

IS IT WORTH IT? PRODUCT INNOVATION AND CHANGE OF AUTHENTICITY

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ABSTRACT

Innovation is crucial for companies to meet consumer expectations. However, no empirical explanation exists on how consumers react when a traditional product is innovated, whether perceptions of change of authenticity influence purchase intention and perceived gain from the innovation and whether perceptions of traditionality impact perceptions of change of authenticity. This study will explore the above relationships as well as the moderating role of product knowledge and involvement. A questionnaire was developed (using the context of wine) and distributed in Australia. The innovation consisted in lowering the wine alcohol level. A sample of 500 respondents was obtained. The constructs were measured using nine response option likert scales with a range from (1) strongly disagree to (9) strongly agree, in order to ensure scale variance and were analysed using AMOS (SEM). Each of the hypotheses was analysed using the complete path model, other than only the constructs involved, as this allows for the nature of the relationships between traditionality, change of authenticity of the product, perceived gain and purchase intention to be explored simultaneously. Results indicated that change in authenticity had a significant and negative impact on perceived gain and purchase intention. Moreover, data confirmed that traditional products evoke feelings similar to those aroused by something regarded as authentic as the more traditional a product was perceived to be, the higher the change of authenticity after the innovation.

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