creative communication, it is believed to have invested more time, resources or general effort into the communications, which consumers' interprets as an ability to deliver innovative output beyond just advertising, such as the manufacturing of its products. Hence, creative advertising has the ability to signal product quality, via an increased level of perceived brand effort, and perceived brand ability and further positively influence brand attitudes (Ambler, Hollier 2004, Dahlen, Rosengren et al. 2008) .

In the branding literature, it is suggested that a brand signal is formed by a company's applied marketing strategies and that such brand signals function as an extrinsic cue with the ability to communicate product quality information to consumers (Meyer, Sathi 1985). As identified in previous research, both brand alliances and business transparency appear to have a positive impact on consumers' perception towards a brand and the quality of their products (Rao, Qu et al. 1999, Kim, Kim et al. 2020, Tong, Su 2022). Accordingly, this study interprets the concept of comparative transparency as a positive extrinsic cue with the ability to generate positive reactions toward a brand and its products.

2.4.2 Theory of category-based affect and adaptation-level theory

An additional theoretical rationale behind why comparative transparency may be a successful strategy for new brands looking to improve consumer evaluations of their offering can be found in the theory of category-based affect, which holds that people naturally divide the world of objects around them into categories in order to make processing and understanding of their environment more efficient (Mervis, Rosch 1981, Rosch 1975, Rosch, Mervis 1975, Smith, Medin 2013). The theory also states that when people perceive an unknown or new object as associated with a known category, the overall attitude towards the known category is transferred to the new object (Cohen 1982, Fiske 1982). In other words, consumers use prior knowledge and expectations of typical category members as guides when evaluating new objects, a cognitive information process commonly referred to as "schema-driven affect" (Fiske 1982).

In a shopping environment, consumers tend to evaluate choices based on reference points to guide their decision-making (Crosno, Cui 2018, Helson 1964, Kahneman, Tversky 2013, Zhu, Chen 2017). The adaptation-level theory by Helson (1964) has been widely used by scholars as a rationalization for the provision of reference points. According to the adaptation-level theory, people assess new stimuli in comparison to their established adaptation level, which is dependent on previous experiences and the stimuli's range, magnitude and dispersion from a mean. In other words, the theory suggests that consumers' past experiences and expectations in a certain context create an internal reference point and defines how new stimuli in that environment will be judged (Helson 1964).

In addition to understanding comparative transparency as a signal, these two theories in conjunction are proposed to offer a reasonable explanation to why weak, particularly low price brands may benefit from applying the concept of comparative transparency, whereas a high price brand may not. Firstly, by emphasizing a similarity between the focal brand and a strong brand that is regarded as having high quality products, it is possible that consumers will categorize the weak brand as belonging to the same quality group as the strong brand, according to the theory of category-based affect (Cohen 1982, Fiske 1982). Secondly, how this assimilation is evaluated by consumers depends on their initial expectations on the brand and its products. As consumers generally expect cheap products to be associated with lower quality, such an assimilation is thought to especially benefit low price brands given that it creates a deviation from what is typically expected in terms of product quality from low price brands (Kirmani, Rao 2000). For high price brands, however, this additional information disclosure might be superfluous, since it is not believed to create the same positive deviation from what is generally expected from a high priced brand.

2.5 The literature gap

Conclusively, the authors have identified two key research gaps related to the areas of brand alliances and supply-chain transparency. Firstly, although a significant amount of research has been conducted on more conventional brand alliances and their effects on consumer perceptions, little is known regarding how asymmetric brand alliances affect the involved brands. Recent publications have, however, started to investigate asymmetric brand alliances within the context of joint sales promotions in the food industry but have called for more research on the topic (Vaidyanathan and Aggarwal, 2022). Secondly, while previous studies on transparency in the apparel industry have mainly focused on cost transparency and perceived ethicality (Kim, Kim et al. 2020, Tong, Su 2022, Jung, Cho et al. 2020, Septianto, Tjiptono et al. 2020, L. Ferguson, Scholder Ellen 2013), existing research has partly overlooked the question of transparency and the dimension of perceived product quality.

The signal value and perception effects of leveraging an asymmetric brand alliance strategy in the context of transparency thus needs further research in order to identify the circumstances where asymmetrical brand alliances potentially have the ability to signal unobservable product quality. There has currently been no attempt to empirically investigate transparency efforts when including external brands as reference points and studies are yet to examine whether or not it is suitable for brands in different price classes. To fill the identified research gap this study aims to investigate the effects on brand- and product quality perceptions from using external brands as quality reference points in the context of transparency. Thus, the results of this study are expected to enhance the current body of literature on the use of both transparency and asymmetric brand alliances as a means of signaling crucial brand- and product-related attributes, which are fundamental to branding and marketing strategies.

2.6 Hypotheses development and Conceptual framework

2.6.1 Hypotheses development

As previously mentioned, signaling theory has the potential to describe how consumers form assumptions regarding brands and products that they have not personally experienced

(Kirmani, Rao 2000). The underlying premise is that any present information asymmetry between two parties, e.g a seller and a consumer, may be solved by one party sharing information to the other party (Spence, Michael 2002) to enable for the consumer to assess a product despite not having access to complete information (Spence 1974, Kirmani, Rao 2000).

Considering that the application of transparency provides insights into otherwise withheld information, previous studies on the topic have partly explained consumer responses to such strategies using signaling theory (Kim & Kim, 2020; Tong & Su, 2022). In a marketing and branding context, it is suggested that a company's marketing tactics contribute to the creation of a brand signal, which may serve as an indicator of product quality to consumers (Meyer, Sathi 1985), and have the ability to form positive attitudes towards a brand and its offered products (Kim, Kim et al. 2020, Tong, Su 2022). Consequently, this is suggested to enhance brand attitude (Kim, Kim et al. 2020) and purchase intention (Bhaduri, Ha-Brookshire 2011, Egels-Zandén, Hansson 2016, Kim, Kim et al. 2020).

Moreover, a transparency strategy with an added dimension of a brand alliance is thought to generate positive effects based on the results from previous studies on brand alliances. As stated by Rao, Qu, et al. (1999), brand names carry meaning and quality expectations which can be transferred to another brand when simultaneously presented to a consumer. This phenomenon of transferral can serve as a signal of quality, as it is presumed that the stronger brand would carry out proper due diligence and ensure that the weaker brand meets the necessary preconditions prior to entering a joint promotion (Rao, Ruekert 1994, Rao et al. 1999). The presence of a brand ally has shown to signal greater perceived product quality (Rao, Qu et al. 1999, Park, Jun et al. 1996), elevate customer-based brand equity (Washburn, Till et al. 2004), and trigger affect transfer from a high-quality brand to a low-quality brand (Levin, Davis et al. 1996).

However, as mentioned by Perkins and Hendry (2005), an increased extent of information disclosure does not necessarily correspond to an enhancement in efficacy given that the information requires interpretation by the receiver. Since low-priced products are generally associated with inferior quality, and vice versa (Kirmani, Rao 2000), comparative transparency is expected to be particularly relevant for low-priced brands as they may seek to upgrade the attribute of perceived product quality given the common psychological connection between low price and low product quality. For high-priced brands, this additional information disclosure might be superfluous, since consumers already expect high quality from a high priced product. Further, considering that high price brands often incorporate intangible assets such as exclusivity and brand image into their pricing strategies (Lowe 2015), whereas comparative transparency serves as a communication attempt to highlight a product's objective quality and value for money, we propose that the strategy is more effective when applied for low price brands. Consequently, we do not expect any increased quality perception effects on high price brands and mainly see comparative transparency as a potential strategy for low price brands, and thus the following main hypotheses in this report will focus on potential positive effects from utilizing comparative transparency as a low-price brand.

Brand effort

To describe how consumers ultimately form positive attitudes through comparative transparency, the authors offer a plausible sequence of consequences (see figure 2). As a starting point, the concept of comparative transparency is thought to have a positive effect on perceived brand effort, i.e. a higher level of perceived thoughtfulness and attempt to develop a creative offering. This effect is posited to develop for two reasons. First, given its low price products, the authors propose that consumers would feel as if the low price brand has put a significant amount of effort into creating a compelling value offering to the consumer given its apparent high quality manufacturer, identical to that of a known premium brand. Referring back to the theory of category-based affect, if a provided signal indicates that the new stimuli belongs to a known category group of members, the overall attitude (global affect) can transfer to the new stimuli (Cohen 1982, Fiske 1982). Additionally, it is posited that comparative transparency might also have the same effects as creative advertising as it "breaks the norm" in terms of product advertising and shows a unique piece of information. Such creative advertising has shown to increase the perceived brand effort since the brand has gone through some trouble creating it in a creative way (Ambler, Hollier 2004, Dahlen, Rosengren et al. 2008, Modig, Dahlén et al. 2014). This report therefore hypothesizes that comparative transparency will increase the perceived brand effort:

H1: *For low-price brands, applying comparative transparency will generate higher levels of perceived brand effort compared to when comparative transparency is not applied*

Perceived brand ability

Further, brands that put more effort into their communications are suggested to achieve a higher level of perceived brand ability (Dahlen, Rosengren et al. 2008, Dahlen, Rosengren et al. 2018). Previous research suggest that if a consumer perceives a brand's communication to be of relatively high creative and innovative height, the brand is expected to incorporate the same competencies into the production of their products, thus expecting the brand to achieve higher quality products (Ambler, Hollier 2004, Dahlen, Rosengren et al. 2008, Kirmani, Rao

2000). Based on this reasoning, the authors expect that the application of comparative transparency will increase the perceived brand ability.

H2: *For low price brands, applying comparative transparency will generate higher levels of perceived brand ability compared to when comparative transparency is not applied*

Product quality

According to Dahlen et al. (2018) the positive interconnection of perceived brand ability, stemming from the provided signals of increased perceived brand effort, is also suggested to increase perceived product quality. The same logic is assumed to hold even for positive signals stemming from comparative transparency. As previously elaborated, the mere act of being presented jointly with a stronger brand is expected to unconsciously signal unobservable quality to the consumer, presuming that the stronger brand would carry out its due diligence and assure that the weaker brand would meet their preconditional standards prior to entering the joint promotion (Rao, Ruekert, 1994; Rao et al., 1999), even though the stronger brand have not necessarily agreed to be presented in connection to the weaker brand. Hence, the presence of a brand ally is also expected to signal greater perceived product quality (Rao, Qu et al. 1999, Park, Jun et al. 1996) and trigger a quality affect transfer from a high-quality brand to a low-quality brand (Levin, Davis et al. 1996; Dimofte & Yalch, 2011). Thus, considering comparative transparency as a positive signal, and the known sequential connection between brand effort, perceived brand ability, and perceived product quality, the authors expect that the application of comparative transparency will increase perceived product quality.

H3: *For low price brands, applying comparative transparency will generate higher levels of perceived product quality compared to when comparative transparency is not applied*

Moreover, in the absence of other quality cues, consumers often associate higher prices with superior product quality since it is perceived to either indicate a strong demand or that producing the high quality product required substantial costs (Spence, 1974; Tirole;1990), which in turn decreases the risk of making a poor purchase decision (Rao, Monroe 1989). Hence, as different price levels themselves can signal different levels of quality, it is hypothesized that the effect from applying comparative transparency on perceived product quality will vary depending on the communicated price. More specifically, it is hypothesized that in the absence of comparative transparency, the high price product will receive higher levels of perceived product quality compared to the low price product. However, in the presence of comparative transparency, it is hypothesized that the low price product will receive increased levels of perceived product quality, whereas the high price product will not receive increased levels of perceived product quality.

This reasoning can be further supported by the theory of category-based affect. As stated by (Fiske 1982), when an unknown stimulus is perceived as having something in common with a known group of category members, e.g high price brands, the overall perception of that class will be transferred to the new stimulus. Hence, since a low price brand utilizing the strategy of comparative transparency is thought to effectively convey an attribute that signals comparable quality to that of a high price brand, the inherent quality perceptions of an expensive brand will, according to the theory of category-based affect, likely be transferred to the cheap brand. Meanwhile, the added positive effect for a high price brand applying it will likely only be marginal as it merely reinforces consumers' initial quality expectations towards a high price brand. Therefore, it is proposed that product price will moderate the effect of comparative transparency on perceived product quality.

H4: *Product price will moderate the effect of comparative transparency on perceived product quality*

Brand attitude

Building on the reasoning above, communication that sends positive signals results in increased perceived brand effort, perceived brand ability, and perceived product quality, which in turn is shown to have a positive effect on consumer's attitude toward a brand (Dahlen, Rosengren et al. 2018). Consequently, it is posited that comparative transparency will generate a positive effect on brand attitude.

H5: *For low-price brands, applying comparative transparency will generate more positive brand attitudes compared to when comparative transparency is not applied*

As previously discussed, communication of positive signals has been shown to generate increased perceived brand effort, followed by perceived brand ability, perceived product quality, and attitudes toward the brand (Dahlen, Rosengren et al. 2018). The same logical chain of consequences are proposed to hold also in the context of comparative transparency. It is therefore hypothesized that perceived brand effort, perceived brand ability, and perceived product quality will mediate the positive effects of comparative transparency on attitudes toward the brand.

***H6**: The positive effects of comparative transparency on brand attitude is serially mediated by perceived brand effort,* perceived *brand ability, and perceived product quality*

Acquisition value

According to adaptation level theory (Helson 1964), consumers' previous experiences and expectations in a particular setting establish internal reference points which shape their judgment of a new stimuli in that environment. In a shopping context, consumers employ such internal reference points to evaluate alternatives and to make decisions when evaluating new products and services (Crosno, Cui 2018, Helson 1964, Kahneman, Tversky 2013, Zhu, Chen 2017). Assuming that consumers have already established an internal reference point for the referred strong brand, and that the reference point shapes the consumer judgment of the focal brand, which signals a comparable quality level but at a more affordable price point, the perceived acquisition value, defined as "the perceived value of acquiring the product" (Grewal, Monroe et al. 1998, p.46) is believed to increase.

In addition, the perceived acquisition value is formed by consumers' beliefs about what they will "get" or benefit from the purchase. One fundamental aspect of this "get" component is the product quality or the buyers' perception of product quality (Grewal, Monroe et al. 1998). The association between perceived product quality and perceived acquisition value has been supported by multiple earlier studies (Dodds, Monroe et al. 1991, Hyun 1993) and it is thus hypothesized that comparative transparency will have a positive impact on consumers' perceived product quality, which in turn, will enhance the perceived acquisition value.

***H7:** For low-price brands, applying comparative transparency will generate higher levels of perceived acquisition value compared to when comparative transparency is not applied*

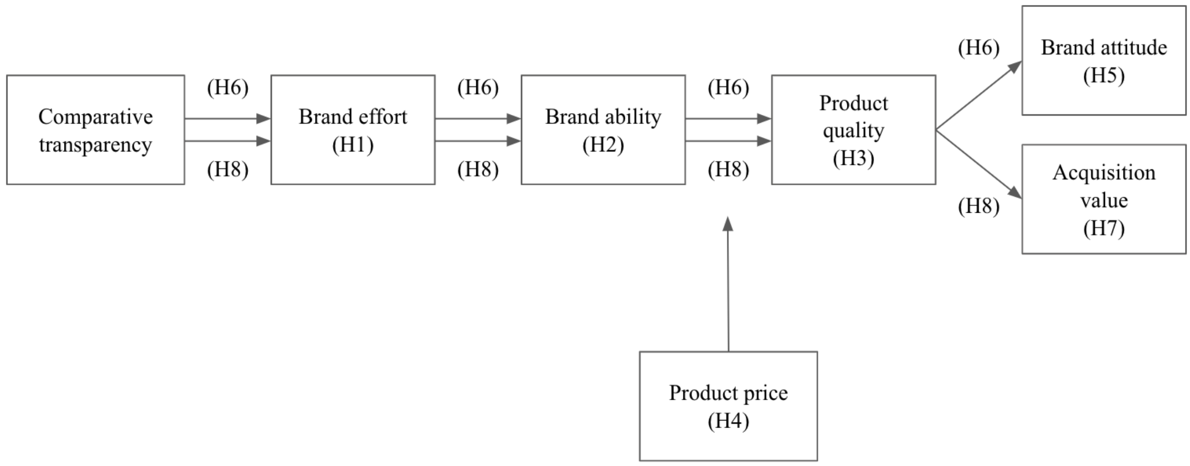
Since comparative transparency is believed to constitute a positive signal, which is proposed to initiate the sequential reaction stemming from perceived brand effort, to perceived brand ability, and increased perceived product quality (Dahlén, Rosengren et al., 2018) and that there is a known connection between perceived product quality and perceived acquisition value (Dodds, Monroe et al. 1991), a similar explanation made to the increase in brand attitude is proposed also for perceived acquisition value. Therefore, it is hypothesized that the increase from comparative transparency on perceived acquisition value is serially mediated by the preceding increases in perceived brand effort, perceived brand ability, and perceived product quality.

H8: *The positive effects of comparative transparency on perceived acquisition value is serially mediated by perceived brand effort,* perceived *brand ability, and perceived product quality*

2.6.2 Conceptual framework

The main thesis of this thesis is that the application of comparative transparency for low-priced brands will have a positive impact on consumers' brand- and product quality perceptions. To summarize the previously stated hypotheses and sequence of consequences, a conceptual framework was developed for this thesis and is presented in figure 2. As previously described, only effects that have been significantly demonstrated through previous research were included.

Figure 2. Conceptual framework



3. Methodological approach

To achieve the purpose of this thesis, one pre-study and one main study were conducted. Prior to introducing the findings of this report, this section aims to elaborate on the methodological course of action used throughout the research study.

3.1 Research approach

This study follows a deductive research approach, in that hypotheses are developed based on existing theories that are empirically tested (Bell, Bryman et al. 2019). The study begins with reviewing past research on the topics of transparency, comparative advertising, and brand alliances to review how people interpret and react to such efforts. Further, to meet the desired objectives for the study and provide a theoretical foundation for the development of hypotheses to be tested, signaling theory, the theory of category-based affect, and adaptation-level theory were applied.

As a means to test the previously mentioned hypotheses, a quantitative method was selected as the study's research questions required analysis of diverse treatment effects. Such reasoning is supported by Bryman, Bell et al (2019) who argue that a quantitative method is superior when attempting to describe detailed differences between diverse treatment groups. Additionally, given the intention of analyzing differences in consumers' psychological mechanisms and the fact that such differences can be slight, the choice of a quantitative method is further strengthened as such analysis requires a considerable amount of data (Bell, Bryman et al. 2019).

3.2 Experimental research design

The main study was conducted through an online experiment using a 2x2 between-subject factorial design. The employment of an experimental methodology was deemed a rational course of action for the purpose of subjecting our hypotheses to either confirmation or refutation. Such an approach enables the systematic testing of causal claims between variables in a meticulous manner and is considered advantageous when examining previously established theories in a fresh context, as noted by Söderlund (2018, p. 16; 2010, p. 33).

The experiment involved stimuli manipulation and group comparisons following the exposure of stimuli treatment. A total of four stimuli were developed, where one of which were randomly assigned to each respondent using Qualtric's randomization tool to enable for comparisons between group reactions. The study involved four separate scenarios in an e-commerce environment, in which comparative transparency was present (absent), accompanied with low (high) price points for a T-shirt. The examined manipulations were isolated to the greatest extent possible to mitigate the influence of confounding variables, and two control groups were utilized to mitigate the risk that alternative explanations could be the cause of an observed effect, allowing the experiment to be considered internally valid (Bryman, Bell et al. 2019). The e-commerce environment was developed using the product page at Italic's website to ensure that the product page was in line with a real-case scenario and design for a brand that would potentially utilize a comparative transparency strategy. No brand related elements that may indicate who sold the T-shirt was shown to the respondents. It was thus up to each respondent to imagine a brand themselves which allows for increased validity (Ercan et al. 2022).

3.3 Measurement and questionnaire construction

The distribution of the survey was carried out with assistance from Norstat, one of Europe's leading data gathering companies (Norstat 2023). The data collection was conducted through the survey tool Qualtrics between 22nd of March and 29th March 2023 and was analyzed with SPSS with a confidence level of 95%. Given that the study utilized a convenience sample of the Swedish adult population, the self-completion survey was written in Swedish.

The survey consisted of a total of 28 questions. The sequence of the questions were arranged with measurements regarding attitude- and intentions first, followed by brand-, and product perceptions to mitigate the risk of question order bias, i.e that the mere order of the questions results in them influencing each other (Malhotra 2020). Moreover, two manipulation checks, two attention check questions as well as questions to determine the respondents demographic characteristics were posed to the participants throughout the survey. Further, all questions were presented on separate pages to make the respondents' experience easier. Besides making the survey as a whole appear shorter, this also creates a layout that is visually appealing (Bryman, Bell et al. 2019). Lastly, in accordance with the suggestion of Söderlund (2018, p.136), all questions employed in the studies were scrutinized prior to distribution by an experienced researcher in the relevant field.

Further, all dependent variables were measured using established multi-item scales, which according to Bryman, Bell et al. (2019) strengthens the study's reliability. Following the responses provided, the Cronbach's alpha coefficient was computed to assess the internal consistency reliability of the measurements employed. An index was formed by computing an average whenever the Cronbach's alpha coefficient exceeded the established lower threshold of 0.70 (Söderlund 2018). Consequently, it is argued that the utilized measurements demonstrated a satisfactory level of reliability, i.e. the degree of consistency among various measures of a given variable (Söderlund, 2018, p.135).

Lastly, to examine the nomological validity of the proposed model's dependent variables, the authors also added a measure regarding purchase intention. This choice was made since several studies have found that both brand attitude (Cobb-Walgren, Ruble et al. 1995, Laroche, Kim et al. 1996, Brown, Pope et al. 2003) and perceived acquisition value (Della Bitta, Monroe et al. 1981, Monroe, Chapman 1987, Zeithaml 1988), respectively, positively influence purchase intention. Moreover, both transparency efforts (Bhaduri, Ha-Brookshire 2011, Egels-Zandén, Hansson 2016, Kim, Kim et al. 2020) and brand alliances (Grewal, Kavanoor et al. 1997, Pechmann, Stewart 1990) have been demonstrated to increase consumers' purchase intention individually. Hence, the authors expect that the combination of the two concepts in the form of comparative transparency will show similar results. However, as purchase intention was not of primary interest in this thesis and solely used to check the nomological validity of the proposed model's dependent variables, it was not included in the conceptual framework.

3.4 Pre-study

To ensure that treatments were effective prior to using them in the main study, and that respondents perceived all variables consistently, a pre-study was conducted, as recommended by Rungtusanatham et al. (2011). More specifically, the pre-study was conducted to further test product attractiveness, the perception of different price levels, brand familiarity and attitude towards the referred brand, as well as the clarity and realism of the product page and stimuli.

3.4.1 Pre-study survey structure

First, respondents were presented with contextual information asking them to imagine themselves in a shopping scenario, in which they had found a T-shirt on a brand's website that met their requirements to decrease the risk of style, color or other product-specific characteristics influencing their answers. In the next step, visual stimuli including a product page with either a low-price or a high-price T-shirt was presented in randomized order, followed by questions regarding the product's relevance and attractiveness as well as the appropriateness of each respective price point.

The second section of the survey intended to identify an appropriate reference brand to include in the main study. For this purpose, respondents were introduced to two well-known premium apparel brands, Ralph Lauren and Burberry in randomized order, and were asked questions about their familiarity, quality-, and general perceptions of each brand.

Finally, respondents were presented with the experiment treatment stimuli, followed by questions aiming to ensure the manipulation's effectiveness and the respondents' attentiveness during the survey. Further details regarding each segment of the pre-study will be covered in the following sections.

3.4.2 Pre-study data collection and participants

The pre-test data were collected through a self-completion survey developed in Qualtrics and was carried out using a convenience sample of people living in Sweden. The authors used their personal network channels for the distribution of the survey. The sample used in the pre-study primarily included the authors' peers and acquaintances at SSE as well as friends and family outside the university. The study elicited responses from a total of 64 participants. However, subsequent analysis was limited to a final sample size of 41 respondents. Out of the

64 respondents, 22 were deemed unsuitable for inclusion due to not completing the survey. Additionally, one respondent was excluded from the sample due to an incorrect response to one of the attention check questions.

3.4.3 Pre-study stimuli development and measures

Product category

The particular product was chosen as T-shirts are one of the world's most popular garments while at the same time not being significantly influenced by changes in fashion trends. Regarding the product itself, a black single-color design was chosen to decrease the risk of design preferences influencing the results. The T-shirt was also considered a product being relevant for all genders, and the particular product did not include any model, but was placed on a light gray background to minimize potential biases towards gender or attractiveness of a model. Furthermore, it was considered a product which consumers, regardless of age, size, or ethnicity would consider buying. It was therefore expected that attributes such as quality, price and attitude towards the brand would be the major drivers behind the subject's reasoning. The same product picture was utilized in all scenarios, in which low (high) price levels and the presence (absence) of comparative transparency was manipulated.

To test for product efficacy and relevance, three question items were posed to the respondents. First, participants were asked to respond to the statement; *"This is a relevant product for me that I could potentially purchase"* followed by the question ”*What do you think of the T-shirt shown on the product page?”*. Both questions were answered using a seven-point likert scale. The first question's answer options ranged from not at all (1) to definitely (7) whereas the latter ranged from not likable (1) to likable (7). Lastly, the participants were asked; "*I believe that this product is suitable for",* with the answer options *men, women, non-binary, no one,* or *anyone*.

Price levels

Regarding price levels in the various stimuli, subjects were exposed to a T-shirt at a low (150 SEK) and high (700 SEK) price point, in which the order of each being presented to the respondents were randomized using Qualtric's randomization tool. The prices displayed in the study were chosen to reflect low- and high prices of t-shirts at the time of when this study was conducted (150 SEK at Uniqlo and 700 SEK at Ralph Lauren), and were tested throughout the pre-study to validate its coherence with consumer perceptions of a low (high) priced T-shirt. All participants in the pre-study were living in Sweden at the time, and thus all participants were assumed to be familiar with the chosen currency.

To test whether the price levels were perceived as low (high), the participants of the survey were asked two questions in connection to each price point. First, respondents were asked; *"Do you think this price is reasonable for a low- (high) price T-shirt?"* on a seven point likert scale ranging from not at all (1) to definitely (7). Secondly, respondents were asked *"If you did not think the price of the T-shirt was reasonable for a low-price brand, what price interval would you consider reasonable?"* which participants could indicate by choosing one or more pre-developed price spans.

Reference brand selection

To guide the decision on which brand to include as reference brand in the main study, respondents were later asked to express their familiarity and attitude towards two premium brands, namely Ralph Lauren and Burberry, in which the order of each brand being presented was also randomized. Ralph Lauren and Burberry were chosen since they are considered two of the world's most reputable and valuable premium fashion brands (Fashion United 2020), which strengthens the realism of the comparative transparency scenario in that brands that currently utilize the strategy compare their offerings to other reputable and premium brands. Further, both brands offer product assortments suitable for all ages and genders. No focal brand was presented in the study to minimize the possible influence of consumers' preconceptions and personal experiences towards the brand and its product.

The respondents were asked five questions about their familiarity, quality-, and general perceptions of each brand. The first question was; "*I have heard about the brand Ralph Lauren (Burberry) before"* followed by three potential answer alternatives; *yes, no, maybe*. Secondly, the question; *"I am familiar with Ralph Lauren (Burberry) and their products"* was asked using a seven point likert scale ranging from not familiar (1) to very familiar (7). The following three questions were; "*I believe products from Ralph Lauren (Burberry) are generally sold at a high price", "I believe products from Ralph Lauren (Burberry) are generally of high quality",* and *"In my opinion, Ralph Lauren (Burberry) is a good brand"*, all using a seven-point likert scale from not at all (1) to definitely (7).

E-commerce setting

To ensure the reality and clarity of the developed stimuli, the respondents were exposed to an e-commerce setting developed in line with that of the brand Italic's (2023) website. To test the perceived reality and clarity of the study environment, respondents were asked to state to which extent they agreed or disagreed with the following statements; *"The product page was realistic"* and *"The situation that was described was clear"* on a seven-point likert scale ranging from not at all (1) to very clear (7).

Manipulation- and attention checks

Lastly, to test whether the manipulation was effective, respondents were introduced to a similar product page as the untreated product pages, with the distinction that a reference brand was included by providing the text; "*Produced in the same factory as products from Ralph Lauren"* in line with expressions used by companies such as Iuiga and Italic. Respondents were then asked to answer the questions; "*Did this brand share information about another brand that use the same factory to produce their products?", ''Was this T-shirt produced in the same factory as products from Ralph Lauren?",* and "*Was the T-shirt sold by an anonymous brand or Ralph Lauren?".* The first two questions were answered by choosing either yes or no, whereas the latter was answered by entering either *"an anonymous brand"* or "*Ralph Lauren".* Lastly, respondents were posed an attention check question in which the participants were asked to answer *"The questions in this survey were about"* with the three alternatives *"cars", "clothes"*, or *"furniture"*.

3.4.4 Pre-study results

Product relevance and likability

As for whether respondents perceived the T-shirt to be a relevant product that they could potentially purchase, results from both the low- and high price scenarios were combined to a mean score of 5.30 (SD = 1.90). Following a one sample t-test in which the observed mean score was compared to the hypothetical mean score of 4 which was used as a dividing point for whether the generated effect was positive or negative, a significant difference was found and it was concluded that the product could be considered relevant for respondents (t = 4.38, p = < 0.01). Results related to product likeability were analyzed in an identical manner, and resulted in a combined mean score of 5.11 (SD = 1.61). Similarly, a one sample t-test indicated that the mean score was significantly larger than the hypothetical mean score of 4 ($t = 4.41$, $p = < 0.01$).

Price levels

Regarding the reasonability of the price points, the mean score obtained for the low price T-shirt (150 SEK) was 5.88 ($SD = 1.52$) and 5.20 ($SD = 1.69$) for the high price T-shirt. Following two one sample t-tests against the hypothetical mean score of 4, both price points were deemed significantly larger than the hypothetical mean and thus considered reasonable (low price: $t = 7.92$, $p = < 0.01$; high price: $t = 4.55$, $p = < 0.01$).

Reference brand

The results of the pre-test for Ralph Lauren revealed that 97% of respondents had previously heard about the brand. The participants' familiarity with the brand yielded a mean score of 6.19 ($SD = 1.27$), which proved to be significantly larger than the hypothetical mean value of 4 in a one sample t-test ($t = 10.49$, $p < 0.01$). The study also investigated whether respondents perceived Ralph Lauren as a brand that sells high-priced items, and the mean score obtained was 5.67 ($SD = 1.04$). Also this proved to be statistically larger than the hypothetical mean value of 4 ($t = 9.77$, $p < 0.01$). Further, Ralph Lauren was considered a brand with high quality products, as indicated by a mean score of 5.51 ($SD = 0.84$), significantly larger than the hypothetical mean value of 4 ($t = 10.93$, $p = < 0.01$). Finally, the question regarding whether Ralph Lauren was considered a good brand resulted in a mean of 5.38 ($SD = 1.11$). Similar to the other brand familiarity measures, this showed significantly higher results than the hypothetical mean value of 4 ($t = 7.56$, $p = < 0.01$).

In comparison, 92% of respondents stated that they had previously heard about the brand, and in terms of brand familiarity, a mean score of 5.64 (*SD* = 1.59) was obtained. As for whether respondents' regarded Burberry as a brand that sells high-priced items, the mean score obtained was 6.56 (*SD* = 0.75). Additionally, as for the question regarding Burberry products having high quality, the mean score obtained was 6.12 (SD = 0.91). Finally, a mean score of 5.62 (SD = 1.10) was obtained for the question related to whether Burberry was considered a good brand.

Following an analysis of the pre-test results, Ralph Lauren was chosen as the reference brand to be included in the main study. Since both brands showed comparable results in terms of pricing and product quality, Ralph Lauren was selected based on the rationale that brand familiarity for Ralph Lauren was significantly higher than for Burberry in a paired samples t-test (t = 2.42, p < 0.05) to avoid respondents not being familiar with the referred brand in the main study. Choosing Ralph Lauren as the reference brand to include in the main study did thus not imply any notable tradeoffs as the pre-study concluded that consumers did perceive both Ralph Lauren and Burberry to be good brands that sell high-priced, high quality items.

Realism and clarity

Questions related to the realism and clarity of the product page stimuli, described situation and context resulted in a mean score of 6.11 (*SD* = 1.09) and 6.14 (*SD* = 1.32) respectively. A one sample t-test concluded that these were both significantly larger than the hypothetical mean value of 4 (realism: t = 12.40, p < 0.001; clarity t = 10.38, p < 0.001), thus indicating a satisfactory level of both realism and clarity.

Manipulation check

The manipulation was deemed effective as all respondents except one agreed to the statement that the product page revealed information about another brand that utilized the same manufacturer as the focal brand. Further, all respondents agreed that the T-shirt was produced by the same manufacturer as Ralph Lauren and that the T-shirt was sold by an anonymous brand rather than Ralph Lauren.

3.5 Main study

3.5.1 Study design

Having ensured the effectiveness of the manipulations in our pre-study, the main study was developed. The main study was designed as an experiment following a 2x2 between-subject design, in which two groups constituted control groups (absence of comparative transparency) to which the results of the two manipulated treatment groups (presence of comparative transparency) were compared. The control groups thus consisted of both the low (150 SEK) and high (700 SEK) price points but without reference brands. No further manipulation was carried out on the control group(s) and the product page was developed in coherence with the treatment groups, visualizing the same product and e-commerce setting.

3.5.2 Procedure

The main study consisted of four parts; (1) a brief introduction and GDPR consent form, (2) context and scenario description, (3) product page stimuli, and lastly (4) the self-completion questionnaire. First, a brief introduction to the study as well as information regarding GDPR along with options to accept or reject the data collection procedure were presented to the respondents. Subsequently, a context and scenario description was provided to the respondents prior to entering the survey. Respondents were asked to imagine themselves shopping for a T-shirt on a brand's website and seeing a T-shirt that met their preferences and requirements. Further, they were informed that the brand behind the website and T-shirt had to be kept anonymous for the purpose of the study. After having read the instructions and context description, respondents were randomly assigned to one of the stimuli groups, asked to closely observe the product page, and verify that they had closely observed the stimuli. Subsequently, respondents were directed to answer a questionnaire connected to the study's dependent variables, i.e perceived product quality, brand attitude, acquisition value, perceived brand effort and perceived brand ability. Further, demographic questions were conducted to get insights into the respondents' age and gender. Additionally, the survey contained two attention check questions and two manipulation check questions, which served to ensure the respondents' attentiveness and comprehension. Responses that did not meet the predetermined accuracy threshold resulted in the termination of the survey for the corresponding participants.

3.5.3 Independent and dependent variables

Two independent variables, namely comparative transparency, and price were exposed to the treatment groups. The same product picture and e-commerce setting as utilized in the pre-study was reused in all scenarios, in which the independent variables were manipulated at two levels, namely low (high) price and the presence (absence) of comparative transparency. In the manipulated version, a manufacturer information element was added to the stimuli, in which a reference brand claimed to utilize the same manufacturer as the focal brand was presented by the statement "*Produced in the same factory as products from Ralph Lauren"*. In the absence version, by contrast, the subjects were not shown any information with regards to manufacturer information. See appendix 3 for the complete stimuli.

Each dependent variable, i.e perceived product quality, brand attitude, acquisition value, perceived brand effort and perceived brand ability were all measured by established scales. See section 3.5.7 for detailed question items and scales.

3.5.4 Data collection and participants

In this study, a consumer panel of 400 Swedish adults aged between 18 and 86 were recruited by the assistance of Norstat (n = 400, M_{age} = 49, SD_{age} = 19.02, 49% male, 51% female) using a stratified random sample on the demographic variables of gender, age and region. The Norstat panel consists of approximately 100 000 members in total. The participants were given participation points to the Norstat panel, equivalent to a monetary value of ca 7 SEK (≈ 0.62 EUR) following the completion of the survey. There was no significant difference between the four groups in terms of age- (F = 0.32, p = 0.81) nor gender distribution (x^2 = 1.26, p = 0.74). Data was collected through an online self-completion survey using the Qualtrics platform, in which respondents were randomly assigned to one of the four variations of stimuli.

Since the sample size exceeded n=30, and the overall sample size was above 100, the sample size satisfied the criteria of the Central Limit Theorem (CLT) and the law of large numbers. The CLT states that as the sample size grows, the distribution of sample means tends to approximate a normal distribution (Newbold, Carlson et al. 2022). Further, by having more than 100 respondents, the reliability and external validity of the convenience sample was increased, although the results may not be generalizable to the Swedish population (Bell, Bryman et al. 2019).

3.5.5 Manipulation- and attention checks

Two manipulation checks and two attention check questions were posed throughout the survey. Approximately halfway through the questionnaire, respondents were prompted to "*choose the number eight"* from four alternative numbers to ensure their attention. At the end of the study, respondents were asked to answer an additional attention check question to ensure they understood the context at hand. Respondents were given the question; *"The product that you were asked to examine in this study was:"* followed by three alternatives, namely "*home appliances*", "*clothing"*, and "*furniture"*. Further, two questions to test whether the manipulation was effective were posed to the respondents, who were first asked if they agreed or disagreed with the statement *"This brand shares information on other brands that use the same manufacturer in the production of its products" (Yes / No)*, followed by the question *"What other known brand use the same manufacturer as the company that sold the T-shirt?" (Burberry / Ralph Lauren / H&M)*.

3.5.6 Data cleaning

Out of the total 400 respondents entering the survey, 6 of these (1.5%) were subsequently removed from the survey due to their failure to correctly answer one or both of the attention check questions. Moreover, 10 respondents (2.5%) were removed due to not agreeing to the GDPR privacy policy and were subsequently removed from the survey without completing its questions. Hence, a total of 4% of the total sample was removed.

Table 1. Overview of data cleaning procedure

	Respondents	Removed due to GDPR refusal	Removed due to attention check fallacy	Removed participants	Participation rate
Total	400	10	6	16	384

Percentage	100%	2.5%	1.5%	4%	96%

3.5.7 Measures

All dependent variables were measured using existing multi-item scales. However, since the participants were of Swedish nationality, the questions were posed in Swedish, thus requiring translation of each item. The exact phrasing of the Swedish questions can be found in appendix 2.

Following the responses provided, the Cronbach's alpha coefficient was computed to assess the internal consistency reliability of the measurements employed. An index was formed by computing an average whenever the Cronbach's alpha coefficient exceeded the established lower threshold of 0.70 (Söderlund, 2018, p.136). As a result, it is contended that the utilized measurements demonstrate a satisfactory level of reliability, which pertains to the degree of consistency among various measures of a given variable (Söderlund, 2018, p.135).

The first questions intended to capture brand attitude and were measured using a four-item scale from Klein and Dawar (2004). The questions included; *"I feel good about this brand"*, *"In my opinion, this brand is trustworthy"*, *"I feel favorable towards the brand"*, and *"In my opinion, this brand cares about its employees and customers"*. The questions were posed on a seven-point likert scale ranging from "*strongly disagree*" (1) to "*strongly agree*" (7); Cronbach's $\alpha = 0.95$. Bryman, Bell et al. (2019) suggest using a likert scale to obtain a broader spectrum of responses and to achieve more accurate distinctions between individual answers.

Moreover, three measurement items for perceived product quality were adopted from Dahlén et al. (2008) which consisted of one item question, namely *"The quality of this product is"*. The respondents were then to choose between "*low*" (1) to "*high*" (7), "lower than average" (1) to "*higher than average*" (7), and "*worse than competing brands*" (1) to "*better than competing brands*" (7); Cronbach's α = 0.86.

Concerning perceived acquisition value, a six item scale was adapted from Chapman and Monroe (1987). The following statements were posed; *"If I bought this t-shirt, I feel I would be getting my money's worth", "I feel that I am getting a good quality t-shirt for a reasonable price"*, *"If I acquired this t-shirt, I think I would be getting good value for the money I spend",* and *"I think that given this T-shirt's features, it is good value for the money"*. Perceived acquisition value was also measured using a seven-point likert scale where respondents were asked to what extent they "*strongly disagreed*" (1) or "*strongly agreed*" (7) to the previously mentioned statements. Cronbach's α = 0.96.

Perceived brand effort was measured using an existing scale from Modig et al (2014). Respondents were asked to answer the following questions; *"I feel that the brand has put a lot of time behind the production of their products", "I feel that the brand has put a lot of effort behind the production of their products"*, and *"I feel that the brand has put a lot of thought behind the production of their products"*. Also this variable was similarly measured by using seven-point likert scales ranging from "*disagree*" (1) to "*agree*" (7); Cronbach's α = 0.92.

Further, perceived brand ability measurements were borrowed from Dahlén et al (2008). Items included *"This brand is credible"*, *"This brand is good at solving customers'* *problems"*, *"This brand is smart"*, and *"This brand is likely to develop valuable products in the future"*. To measure this variable, respondents were again asked to express whether they "*did not agree*" (1) or "*agreed completely*" (7); Cronbach's α = 0.90.

Moreover, to check the validity and evaluate whether brand attitude and perceived acquisition value behaved in a manner that is consistent with previous research, purchase intention was added to the questionnaire given its repeated positive association to both brand attitude (Cobb-Walgren, Ruble et al. 1995, Laroche, Kim et al. 1996, Brown, Pope et al. 2003) and perceived acquisition value (Della Bitta, Monroe et al. 1981, Monroe, Chapman 1987, Zeithaml 1988). Purchase intention was measured using a three-item scale from Dodds, et al. (1991). Respondents were asked to respond to the following statements on a seven-point likert scale ranging from *"strongly disagree"* (1) to *"strongly agree"* (7) (Cronbach's α = 0.93); *"If I need to shop for a T-shirt, the likelihood that I buy this product is high", "In the near future, I would consider purchasing this brand's products"*, and *"My willingness to buy this brand's products is very high"*. The results from a bivariate correlation analysis indicated a significant positive association with perceived acquisition value ($r = 0.67$, $p < 0.001$) and brand attitude ($r = 0.73$, $p < 0.001$), implying that the measures regarding both perceived acquisition value and brand attitude behaved according to previous empirical studies suggesting that both brand attitude and perceived acquisition value, positively affects purchase intention, respectively. Thus, the results indicated an acceptable nomological validity of the proposed model's dependent variables.

Lastly, in addition to questions related to the dependent variables, respondents were also given the option to answer an open-ended qualitative question regarding their general opinion towards the concept of brands sharing information about other brands that use the same manufacturers to produce their products. Besides general curiosity, the purpose of including this question was to gain deeper insights into consumers' view of the concept and potentially add nuances to the outcomes of this study.

4. Results and analysis

In this section, the main study's empirical findings are presented and analyzed, using a significance level of 0.05 throughout the analysis. The initial focus is on the participants' responses to our manipulation checks. Following that, we explore the effect of comparative transparency on respondents' brand- and product quality perceptions and test whether or not the hypotheses are supported.

4.1 Manipulation check

Regarding the manipulation check, a chi square test was carried out to analyze the responses between the treatment groups to the question *"Did this brand share information about another brand that use the same factory to produce their products?"* on a nominal scale in which "*Yes*" = 1, "*No*" = 2, in which 38% of respondents answered "*yes*" and 62% of respondents answered "*no*". The results of the chi square test showed a significant difference between the treated and untreated groups (x^2 = 146.80, p < 0.001). Thus, the manipulation was deemed effective.

4.2 Hypotheses testing

To test the hypotheses and assess the effects on the study's dependent variables, several statistical tests were conducted. Five independent samples t-tests were carried out to test the effect of comparative transparency on each variable for the main hypotheses, which predicted that for low price brands, applying comparative transparency would generate higher levels of perceived brand effort (H1), perceived brand ability (H2), perceived product quality (H3), brand attitude (H5), and perceived acquisition value (H7), compared to when comparative transparency is not applied. Further, to test the hypothesis which predicted that product price would moderate the effect of comparative transparency on perceived product quality (H4), a two (comparative transparency vs. no comparative transparency) by two (high- vs. low price) analysis of variance (ANOVA) was carried out. Finally, to test the hypotheses which predicted that perceived brand effort, perceived brand ability, and perceived product quality would serially mediate the effects on brand attitude (H6) and perceived acquisition value (H8), two serial mediation analysis were conducted using Preacher and Hayes model 6 bootstrap analysis (Preacher, Hayes 2008) in PROCESS version 4.3.

Effects on perceived brand effort

When conducting an independent samples t-test to between the comparative transparency group and the no comparative transparency group solely in the low-price condition to test whether the application of comparative transparency had an effect on perceived brand effort, results indicated that there was a significant positive effect ($M_{Low\ price;\ CT}$ = 4.75, SD = 1.34; $M_{Low\ price;\ no\ CT}$ = 3.29, SD = 1.41), $t(186) = 2.33$, $p < 0.05$). **Thus, H1 is supported**.

Effects on perceived brand ability

Similarly, the results following an independent samples t-test showed that there was a significant positive effect on perceived brand ability from applying comparative transparency ($M_{Low\ price;\ CT}$ = 4.22, SD = 1.26; $M_{Low\ price;\ no\ CT}$ = 3.79, SD = 1.23), $t(186) = 2.39$, $p < 0.05$). **Thus, H2 is supported**.

Effects on perceived product quality

Also the perceived product quality increased following the application of comparative transparency ($M_{Low\ price;\ CT}$ = 4.67, *SD* = 1.06; $M_{Low\ price;\ no\ CT}$ = 4.13, *SD* = 1.03), $t(186) = 3.55$, $p < 0.001$). **Thus, H3 is supported**. Interestingly, the results of a separate independent sample t-tests indicated that there was a significant positive effect on perceived product quality of applying comparative transparency also when including the high price groups in the analysis sample (M_{CT} = 4.62, *SD* = 1.02; $M_{No\ CT}$ = 4.41, *SD* = 1.03), $t(382) = 2.02$, $p < 0.05$).

With regards to the moderating effect of product price on perceived product quality, the two-way ANOVA indicated a significant main effect of comparative transparency on perceived product quality ($F(1, 380) = 4.45$, $p < 0.05$) indicating that the perceived product quality was higher when comparative transparency was present (M_{CT} = 4.62, *SD* = 1.02) compared to when it was not present ($M_{No\ CT}$ = 4.41, *SD* = 1.03). Further, a significant main effect of price level on perceived product quality was observed ($F(1, 380) = 5.34$, $p < 0.05$), indicating that perceived product quality was higher when the price was high ($M_{High\ price}$ = 4.63, *SD* = 0.97) compared to the low-price scenario ($M_{Low\ price}$ = 4.40, *SD* = 1.08). Lastly, the interaction effect of comparative transparency and product price on perceived product quality was significant ($F(1, 380) = 9.95$, $p < 0.05$). **Thus**, **H4 is supported**. The overall test was significant ($F(3, 380) = 6.43$, $p < 0.001$).

Effects on brand attitude

Meanwhile, no significant differences were observed on brand attitude following the application of comparative transparency ($M_{Low\ price;\ CT}$ = 4.47, *SD* = 1.29; $M_{Low\ price;\ no\ CT}$ = 4.22, *SD* = 1.31), $t(186) = 1.31$, $p = 0.19$). **H5 is thus not supported**.

As no statistically significant positive effect of comparative transparency on brand attitude was observed, an analysis of whether the effect of comparative transparency on brand attitude was serially mediated by perceived brand effort, perceived brand ability, and perceived product quality was not necessary. **H6 was thus not supported**.

Effects on perceived acquisition value

Moreover, an independent samples t-test also showed that the perceived acquisition value of a low price brand's products increased when comparative transparency was applied ($M_{Low\ price;\ CT}$ = 4.57, SD = 1.34; $M_{Low\ price;\ no\ CT}$ = 4.16, SD = 1.43), $t(186) = 2.01$, $p < 0.05$). **H7 is thus supported.**

Moreover, a serial mediation analysis was conducted using Preacher and Hayes model 6 bootstrap analysis (Preacher, Hayes 2008) in PROCESS version 4.3 to assess if perceived brand effort, perceived brand ability, and perceived product quality mediated the positive effects of comparative transparency on perceived acquisition value. The analysis did not imply a significant direct effect of b = -0.08 (5,000 bootstrap samples, 95 percent confidence interval [CI]: -0.35 to 0.18). The results did, however, indicate a significant mean indirect effect of comparative transparency on perceived acquisition value through perceived brand effort, perceived brand ability, and perceived product quality of b = 0.05 (5,000 bootstrap samples, 95 percent confidence interval [CI]: 0.08 to 0.11) such that the increase in perceived acquisition value can be explained by comparative transparency → perceived brand effort → perceived brand ability → perceived product quality → perceived acquisition value. **H8 is thus supported.**

4.3 Other results

In the interest of acquiring further knowledge on whether comparative transparency could potentially also be a suitable approach even for high-priced brands, similar independent sample t-tests isolated to the high price context were conducted. No significant differences were observed between the group where comparative transparency was present and the group where comparative transparency was absent on perceived brand effort ($M_{High\ price;\ CT}$ = 3.27, SD = 1.45; $M_{High\ price;\ no\ CT}$ = 3.25, SD = 1.30 t(194) = 0.10, p = 0.92), perceived brand ability ($M_{High\ price;\ CT}$ = 3.52, SD = 1.34; $M_{High\ price;\ no\ CT}$ = 3.49, SD = 1.26), t(194) = 0.14, p = 0.89), perceived product quality ($M_{High\ price;\ CT}$ = 4.58, SD = 0.98; $M_{High\ price;\ no\ CT}$ = 4.69, SD = 0.96), t(194) = -0.78, p = 0.44), brand attitudes ($M_{High\ price;\ CT}$ = 3.80, SD = 1.47; $M_{High\ price;\ no\ CT}$ = 3.93, SD = 1.26), t(194) = -0.68, p = 0.49), and perceived acquisition value ($M_{High\ price;\ CT}$ = 3.01, SD = 1.57;$M_{High\ price;\ no\ CT}$ = 3.15, SD = 1.46), t(194) = -0.67, p = 0.50). Moreover, since no statistically significant positive effect of comparative transparency for high price brands were observed on none of the dependent variables, an analysis of whether the effects was serially mediated by perceived brand effort, perceived brand ability, and perceived product quality was not necessary.

Moreover, although outside the scope of this thesis, the authors further investigated if the positive effects from comparative transparency's for low price brands went as far as having a positive effect on purchase intention. An independent sample t-test indicated no significant effects on purchase intention following the application of comparative transparency ($M_{Low\ price;\ CT}$ = 3.55, SD = 1.64; $M_{Low\ price;\ no\ CT}$ = 3.51, SD = 1.64), t(186) = 0.19, p = 0.85).

4.4 Summary of hypothesis testing

To summarize, the empirical data gave support for hypothesis H1, H2, H3, H4, H7, and H8. However, H5 was not supported by the empirical data, and consequently H6 was not further analyzed due to comparative transparency not indicating a significant effect on brand attitude, and the hypothesis could therefore not be supported. An overview of the hypothesis testing results can be found in table 2.

Table 2. Summary of hypothesis tests

Hypothesis		**Results**
H1	*For low-price brands, applying comparative transparency will generate higher levels of perceived brand effort compared to when comparative transparency is not applied*	Supported ($p < 0.05$)
H2	*For low-price brands, applying comparative transparency will generate higher levels of perceived brand ability compared to when comparative transparency is not applied*	Supported ($p < 0.05$)
H3	*For low price brands, applying comparative transparency will generate higher levels of perceived product quality compared to when comparative transparency is not applied*	Supported ($p < 0.001$)
H4	*Product price will moderate the effect of comparative transparency on perceived product quality*	Supported ($p < 0.05$)
H5	*For low-price brands, applying comparative transparency will generate more positive brand attitudes compared to when comparative transparency is not applied*	Not supported ($p > 0.05$)
H6	*The positive effects of comparative transparency on brand attitude is serially mediated by perceived brand effort, perceived brand ability, and perceived product quality*	Not supported
H7	*For low-price brands, applying comparative transparency will generate higher levels of perceived acquisition value compared to when comparative transparency is not applied*	Supported ($p < 0.05$)
H8	*The positive effects of comparative transparency on perceived acquisition value is serially mediated by perceived brand effort, perceived brand ability, and perceived product quality*	Supported ($p < 0.05$)

5. Discussion

The following section aims to discuss the study's results, theoretical contributions, and managerial implications. It further discusses limitations to the study and provides suggestions for future research within the area of comparative transparency.

5.1 Purpose and research questions

As consumer interest and business adoption of transparency practices rise, academic interest naturally follows. However, despite there being a substantial body of research on the subjects of business transparency, comparative advertising and brand alliances respectively, this is the first attempt to empirically investigate the effects of the combinatory concept of comparative transparency.

The purpose of this study was to examine the use of referral brands in companies' transparency efforts as a tool to increase product- and brand perceptions in an online retailing context. The study further investigated which brands in terms of price category that may benefit more or less by adopting a comparative transparency strategy. From a practical perspective, the findings of this study contribute to the knowledge of how contemporary marketers might manage the issue of leveraging external brands as reference points in their transparency efforts. Theoretically, this study aims to contribute to the theoretical knowledge of how consumers perceive a brand's transparency efforts as well as how they evaluate product quality prior to a purchase. In order to address these matters, the following research question was posed and assessed through an experimental research design; “What are the effects on brand- and product quality perceptions from using external brands as production reference points?”.

5.2 General discussion of the results

One main objective of this report was to examine whether the application of comparative transparency influences consumers’ brand- and product quality perceptions. Our empirical findings suggest initial evidence that low price brands may see positive effects ($p < 0.05$) from applying comparative transparency on perceived brand effort, perceived brand ability, perceived product quality, and perceived acquisition value. These results further support the theoretical explanation and are in line with previous studies that have explored the serial effects of marketing signals. However, no such significant effects were observed on brand attitude. This implies that when a low price brand discloses that its products are manufactured in the same factory as other reputable brands, it serves as a positive signal and may enhance consumers’ perception of the focal brand and the quality of its products. Meanwhile, no such positive perceptual effects were observed when examining the effects solely for high price brands.

Further, a second objective of this report was to investigate if product price moderates the effect of comparative transparency on perceived product quality, and hence if the effects of comparative transparency differs for brands in different price classes. The empirical findings of this study suggests that product price has a moderating effect of comparative transparency on perceived product quality. Moreover, an independent samples t-test between the low price groups showed significant positive effects on perceived brand effort, perceived brand ability, perceived product quality, and perceived acquisition value following the application of comparative transparency, while no such effects were observed between the high-price groups, suggesting that positive effects from the application of comparative transparency should only be expected for low price brands.

These findings could potentially be explained by adaptation level theory, suggesting that the degree of deviation from the internal adaptation level and quality expectations of the referred brand will determine the magnitude of its impact (Helson 1964). Hence, when a focal brand offers products comparable to that of a strong premium reference brand at a similar price-point, consumers will not comprehend the focal brand's added value. However, when a brand is perceived as having comparable high quality product features but at a price level that deviates from that of the external reference brand, a measurable effect will be observed.

Moreover, the theory of category-based affect adds further nuances to the results. The fact that positive results were only observed for low price brands makes sense given that a global affect transfer from the strong reference brand adds a novel and positive element to the low price brand, which makes consumers perceive it as similar in terms of quality to that of a more expensive brand (Cohen 1982, Fiske 1982). Thus, by creating an assimilation to a known premium category member, the low price brand may to some extent be re-categorized by consumers to a high quality brand. Meanwhile, for high price brands, the price itself may serve as a signal of high quality (Kirmani, Rao 2000), and thus consumers may categorize it accordingly even in the absence of comparative transparency. Therefore, consumers may have already categorized the brand as having high quality products, and the additional information provided through comparative transparency does not further shape the way consumers perceive the brand and the quality of its products.

5.3 Conclusion

5.3.1 Theoretical implications

This thesis offers an extension to the previous literature on business transparency, brand alliances, and comparative advertising by investigating the effects on brand- and product quality perceptions of the novel concept of comparative transparency, which is an innovative application of transparency including elements inspired by comparative advertising and brand alliances. Thus, this thesis partly acts as a response to the articulated demand for further research on alternative transparency practices (Kim, Kim et al. 2020) and the conditions under which an asymmetric brand alliance can benefit the weak brand (Vaidyanathan, Aggarwal 2022).

Conclusively, the act of providing production reference points in the form of established premium brands appears to enhance consumers' brand- and product quality perceptions for low price brands, similar to previous research on cost transparency and brand alliances proposing it as an efficient strategy for low priced- and weak brands (Tong, Su 2022; Mohan, Buell, John, 2020; Vaidyanathan and Aggarwal's, 2022; Rao, Qu et al. 1999, Park, Jun et al. 1996) to trigger affect transfer from a strong brand to a weak brand (Levin, Davis et al. 1996). Interestingly, this study has thus discovered a scenario wherein a weak brand can potentially benefit from an asymmetric brand alliance despite an objectively low degree of alliance integration, which contradicts Vaidyanathan and Aggarwal's (2022) findings that primarily indicated negative effects on the weak brand by highlighting the brand contrast. Vaidyanathan and Aggarwal (2022) found that, an asymmetric brand alliance will only provide a perceptual boost for the weak brand if the perceived alliance integration, defined as "the extent to which the partnering brands are intertwined in form and function" (Newmeyer et al. 2014, p. 105), is high, or the results will rather be counterproductive.

However, Vaidyanathan and Aggarwal (2022) also refer to King (1988) who states that whether an assimilation or a contrast effect occurs between the two presented brands depends, not only on the objective level of integration, but also on how the stimuli is perceived by the consumer. An assimilation effect is more likely to occur when a pair is interpreted as "one perceived whole", while a contrasting effect often occurs when the pair is viewed as "two perceived wholes" (King 1988). Despite the objectively low degree of alliance integration in the case of comparative transparency, it thus appears as an assimilation effect occurs and the weak brand is given a perceptual boost from the strong brand. A potential reason for this may be that, although the strong brand has not vetted the weak brand itself, the concept of comparative transparency provides information that indicates that the two brands have undergone similar vetting processes for their manufacturers, which in turn signals a similarity between the two brands. The empirical findings of this thesis thus contributes to the previous research on asymmetric brand alliances, its boundary conditions, and under what circumstances it can benefit the weak brand, as per request from Vaidyanathan and Aggarwal's (2022).

In addition to defining and being the first attempt to empirically investigate comparative transparency, another central theoretical contribution of this thesis is that we have explored under which circumstances the application of comparative transparency may be more (vs. less) effective. Consumers normally associate low priced products with low product quality (Kirmani, Rao 2000), but with the application of comparative transparency, low price brands may address this perception by providing a signal for consumers to assess its product quality prior to a purchase despite not having complete information (Spence 1974, Kirmani, Rao 2000). Meanwhile, the same positive effects cannot be expected for high priced brands given that only a minor deviation from what is initially expected is created, causing the additional information to become superfluous and ineffective. These results thus suggest that adaptation level theory and the theory of category-based affect are applicable even in the context of comparative transparency.

Moreover, as described in section 4.3, although outside the scope of this thesis, the empirical findings gave no support for comparative transparency increasing purchase intentions regardless of price level. These results thus differ from previous findings on supply-chain transparency (Bhaduri, Ha-Brookshire 2011, Egels-Zandén, Hansson 2016, Kim, Kim et al. 2020) as well as comparative advertising (Grewal, Kavanoor et al. 1997, Pechmann, Stewart 1990) and its effect on purchase intention which has indicated that providing consumers with additional transparent information on supply-chain-, production-, and pricing conditions as well as making credible comparisons to a high-share brand increased purchase intention, respectively. The findings of this thesis, not indicating support for comparative transparency positively influencing purchase intention, may come as a result of respondents' lack of additional information about the brand, its business model, and products, more in line with examples of how the strategy is being holistically communicated in practice today. Hence, comparative transparency alone is not enough to increase purchase intention.

5.3.2 Managerial implications

The findings from this study provide novel implications for marketers looking to establish and strengthen their brand as well as increase consumers’ quality perception of the company’s products. In summary, this study found that applying the concept of comparative transparency in an online retailing context in the form of referring to a shared manufacturer with a strong premium brand, may help low price brands enhance the way consumers perceive their brand and its products. More specifically, it increased the perceived brand effort, perceived brand ability, perceived product quality, and the perceived acquisition value. Hence, managers of low price brands should not hesitate to extend their communication beyond merely revealing information about the origin of its products, but take a more proactive approach and provide consumers with information on other strong, premium brands that share the same manufacturer. Such information could potentially be shared in everything from product descriptions to hangtags.

As previously discussed, consumers have increasingly lost trust in apparel brands due to the many scandals in recent years and show a greater interest in fair labor as well as value for money, causing them to undergo more thorough evaluation processes before making a purchase decision (Amed, Berg et al. 2019; Gazzola, Colombo et al. 2017). In particular, this creates a dilemma for low price brands, given that consumers frequently associate low prices with poor quality (Kirmani, Rao 2000) and the low costs involved in the production of its products (Spence, 1974; Tirole;1990), which naturally pose a challenge for maintaining fair labor conditions. Comparative transparency offers a glimpse into how and where a product was made, and the provision of a reference brand appears to help consumers understand when a product is of high quality despite having a low price, and thus constitutes a good deal. However, comparative transparency alone did not increase consumers' intention to purchase the product. This implies that although consumers do take a companies' communication of production practices into consideration when evaluating a brand's products, disclosing which other strong brands use the same manufacturer alone is not sufficient to convince consumers to make a purchase.

Moreover, it is worth highlighting that this study indicated that comparative transparency is primarily expected to be a suitable approach for low price brands. A possible explanation to why similar positive effect may not occur for high price brands may be that high product prices alone, to some extent, cause consumers to have higher expectations on the brand, its quality, and production practices (Kirmani, Rao 2000), thus causing the effect from making a comparison to another strong, high price brand fade as it merely reinforce the pre-existing expectations and fails to highlight a clear added benefit. Therefore, when providing transparent information about which other brands share one's manufacturers, marketers should also make sure that the information acts as a means to demonstrate their unique value proposition compared to one's within-class competitors in order to bolster a positive response from consumers. While low price brands should benefit from applying the strategy, managers at high price brands should apply it with caution. Although no significant negative effects were observed for high price brands, more information does not necessarily correspond to enhanced efficacy (Perkins, Hendry 2005), as observed through previous transparency efforts that have backfired (Paton, Maheshwari 2019).

Further, although comparative transparency seems to generate positive effects for low price brands in terms of consumer perceptions and more transparency within the apparel industry is demanded by consumers (Amed, Berg et al. 2019), managers should consider the national legal regulations concerning reputation parasitism before adopting it. Although the strategy is currently being utilized in the United States, the legal regulations concerning the act of capitalizing on someone else's good reputation or credibility without actually having earned it oneself, may vary between countries.

5.4 Limitations and future research

5.4.1 Limitations

Given the multi-step process followed throughout the research project, in which an adult Swedish consumer panel was devised with the help of Norstat, respondents were randomly assigned to a treatment group, and post-test assessments were conducted to ensure the quality of responses, the authors feel confident in the report's internal validity. There are, however, several possible limitations to the results of this report, all of which will be discussed in the following section.

Choice of reference brand and product

There is a possibility that the choice of using Ralph Lauren as a reference brand limited the results of the study as respondents' potential previous personal relationships and experiences with the brand may have had an impact on their responses. However, this was to an extent accounted for in the pre-test where it was deemed that Ralph Lauren was generally considered a good, high-quality, and high-priced brand.

Similarly, it is not impossible that the choice of using a black T-shirt as the focal product had an impact on the results of this study. Although it seems reasonable (and confirmed through the study's pre-test) that a blank black T-shirt is a rather neutral garment worn by most people, there is a possibility that some respondents did not like it nor found it relevant, which in turn may have affected their answers.

Realism of the comparative transparency application

Although the product page and described situation given to the respondents prior to completing the survey were deemed realistic and clear in the pre-test, it is worth mentioning that the context as a whole might not have depicted the full picture of a realistic scenario comparable with those where comparative transparency is currently being utilized. For instance, brands that are currently utilizing the strategy often provide additional information such as descriptions of their unique business models and how they are able to maintain low prices while offering premium products. Such business models may, for instance, include charging their customers a monthly subscription fee in exchange for providing them with products at the price of what they cost to make, instead of charging traditional mark-ups on each product. Considering that comparative transparency is a novel concept and that such surrounding information may contribute to consumers' understanding of why comparative claims are being made by the brand, some respondents may not have fully understood the concept and why such information was presented, potentially causing them to question the authenticity of the claims and thus affect their responses. For the purpose of making the study's results generalizable and relevant to companies with various business models, the authors attempted to isolate the effects of comparative transparency to the greatest extent possible and thus enable investigation of whether the strategy could be beneficial for brands in general. Therefore, no further information nor descriptions regarding the contextual conditions in which this strategy was applied were presented to the respondents of the study.

Such tendencies of claim counterarguing were observed throughout the qualitative question included in the survey regarding respondents' general opinion towards the concept of brands sharing information about other brands that use the same manufacturers to produce their products. Despite several respondents expressing a positive attitude towards the concept with responses such as *''makes it easier to evaluate different offers and qualities''*, others did not seldomly express a disbelief towards the brand with responses such as *''fake products'', ''piggy backing'',* and *''doesn't tell anything about the actual quality since factories may use different materials and processes throughout the production process''*.

Manipulation

Further, given the notion of comparative transparency being a new and emerging strategy, the authors cannot rule out the possibility of the respondents not entirely grasping the concept of comparative transparency, nor interpreted it as such. Despite the study's manipulation questions going through extensive testing in the pre-study, it is impossible to perfectly control how the stimuli were perceived by the treatment groups. While both the main study and the pre-study indicated that the manipulation was effective, several respondents misinterpreted the manipulation in the main study as if Ralph Lauren was the brand selling the T-shirt. This might have been a potential consequence from using an anonymous brand in the experiment. Additionally, the results could possibly also have been affected by the fact that the stimuli was only presented once to each respondent in the beginning of the survey, whereas the manipulation check was prompted at the end. While this choice of structure may have made it more difficult for respondents' to perfectly remember all stimuli details, it was a conscious decision taken to ensure that only attentive respondents were able to answer it correctly. Moreover, smaller details such as colors, language, choice of words, graphic layout, etc. could possibly have impacted, either by amplifying or reducing, the participant's responses.

5.4.2 Future research

This study defined and explored the novel concept of comparative transparency. By investigating its effects on consumers' brand- and product quality perceptions, the results of this thesis revealed several positive effects for low price brands. However, being the first study to investigate this notion, the findings of this thesis further pose various questions to be addressed by future studies.

Firstly, it is encouraged that this experiment is replicated by future studies to investigate if the results are sustained. In these efforts, it is also suggested that future studies place further emphasis on developing stimuli that more accurately reflect a real-life scenario and possibly investigate the effects following comparative transparency being applied by a real brand.

Further, since the reference brand is a central component of comparative transparency, future research might investigate how other perceptions toward the reference brand might influence the effects of comparative transparency as well as whether the strong reference brand can potentially be damaged by another company using their name when applying comparative transparency. For example, it would be of interest to understand the potential transfer of other brand associations, such as if sustainability or low quality perceptions can be transferred from a reference brand via the application of comparative transparency. Such research would further add to the knowledge of comparative transparency's boundary conditions, its potential limitations, and under what circumstances it may be applied and useful for brands.

Further, the current study investigated the effects of comparative transparency in a B2C context. Yet another suggestion for future research is thus to investigate the effects of comparative transparency in a B2B context. Secondly, the current study investigated comparative transparency in the apparel industry since quality, value for money, and production standards are considered particularly critical for consumers when shopping garments (Amed, Berg et al. 2019). Since corporate responsibility and transparency applications are becoming increasingly important for industries such as groceries, consumer electronics and cosmetics, they all constitute potential industries for future research on comparative transparency. Nonetheless, the authors suggest that these industries could also benefit from the findings of this study.

Lastly, Our qualitative responses indicated a degree of controversy in which some respondents perceived the additional information as ethical whereas other perceived it as unethical, indicating yet another potential suggestion for future research to investigate if consumer traits and behavioral characteristics (such as socially responsible behavior) might moderate the effectiveness of comparative transparency to add knowledge on when to utilize a comparative transparency strategy and reveal potential nuances that might help brands resonate with its target audience.

Appendix

Appendix 1: One sample t-test results pre-study

Measure	**Mean**	**SD**	***t***	***Sig. (2-tailed)***
Product relevance	*5.30*	*1.90*	*4.38*	*< 0.01*
Product likeability	*5.11*	*1.61*	*4.41*	*< 0.01*
Price level reasonability (low)	*5.88*	*1.52*	*7.92*	*< 0.01*
Price level reasonability (high)	*5.20*	*1.69*	*4.55*	*< 0.01*
Ralph Lauren (familiarity)	*6.19*	*1.27*	*10.49*	*< 0.01*
Ralph Lauren (high price brand)	*5.67*	*1.04*	*9.77*	*< 0.01*
Ralph Lauren (High quality)	*5.51*	*0.84*	*10.93*	*< 0.01*
Ralph Lauren (Good brand)	*5.38*	*1.11*	*7.56*	*< 0.01*
Realism	*6.11*	*1.09*	*12.40*	*< 0.001*
Clarity	*6.14*	*1.32*	*10.38*	*< 0.001*

Appendix 2: Main study question translations

Measure	English question	Swedish translation	Cronbach's alpha
Brand attitude	I feel good about this brand	Jag tycker bra om det här varumärket	
Brand attitude	In my opinion, this brand is trustworthy	Min åsikt är att det här varumärket är pålitligt	$\alpha = 0.95$
Brand attitude	I feel favorable towards the brand	Jag har en positiv inställning gentemot det här varumärket	
Purchase intention	If I need to shop for a T-shirt, the likelihood that I buy this product is high	Om jag skulle köpa en T-shirt är sannolikheten att jag skulle köpa den här T-shirten hög	
Purchase intention	In the near future, I would consider purchasing this brand's products	Inom en snar framtid hade jag övervägt att köpa produkter från det här	$\alpha = 0.93$

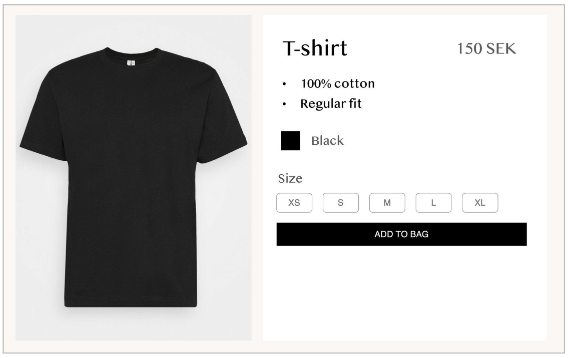
		varumärket	
Purchase intention	My willingness to buy this brand's products is very high	Min vilja att köpa produkter från det här varumärket är väldigt hög	
Perceived product quality	The quality of this product is	Kvalitén på denna produkt är	
Perceived product quality	The quality of this product is	Kvalitén på denna produkt är	α = 0.86
Perceived product quality	The quality of this product is	Kvalitén på denna produkt är	
Perceived acquisition value	If I bought this t-shirt, I feel I would be getting my money's worth	Om jag köpte denna T-shirt hade jag känt att jag fått värde för pengarna	α = 0.96
Perceived acquisition value	I feel that I am getting a good quality t-shirt for a reasonable price	Jag känner att jag får en högkvalitativ T-shirt till ett rimligt pris	
Perceived acquisition value	If I acquired this t-shirt, I think I would be getting good value for the money I spend	Om jag köpte denna T-shirt tror jag att jag hade fått bra värde för pengarna jag spenderat	
Perceived acquisition value	I think that given this T-shirt's features, it is good value for the money	Givet denna T-shirts egenskaper erbjuder den bra värde för pengarna	
Perceived brand effort	I feel that the brand has put a lot of time behind the production of their products	Jag upplever att varumärket har lagt mycket tid bakom produktionen av deras produkter	
Perceived brand effort	I feel that the brand has put a lot of effort behind the production of their products	Jag upplever att varumärket har ansträngt sig när de producerat sina produkter	α = 0.92
Perceived brand effort	I feel that the brand has put a lot of thought behind the production of their products	Jag upplever att varumärket har lagt mycket tankekraft bakom produktionen av sina produkter	
Perceived brand ability	This brand is credible	Varumärket är trovärdigt	
Perceived brand ability	This brand is good at solving customers' problems	Varumärket är bra på att lösa kunders problem	
Perceived brand ability	This brand is smart	Varumärket är smart	α = 0.90
Perceived brand ability	This brand is likely to develop valuable products in the future	Varumärket kommer sannolikt att utveckla värdefulla produkter i framtiden	
Brand familiarity	What is your current relation	Vad är din nuvarande	α = 0.91

	to Ralph Lauren?	relation till varumärket Ralph Lauren?	

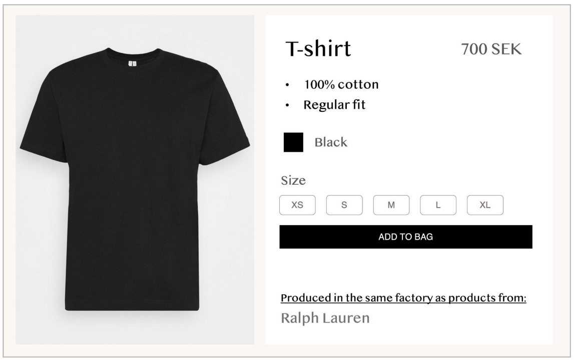
Appendix 3: Stimuli

Low price comparative transparency

Low price no comparative transparency



High price comparative transparency



High price no comparative transparency

References

AMBLER, T. and HOLLIER, E.A., 2004. The Waste in Advertising Is the Part That Works. *Journal of Advertising Research,* **44**(4), pp. 375-389.

AMED, I., BERG, A., BALCHANDANI, A., ANDERSSON, J., HEDRICH, S. and YOUNG, R., 2019-last update, The State of Fashion 2019. Available: https://www.mckinsey.com/industries/retail/our-insights/what-radical-transparency-could-mean-for-the-fashion-industry [9 February, 2023].

ASH, S.B. and WEE, C., 1983. Comparative advertising: A review with implications for further research. *Advances in Consumer Research*, **10**(1), pp. 370-376.

BELL, E., BRYMAN, A. and HARLEY, B., 2019. Business research methods. Fifth edition edn. Oxford: Oxford University Press.

BHADURI, G. and HA-BROOKSHIRE, J.E., 2011. Do Transparent Business Practices Pay? Exploration of Transparency and Consumer Purchase Intention. *Clothing and textiles Research Journal*, **29**(2), pp. 135-149.

BROWN, M., POPE, N. and VOGES, K., 2003. Buying or browsing? *European Journal of Marketing,* **37**(11/12), pp. 1666-1684.

BUELL, R., 2019. Operational transparency: make your processes visible to customers and your customers visible to employees? *Harvard Business Review,* **97**(4), pp. 120-131.

CARTER, C.R. and ROGERS, D.S., 2008. A framework of sustainable supply chain management: moving toward new theory. *International Journal of Physical Distribution & Logistics Management*, **38**(5), pp. 360-387.

CHEN, Y., SHANG, R. and KAO, C., 2009. The effects of information overload on consumers' subjective state towards buying decision in the internet shopping environment. *Electronic Commerce Research and Applications,* **8**(1), pp. 48-58.

CHU, W. and CHU, W., 1994. Signaling Quality by Selling Through a Reputable Retailer: An Example of Renting the Reputation of Another Agent. *Marketing Science*, **13**(2), pp. 177-189.

COBB-WALGREN, C.J., RUBLE, C.A. and DONTHU, N., 1995. Brand Equity, Brand Preference, and Purchase Intent. *Journal of Advertising,* **24**(3), pp. 25-40.

COHEN, J., 1982. The Role of Affect in Categorization: Toward a Reconsideration of the Concept of Attitude. *Advances in Consumer Research*, **9**(1), pp. 94-100.

DAHLÉN, M., LANGE, F. and ROSENGREN, S., 2017. Optimal marknadskommunikation. Upplaga 3 edn. Stockholm: Liber.

DAHLEN, M., ROSENGREN, S. and KARSBERG, J., 2018. The Effects of Signaling Monetary and Creative Effort in Ads. *Journal of Advertising Research*, **58**(4), pp. 433-442.

DAHLEN, M., ROSENGREN, S. and TORN, F., 2008. Advertising Creativity Matters. *Journal of Advertising Research*, **48**(3), pp. 392-403.

DELLA BITTA, A.J., MONROE, K.B. and MCGINNIS, J.M., 1981. Consumer Perceptions of Comparative Price Advertisements. *Journal of Marketing Research,* **18**(4), pp. 416-427.

DIMOFTE, C.V. and YALCH, R.F., 2011. The mere association effect and brand evaluations. *Journal of Consumer Psychology*, **21**(1), pp. 24-37.

DODDS, W.B., MONROE, K.B. and GREWAL, D., 1991. Effects of Price, Brand, and Store Information on Buyers' Product Evaluations. *Journal of Marketing Research,* **28**(3), pp. 307.

DOOREY, D.J., 2011. The Transparent Supply Chain: from Resistance to Implementation at Nike and Levi-Strauss. *Journal of Business Ethics*, **103**(4), pp. 587-603.

EGELS-ZANDÉN, N. and HANSSON, N., 2016. Supply Chain Transparency as a Consumer or Corporate Tool: The Case of Nudie Jeans Co. *Journal of Consumer Policy*, **39**(4), pp. 377-395.

ERCAN, S. A., ASENBAUM, H., CURATO, N., & MENDONÇA, R. F. (2022). Research Methods in Deliberative Democracy (Online edition). Oxford Academic. https://doi.org/10.1093/oso/9780192848925.001.0001

FASHION UNITED, 2020-last update, Most Valuable Fashion Brands. Available: https://fashionunited.com/i/most-valuable-fashion-brands [1 March, 2023].

FISKE, S., 1982. Schema-triggered Affect: Applications to Social Perception. Affect and Cognition. *Psychology Press*, no. 44, pp. 65-88.

GARDNER, B.B. and LEVY, S.J., 1955. The Product and the Brand. *Harvard Business Review*, March-April, pp. 33-39.

GAZZOLA, P., COLOMBO, G., PEZZETTI, R. and NICOLESCU, L., 2017. Consumer Empowerment in the Digital Economy: Availing Sustainable Purchasing Decisions. *Sustainability*, **9**(5), pp. 693.

GORN, G.J. and WEINBERG, C.B., 1984. The impact of comparative advertising on perception and attitude: Some positive findings. *Journal of Consumer Research*, **11**(2), pp. 719-727.

GREWAL, D., KAVANOOR, S., FERN, E.F., COSTLEY, C. and BARNES, J., 1997. Comparative versus Noncomparative Advertising: A Meta-Analysis. *Journal of Marketing,* **61**(4), pp. 1.

GREWAL, D., MONROE K.B., and KRISHNAN, R., 1998. The Effects of Price-Comparison Advertising on Buyers' Perceptions of Acquisition Value, Transaction Value, and Behavioral Intentions. *Journal of Marketing*, 62(april), pp. 46-59.

HE, J. and CALDER, B.J., 2020. The experimental evaluation of brand strength and brand value. *Journal of Business Research*, **115**(july), pp. 194-202.

ITALIC, 2023-last update, Luxury without labels. Available: https://italic.com/ [2 February, 2023].

IUIGA, 2023-last update, Luxury products at transparent prices. Available: https://www.iuiga.com/ [2 February, 2023].

JACOBY, J., 1984. Perspectives on information overload. *Journal of Consumer Research,* **10**(4), pp. 432-435.

JACOBY, J., SPELLER, D.E. and KOHN, C.A., 1974. Brand Choice Behavior as a Function of Information Load. *Journal of Marketing Research,* **11**(1), pp. 63.

JOY, A., SHERRY, J.F., VENKATESH, A., WANG, J. and CHAN, R., 2012. Fast Fashion, Sustainability, and the Ethical Appeal of Luxury Brands. *Fashion Theory*, **16**(3), pp. 273-295.

KIM, N.L., KIM, G. and ROTHENBERG, L., 2020. Is Honesty the Best Policy? Examining the Role of Price and Production Transparency in Fashion Marketing. *Sustainability*, **12**(17), p. 6800.

KING, D.L., 1988. Assimilation is due to one perceived whole and contrast is due to two perceived wholes. *New Ideas in Psychology,* **6**(3), pp. 277-288.

KIRMANI, A. and RAO, A.R., 2000. No Pain, No Gain: A Critical Review of the Literature on Signaling Unobservable Product Quality. *Journal of Marketing,* **64**(2), pp. 66-79.

KLEIN, J. and DAWAR, N., 2004. Corporate social responsibility and consumers' attributions and brand evaluations in a product–harm crisis. *International Journal of Research in Marketing,* **21**(3), pp. 203-217.

LAMB, C.W., PRIDE, W.M. and PLETCHER, B.A., 1978. A Taxonomy for Comparative Advertising Research. *Journal of Advertising*, **7**(1), pp. 43-47.

LAROCHE, M., KIM, C. and ZHOU, L., 1996. Brand familiarity and confidence as determinants of purchase intention: An empirical test in a multiple brand context. *Journal of Business Research,* **37**(2), pp. 115-120.

LILJEDAL, K.T., BERG, H. and DAHLEN, M., 2020. Effects of Nonstereotyped Occupational Gender Role Portrayal in Advertising. *Journal of Advertising Research*, **60**(2), pp. 179-196.

LOWE, B., 2015. Commentary: Cost Transparency in Consumer Markets . *European Journal of Marketing,* **49**(11/12), pp. 1992-1998.

MALHOTRA, N.K., 2020. *Marketing Research.* Seventh edition, global edition edn. Harlow, England: Pearson.

MCDOUGALL, G.H.G., 1977. Comparative Advertising: Consumer Issues and Attitudes. *Contemporary Marketing Thought*, no. 41, pp. 286-291.

MODIG, E., DAHLÉN, M. and COLLIANDER, J., 2014. Consumer-perceived signals of 'creative' versus 'efficient' advertising. *International Journal of Advertising*, **33**(1), pp. 137-154.

MOHAN, B., BUELL, R.W. and JOHN, L.K., 2020. Lifting the Veil: The Benefits of Cost Transparency. *Marketing Science*, **39**(6), pp. 1105-1121.

MOL, A.P.J., 2015. Transparency and value chain sustainability. *Journal of Cleaner Production*, **107**, pp. 154-161.

MONROE, K. and CHAPMAN, J., 1987. "Framing Effects on Buyers' Subjective Product Evaluations". *Advances in Consumer Research,* **14**, pp. 193.

MONTGOMERY, A.L., HOSANAGAR, K., KRISHNAN, R. and CLAY, K.B., 2004. Designing a Better Shopbot. *Management Science,* **50**(2), pp. 189-206.

MÜHLBACHER, H., RAIES, K., GROHS, R. and KOLL, O., 2016. Drivers of brand strength: Configural paths to strong cognitive brand equity. *Journal of Business Research*, **69**(8), pp. 2774-2780.

NEWBOLD, P., CARLSON, W.L. and THORNE, B., 2022. *Statistics for Business and Economics.* Pearson Education.

NEWMEYER, C.E., VENKATESH, R., RUTH, J.A. and CHATTERJEE, R., 2018. A typology of brand alliances and consumer awareness of brand alliance integration. *Marketing Letters,* **29**(3), pp. 275-289.

NORSTAT, 2023-last update, Om oss. Available: https://norstat.se/om-oss [13 March, 2023].

ORTIZ MARTINEZ, E. and CROWTHER, D., 2008. Is disclosure the right way to comply with stakeholders? The Shell case. *Business Ethics* (Oxford, England), **17**(1), pp. 13-22.

PAGELL, M. and WU, Z., 2009. Building A More Complete Theory Of Sustainable Supply Chain Management Using Case Studies Of 10 Exemplars. *The Journal of Supply Chain Management*, **45**(2), pp. 37-56.

PATON, E. and MAHESHWARI, S., 2019-last update, H&M's Different Kind of Clickbait. Available: https://www.nytimes.com/2019/12/18/fashion/hms-supply-chain-transparency.html [28 April, 2023].

PARK, C.W., JUN, S.Y. and SHOCKER, A.D., 1996. Composite Branding Alliances: An Investigation of Extension and Feedback Effects. *Journal of Marketing Research*, **33**(4), pp. 453.

PECHMANN, C. and STEWART, D.W., 1990. The Effects of Comparative Advertising on Attention, Memory, and Purchase Intentions. *Journal of Consumer Research,* **17**(2), pp. 180-191.

PERKINS, S.J. and HENDRY, C., 2005. Ordering top pay: Interpreting the signals. *Journal of Management Studies*, **42**(7), pp. 1443-1468.

PREACHER, K.J. and HAYES, A.F., 2008. Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods,* **40**(3), pp. 879-891.

PRIDE, W.M., LAMB, C.W. and PLETCHER, B.A., 1979. The Informativeness of Comparative Advertisements: An Empirical Investigation. *Journal of Advertising*, **8**(2), pp. 29-35.

RAO, A.R. and MONROE, K.B., 1989. The Effect of Price, Brand Name, and Store Name on Buyers' Perceptions of Product Quality: An Integrative Review. *Journal of Marketing Research,* **26**(3), pp. 351.

RAO, A.R., QU, L. and RUEKERT, R.W., 1999. Signaling Unobservable Product Quality through a Brand Ally. *Journal of Marketing Research*, **36**(2), pp. 258.

RAO, A.R. and RUEKERT, R.W., 1994. Brand alliances as signals of product quality. *Sloan Management Review*, **36**(1), pp. 87.

ROSE, R.L., MINIARD, P.W., BARONE, M.J., MANNING, K.C. and TILL, B.D., 1993. When persuasion goes undetected: The case of comparative advertising. *Journal of Marketing Research,* **30**(August), pp. 315-330.

RUNGTUSANATHAM, M., WALLIN, C. and ECKERD, S., 2011. THE VIGNETTE IN A SCENARIO-BASED ROLE-PLAYING EXPERIMENT. *The Journal of Supply Chain Management,* **47**(3), pp. 9-16.

SALFINO, C., 2019-last update, Why being Transparent is Vital And Profitable For Fashion. Available: https://sourcingjournal.com/topics/lifestyle-monitor/why-being-transparent-is-vital-and-profitable-for-fashion-155114/ [4 February, 2023].

SEPTIANTO, F., KEMPER, J.A., TJIPTONO, F. and PARAMITA, W., 2021. The Role of Authentic (vs. Hubristic) Pride in Leveraging the Effectiveness of Cost Transparency. *Journal of Business Ethics,* **174**(2), pp. 423-439.

SIMONIN, B.L. and RUTH, J.A., 1998. Is a Company Known by the Company It Keeps? Assessing the Spillover Effects of Brand Alliances on Consumer Brand Attitudes. *Journal of Marketing Research*, **35**(1), pp. 30-42.

SODHI, M.S. and TANG, C.S., 2019. Research Opportunities in Supply Chain Transparency. *Production and Operations Management*, **28**(12), pp. 2946-2959.

SPENCE, M., 1974. Marketing-Signaling. MA, USA: Harvard University Press.

SPENCE, M., 2002. Signaling in Retrospect and the Informational Structure of Markets. *American Economic Review,* **92**(3), pp. 434-459.

STEWART, D.W., 1989. Measures, methods, and models in advertising research. *Journal of Advertising Research*, **29**(3), pp. 54-60.

STRUNIN, R., 2008. Managing Brands through Supply Chain Visibility. Washington: U.S.-China Business Council.

SÖDERGREN, J., 2021. Brand authenticity: 25 Years of research. *International Journal of Consumer Studies,* **45**(4), pp. 645-663.

SÖDERLUND, M., 2018. *Experiments In Marketing.* First edition edn. Lund: Studentlitteratur.

TIROLE, J., 1990. *The Theory of Industrial Organization.* Cambridge, MA: MIT Press.

TONG, X. and SU, J., 2022. An empirical investigation into the effectiveness of cost transparency: Evidence from apparel brands. *Journal of Marketing Communications*.

VAIDYANATHAN, R. and AGGARWAL, P., 2022. Asymmetric brand alliances: When joint promotions with strong brands hurt. *Journal of Business Research,* **141**, pp. 213-228.

VAN AUKEN, S. and ADAMS, A.J., 1998. Attribute upgrading through across-class, within-category comparison advertising. *Journal of Advertising Research*, **38**(2), pp. 6-16.

WILKIE, W.L. and FARRIS, P.W., 1975. Comparison Advertising: Problems and Potential. *Journal of Marketing,* **39**(4), pp. 7-15.

ZEITHAML, V.A., 1988. Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence. *Journal of Marketing,* **52**(3), pp. 2.