Beyond information availability: Specifying the dimensions of consumer perceived brand transparency

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ABSTRACT

Consumers require brand information to inform their ethical perceptions of brands. With consumers' unprecedented access to information online, the perceived availability of information may not be sufficient to drive perceptions of brand transparency and its outcomes. Extant brand transparency literature has fragmented approaches to conceptualizing transparency, some equating it to the quantity of information available, while others propose various characteristics that inform consumers' subjective perceptions, indicating the need for a multidimensional construct. Informed by signaling theory, this present research refines the conceptual structure in the extant literature and aims to specify the critical dimensions of consumer perceived brand transparency (perceived proactivity, clarity, and objectivity). We establish perceived information availability as a necessary but insufficient antecedent of brand transparency to facilitate brand ethicality. Finally, we identify the mediating and moderating mechanisms that facilitate transparency's positive effects on perceptions of brand ethicality. Hence, the findings provide academics and managers with important implications.

1. Introduction

Consumer skepticism towards ethical claims is increasing due to misleading and false ethical claims and recent scandals, such as the Volkswagen emissions scandal (Guèvremont, 2019). Industry and academia have proposed brand transparency to combat skepticism toward ethical claims (Vredenburg et al., 2020). However, brand managers are confused about communicating transparency (Kavakli, 2021), due to ambiguity surrounding what informs consumers' brand transparency perceptions. Consistent with definitions of transparency as the quantity of information disclosed (Zhu, 2004), H&M's efforts to be transparent by increasing information about its sustainability and ethical practices were not perceived as transparent by consumers (Brunner, 2020), indicating information availability was insufficient to establish brand transparency perceptions. Thus, there is a need to understand the characteristics informing consumers' perceptions of brand transparency. So, the question remains: what critical dimensions make a brand transparent for consumers?

Brand transparency, defined as the subjective perception of being informed (Eggert and Helm, 2003), has received attention due to its potential to deliver positive brand outcomes (Lin et al., 2017; Yang and Battocchio, 2021). Alongside critiques of a lack of theoretical

development (Cambier and Poncin, 2020), conceptual ambiguity surrounds brand transparency due to the fragmented and diverging ways to conceptualize brand transparency. Some authors equate brand transparency to the availability or presence of information (Kim, 2020; Yang and Battocchio, 2021), however, these studies lack consideration of how consumers misinterpret information and are unable to assess whether they have access to all information. Thus, this research aims to refute the idea that brand transparency can be used interchangeably with the availability of information, arguing that perceived information availability (i.e., the awareness and perceived accessibility of information) is insufficient to infer brand transparency.

Brands endeavor to improve their perceived brand ethicality (i.e., consumers' aggregate perception that the brand avoids harm to the environment and society by acting in a socially responsible manner; Sierra et al., 2017) since it may lead to brand equity (Iglesias et al., 2019), brand trust, affect and loyalty (Singh et al., 2012). Increasingly, consumers are assessing a brand's social responsibility due to some brands not aligning their practices with their ethical claims (Guèvremont, 2019; Iglesias and Ind, 2020). Despite academic interest in embedding purpose into businesses' strategy (Iglesias and Ind, 2020), brands may face challenges in developing a credible, ethical image due to consumers' concerns about their ability to deliver on ethical claims

(Guèvremont, 2019). Brands are avoiding communicating ethical claims due to concerns of consumer scrutiny and appearing less competent (Speed, 2022). So, how does brand transparency facilitate perceptions of brand ethicality? Brand transparency may reduce consumer skepticism toward ethical brand claims (Vredenburg et al., 2020); skepticism is a momentary state of distrust toward the brand's motivations (Forehand and Grier, 2003). Further, examining brand transparency's effect on brand credibility may address the industry's concerns about appearing incompetent (Speed, 2022), with brand credibility encapsulating "the believability of an entity's intentions at a particular time and is posited to have two main components: trustworthiness and expertise" (Erdem and Swait, 2004, p. 192). Thus, this paper aims to understand whether brand transparency facilitates perceived brand ethicality by enhancing brand credibility perceptions and reducing consumer skepticism.

To guide marketing managers uncertain about communicating ethical claims and transparency (Speed, 2022; Kavakli, 2021), it is important to understand whether consumers vary in how they develop perceptions of brand ethicality. Recent research has called for understanding how consumer factors may moderate their responses to transparency (Foscht et al., 2018; Liu et al., 2015). So, how do consumer factors influence the implications of brand transparency? Prior research has found that category involvement moderates brand transparency's effectiveness (Foscht et al., 2018). We aim to understand whether differences exist in alleviating consumer skepticism depending on the individual's brand involvement since it may be more predictive of brand choice than category involvement (Lockshin et al., 1997). Consumers with limited knowledge of ethical issues may struggle to recognize genuine efforts to be ethical (Park and Kim, 2016) and have different expectations for social responsibility than consumers with greater knowledge (Vaccaro and Patiño Echeverri, 2010). Thus, we aim to understand whether awareness of ethical issues impacts the development of perceived brand ethicality.

Informed by signaling theory (Erdem and Swait, 1998), this research aims to specify the critical dimensions of consumer perceived brand transparency and understand its impact on brand ethicality. We empirically test our conceptual framework using data from an online survey and partial least squares structural equation modeling (PLS-SEM). The findings offer a series of theoretical contributions and practical implications. First, we propose a multidimensional construct to address the fragmented and unidimensional conceptualizations of perceived brand transparency. Next, we establish perceived information availability as a necessary but insufficient antecedent to brand transparency. Then, we examine how brand transparency facilitates perceived brand ethicality by alleviating consumer skepticism and enhancing brand credibility. Finally, we contribute by exploring how consumer characteristics may impact responses to brand transparency and the development of perceived brand ethicality. These insights offer important implications for future research and marketing strategy.

2. Conceptual background

A review of the literature indicates that disciplines outside of marketing have informed transparency literature (e.g., Bushman et al., 2004; Eijffinger and Geraats, 2006). Within extant accounting and governance literature, transparency is defined as the disclosure of information to external organizations, such as governing bodies or regulators (Bushman et al., 2004). These studies operationalize transparency as the quantity of information disclosed (e.g., Eijffinger and Geraats, 2006); this view of transparency assumes the recipient of the information objectively evaluates transparency, which may align with how professional bodies assess whether an entity meets regulatory requirements. The issue arises in marketing literature that draws upon these definitions, assuming that the quantity or presence of information aligns with how consumers view transparency (e.g., Kim et al., 2020; Yang and Battocchio, 2021), with a lack of consideration of how information may be interpreted.

Within marketing literature, there are two overarching themes of conceptualizing brand transparency. The first views transparency objectively and quantifiable, such as the extent of information disclosed (e.g., Septianto et al., 2021; Yang and Battocchio, 2021). This perspective emerged in information technology disciplines due to increased information online that allowed consumers to access previously unavailable information (e.g., product costs) (Zhu, 2004). The proliferation of information online may explain the focus on information exchange within transparency literature (Granados et al., 2010). If transparency is related to the quantity of information provided, does more information lead to greater transparency? It is unclear how much information is adequate for brands to leverage the positive impacts of transparency before consumers are confronted with information overload (Lee and Lee, 2004). Such questions remain unanswered, possibly due to the fragmented approaches to conceptualizing brand transparency across marketing literature.

Brand transparency has also been conceptualized as a perception, such as the subjective evaluation of being informed (Eggert and Helm, 2003). Different characteristics have been emphasized across the literature, as seen in Table 1. Brand transparency perceptions are expected to emerge when brands are perceived as honest and accountable (Kang and Hustvedt, 2014), open about intentions and interests (Reynold and Yuthas, 2008), and communicate unbiasedly and objectively (Kim, 2019; Liu et al., 2015). Brand transparency has also been defined as a proactive, positive, and intentional approach to communicating about its operations (Leitch, 2017; Vaccaro and Patiño Echeverri, 2010). Additionally, transparency may also be about the clarity and comprehensibility of information (Lin et al., 2017), as complex or technical language may increase consumer skepticism (Foscht et al., 2018). Studies relying on singular (e.g., Kang & Hustvedt, 2014) or bidimensional (e.g., Foscht et al., 2018; Liu et al., 2015) operationalizations of transparency may not comprehensively capture what consumers consider when forming perceptions. Combined with the possibility of omitted variable bias, the conceptual ambiguity restricts understanding of the construct, and the lack of shared meaning makes it difficult to compare findings across studies. The ambiguity creates challenges for marketing managers (e.g., Kavakli, 2021), who would benefit from clear guidelines on what informs consumers' brand transparency perceptions. These multiple perspectives indicate the need for a multi-dimensional construct to depict transparency holistically and address the ambiguity.

Authors have either focused on a specific type of transparency, such as cost (Septianto et al., 2021) or production transparency (Yang and Battocchio, 2021) or discussed transparency broadly, such as the relevant practices and actions of the supply partner (Eggert and Helm, 2003). In business-to-business marketing, Hultman and Axelsson (2007) propose a typology of the types of transparency, including cost, supply, technological, and organizational. A few studies examine transparency in other contexts, such as consumer-ideated new products (Cambier and Poncin, 2020) and service performance (Liu et al., 2015). To address the issue of skepticism towards ethical claims, we examine brand transparency about a brand's ethical practices and actions, such as its labor conditions and environmental impact.

3. Conceptual framework and hypothesis development

3.1. Signaling theory and brand transparency

We draw upon signaling theory (Erdem and Swait, 1998; Spence, 1973) to understand the proposed relationships within our conceptual framework. Signaling theory is relevant because it focuses on information asymmetry, whereby different information is available to different parties (Erdem and Swait, 1998). To illustrate, when consumers are exposed to ethical claims, signaling theory posits that brands, as insiders, have access to information about its ethical practices and intentions, and this information is unavailable to consumers, as outsiders (Connelly et al., 2011). Alongside scandals and misleading ethical

Table 1
Perspectives of transparency in the literature.

Author	Definition of Transparency	Paper Type/Method	Theory	Clarity	Objectivity	Proactivity	Accessibility	Information	Mediation	Moderation	End Dependent Variable
Eggert and Helm (2003)	Individual's subjective perception of being informed about the relevant actions and properties of the other party in the interaction.	Quantitative	Relationship marketing theory					●	Customer Value, Customer Satisfaction		Intentions, Search for Alternatives, Word-of-Mouth
Zhu (2004)	Information transparency is defined as the degree of visibility and accessibility of information.	Conceptual	Game Theory				●	●			
Reynolds and Yuthas (2008)	Participants must reveal their goals and intentions relevant to the issue.	Conceptual	Habermas' Theory ofCommunicative Action	●	●						
Granados, Gupta, and Kauffman (2010)	Information transparency as the level of availability and accessibility of market information to its participants	Conceptual	N/A				●	●			
Vaccaro and Patiño Echeverri (2010)	People's perceptions of the willingness of their utility to make public, information on activities that have an impact on the environment and stakeholders.	Quantitative	N/A	●		●		●			Willingness-to-Engage in Pro-Environmental Behaviour
Kang and Hustvedt (2014)	Being accountable to stakeholders is one of the foundations of social responsibility, and transparency is fundamental to accountability.	Quantitative	Theory of Reasoned Action				●	●	Attitude, trust		Purchase Intention, Word-of-Mouth Intention
Liu et al., (2015)	Performance transparency is the extent to which customers view the information provided by firms about their services as accessible and objective.	Quantitative	Signaling Theory		●		●	●	Uncertainty	Service Firm Ability Associations	Purchase Intention, Willingness-to-Pay a Price Premium.
Leitch (2017)	A positive and proactive approach to information sharing is adopted in a manner that is accurate, timely, balanced, and unequivocal.	Conceptual	Corporate Marketing Theory	●		●		●			
Lin et al., (2017)	The concept of green transparency signifies the attempt of green brands to provide clear information disclosure in their green practices.	Quantitative	Attribution Theory	●				●	Perceived Value, Self-Brand Connection		Brand Loyalty
Foscht et al., (2018)	Business transparency is the offering of critical information about the pros and cons of a business's products/services that are accessible to and easily understood by customers.	Quantitative	Signaling Theory	●	●		●	●		Future Orientation, Corporate Social Responsibility	Customer Willingness to Engage in Sustainable and Responsible Consumption.
Cambier and Poncin (2020)	The extent to which an entity reveals information about its own decision process, procedures, functioning and performance	Experiment	Signaling Theory					●	Brand Integrity, Perceived Empowerment	Brand Reputation, Product Complexity	Behavioral Intentions
Kim et al., (2020)	The act of disclosing information to all of the organization's stakeholders through its reporting mechanisms	Experiment	Signaling Theory					●		Perceived Fairness, Perceived Ethicality	Brand Equity, Purchase Intentions

Table 1 (*continued*)

Author	Definition of Transparency	Paper Type/Method	Theory	Clarity	Objectivity	Proactivity	Accessibility	Information	Mediation	Moderation	End Dependent Variable
Septianto et al., (2021)	Transparency is the sharing and disclosure of information	Experiment	Moral justification; Justice theory					•	Moral Elevation	Authentic and HubriscPride (Vs. Neutral)	Purchase Likelihood
Yang and Battocchio (2021)	The extent to which anEntity reveals information about its decision process, procedures, functioning and performance.	Experiment	Signaling Theory					•	Brand Authenticity		Brand Attitude, Brand Trust, Behavioral Intentions
Our Study	Transparency is defined as a consumer's subjective evaluation of the clarity, objectivity, and proactivity of the brand's communication.	Quantitative	Signaling Theory	•	•	•	•	•	Brand Credibility, Consumer Skepticism		Perceived Brand Ethicality

claims (Guèvremont, 2019), consumer skepticism may be due to the inability to observe the brand's ethical practices and intentions. Consumer skepticism reduces the effectiveness of ethical claims, and consumers may question the brand's intentions and ability to deliver on claims (Guèvremont, 2019).

Signals serve as extrinsic cues insiders use to communicate information to outsiders to enhance quality perceptions (Connelly et al., 2011). According to the economic view, the mere presence of an extrinsic cue increases quality perceptions (Spence, 1973). In contrast, the psychological view takes a more nuanced approach, asserting that the extrinsic cue possesses signaling value only to the extent that outsiders find it credible and helpful in distinguishing between high-quality and low-quality brands (Erdem and Swait, 1998; Kirmani and Rao, 2000). To resolve information asymmetries, consumers use signals to inform their brand perceptions (Erdem and Swait, 2004; Spence, 1973). Consumers' observations of brand actions represent the signaling value associated with these signals (Erdem and Swait, 1998; Kirmani and Rao, 2000). Consumers evaluate the quality of a signal based on their perception of the unobservable ability of the signaler to fulfill their needs or demands (Connelly et al., 2011). Consumers may use observable signals such as the brand (Erdem and Swait, 1998, 2004), price (Dawar and Parker, 1994), warranties (Boulding and Kirmani, 1993), third-party accreditations (Baier et al., 2022) as signals of quality. We propose that the extent to which consumers perceive the information available as proactive, objective, and clear (i.e., the perceived brand transparency) assists in differentiating between brands that demonstrate ethical behavior and those that exhibit less ethical practices.

The separating equilibrium distinguishes signaling theory from simple information processing (Bergh et al., 2014). Consumers must interpret the signal as sufficiently costly and credible to help separate high-quality and low-quality brands (Connelly et al., 2011). Signaling theory posits that there must be a mechanism that prevents low-quality actors from mimicking the signals of high-quality actors, with false signalers expected to suffer consequences so that non-signaling is more appealing than sending false signals (Kirmani and Rao, 2000; Spence, 1973). For example, consumers interpreting signals they perceive as objective, clear, and proactive should be a reliable signal because less ethical brands are unlikely to do so due to the inherent costs of reputation damage through sending a misleading, false signal of ethical behaviors and intentions (Bergh et al., 2014; Connelly et al., 2011). Low-quality actors may be perceived as making information available, but this would not be sufficient to drive perceived brand ethicality. Thus, consumers may use perceived brand transparency as a measure of a signal's value to interpret the brand's ethical commitment, assisting in delineating ethical brands from non-ethical brands.

3.2. The nature of perceived brand transparency

Based on a review of marketing literature, it is evident that there are five fundamental themes of how researchers have conceptualized perceived brand transparency. These include clarity, proactivity, objectivity, perceived accessibility, and information awareness. See Table 1 for an overview of where these dimensions have been discussed within extant literature. This indicates a need for a multidimensional construct to holistically depict perceived brand transparency, consistent with the broader literature on brand associations, whereby consumers form perceptions through a mental network of brand associations (Keller, 1993).

In distinguishing perceived brand transparency and perceived information availability (encapsulating accessibility and information awareness), prior research has noted that simply providing access to information does not equate to brand transparency (Day and Brandt, 1974). Brands may provide consumers with access to complicated (Lowrey 1998) or large quantities of information (Ziamou and Ratneshwar 2002), possibly leading to information overload (Lee and Lee, 2004). With this, consumers incur costs when seeking information (e.g.,

time, energy) (Erdem and Swait, 1998), and if they perceive they have access to and are aware of information, this may require significant effort to delineate whether the brand is transparent. Consumers would be unable to assess whether some information has been made available while other aspects have been hidden.

Drawing upon the H&M example, although the brand provided access to information about its ethical and sustainable initiatives on its website, consumers may not have been aware that the information was available. Consumers who perceived the information was available did not perceive the brand as transparent because it did not explicitly acknowledge its negative social and environmental impact (e.g., perceived objectivity). If consumers perceive brands with fast fashion associations, like H&M, to publish large quantities of information, the perceived information available from other brands may be insufficient for consumers to infer ethicality. Thus, perceived information availability does not exhibit a credible and costly signal (Connelly et al., 2011), hence, not informing consumers' brand transparency perceptions.

We propose that perceived brand transparency is a psychological mechanism whereby perceived clarity, objectivity, and proactivity create value for consumers by reducing processing costs, not the perceived availability of information. Extant literature has discussed themes of clarity, establishing the importance of clear and explicit communication for brands to be perceived as transparent (e.g., Foscht et al., 2018; Lin et al., 2017). Authors have highlighted objectivity as a characteristic of transparency (Liu et al., 2015) and discussed how brands should communicate successes and failures (e.g., Kim, 2019). Finally, research states the importance of openness, whereby brands willingly share information with external stakeholders (e.g., Vaccaro and Patiño Echeverri, 2010). Authors drawing upon unidimensional operationalizations of brand transparency (e.g., Kim, 2019) may not sufficiently capture the construct, indicating the need for a multidimensional construct. Therefore, we propose that perceived brand transparency is a multi-dimensional construct comprising three characteristics: clarity, objectivity, and proactivity. These three characteristics are not interchangeable; each dimension captures a specific characteristic of perceived brand transparency, so they inform the underlying latent variable rather than being influenced by it (Hair et al., 2017). For brands to be perceived as transparent, consumers must perceive that the available information is communicated clearly and objectively in a positive and proactive manner.

The consumer's subjective evaluation of these dimensions informs the perceived brand transparency, aligning with receiver interpretation within signaling theory, whereby the receiver processes and translates signals and ascribes meaning to them (Connelly et al., 2011, p. 52). Previous research has highlighted the importance of the receiver's perspective (e.g., consumers) in understanding the signaling process (Turban and Greening, 1997). Receivers may interpret signals departing from the brand's original intent (Connelly et al., 2011), thus indicating that transparency is more complex than simply making information available. Thus, we define transparency as a consumer's holistic, subjective evaluation of perceived clarity, objectivity, and proactivity of the available information.

3.3. Perceived clarity

Perceived clarity is the consumers' perception that information is stated clearly in a simple way they understand (Foscht et al., 2018; Lin et al., 2017). If consumers perceive the language as technical or complex, they may experience confusion, inhibiting perceived clarity (Foscht et al., 2018; Reynolds and Yuthas, 2008). The perceived clarity supports distinguishing perceived brand transparency from perceived information availability; consumers may be aware and perceive they have access to information, but if consumers perceive that the brand has used industry-specific jargon or unclear claims (Foscht et al., 2018), the resulting consumer confusion makes it difficult for the consumer to

perceive the brand as transparent. If consumers do not comprehend the communication, the shared information does not become a costly and credible signal, and consumers may distort the intended meaning due to the difficulty in comprehension (Connelly et al., 2011). For example, consumers may perceive Girlfriend Collective as exhibiting clarity since the brand offers a glossary of ethical fashion terminology, which may assist the consumer in understanding the brand's ethical practices. Additionally, Lin et al.'s (2017) study indicated that perceptions of clarity within transparent communication positively increased value perceptions and brand loyalty.

3.4. Perceived objectivity

Perceived objectivity requires the perception that the brand has shared balanced and accurate information about its product offerings and operations, such as environmental or socially responsible initiatives (Foscht et al., 2018; Kim, 2019). Due to information asymmetries (Erdem and Swait, 2004), consumers cannot observe whether the brand is unbiased and rely on cues such as sharing failures to perceive it as objective (Kim, 2019). If a crisis or failure occurs, cues such as acknowledging the crisis, offering an explanation, and outlining plans to rectify the issue may inform consumers' perception that the brand is objective (Honora et al., 2022). For example, when sunglasses company Ace & Tate acknowledged its sustainability mistakes and outlined an action plan for change, consumers may have perceived this as the brand offering objectivity. If consumers perceive the brand to share failures if they occur, this increases the perceived objectivity of its successes, as a less ethical brand is likely to exaggerate or play up its successes (Liu et al., 2015). Perceptions of objectivity may be driven by consumers' perception that the brand shares unbiased information from external sources, such as customer reviews or third-party credentials (Foscht et al., 2018; Liu et al., 2015). The benefits of objectivity include increased purchase intentions, willingness to pay a price premium, and desire to engage in ethical and sustainable consumption (Foscht et al., 2018; Liu et al., 2015). Hence, being perceived as objective is critical for consumers to determine whether shared information is a costly and credible signal that helps them to separate highly ethical from less ethical brands.

3.5. Perceived proactivity

Proactivity is the perception that the brand has intentionally communicated its ethical practices and policies with customers in a prompt and positive manner (Leitch, 2017). Since perceived brand transparency reflects individual perceptions of the brands' willingness to communicate, brands that appear reluctant to release information are likely perceived as less transparent (Leitch, 2017; Vaccaro and Patiño Echeverri, 2010). Building on proposals by Vaccaro and Patiño Echeverri (2010), if consumers perceive brands to release information when there is external pressure, such as in response to requests made by professional third parties, media, or consumers, they may interpret this signal to mean that the brand is reluctant to share, inhibiting the perception that the brand is proactive. Proactivity also requires perceived timeliness, which consumers may evaluate by the perception that the brand has regularly communicated current and relevant information (Leitch, 2017; Liu et al., 2015). To illustrate, consumers may not have perceived Adidas as transparent when it made a statement about discontinuing its partnership with its brand ambassador, Kanye, since consumers may have perceived the statement was made in response to external pressure. Vaccaro and Patiño Echeverri (2010) found that a brand that is perceived to take a proactive approach by intentionally communicating with stakeholders about its environmental programs increases customers' willingness to engage in pro-environmental behaviors. Again, the value created by perceived proactivity suggests that it is a critical determinant of whether the perceived information available is interpreted as a costly and credible signal.

H1: Perceived brand transparency comprises a) clarity, b) objectivity, and c) proactivity.

3.6. The role of perceived information availability

Perceived information availability is conceptualized as the perceived awareness and accessibility to brand information (Granados et al., 2010; Zhu, 2004), specifically in the context of ethical practices and processes. Although brands make information available on their website, consumers may not be able to quantify the information and assess whether they have access to all required information, thus indicating the subjective nature of information availability. Perceived access to information is the perceived degree of ease of accessing the information (Foscht et al., 2018). The information must be perceived as visible for consumers to be aware of the specific brand information (Zhu, 2004; Eggert and Helm, 2003). Moreover, the perceived accessibility and awareness of ethical-related product details can increase value perceptions and willingness to pay (Meise et al., 2014). If consumers are unaware or do not perceive to have access to information, they cannot process that information (Connelly et al., 2011). Previous research has defined transparency as "all information elements are shared" (Granados et al., 2010, p. 11) and the degree of access and visibility of information (Kim et al., 2020; Zhu, 2004). Even if brands disclose all information elements, consumers may not be aware that the information is accessible due to information asymmetries (Erdem and Swait, 1998; Rao et al., 1999). With this subjectivity, consumers may be unable to distinguish between high-quality and low-quality actors (e.g., ethicality).

Given that information is a prerequisite for consumers to form an opinion about a brand's ethicality, but such opinions are based on brand transparency perceptions, we propose that perceived information availability is an antecedent to perceived brand transparency. Perceived information availability is necessary, as without sufficient information, consumers cannot be informed about a brand's ethicality (Meise et al., 2014) and, thus, might develop negative brand evaluations or increase skepticism (Bray, 2011). However, the perceived access and awareness of information available are insufficient for consumers to infer brand transparency. Consumers would interpret additional signals from the brand (i.e., perceived objectivity, proactivity, clarity) to discern whether the brand was being transparent.

H2: There is a positive relationship between perceived information availability and perceived brand transparency.

3.7. How perceived brand transparency builds perceived brand ethicality

Perceived brand ethicality is the consumers' aggregate perception that the brand avoids harm to the environment and society by acting socially responsibly (Sierra et al., 2017). Consumers' aggregate ethical perception may be informed by several domains: (1) consumer, (2) employees, (3) environment, (4) local community and economy, (5) business community, and (6) overseas community (Brunk, 2010). Perceived brand ethicality is expected to lead to desirable brand outcomes (Iglesias et al., 2019; Singh et al., 2012), and ethical associations are often more enduring than product features or innovations, thus establishing a competitive advantage (Folkes and Kamins, 1999). Although not all brands align their ethical claims with their practices, they sometimes make unsubstantiated and misleading claims so that consumers see them as more ethical than they are (Guèvremont, 2019). The challenge arises of ensuring that consumers view the brand as intrinsically motivated rather than doing so in self-interest (Du et al., 2010). Brand transparency about a brand's ethical practices and actions spans several domains outlined by Brunk (2010) that inform consumers' perceived brand ethicality. When consumers encounter transparent communication, they will perceive the effort of providing proactive, clear, and objective information as a signifier of a brand's intentions and behavior. Thus, it will increase their perceptions that the brand is intrinsically motivated and can act ethically (Du et al., 2010) and reduce

consumers' skepticism towards ethical practices that they cannot observe (Rao et al., 1999). The following hypotheses will argue that the process in which perceived brand transparency does this is through increasing perceived brand credibility and reducing consumer skepticism perceptions.

4. The mediating role of brand credibility

Consumers are concerned that brands cannot deliver on their ethical claims or put promises into action (Guèvremont, 2019), indicating a lack of brand credibility. Brand credibility is the believability of the brand's intentions and encompasses the consumers' perceptions that the brand can and is willing to deliver on promises (e.g., ethical claims) (Erdem and Swait, 2004). Generally, brand credibility is reflected through perceptions of expertise and trustworthiness (Erdem and Swait, 2004). Expertise refers to perceptions of the brand's competence and capabilities to deliver as promised (Erdem and Swait, 2004). Trustworthiness reflects beliefs about the brand's reliability and intentions (Delgado-Ballester and Munuera-Alemán, 2001), including perceptions of brand motivation. When consumers perceive the available information as proactive, intentional, and prompt in nature, this represents a credible signal, enhancing perceptions of the brand's intentions and behaviors toward society. Perceived as being objective and clear about its operations will enhance perceptions of expertise and capabilities of acting in society's interests. A brand that demonstrates expertise in its field is likely to be viewed as more reliable by consumers, as it is seen as having a deep understanding of its field and the ability to provide accurate and useful information or products (Erdem and Swait, 2004). Consumers can interpret the perceived expertise as a reliable signal that the brand is committed to high quality (i.e., ethical). Therefore, perceived brand transparency will build perceived brand ethicality through brand credibility.

H3: The relationship between perceived brand transparency and perceived brand ethicality is mediated by brand credibility.

4.1. The mediating role of consumer skepticism

Growing consumer skepticism towards ethical brand claims results from recent brand scandals, whereby brands have attempted to capitalize on the benefits of ethical positioning (Cambier and Poncin, 2020; Guèvremont, 2019). This consumer skepticism reflects situational skepticism (Forehand and Grier, 2003), where consumers question the brand's motivation for ethical positioning. Consumer skepticism can deter purchasing ethical and sustainable brands (Bray et al., 2011; Leonidou and Skarmeas, 2017). These perceptions may extend into feelings of cynicism, which is the belief that brands are driven by selfish motives (Mohr et al., 1998). Additionally, it may extend to suspicions that a brand's behavior is due to hidden motivations (Fein et al., 1990), such as hiding extrinsic motivations under the pretense of benefiting society, which would reduce ethical perceptions (Du et al., 2010). Information asymmetry underlies consumer skepticism; skepticism reduces the effectiveness of signals because consumers are uncertain about elements they cannot easily observe (Rao et al., 1999). For example, suppose consumers doubt a brand claiming its products are eco-friendly. In that case, they are less likely to process message content (Mohr et al., 1998), limiting any positive effects of the brand's perceived ethicality. However, perceived brand transparency as a costly and credible signal of the brand's intrinsic motivation may reduce consumer skepticism towards the claim, even if consumers cannot verify them, thus enhancing brand ethicality perceptions (Mohr et al., 1998). Therefore, the relationship between perceived brand transparency and perceived brand ethicality will be mediated by consumer skepticism.

H4: The relationship between perceived brand transparency and perceived brand ethicality is mediated by consumer skepticism.

4.2. The moderating role of sustainability awareness

It is important to explore whether there are differences among consumers that may impact the development of perceived brand ethicality. Although most consumers may be concerned about the ethicality of a brand (Iglesias et al., 2019), they may vary in their awareness of sustainability issues. Sustainability awareness can be defined as the degree of awareness and knowledge of socially responsible business practices, social equity, and environmental issues (Park and Kim, 2016). Although sustainability awareness has been used to examine whether consumers will support social and environmental business behavior (Vaccaro and Echeverri, 2010) and increase their perceived value of sustainable goods (Park and Kim, 2016), we argue that it may have a moderating role on the relationship between brand credibility and perceived brand ethicality. Consumers lacking adequate knowledge of sustainability and social issues may be unable to discern between brands that engage in genuine efforts to behave ethically (Park and Kim, 2016). Prior research indicates that consumers lacking expertise (e.g., sustainability awareness) tend to rely on heuristic cues to inform their brand associations (Alba and Hutchinson, 1987). Since brand credibility may offer a heuristic cue, there may be potential nuances between brand credibility and perceived ethicality, depending on consumers' sustainability awareness.

Consumers who know more about sustainability issues may have greater expectations for the brand's ethical practices and processes (Park and Kim, 2016; Vaccaro and Echeverri, 2010). They may be more perceptive of issues pertaining to social and environmental problems caused by brands, reducing their reliance on brand credibility as a heuristic cue to develop perceived brand ethicality (Alba and Hutchinson, 1987). We would expect that the effect of brand credibility on perceived brand ethicality would be stronger for individuals who lack awareness of sustainable issues, as they may rely on the heuristic cue to form their perception (Alba and Hutchinson, 1987). Hence, the positive effect of brand credibility on perceived brand ethicality is weakened as sustainability awareness increases.

H5: Sustainability awareness negatively moderates the relationship between brand credibility and perceived brand ethicality.

4.2.1. The moderating role of brand involvement

Another nuance expected is differences based on consumers' brand involvement, as the effectiveness of brand transparency may differ for consumers with greater commitment and interest in the brand. Brand involvement is the degree of personal relevance, interest, and subjective feeling of importance toward the brand (Petty et al., 1983; Zaichkowsky, 1985). If consumers have greater involvement with the brand, we anticipate the effect of brand transparency reducing consumer skepticism to be stronger. Extant literature has found differences in the effect of brand transparency based on category involvement, such that brand transparency delivered stronger brand outcomes for high involvement product categories (e.g., mobile phones) than low involvement product categories (e.g., coffee beans) (Foscht et al., 2018). However, brand involvement may offer more individual nuances among consumers and may be more predictive of brand choice (Lockshin et al., 1997), which is particularly relevant as this study examines signals to influence brand associations.

Consumers with high levels of involvement have a strong interest and personal relevance in the brand (De Vries and Carlson, 2014), becoming more passionate about the brand's activities and actions (France et al., 2016). Since highly involved consumers may be more attentive to the brand, they may be more receptive to brand transparency as a costly and credible signal, which would have a stronger effect in reducing their distrust towards the brand's motivation (i.e., consumer skepticism). With this, highly involved consumers are more likely to dedicate cognitive resources to appraise the brand and are more committed and loyal to their brands (Leckie et al., 2016). Research has consistently found that consumers with high involvement tend to process information, such as transparent communication, more

thoughtfully and diligently and are more likely to be persuaded to alter their perception (Petty et al., 1983). Thus, the effect of brand transparency in reducing consumer skepticism will be stronger for highly involved consumers since they will likely invest more cognitive effort appraising the brand's transparency due to their commitment to the brand, resulting in a greater reduction in momentary distrust towards the brand (i.e., skeptical). Thus, we propose that perceived brand transparency's effect on consumer skepticism is stronger when brand involvement is high.

H6: Brand involvement moderates the relationship between perceived brand transparency and consumer skepticism, such that the effect will be stronger when brand involvement is high.

Fig. 1 illustrates the conceptual framework.

5. Methodology

5.1. Stimuli and sample

Data was obtained from respondents who had shopped online from one of the following product categories in the previous six months: (1) health and beauty, (2) technology for personal use (e.g., mobile phone, personal computer), or (3) fashion clothing. These product categories were chosen due to their prevalence in the popular press and represent stigmatized industries, thus causing consumers to be skeptical due to potential variance in the ethicality of brands (Kim and Lee, 2012). These product categories have been examined in extant literature but examined consumers who had purchased from the brand (e.g., Foscht et al., 2017; Yang and Battocchio, 2020). Our study broadened the sampling frame to capture consumers within the earlier stages of the customer journey. Thus, participants were asked to nominate a brand they had shopped for online but not necessarily purchased. Online shopping reflects a critical touchpoint where consumers will likely encounter information that might inform their brand perceptions. Finally, unlike previous studies where participants were asked to nominate an environmentally friendly product (e.g., Leonidou and Skarmeas, 2017) or environmentally friendly brand they had purchased from (e.g., Lin et al., 2017), there was no requirement for the brand to be ethical or sustainable.

A self-administered online survey was distributed through a third-party provider. The final sample consisted of 402 participants, all of whom had to be at least 18 years of age. The range in the age groups was representative of the U.S. population (18–24 years 7.21 %; 25–34 years 19.40 %; 35–44 years 20.40 %; 45–54 years 16.42 %; 55–64 years 20.90 %, 65–74 years 14.68 %, 75 years or older 1 %). Most respondents have a high school diploma (28.36 %) or bachelor's degree (28.11 %), were employed full-time (34.58 %), and earned $10,000–$29,999 (USD) before tax (26.37 %). The majority were women (84.08 %), with nearly half of the participants nominating a clothing product brand (44.73 %), followed by health and beauty products (28.64 %), and then technology for personal use (26.63 %). Two multi-group analyses were conducted to ensure the skew in gender and category did not impact the results. The multi-group analysis by categories (clothing product brand vs. health and beauty products vs. technology for personal use) showed no significant differences. The multi-group analysis by gender (male vs. female) indicated one significant difference; however, a relationship not hypothesized within the model: the relationship between sustainability awareness and perceived brand ethicality. This suggests that gender or the selected category did not significantly impact the study results.

5.2. Questionnaire design

The questionnaire was designed to minimize any biases that could impact responses. A pre-test was conducted with a small, diverse sample (n = 49) to ensure adequate confidence that each question was interpreted as intended. Open-ended questions were reviewed to understand how participants interpreted questions, and we reviewed response times
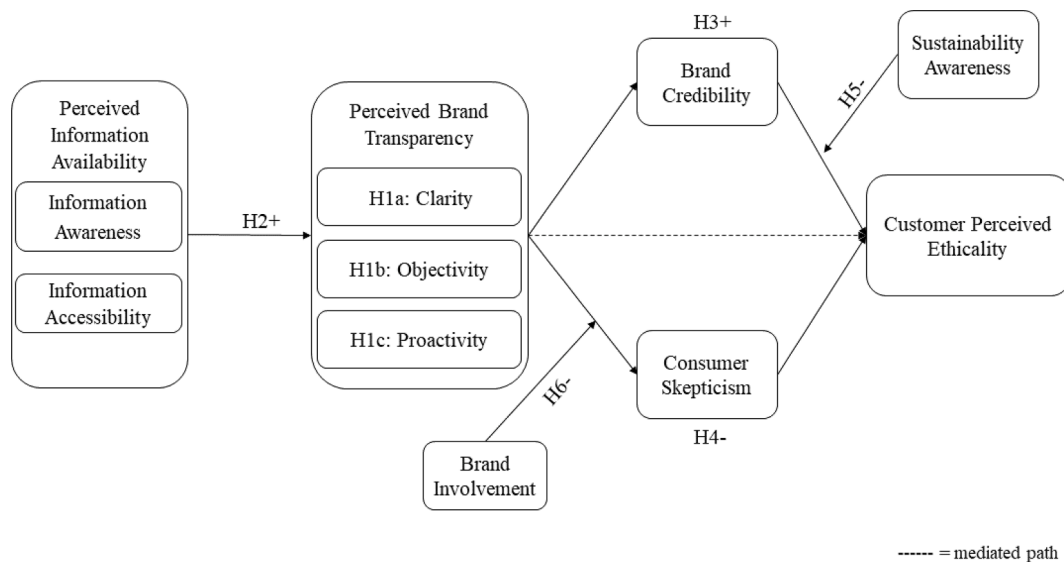
Fig. 1. Conceptual framework.

and patterns to identify issues. Some minor changes were made to improve clarity. The survey was structured with a general overview without details of the specific relationships under investigation, and respondents were informed of their anonymity. Next, a screening question asked respondents whether they had shopped online from one of the three product categories in the previous six months. Open- and closed-ended questions were used to gather the data, and this wording reflected their use in prior literature. Forced responses reduced the possibility of missing data (Dwivedi et al., 2016). The questionnaire featured strategically placed page breaks, section headers, and sub-introductions, which helped to minimize the potential effects of various response biases (Feldman and Lynch, 1988).

5.3. Common method variance

While many questionnaire design components can help improve the validity of the data, a cross-sectional, self-reported questionnaire creates common method variance concerns. Harman's one-factor test indicated that less than 31.70 percent of the variance was explained by a single factor (Podsakoff et al., 2003). Further, a marker variable correlation test showed that none of the observed variables were significantly correlated with the marker variable at a 95 percent level of significance (Lindell and Whitney, 2001). These tests cannot entirely rule out common method variance; they strongly suggest that it is unlikely to have had any significant impact.

5.4. Data validity

Multiple checks were embedded into the survey to help ensure its validity. An open-ended question was used to eliminate responses that cited illegible or nonsense brand names when asked to nominate a brand. With an average completion time of 15 min, respondents who finished the survey in less than one-third of the median time (i.e., less than 5 min) were removed as they were deemed non-serious. Respondents were excluded if they (1) selected the same rating point consecutively on a pre-specified set of statements, (2) failed the attention check 'This is a quality check: If you have read this, please leave this statement blank' (Paas and Morren, 2018). The third-party provider replaced invalid responses with responses that passed the data validation checks.

5.5. Measurement items

The study used existing measurement scales adapted to suit the research context (All measurement items used in the study are listed in Appendix 2).

5.5.1. Perceived brand transparency and perceived information availability as formative constructs

We propose that clarity, objectivity, and proactivity are multiple characteristics of perceived brand transparency, and perceived information availability comprises information awareness and accessibility. Therefore, these two constructs are modeled as higher-order reflective formative constructs. These two operationalizations meet the criteria for formative constructs (Hair et al., 2017; Jarvis et al., 2003). These dimensions are not interchangeable; any change in the value of one of these dimensions is not likely to cause a change in other dimensions (e. g., proactively sharing information will not change perceptions of clarity and objectivity). Further, the items between dimensions do not strongly covary, and if one were missing, it would alter the conceptual domain. Some researchers may model the three dimensions of perceived brand transparency and the two for perceived information availability as standalone constructs. The weakness of a standalone approach is that the resulting model will have over forty relationships, creating complexity and overparameterization. To avoid this, modeling researchers advocate for more parsimonious models using higher-order constructs (Hair et al., 2017; Jarvis et al., 2003).

6. Descriptive statistics and correlations

A review of the bivariate correlation matrix (Table 2) indicates no high correlations that may raise multicollinearity concerns. As expected, consumer skepticism negatively correlates with all variables except brand involvement. However, brand involvement also negatively correlates with other variables, such as brand credibility. Perhaps highly involved consumers may be more critical and have higher standards for the brand's credibility and ethicality. They may view the brand negatively if it does not meet these standards, consistent with self-perception theory (Bem, 1972); highly involved consumers may be more likely to observe the brand's actions and form negative attitudes because they are more attentive to the brand (Petty et al., 1983). Additionally, consistent with self-perception theory, highly involved consumers may be more aware of the brand's actions and more sensitive to irresponsible behavior, negatively affecting their perceived brand credibility and

Table 2

Descriptive statistics, correlations, and validity estimates.

Measures	Score	Standard deviation	BC	BI	CL	CS	IAC	IAW	OB	PE	SA	PR
Brand Credibility (BC)	2.25	1.07	**0.83**									
Brand Involvement (BI)	5.03	1.80	−0.19 (0.19)	**0.90**								
Clarity (CL)	4.25	1.46	0.34 (0.36)	−0.18 (0.18)	**0.96**							
Consumer Skepticism (CS)	3.95	1.51	−0.29 (0.31)	0.26 (0.27)	−0.4 (0.44)	**0.88**						
Information Access (IAC)	3.68	1.52	0.31 (0.34)	−0.13 (0.13)	0.81 (0.88)	−0.35 (0.38)	**0.89**					
Information Awareness (IAW)	4.08	1.94	0.30 (0.39)	−0.17 (0.19)	0.58 (0.68)	−0.29 (0.34)	0.59 (0.70)	**0.81**				
Objectivity (OB)	4.13	1.50	0.37 (0.41)	−0.21 (0.22)	0.69 (0.77)	−0.39 (0.43)	0.65 (0.72)	0.48 (0.57)	**0.90**			
Perceived Brand Ethicality (PE)	3.28	1.18	0.52 (0.57)	−0.23 (0.24)	0.57 (0.62)	−0.48 (0.53)	0.52 (0.57)	0.48 (0.58)	0.54 (0.60)	**0.82**		
Sustainability Awareness (SA)	3.55	1.41	0.21 (0.23)	−0.11 (0.13)	0.35 (0.39)	−0.13 (0.14)	0.32 (0.37)	0.38 (0.48)	0.26 (0.30)	0.31 (0.35)	**0.82**	
Proactivity (PR)	3.38	1.51	0.40 (0.44)	−0.18 (0.19)	0.81 (0.90)	−0.45 (0.50)	0.77 (0.85)	0.55 (0.67)	0.74 (0.84)	0.62 (0.70)	0.36 (0.41)	**0.90**

Correlations are below the diagonal, the square root of each AVE presented on the diagonal in bold, Heterotrait-Monotrait ratios are in brackets.

ethicality (Bem, 1972). Reported in Table 2 are the validity estimates for the constructs: Heterotrait-Monotrait ratios and the square root of the average variance (AVE) estimates.

Through SmartPLS 3.0 (Ringle et al., 2015), PLS-SEM was used to test the hypothesized path relationships. This causal modeling technique can maximize the variance explained by the dependent latent variables and offers several advantages (Hair et al., 2011). First, PLS-SEM is a suitable analytical technique when the research objectives are exploratory rather than confirmatory (Peng and Lai, 2012). To our knowledge, no previous studies have examined the relationships under investigation herein. Second, PLS-SEM is appropriate for models that include reflective and formative constructs, whereas assessing formative constructs with alternative analytical techniques, such as covariance-based SEM, can lead to unidentified models (Peng and Lai, 2012). Further, covariance-based approaches have more restrictive assumptions than PLS-SEM, which means the model can be more easily affected by weak constructs and wrongly specified paths (Schallehn et al., 2014). Fourth, given the multiple mediations within the model, it is important to use an approach allowing bootstrapping (Chin, 2010). Finally, PLS-SEM can provide robust model estimations with data that is not normally distributed (Reinartz et al., 2009). An initial analysis of the observed variables indicated skewness values ranging from −1.77 to 1.44 and kurtosis values from −1.09 to 3.40. Thus, the data is not normally distributed, supporting the use of PLS-SEM.

6.1. Model evaluation

A two-step process was undertaken for the PLS-SEM analysis, first assessing the measurement model and then the structural model (Hair et al., 2011). A dual assessment process is required for the measurement model because the model consists of both reflective and formative constructs. For the reflective constructs, including the first-order reflective constructs, the reliability of individual items was assessed by their factor loadings, all items above the threshold of 0.70 (see Appendix 2) (Hair et al., 2017). Composite reliability estimates for the reflective constructs ranged from 0.85 to 0.97, greater than the satisfactory value of 0.70 (Fornell and Larcker, 1981) (see Appendix 2). In support of convergent and discriminant validity, all average variance extracted (AVE) values exceed 0.65 (Fornell and Larcker, 1981).

For the reflective constructs used in the model, discriminant validity was first checked by comparing the square root of each AVE with the correlation coefficients of the other reflective constructs in Table 2. All the square root coefficients are greater than the correlations (Fornell and

Larcker, 1981). Discriminant validity was further confirmed by testing the cross-loadings, which found that all individual indicator loadings were higher with their own constructs than with other constructs (Hair et al., 2017). Finally, all Heterotrait-Monotrait ratios are below the critical value of 0.90 (Sarstedt et al., 2019).

The validity of the second-order formative construct involves examining the variance inflation factors (VIF) to determine if multi-collinearity is an issue and the outer weights for significance and relevance. All VIF levels were below 4, indicating this is not an issue (Hair et al., 2017). The indicator weights for the first-order dimensions within perceived information availability and perceived brand transparency were significant ($p < 0.01$) and ranged between 0.18 and 0.78. Based on this evidence, these two constructs can be retained as reflective-formative higher-order constructs. Given its advantages in parameter estimation, an embedded two-stage approach was used to form the reflective-formative higher-order constructs (Sarstedt et al., 2019).

6.2. Structural model

Having achieved an acceptable measurement model, the structural model was assessed by reviewing the level of variance explained in the dependent variables. To obtain this information, a 5000-resample bootstrap was conducted. The adjusted R-square results indicate that the model explained 69 % of the variation in perceived brand transparency, 54 % of the variation in perceived brand ethicality, 31 % for consumer skepticism, and 18 % of the variation in brand credibility, which strongly correlates with the sequence of the constructs presented in Fig. 1. The Q2 value offers another indicator of predictive relevance; values greater than 0 indicate the model's predictive relevance (Hair et al., 2011). The results indicate an acceptable model with moderate predictive power: perceived brand transparency (0.69), perceived brand ethicality (0.33), brand credibility (0.11), and consumer skepticism (0.19).

7. Results

H1 predicted that perceived brand transparency is comprised of clarity (H1a), objectivity (H1b), and proactivity (H1c). The results in Fig. 2 indicate support for these hypotheses: clarity (β = 0.38; $p < 0.01$, CI [0.27; 0.50], objectivity (β = 0.18, $p < 0.01$, CI [0.08; 0.29]) and proactivity (β = 0.51, $p < 0.01$, CI [0.37; 0.64]) contribute significantly to the formation of perceived brand transparency as the weights and loadings are statistically significant and sizeable. Further, the results
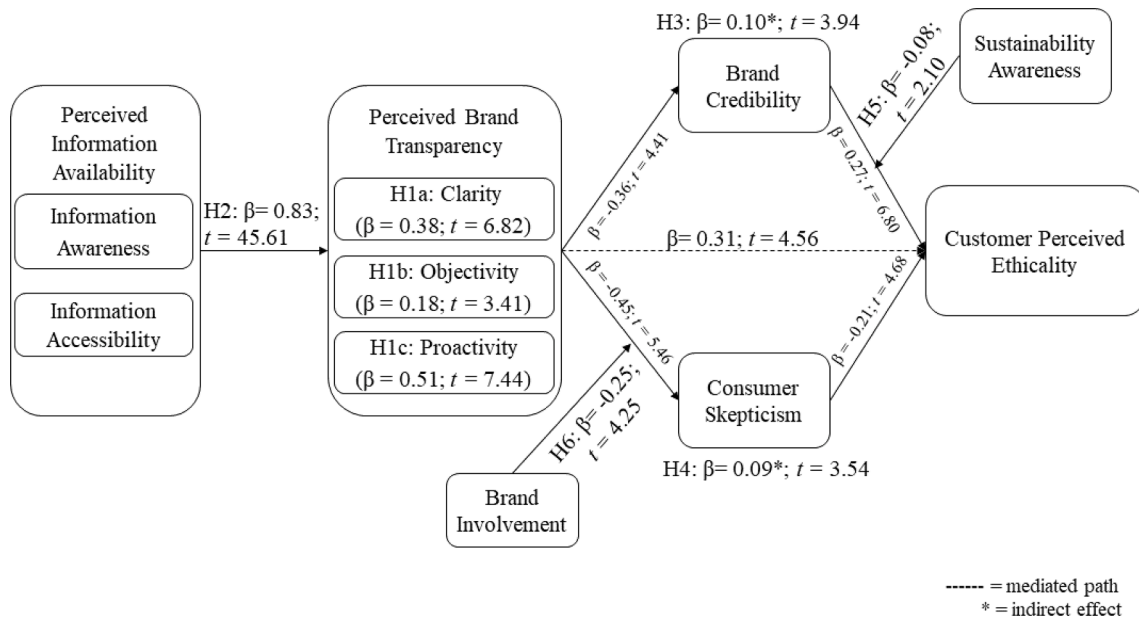
Fig. 2. Conceptual framework with results.

suggest clarity and proactivity contribute more to forming perceived brand transparency than objectivity.

H3 and H4 proposed that brand credibility and consumer skepticism mediated the relationship between perceived brand transparency and perceived brand ethicality, respectively. Because this prediction involves multiple mediations, a bias-corrected bootstrap procedure is used, as this requires just one model to be estimated to reveal mediation. It also reduces the risk of parameter estimate bias (Zhao et al., 2010). Following the procedure outlined by Chin (2010), the results from a 5,000-resample bootstrap provide the input to calculate all indirect paths and 95 % confidence intervals. If the indirect effect is significant, mediation is supported. In support of H3, the results in Table 3 indicate a significant indirect effect of perceived brand transparency on perceived brand ethicality through brand credibility ($\beta = 0.10$, $p < 0.01$, CI [0.05; 0.16]). Perceived brand transparency has a direct and positive effect on brand credibility ($\beta = 0.36$, $p < 0.01$, CI [0.20; 0.52]). Brand credibility has a direct and positive effect on perceived brand ethicality ($\beta = 0.29$, $p < 0.01$, CI [0.20; 0.37]). For H4, perceived brand transparency indirectly affects perceived brand ethicality through consumer skepticism ($\beta = 0.09$, $p < 0.01$, CI [0.05; 0.15]). Perceived brand transparency has a direct and negative effect on consumer skepticism ($\beta = -0.45$, $p < 0.01$, CI [-0.61; −0.29]). Consumer skepticism has a direct and negative effect on perceived brand ethicality ($\beta = -0.21$, $p < 0.01$, CI [-0.29; −0.12]). Thus, without perceived brand transparency, consumer skepticism would reduce consumers' perceived brand ethicality. Since there is a

positive relationship between perceived brand transparency and perceived brand ethicality ($\beta = 0.31$, $p < 0.01$, CI [0.17; 0.44]), these two mediating effects are partial mediations.

The results show that the positive effect of brand credibility on perceived brand ethicality is weakened as sustainability awareness increases (H5: $\beta = -0.08$, $p = 0.04$, CI [-0.16; −0.01]). Brand involvement reduces the relationship between perceived brand transparency and consumer skepticism (H6: $\beta = -0.25$, $p < 0.01$, CI [-0.35; −0.12]). The stronger the personal relevance toward the brand, the more perceived brand transparency reduces skepticism.

H2 proposed a positive relationship between perceived information availability and perceived brand transparency. Before testing this, the results first supported the conceptualizing of perceived information availability as a higher-order reflective formative construct consisting of information awareness ($\beta = 0.31$, $p < 0.01$, CI [0.20; 0.43]) and accessibility ($\beta = 0.78$, $p < 0.01$, CI [0.69; 0.86]), each contributing significantly to the formation of perceived information availability, with accessibility having a stronger contribution. The results confirm H2 as there is a positive relationship between perceived information availability and brand transparency ($\beta = 0.83$, $p < 0.01$, CI [0.79; 0.86]).

Contained in Table 3 are sup***plementary findings that provide insight into how perceived information availability impacts perceptions of the brand. The results show that there is no significant relationship between perceived information availability and perceived brand ethicality ($\beta = 0.10$, $p > 0.05$, CI [-0.02; 0.21]). Evident is a sequential mediation process through perceived brand transparency. First, perceived brand transparency mediates the relationship between perceived information availability and brand credibility, consumer skepticism, and perceived brand ethicality. Then, consistent with H3 and H4, the effect goes through brand credibility and consumer skepticism.

In evaluating the distinction between perceived information availability and perceived brand transparency, a sup***plementary analysis was conducted where two models were compared. The alternate model combined the dimensions of perceived information availability (i.e., information awareness and accessibility) with the three dimensions within perceived brand transparency to form a five-dimension higher-order reflective-formative construct. The focal model consisted of only the three dimensions of perceived brand transparency. First, in comparing model fit, SRMR values are equal (.05$_{\text{Focal}}$ vs..05$_{\text{Alternate}}$). The f-square values suggest the alternate model has marginally greater

Table 3
Supplementary findings.

	β	t-value	95 % CI biascorrected
Perceived Information Availability → Perceived Brand Ethicality			
Direct effect	0.10	1.64	[-0.02, 0.21]
Indirect effect via Brand Credibility	0.01	0.21	[-0.04, 0.06]
Indirect effect via Consumer Skepticism	−0.01	0.73	[-0.05, 0.02]
Indirect effect via Perceived Brand Transparency	0.26**	4.55	[0.14, 0.36]
Indirect effect via Perceived Brand Transparency, then Credibility	0.09**	3.96	[0.05, 0.13]
Indirect effect via Perceived Brand Transparency, then Skepticism	0.08**	3.54	[0.04, 0.12]

*Significant at 5% level. ** Significant at 1% level.

explanatory power: brand credibility ($.19_{Focal}$ vs. $.20_{Alternate}$), consumer skepticism ($.23_{Focal}$ vs. $.23_{Alternate}$), and perceived brand ethicality ($.19_{Focal}$ vs. $.21_{Alternate}$). However, the outer weights for the alternate model reveal that the dimensions of information accessibility ($\beta = -0.10$, $p = 0.37$) and clarity ($\beta = 0.14$, $p = 0.22$) are insignificant, and the outer weight of proactive ($\beta = 0.61$, $p < 0.01$) is more than twice that of objectivity ($\beta = 0.25$, $p < 0.01$) and information awareness ($\beta = 0.231$, $p < 0.01$). This suggests that the conceptual meaning of the construct has changed from the theorized construct whereby consumers subjectively evaluate the information based on the characteristics to infer perceived brand transparency. Thus, the focal model with perceived information availability and perceived brand transparency modeled as separate constructs is superior to the alternative.

8. Discussion

Brand transparency has been proposed to alleviate consumer skepticism towards ethical claims (Vredenburg et al., 2020). With fragmented approaches to conceptualizing transparency, there is a need for a multi-dimensional construct to address the conceptual ambiguity and distinguish it from perceived information availability. Informed by signaling theory (Erdem and Swait, 1998), this research has specified the critical dimensions of perceived brand transparency (perceived proactivity, clarity, and objectivity) and provides a more nuanced conceptual structure establishing brand transparency as a psychological mechanism. Thus, establishing perceived information availability as a necessary but insufficient antecedent of perceived brand transparency. We empirically test our conceptual framework using data from an online survey and PLS-SEM. We identify two mediation processes: brand transparency indirectly builds perceived brand ethicality by reducing consumer skepticism and increasing brand credibility. Finally, we explore the moderating roles of brand involvement and sustainability awareness on the relationships between perceived brand transparency and perceived brand ethicality.

8.1. Theoretical implications

We address the conceptual ambiguity and lack of theoretical development within extant literature by drawing upon signaling theory (Erdem and Swait, 1998) to explore how brand transparency facilitates perceived brand ethicality and distinguishing it from perceived information availability. Although extant literature has drawn upon signaling theory (e.g., Foscht et al., 2018; Yang and Battocchio, 2020), our research provides a greater explanation of how perceived brand transparency arises from a signal and is used to infer perceived brand ethicality through enhancing the perceived credibility of the brand and reducing skepticism. Cambier and Poncin (2020) experimentally show that transparency signals, operationalized as the presence of information, can be used to signal brand associations, such as brand integrity. Although the presence of information may be sufficient in the context of consumer-ideated new products, it is not sufficient in the context of ethicality, where consumers require other signals to inform brand transparency perceptions and distinguish ethical brands from non-ethical brands. As exemplified from industry examples, consumers may perceive that the brand has made information available, but this may not be perceived as transparent. Hence, we contribute by establishing brand transparency as a psychological mechanism, drawing upon receiver interpretation (Connelly et al., 2011). We demonstrate that consumers subjectively evaluate the characteristics of the information (i.e., clarity, objectivity, and proactivity), which informs perceived brand transparency. Prior studies lack consideration of how consumers may interpret signals differently than intended by the original sender (e.g., Foscht et al., 2018; Kim, 2019). Brands may communicate unbiasedly, but this may not align with consumers' perception of objectivity. Thus, we contribute to the existing brand transparency literature by establishing brand transparency perceptions as a psychological mechanism by

drawing upon receiver interpretation.

Our research addresses the fragmented and unidimensional approaches to conceptualizing perceived brand transparency by specifying a multidimensional construct that combines characteristics proposed in extant literature (i.e., perceived clarity, objectivity, and proactivity). Supported by signaling theory, consumers, as receivers, interpret signals, and if the signal is sufficiently costly and credible, this assists them in separating highly ethical from less ethical brands (Connelly et al., 2011). We argue that perceived brand transparency is not the perceived availability of information but the characteristics that make the information valuable to the consumer. Several researchers have emphasized different characteristics, such as the clarity and comprehensibility of communication (Lin et al., 2017), communicating in an objective (Kim, 2019; Liu et al., 2015) or a willing manner (Vaccaro and Patiño Echeverri, 2010). However, these characteristics are generally conceptualized as singular dimensions, thus not capturing all elements that holistically inform consumers' perceptions. Instead, we proposed and provided empirical support for conceptualizing perceived brand transparency as a multi-dimensional construct of perceived clarity, objectivity, and proactivity.

Next, we contribute by refuting that brand transparency can be used interchangeably with the availability of information and responding to calls for greater conceptual clarity (Cambier and Poncin, 2020). Drawing upon information asymmetry, consumers rely on costly, credible signals to infer brand characteristics they cannot observe (Erdem and Swait, 2004). Consumers cannot assess whether they are aware of and have access to all required information. Hence, the perceived objectivity, clarity, and proactivity give the available information signaling value to aid consumers in distinguishing ethical brands. We provide empirical evidence for perceived information availability as a standalone concept; we demonstrate the validity of perceived information availability consisting of information awareness and accessibility. However, when combined with the three constructs of perceived brand transparency, the multi-dimensional construct is inferior (as highlighted in the sup***plementary findings). The conceptual argument is that these two dimensions of information awareness and accessibility do not make the information valuable to the consumer. We, therefore, position perceived information availability as an antecedent to perceived brand transparency; consumers require access and need to be aware of information (Meise et al., 2014), but perceived information availability is not equated to brand transparency.

We meaningfully extend our understanding of the implications of brand transparency by explicating the process for building perceived brand ethicality. We contribute to ethical branding literature and respond to calls for research to understand the antecedents of perceived brand ethicality that can assist brands in addressing consumers' ethical concerns and expectations (Iglesias et al., 2019). With burgeoning discussion on how to lessen skepticism towards ethical claims (Guèvremont, 2019; Vredenburg et al., 2020), we contribute by demonstrating that when consumers perceive brands as transparent, this improves the perceived brand ethicality by alleviating consumer skepticism and enhancing brand credibility. Without such understanding, brands may be unable to effectively drive perceived brand ethicality and realize the positive downstream benefits found in prior literature (Iglesias et al., 2019; Singh et al., 2012). While previous studies have explored the implications of brand transparency on brand outcomes such as integrity (Cambier and Poncin, 2020), authenticity (Yang and Battocchio, 2020), and trust (Kang and Hustvedt, 2014), the significance of brand credibility has not been considered by these authors. With brands' concerns about appearing incompetent when communicating brand claims (Speed, 2022), we demonstrate that when consumers perceive the brand as transparent, this signals that the brand is capable and competent of delivering its ethical claims and, hence, perceived as credible, facilitating perceived brand ethicality. Further, our findings may extend to the domain of conscientious branding, which requires brands to embrace a transformative purpose embedded into its strategy, which is

suggested to require an openness to dialogue (i.e., transparency) and consideration of broad stakeholders, such as consumers (Iglesias and Ind, 2020). Hence, perceptions of brand transparency may be an antecedent of conscientious branding and may alleviate any skepticism toward the credibility of the brand's purpose.

This research responds to calls for future research to uncover what factors may moderate consumers' responses to transparency (Foscht et al., 2018; Liu et al., 2015). It is important to understand the consumer factors that may influence responses to brand transparency to aid marketing managers who are uncertain about communicating brand transparency (Speed, 2022; Kavakli, 2021). We address these industry challenges and respond to these calls by exploring the potential moderating role of brand involvement and sustainability awareness. Our research finds that brand transparency perceptions may be of greater importance to those with less sustainability awareness and enhanced by increased brand involvement. Prior research has suggested that consumers with lesser knowledge of social responsibility and sustainability issues may find it difficult to discern genuine efforts to be ethical (Park and Kim, 2016) and may have different expectations for social responsibility (Vaccaro and Patiño Echeverri, 2010). Our findings indicate that consumers with high sustainability awareness are less likely to rely on heuristic cues, such as perceived brand credibility, to form their perception of the brand's ethicality. Further, authors have called for research to uncover how moderating factors like involvement may influence responses to transparency (Foscht et al., 2018; Liu et al., 2015). Extant literature has found mixed results on the role of category involvement on brand transparency perceptions, with some finding brand transparency was less effective for low product category involvement (Foscht et al., 2018), while others found no significant effect (Yang and Battocchio, 2020). Comparatively, we use brand involvement as a moderating variable as it may offer more individual nuances among consumers and may be more predictive of brand choice than product category involvement (Lockshin et al., 1997). Brand transparency is more effective in reducing consumer skepticism when consumers have high brand involvement. These findings demonstrate several moderating factors that improve our understanding of when transparency may be more advantageous for the brand in driving perceptions of brand ethicality.

8.2. Managerial implications

In today's market, where consumers are becoming increasingly concerned about the ethicality of brands, they are more likely to trust and engage with transparent brands (Yang and Battocchio, 2020). However, marketing managers are unsure how to address consumer skepticism toward ethical claims and implement transparency

effectively (Kavakli, 2021; Speed, 2022). Our study offers managers insight that consumers subjectively evaluate the characteristics of the available information to infer the brand's transparency. Critical to this, managers must understand the difference between information availability and transparency. Even if the information is perceived as available, this may not add value to informing consumers' perceptions of brand ethicality, be enough to build credibility or differentiate the brand because consumers may not know what information to ask for or if all the required information is available. Even if they do, the perceived information available information (i.e., information awareness and accessibility) does not ensure the information is easy to understand, accurate, or relevant. On the other hand, transparency does. While some managers might understand the importance of one or two of these transparency characteristics, they might not fully understand the importance of all three. Therefore, managers must take a comprehensive approach to understand and implement transparency. Table 4 provides some suggested actions and measurements for brands to implement and review the three dimensions to build brand transparency perceptions. They should review their current transparency initiatives, including through consumer research, to assess how well they align with the characteristics of brand transparency. By doing so, managers can ensure that their transparency initiatives align with the expectations and needs of the target audience, which can help the brand differentiate itself and gain a competitive advantage.

Next, managers should be aware that consumer skepticism toward ethical claims can attenuate the positive benefits of communicating the brand's ethical commitments (Mohr et al., 1998). To combat this, they should consider the role of brand transparency in conveying the brand's intentions, as this can help reduce skepticism towards claims that are difficult for consumers to verify. This reduction in consumer skepticism will positively influence the brand's perceived ethicality. Managers should also understand that the effectiveness of transparency in reducing skepticism may vary depending on the level of brand involvement. Customers with greater brand involvement will be more receptive to transparency because of their commitment to the brand, thus reducing skepticism. However, for customers with low brand involvement, transparency is critical in reducing skepticism toward the brand. Therefore, managers should ensure transparency initiatives align with expectations for less involved customers to improve the reduction in consumer skepticism.

Educating consumers on the brand's sustainable practices also emerges from the finding that sustainability awareness reduces the relationship between brand credibility and perceived brand ethicality. This finding suggests that managers should tailor their transparency initiatives to reflect differences in their audience's sustainability awareness. For consumers with a high level of sustainability awareness,

Table 4
Managerial implications.

Transparency dimension	Action	Suggestions	Measurement	Example
Proactivity	Willingly provide updated and helpful information	Develop a communication strategy that prioritizes timely and relevant information sharing, use consumer feedback to inform future communication efforts.	Track the timeliness and relevance of information shared, measure consumer sentiment to whether the brand has a positive and willing approach to transparency.	A clothing brand sends out a newsletter every season with information about its sustainable sourcing practices and includes a link for consumers to give feedback on the information provided.
Clarity	Clearly explain how the brand manages its environmental and social impact	Develop clear and concise language to explain the brand's environmental management practices, use visuals such as infographics to supplement the information provided	Assess the comprehensibility of the information provided, measure consumer understanding of the brand's social and environmental impact	A cosmetic brand uses plain language to explain its environmental and social impact and includes a graph showing the percentage of ingredients sourced sustainably.
Objectivity	Provide information in a balanced manner about its ethical practices	Develop a communication strategy that includes information about both positive and negative aspects of the brand's ethical and sustainable practices. Acknowledge a crisis, offer an explanation, and outline plans to rectify the issue.	Track the balance of positive and negative information shared, measure whether consumers perceive the communication as one-sided	An electronics company includes a section on their website detailing their sustainability initiatives, including the challenges they've faced and steps they're taking to improve

managers should prioritize providing information about their sustainable practices and impact, as this information will be of greater interest to them. Consumers with a low level of sustainability awareness may not have the same level of understanding about the brand's sustainability practices. In this case, managers should provide clear, easy-to-understand information about the brand's operations, practices, and impact. Hence, educating these consumers about the brand's sustainable practices ensures that the credibility from increased transparency leads to increased perceptions of ethicality.

8.3. Limitations and further research

Some limitations of this research provide avenues for further research. Our cross-sectional research design means our data came from respondents at a single point in time. Continued studies might gather longitudinal data, mainly because transparency is an emerging field, and the ever-changing socio-economic environment may influence the variables under investigation. Furthermore, brand credibility results from all past marketing communications, so the results should vary over time. Next, we also note the potential for external validity issues as data were collected from a specific country, skewed towards females, and focused only on three categories. While the multi-group analysis suggests that this did not significantly impact the results, replications of this study, such as different external environments, could help evaluate its external validity. There might be important consumer differences, such as consumer values, which future research is encouraged to identify.

Beyond these limitations, the current study offers several interesting avenues for future research. Firstly, the scale items for the brand transparency dimensions derive from extant literature and have only been applied to existing brands, with possible research opportunities to validate the scales for fictitious brands. Moreover, qualitative research to potentially refine these scales would be advantageous and may offer more novel understandings of perceived brand transparency. The finding of partial mediation (i.e., a direct relationship between transparency and perceived brand ethicality) might suggest the omission of a potentially important mediating variable within out model, such as self-brand congruity. The emergence of two moderators (brand involvement and sustainability awareness) suggests future research should explore other potential moderators, such as brand scandals. Identifying other boundary conditions can improve our understanding of how transparency benefits brands.

CRediT authorship contribution statement

Kate Sansome: Writing – original draft, Methodology, Formal analysis, Conceptualization. **Dean Wilkie:** Writing – review & editing, Supervision, Methodology, Conceptualization. **Jodie Conduit:** Writing – review & editing, Supervision, Methodology, Conceptualization.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Appendix A

Managerial Drivers for Each Brand Transparency Dimension

Dimension	Definition	Managerial Driver	Prior Literature
Perceived Clarity	The perception of clearly stated information presented in a simple way that consumers can understand	Lush clearly states the ingredients used in its products by explaining the uses and benefits of the ingredients. They use color coding to distinguish natural and synthetic ingredients.	• Foscht et al., (2018)Lin et al., (2017)Reynolds and Yuthas (2008)
Perceived objectivity	The perception that the brand has shared balanced and accurate information about product offerings and their operations (e.g., environmental or socially responsible initiatives)	Seed & Sprout acknowledged that their products may contain traces of Palm Oil.	• Foscht et al., (2018)Kim (2019)Liu et al., (2015)
Perceived proactivity	The perception the brand has intentionally communicated its ethical practices and policies with customers in a prompt and positive manner	Outland Denim intentionally communicates with consumers about its social and environmental initiatives and proactively responds to industry issues, such as boycotting the Baptist World Aid fashion report.	• Leitch (2017)Vaccaro and Patiño Echeverri (2010)

Appendix B

Appendix 2
Reliability and Validity Estimates for Reflective Constructs.

Construct and Items	Standardized Loading	Composite Reliability	Cronbach's Alpha	AVE
Information Awareness (Eggert & Helm, 2003)		0.85	0.74	0.66
I am well aware of [BRAND]'s product information	0.64*			
I am well aware of [BRAND]'s labor conditions	0.87*			
I am well aware of [BRAND]'s environmental impact	0.91*			
Accessibility (Foscht et al.,2018; Kang & Hustvedt, 2014)		0.94	0.91	0.79
[BRAND] offers access to information about its sustainability and ethical practices	0.88*			
I could easily find out about the labor conditions of factory workers [BRAND] uses to make its products	0.82*			
I could easily find out about the environmental impact of [BRAND]'s production process	0.93*			
Information about [BRAND]'s sustainability and ethical practices is easily accessible	0.93*			
Clarity (Lin et al., 2017)		0.96	0.92	0.93
[BRAND] clearly explains how it manages the environmental impact of its production processes	0.96*			
[BRAND] provides the information needed to understand the environmental impact of its production processes	0.96*			
Objectivity (Kim, 2019)		0.93	0.88	0.80
I believe [BRAND] has provided information about its failures, not just successes	0.88*			

(*continued on next page*)

Appendix 2 (*continued*)

Construct and Items	Standardized Loading	Composite Reliability	Cronbach's Alpha	AVE
I believe [BRAND] will inform consumers if its ethical and sustainable initiative fails	0.88*			
I believe [BRAND] has informed consumers about both good and bad information about its ethical and sustainable activities	0.93*			
Proactivity (Liu et al., 2015; Leitch, 2017)		0.93	0.88	0.81
[BRAND] provides updated information about its sustainability and ethical practices	0.93*			
[BRAND] provides helpful information about its sustainability and ethical practices	0.94*			
[BRAND] has a positive approach to sharing information	0.83*			
Brand Credibility (Erdem & Swait, 2004)		0.94	0.93	0.70
[BRAND] reminds me of someone who's competent and knows what they are doing	0.84*			
[BRAND] has the ability to deliver what it promises	0.87*			
[BRAND] delivers what it promises	0.88*			
[BRAND]'s product claims are believable	0.79*			
Over time, my experiences with [BRAND] have led me to expect it to keep its promises, no more and no less	0.81*			
[BRAND] has a name you can trust	0.85*			
[BRAND] does not pretend to be something it isn't	0.81*			
Consumer Skepticism (Skarmeas & Leonidou, 2013)		0.93	0.90	0.77
It is doubtless/doubtful that this is an ethical and environmentally friendly brand	0.81*			
It is certain/uncertain that [BRAND] is less damaging for the environment	0.91*			
It is sure/unsure that [BRAND] meets high environmental and ethical standards	0.90*			
It is questionable that [BRAND]'s products are better for the natural environment and society	0.88*			
Perceived brand ethicality (Sierra et al., 2017)		0.91	0.88	0.67
[BRAND] is a socially responsible brand	0.85*			
[BRAND] seems to be environmentally responsible	0.86*			
[BRAND] appears to support good causes	0.80*			
[BRAND] is more beneficial for the welfare of society than other brands	0.79*			
[BRAND] contributes to society	0.79*			
Sustainability Awareness (Park & Kim, 2016)		0.89	0.84	0.68
I am knowledgeable about social equity issues (e.g., working conditions of factory workers, fair wage for factory workers)	0.87*			
I know more about socially responsible business than the average person	0.83*			
I am informed about environmental issues	0.79*			
I understand the environmental impact of products across the supply chain.	0.81*			
Brand Involvement (Zaichkowsky, 1985)		0.98	0.97	0.81
Unimportant: Important	0.90*			
Boring: Interesting	0.90*			
Irrelevant: Relevant	0.89*			
Unexciting: Exciting	0.91*			
Means Nothing: Means a lot to me	0.90*			
Unappealing: Appealing	0.91*			
Mundane: Fascinating	0.89*			
Worthless: Valuable	0.92*			
Uninvolving: Involving	0.89*			
Not Needed: Needed	0.85*			

*Significant at the 1 % level.

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