



THE UNIVERSITY
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**INNOVATING TRADITIONAL PRODUCTS:
PRODUCT AUTHENTICITY VS. PERCEIVED SACRIFICE FROM THE
INNOVATION**

By

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Table of Contents

Abstract	31
Declaration	33
Acknowledgements	34
Chapter 1: Introduction	35
1.1 Introduction and Research Objectives	35
1.2 Conceptual Model.....	37
1.3 Method and Analysis	39
1.4 Scope of the thesis	40
1.5 Outline of the thesis	41
1.6 Chapter summary	43
Chapter 2: Literature Review	44
2.1 Introduction.....	44
2.2 Attributes of an innovated product.....	48
2.3 Authenticity.....	49
2.4 Perceived Value and the impact of authenticity on value creation	56
2.5 Congruence of the innovation with the product category	59
2.6 Moderating Effects of Consumer Characteristics, Situation & Culture.....	60
2.6.1 Product knowledge and involvement	61
<i>Involvement and Situation</i>	63
<i>Involvement and Authenticity</i>	63
2.6.2 Past Orientation.....	64
2.6.3 Situation	65

2.7 Towards a Conceptual Framework	66
Chapter 3: Conceptual Framework, Hypothesis Development, and Research Design for the Study	
3.1 Introduction.....	68
3.2 Research framework and questions.....	68
3.2.1 Stimuli used	70
<i>Product 1: Wine</i>	70
<i>Product 2: Traditional Asian Medicine</i>	72
<i>Product 3: Bicycles</i>	72
3.3 Development of model and hypotheses	73
3.3.1 Hypotheses.....	73
3.4 Justification of the Model	80
3.5 Overview of research design.....	80
3.5.1 Stage 1 – Qualitative study	81
3.5.2 Sampling for focus groups	82
3.5.3 Interview Protocol and Data Analysis	83
3.6 Results.....	84
3.6.1 Results for Asian participants	84
3.6.2 Results for Australian participants.....	86
3.6.3 Results for French participants	87
3.7 Adopted Measurement Instruments	90
3.8 Summary	91
Chapter 4: Quantitative methodology.....	92
4.1 Introduction.....	92

4.2 Research Design.....	92
4.3 Sampling methods.....	94
4.4 Data collection instruments.....	95
4.4.1 Questionnaire development.....	96
4.5 Questionnaire testing the wine stimulus	98
4.5.1 Product Authenticity	98
4.5.2 Subjective Knowledge and Involvement	99
4.5.3 Consumption situations.....	100
4.5.4 Product Integration in the culture (traditionality perceptions)	101
4.5.5 Characteristics of the innovated product and congruence of the innovation with the product category.....	102
4.5.6 Perceived sacrifice/gain	103
<i>Influence of situation on perceived sacrifice/gain</i>	105
4.5.7 Purchase intention	106
4.5.8 Past Orientation.....	106
4.5.9 Demographics	106
4.6 Questionnaire testing the bicycle and traditional Asian medicines stimuli	107
4.6.1 Bicycle Questionnaire.....	107
<i>Occasion for riding a bicycle.....</i>	107
<i>Cultural integration of the product.....</i>	108
4.6.2 Traditional Asian Medicines Questionnaire.....	109
<i>Occasions for using TAMs</i>	109
<i>Product integration in the culture.....</i>	109

4.7 Pre-Test Analysis	110
4.7.1 Sample Profile.....	111
4.7.2 Validation of research instruments	111
4.7.3 Scale Reliability	112
4.7.4 Validity tests	113
4.7.5 Pre-test study results summary	114
4.8 Chapter Summary	114
Chapter 5: Results for Low Alcohol Wine.....	115
5.1 Introduction.....	115
5.2 Demographic profile of respondents.....	116
5.3 Scale Validation (Confirmatory Factor Analysis).....	117
5.3.1 Model specification for confirmatory factor analysis	118
5.3.2 Model Assessment for CFA.....	119
5.3.3 Fit Statistics.....	119
5.3.4 Perceived Authenticity of the Innovated Product	122
5.3.5 Advantages of the Innovated product Low alcohol wine.....	123
5.3.6 Product Integration (traditionality)	124
5.3.7 Past Orientation.....	125
5.3.8 Subjective Knowledge	126
5.3.9 Wine Involvement.....	127
5.4 Testing For Multigroup Invariance between countries	128
5.4.1 Technical approach when the models specified are the same in all groups	129
5.4.2 Technical approach when the models specified are different across groups	134

5.5 Path Model Analysis via SEM.....	135
5.5.1 Calculating Composite Variables.....	136
5.6 Evaluating Path Models	137
5.6.1 Model Specification	137
5.6.2 Model Identification.....	137
5.6.3 Model Estimation (Hypothesis Testing)	137
5.6.4 Differences between nationalities (country location)	143
Low Alcohol Wine Australia	143
Low Alcohol Wine Singapore.....	144
Low Alcohol Wine France.....	145
5.7 Moderation Analysis.....	149
5.7.1 Past Orientation.....	150
5.7.2 Subjective Wine Knowledge.....	153
5.7.3 Wine Involvement.....	156
5.8 Influence of situation on perceived gain and sacrifice from the innovation	159
5.8.1 Influence of situation and involvement on perceived gain and sacrifice from the innovation	162
5.9 Chapter Summary	166
Chapter 6: Results for Traditional Asian Medicine.....	167
6.1 Introduction.....	167
6.2 Demographic profile of respondents.....	168
6.3 Scale Validation (Confirmatory factor analysis).....	168
6.4 Testing For Multigroup Invariance between Countries	169

6.5 Path Model Analysis via SEM.....	170
6.6 Evaluating Path Models (Hypothesis Testing).....	171
6.6.1 Differences between nationalities (country location)	176
TAMs Australia	177
TAMs Singapore.....	178
TAMs France	179
6.7 Moderation Analysis.....	183
6.7.1 Past Orientation.....	183
6.7.2 Subjective TAMs Knowledge.....	187
6.7.3 TAMs Involvement.....	190
6.8 Influence of situation on perceived gain and sacrifice from the innovation	194
6.8.1 Influence of situation and involvement on perceived gain and sacrifice from the innovation	195
6.9 Chapter Summary	199
Chapter 7: Results for Bamboo Bicycle	200
7.1 Introduction.....	200
7.2 Demographic profile of respondents.....	201
7.3 Scale Validation (Confirmatory factor analysis).....	201
7.4 Testing for Multigroup Invariance between Countries	202
7.5 Path Model Analysis via SEM.....	203
7.6 Evaluating Path Models (Hypothesis Testing).....	203
7.6.1 Differences between nationalities (country location)	209
Bamboo Bicycle Australia	210

Bamboo Bicycle Singapore.....	211
Bamboo Bicycle France	212
7.7 Moderation Analysis.....	216
7.7.1 Past Orientation.....	217
7.7.2 Subjective Bicycle Knowledge	221
7.7.3 Bicycle Involvement	225
7.8 Influence of situation on perceived gain and sacrifice from the innovation	227
7.8.1 Influence of situation and involvement on perceived gain and sacrifice from the innovation	229
7.9 Chapter Summary	233
Chapter 8: Discussion and Conclusion.....	235
8.1 Introduction.....	235
8.2 Summary of Findings.....	236
8.2.1 Impact of degree of innovation on congruence of the innovation and authenticity	236
8.2.2 Impact of complexity of the innovation on congruence of the innovation and authenticity	237
8.2.3 Impact of congruence on perceived authenticity of the innovated product and perceived advantages from the innovation	238
8.2.4 Impact of perceived advantages from the innovation on perceived gain (sacrifice) and purchase intentions.....	239
8.2.5 Impact of product traditionality perceptions on perceived authenticity of the innovated product	241
8.2.6 Impact of perceived authenticity of the innovated product on perceived advantages from the innovation	242

8.2.7 Impact of perceived authenticity of the innovated product on perceived gain (sacrifice) and purchase intentions.....	242
8.2.8 Impact of perceived gain (sacrifice) from the innovation on purchase intentions	244
8.2.9 Moderation of Consumer Characteristics.....	245
8.2.10 Situation	249
8.3 Theoretical Contributions	257
8.4 Managerial Implications	259
8.5 Limitations of the Research	262
8.6 Future research.....	263
8.7 Concluding Comments.....	264
Appendices.....	266
Appendix 3.1: Focus Group Guide	266
Appendix 3.2: Focus Group Form	269
Appendix 4.1: Pre-Test Factor Analysis for the context of wine, bicycle and TAMs	273
Appendix 5.1: CFA – Wine low alcohol Singapore	283
Appendix 5.2: CFA – Wine low alcohol France.....	285
Appendix 5.3: Influence of situation on perceived gain & sacrifice (Aus., Fr., Sing.).....	287
Appendix 5.4: Past orientation as a moderator (Australia)	288
Appendix 5.5: Past orientation as a moderator (Singapore)	289
Appendix 5.6: Past orientation as a moderator (France).....	290
Appendix 5.7: Involvement as a moderator (Australia).....	291
Appendix 5.8: Involvement as a moderator (Singapore)	292
Appendix 5.9: Involvement as a moderator (France).....	293

Appendix 5.10: Knowledge as a moderator (Australia).....	294
Appendix 5.11: Knowledge as a moderator (Singapore)	295
Appendix 5.12: Knowledge as a moderator (France)	296
Appendix 5.13: CFA – Wine low alcohol Australia	297
Appendix 6.1: CFA for the whole TAMs sample	299
Appendix 6.2: CFA – TAMs Australia.....	305
Appendix 6.3: CFA – TAMs Singapore	307
Appendix 6.4: CFA – TAMs France.....	309
Appendix 6.5: Multigroup Analysis.....	311
Appendix 6.6: Influence of situation on perceived gain & sacrifice (Aus., Fr., Sing.).....	317
Appendix 6.7: Past Orientation Moderation (Australia).....	318
Appendix 6.8: Past Orientation Moderation (Singapore)	319
Appendix 6.9: Past Orientation Moderation (France).....	320
Appendix 6.10: Involvement Moderation (Australia).....	321
Appendix 6.11: Involvement Moderation (Singapore)	322
Appendix 6.12: Involvement Moderation (France)	323
Appendix 6.13: Knowledge Moderation (Australia)	324
Appendix 6.14: Knowledge Moderation (Singapore).....	325
Appendix 6.15: Knowledge Moderation (France)	326
Appendix 7.1: CFA for the whole Bicycle sample	327
Appendix 7.2: CFA analysis – Bicycle Australia	333
Appendix 7.3: CFA analysis – Bicycle Singapore.....	335
Appendix 7.4: CFA analysis – TAMs France.....	337

Appendix 7.5: Multigroup Analysis.....	339
Appendix 7.6: Influence of situation on perceived gain & sacrifice (Aus., Fr., Sing.).....	342
Appendix 7.7: Past Orientation Moderation (Australia).....	343
Appendix 7.8: Past Orientation Moderation (Singapore)	344
Appendix 7.9: Past Orientation Moderation (France).....	345

List of Tables

Table 3.1: Summary of Hypothesized Relationships	79
Table 3.2: Demographic profile of focus group participants conducted in Adelaide, Jakarta & Dijon	83
Table 3.3: Demographic profile of focus group participants conducted in Adelaide	83
Table 4.1: Perceived authenticity scale items	99
Table 4.2: Subjective knowledge and involvement scale items	100
Table 4.3: Wine consumption situations	101
Table 4.4: Product integration (traditionality perceptions) in Australia (Singapore, France).....	101
Table 4.5: Determining what participants consider low alcohol wines	102
Table 4.6: Congruence measure	103
Table 4.7: Product characteristics and complexity of the innovation	103
Table 4.8: Determining perceived sacrifice or gain	104
Table 4.9: The degree of perceived sacrifice	104
Table 4.10: The degree of perceived gain.....	105
Table 4.11: Influence of situation on perceived sacrifice	105
Table 4.12: The influence of situation on perceived gain	105
Table 4.13: purchase intention of low alcohol wines.....	106
Table 4.14: Past orientation scale items.....	106
Table 4.15: Demographic questions.....	107
Table 4.16: Occasions for riding a bicycle.....	107
Table 4.17: Product integration (traditionality perceptions) of the product in Australia	108
Table 4.18: Product benefits	108
Table 4.19: Influence of situation on perceived sacrifice	108
Table 4.20: Occasions for using TAMs	109
Table 4.21: Product integration (traditionality perceptions) in Australia	109
Table 4.22: Benefits of using the product innovation	110
Table 4.23: Influence of situation on perceived sacrifice/gain	110

Table 4.24: Reliability scores of latent constructs used in the wine survey	112
Table 4.25: Inter Item Correlation Mean (TAMs)	112
Table 5.1: Demographic profile based on age, gender and frequency of consumption	117
Table 5.2: Fit Indices for examining model fit of CFA.....	121
Table 5.3: Factor Loadings of the One-factor Model of the Authenticity of the innovated product (Low alcohol wine).....	122
Table 5.4: Goodness of fit indices – Authenticity of the Innovated Product (Low Alcohol Wine)...	123
Table 5.5: Factor Loadings of the One-factor Model of the Advantages of the innovated product (Low alcohol wine).....	123
Table 5.6: Goodness of fit indices – Advantages of the Innovated Product (Low Alcohol Wine)	124
Table 5.7: Factor Loadings of the One-factor Model of wine integration	124
Table 5.8: Goodness of fit indices – Advantages of the Innovated Product (Low Alcohol Wine)....	124
Table 5.9: Factor Loadings of the One-factor model of Past Orientation	125
Table 5.10: Goodness of fit indices - Past Orientation	125
Table 5.11: Factor Loadings of the One-factor Model of wine knowledge	126
Table 5.12: Goodness of fit indices – Wine knowledge	126
Table 5.13: Factor Loadings of the One-factor Model of wine involvement.....	127
Table 5.14: Goodness of fit indices – Wine Involvement.....	127
Table 5.15: Goodness of fit Statistics for tests of Invariance: A Summary	130
Table 5.16: Goodness of fit Statistics for tests of Invariance: A Summary	131
Table 5.17: Goodness of fit Statistics for tests of Invariance: A Summary	132
Table 5.18: Goodness of fit Statistics for tests of Invariance: A Summary	133
Table 5.19: Goodness of fit Statistics for tests of Invariance: A Summary	135
Table 5.20: Goodness of fit indices for identified path model.....	139
Table 5.21: Standardized regression weights.....	139
Table 5.22: Country of origin Groups- value classification.....	143
Table 5.23: Goodness of fit indices for identified path model.....	143
Table 5.24: Goodness of fit indices for identified path model.....	144

Table 5.25: Goodness of fit indices for identified path model.....	145
Table 5.26: Path estimates for Australia, Singapore and France	146
Table 5.27: Goodness of fit Statistics for tests of Invariance: A Summary	146
Table 5.28: Critical ratios (comparison between Singapore, France and Australia).....	147
Table 5.29: Past Orientation Groups- value classification	150
Table 5.30: Goodness of fit Statistics for tests of Invariance: A Summary	151
Table 5.31: Model estimation and critical ratios.....	152
Table 5.32: Knowledge Groups- value classification	153
Table 5.33: Goodness of fit Statistics for tests of Invariance: A Summary	154
Table 5.34: Model estimation and critical ratios.....	155
Table 5.35: Involvement Groups- value classification.....	156
Table 5.36: Goodness of fit Statistics for tests of Invariance: A Summary	157
Table 5.37: Model estimation and critical ratios.....	158
Table 5.38: Guidelines for interpreting Eta squared	159
Table 5.39: Impact of situation on perceived sacrifice from the innovation.....	160
Table 5.40: Impact of situation on perceived gain from the innovation.....	161
Table 5.41: Impact of situation on perceived sacrifice from the innovation for individuals with high involvement.....	162
Table 5.42: Impact of situation on perceived sacrifice from the innovation for individuals with low involvement.....	162
Table 5.43: Impact of situation on perceived gain from the innovation for individuals with high involvement.....	163
Table 5.44: Impact of situation on perceived gain from the innovation for individuals with low involvement.....	163
Table 5.45: Summary of the Results of Hypothesized Relationships	165
Table 6.1: Demographic profile based on age, gender and frequency of consumption	168
Table 6.2: Fit Indices for examining model fit of CFA	169
Table 6.3: Goodness of fit statistics	169

Table 6.4: Multigroup Invariance between countries (Australia, Singapore and France).....	170
Table 6.5: Goodness of fit indices for identified path model.....	172
Table 6.6: Standardized regression weights.....	172
Table 6.7: Country of origin Groups- value classification.....	176
Table 6.8: Goodness of fit indices for identified path model.....	177
Table 6.9: Goodness of fit indices for identified path model.....	178
Table 6.10: Goodness of fit indices for identified path model.....	179
Table 6.11: Path estimates for Australia, Singapore and France	180
Table 6.12: Goodness of fit Statistics for tests of Invariance: A Summary	180
Table 6.13: Critical ratios (comparison between Singapore, France and Australia).....	181
Table 6.14: Past Orientation Groups- value classification	183
Table 6.15: Goodness of fit Statistics for tests of Invariance: A Summary	184
Table 6.16: Model estimation and critical ratios.....	185
Table 6.17: Knowledge Groups- value classification	187
Table 6.18: Goodness of fit Statistics for tests of Invariance: A Summary	188
Table 6.19: Model estimation and critical ratios.....	188
Table 6.20: Involvement Groups- value classification.....	190
Table 6.21: Goodness of fit Statistics for tests of Invariance: A Summary	191
Table 6.22: Model estimation and critical ratios.....	192
Table 6.23: Impact of situation on perceived sacrifice from the innovation.....	194
Table 6.24: Impact of situation on perceived gain from the innovation.....	194
Table 6.25: Impact of situation on perceived sacrifice from the innovation for individuals with high involvement.....	195
Table 6.26: Impact of situation on perceived sacrifice from the innovation for individuals with low involvement.....	196
Table 6.27: Impact of situation on perceived gain from the innovation for individuals with high involvement.....	196

Table 6.28: Impact of situation on perceived gain from the innovation for individuals with low involvement.....	197
Table 6.29: Summary of the Results of Hypothesized Relationships	198
Table 7.1: Demographic profile based on age, gender and frequency of usage.....	201
Table 7.2: Fit Indices for examining model fit of CFA	202
Table 7.3: Goodness of fit statistics	202
Table 7.4: Multigroup Invariance between countries (Australia, Singapore and France).....	203
Table 7.5: Goodness of fit indices for identified path model.....	204
Table 7.6: Standardized regression weights.....	205
Table 7.7: Country of origin Groups- value classification.....	209
Table 7.8: Goodness of fit indices for identified path model	210
Table 7.9: Goodness of fit indices for identified path model.....	211
Table 7.10: Goodness of fit indices for identified path model.....	212
Table 7.11: Path estimates for Australia, Singapore and France	213
Table 7.12: Goodness of fit Statistics for tests of Invariance: A Summary	213
Table 7.13: Critical ratios (comparison between Singapore, France and Australia).....	214
Table 7.14: Past Orientation Groups- value classification	217
Table 7.15: Goodness of fit Statistics for tests of Invariance: A Summary	218
Table 7.16: Model estimation and critical ratios.....	219
Table 7.17: Knowledge Groups- value classification	221
Table 7.18: Goodness of fit Statistics for tests of Invariance: A Summary	222
Table 7.19: Model estimation and critical ratios.....	223
Table 7.20: Involvement Groups- value classification.....	225
Table 7.21: Goodness of fit Statistics for tests of Invariance: A Summary	226
Table 7.22: Model estimation and critical ratios.....	226
Table 7.23: Impact of situation on perceived sacrifice from the innovation.....	228
Table 7.24: Impact of situation on perceived gain from the innovation.....	228

Table 7.25: Impact of situation on perceived sacrifice from the innovation for individuals with high involvement.....	229
Table 7.26: Impact of situation on perceived sacrifice from the innovation for individuals with low involvement.....	230
Table 7.27: Impact of situation on perceived gain from the innovation for individuals with high involvement.....	231
Table 7.28: Impact of situation on perceived gain from the innovation for individuals with low involvement.....	231
Table 7.29: Summary of the Results of Hypothesized Relationships	232
Table 8.1: Impact of degree of innovation on congruence of the innovation	236
Table 8.2: Impact of complexity of the innovation on congruence of the innovation	237
Table 8.3: Impact of congruence of the innovation on perceived authenticity of the innovated product	238
Table 8.4: Impact of congruence of the innovation on perceived advantages from the innovation...	239
Table 8.5: Impact of perceived advantages from the innovation on perceived sacrifice/gain	240
Table 8.6: Impact of perceived advantages from the innovation on purchase intention.....	240
Table 8.7: Impact of product traditionality perceptions on perceived authenticity of the innovated product	241
Table 8.8: Impact of perceived authenticity of the innovated product on perceived advantages of the innovated product.....	242
Table 8.9: Impact of perceived authenticity of the innovated product on purchase intention	243
Table 8.10: Impact of perceived authenticity of the innovated product on perceived sacrifice/gain.	244
Table 8.11: Impact of perceived gain/sacrifice from the innovation on purchase intention	244
Table 8.12: Moderation of consumer characteristics using the aggregate samples	246
Table 8.13: Moderation of consumer characteristics across three countries.....	247
Table 8.14: Impact of situation on perceived sacrifice	249
Table 8.15: Impact of situation on perceived gain.....	250
Table A4.1: Factorability of authenticity -wine- Pre Test	273

Table A4.2: Pattern Matrix of authenticity- wine- Pre Test.....	273
Table A4.3: Factorability of authenticity - Bicycle- Pre Test	274
Table A4.4: Pattern Matrix of authenticity - Bicycle- Pre Test	274
Table A4.5: Factorability of authenticity – Traditional Asian Medicine- Pre test.....	275
Table A4.6: Pattern matrix of authenticity - Traditional Asian Medicine (TAM) - Pre Test	275
Table A4.7: Factorability of past orientation- Wine- Pre Test.....	276
Table A4.8: Component matrix of past orientation- Wine- Pre Test	276
Table A4.9: Factorability of past orientation- Bicycle/Traditional Asian Medicine- Pre Test.....	276
Table A4.10: Component matrix of past orientation- Bicycle/Traditional Asian Medicine- Pre Test	276
Table A4.11: Factorability of knowledge -Wine- Pre Test.....	277
Table A4.12: Pattern matrix of knowledge -Wine- Pre Test.....	277
Table A4.13: Factorability of knowledge - Bicycle- Pre Test	277
Table A4.14: Component matrix of knowledge - Bicycle- Pre Test.....	277
Table A4.15: Factorability of knowledge - Traditional Asian Medicine- Pre Test.....	278
Table A4.16: Component matrix of knowledge- Traditional Asian Medicine- Pre Test.....	278
Table A4.17: Factorability of involvement – Wine - Pre Test.....	278
Table A4.18: Component matrix of involvement – Wine - Pre Test	278
Table A4.19: Factorability of involvement - Bicycle- Pre Test.....	279
Table A4.20: Component matrix of involvement - Bicycle- Pre Test	279
Table A4.21: Factorability of involvement - Traditional Asian Medicine- Pre Test.....	279
Table A4.22: Component matrix of involvement - Traditional Asian Medicine- Pre Test	279
Table A4.23: Factorability of product integration in the culture - Wine- Pre Test.....	280
Table A4.24: Pattern matrix of product integration in the culture - Wine- Pre Test.....	280
Table A4.25: Factorability of product integration in the culture - Bicycle- Pre Test	281
Table A4.26: Pattern matrix of product integration in the culture - Bicycle- Pre Test.....	281
Table A4.27: Factorability of advantages obtained from the innovated product- Wine Pre Test.....	281
Table A4.28: Pattern matrix of advantages obtained from the innovated product - Wine Pre Test ..	281

Table A4.29: Factorability of advantages obtained from the innovated product - TAMs- Pre Test..	282
Table A4.30: Pattern matrix of advantages obtained from the innovated product - TAMs - Pre Test	282
Table A4.31: Factorability of advantages obtained from the innovated product - Bicycle- Pre Test	282
Table A4.32: Pattern matrix of advantages obtained from the innovated product Bicycle- Pre Test	282
Table A5.1: Goodness of fit indices –Authenticity perceptions of Low Alcohol Wine in Singapore	283
Table A5.2: Goodness of fit indices –Advantages of low alcohol wine in Singapore	283
Table A5.3: Goodness of fit indices – Wine integration (traditionality perceptions) in Singapore ...	284
Table A5.4: Goodness of fit indices – Consumer past orientation for the Australian sample	284
Table A5.5: Goodness of fit indices –Authenticity perceptions of Low Alcohol Wine in France	285
Table A5.6: Goodness of fit indices –Advantages of low alcohol wine in France	285
Table A5.7: Goodness of fit indices – Wine integration (traditionality perceptions) in France	286
Table A5.8: Goodness of fit indices – Consumer past orientation for the French sample	286
Table A5.9: Impact of situation on perceived gain and sacrifice from the innovation (Australia, France, and Singapore.....	287
Table A5.10: Model Estimation and Critical Ratios	288
Table A5.11: Model Estimation and Critical Ratios	289
Table A5.12: Model Estimation and Critical Ratios	290
Table A5.13: Model Estimation and Critical Ratios	291
Table A5.14: Model Estimation and Critical Ratios	292
Table A5.15: Model Estimation and Critical Ratios	293
Table A5.16: Model Estimation and Critical Ratios	294
Table A5.17: Model Estimation and Critical Ratios	295
Table A5.18: Model Estimation and Critical Ratios	296
Table A5.19: Goodness of fit indices –Authenticity perceptions of Low Alcohol Wine in Australia	297
Table A5.20: Goodness of fit indices –Advantages of low alcohol wine in Australia	297
Table A5.21: Goodness of fit indices – Wine integration (traditionality perceptions) in Australia ..	298

Table A5.22: Goodness of fit indices – Consumer past orientation for the Australian sample	298
Table A6.1: Factor Loadings of the One-factor model of Past Orientation	299
Table A6.2: Goodness of fit indices - Past Orientation.....	299
Table A6.3: Factor Loadings of the One-factor Model of TAMs knowledge	300
Table A6.4: Goodness of fit indices – TAMs knowledge.....	300
Table A6.5: Factor Loadings of the One-factor Model of TAMs involvement	301
Table A6.6: Goodness of fit indices – TAMs Involvement	301
Table A6.7: Factor Loadings of the One-factor Model of the Authenticity of the innovated product (TAMc)	302
Table A6.8: Goodness of fit indices – Authenticity of the Innovated Product (TAMc).....	302
Table A6.9: Factor Loadings of the One-factor Model of the Advantages of the innovated product (TAMc)	303
Table A6.10: Goodness of fit indices – Advantages of the Innovated Product (TAMc)	303
Table A6.11: Factor Loadings of the One-factor Model of TAMs integration.....	304
Table A6.12: Goodness of fit indices – Product Integration (TAMs).....	304
Table A6.13: Goodness of fit indices –Authenticity perceptions of TAMc in Australia.....	305
Table A6.14: Goodness of fit indices –Advantages of TAMc in Australia	305
Table A6.15: Goodness of fit indices – TAMs integration (traditionality perceptions) in Australia.	306
Table A6.16: Goodness of fit indices – Consumer past orientation for the Australian sample	306
Table A6.17: Goodness of fit indices –Authenticity perceptions of TAMc in Singapore	307
Table A6.18: Goodness of fit indices –Advantages of TAMc in Singapore.....	307
Table A6.19: Goodness of fit indices – TAMs (traditionality perceptions) in Singapore	308
Table A6.20: Goodness of fit indices – Consumer past orientation for the Singaporean sample	308
Table A6.21: Goodness of fit indices –Authenticity perceptions of TAMc in France	309
Table A6.22: Goodness of fit indices –Advantages of TAMc in France	309
Table A6.23: Goodness of fit indices – TAMs integration (traditionality perceptions) in France	310
Table A6.24: Goodness of fit indices – Consumer past orientation for the French sample.....	310
Table A6.25: Goodness of fit Statistics for tests of Invariance: A Summary	311

Table A6.26: Goodness of fit Statistics for tests of Invariance: A Summary	312
Table A6.27: Goodness of fit Statistics for tests of Invariance: A Summary	313
Table A6.28: Goodness of fit Statistics for tests of Invariance: A Summary	314
Table A6.29: Goodness of fit Statistics for tests of Invariance: A Summary	315
Table A6.30: Goodness of fit Statistics for tests of Invariance: A Summary	316
Table A6.31: Impact of situation on perceived gain and sacrifice from the innovation (Australia, France, and Singapore)	317
Table A6.32: Model Estimation and Critical Ratios	318
Table A6.33: Model Estimation and Critical Ratios	319
Table A6.34: Model Estimation and Critical Ratios	320
Table A6.35: Model Estimation and Critical Ratios	321
Table A6.36: Model Estimation and Critical Ratios	322
Table A6.37: Model Estimation and Critical Ratios	323
Table A6.38: Model Estimation and Critical Ratios	324
Table A6.39: Model Estimation and Critical Ratios	325
Table A6.40: Model Estimation and Critical Ratios	326
Table A7.1: Factor Loadings of the One-factor Model of Past Orientation.....	327
Table A7.2: Goodness of fit indices - Past Orientation.....	327
Table A7.3: Factor Loadings of the One-factor Model of Bicycle knowledge.....	328
Table A7.4: Goodness of fit indices – Bicycle knowledge	328
Table A7.5: Factor Loadings of the One-factor Model of Bicycle involvement	329
Table A7.6: Goodness of fit indices – Bicycle Involvement	329
Table A7.7: Factor Loadings of the One-factor Model of the Authenticity of the innovated product (Bamboo Bicycles).....	330
Table A7.8: Goodness of fit indices – Authenticity of the Innovated Product (Bamboo bicycle).....	330
Table A7.9: Factor Loadings of the One-factor Model of the Advantages of the innovated product (bamboo bicycle)	331
Table A7.10: Goodness of fit indices – Advantages of the Innovated Product (bamboo bicycle)	331

Table A7.11: Factor Loadings of the One-factor Model of bicycle integration.....	332
Table A7.12: Goodness of fit indices – Product Integration (bicycle).....	332
Table A7.13: Goodness of fit indices –Authenticity perceptions bamboo bicycle in Australia	333
Table A7.14: Goodness of fit indices –Advantages of bamboo bicycles in Australia.....	333
Table A7.15: Goodness of fit indices – bicycle integration (traditionality perceptions) in Australia	334
Table A7.16: Goodness of fit indices – Consumer past orientation for the Australian sample	334
Table A7.17: Goodness of fit indices –Authenticity perceptions of bamboo bicycle in Singapore ..	335
Table A7.18: Goodness of fit indices –Advantages of bamboo bicycle in Singapore.....	335
Table A7.19: Goodness of fit indices – Bicycle integration (traditionality perceptions) in Singapore	336
Table A7.20: Goodness of fit indices – Consumer past orientation for the Australian sample	336
Table A7.21: Goodness of fit indices –Authenticity perceptions of bamboo bicycle in France.....	337
Table A7.22: Goodness of fit indices –Advantages of bamboo bicycle in France	337
Table A7.23: Goodness of fit indices – Bicycle integration (traditionality perceptions) in France...	338
Table A7.24: Goodness of fit indices – Consumer past orientation for the French sample.....	338
Table A7.25: Goodness of fit Statistics for tests of Invariance: A Summary	339
Table A7.26: Goodness of fit Statistics for tests of Invariance: A Summary	340
Table A7.27: Goodness of fit Statistics for tests of Invariance: A Summary	341
Table A7.28: Impact of situation on perceived gain and sacrifice from the innovation (Australia, France, and Singapore)	342
Table A7.29: Model Estimation and Critical Ratios	343
Table A7.30: Model Estimation and Critical Ratios	344
Table A7.31: Model Estimation and Critical Ratios	345
Table A7.32: Model Estimation and Critical Ratios	346
Table A7.33: Model Estimation and Critical Ratios	347
Table A7.34: Model Estimation and Critical Ratios	348
Table A7.35: Model Estimation and Critical Ratios	349
Table A7.36: Model Estimation and Critical Ratios	350

Table A7.37: Model Estimation and Critical Ratios	351
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List of Figures

Figure 1.1: Proposed Conceptual Framework	38
Figure 1.2: Research Design of This Study	39
Figure 2.1: Proposed Conceptual Framework	68
Figure 3.1: Conceptual framework and proposed hypothesis	73
Figure 5.1: One factor CFA model of Authenticity of the innovated product (low alcohol wines) ..	122
Figure 5.2: One factor CFA model of advantages of the innovated product (low alcohol wines)	123
Figure 5.3: One factor CFA model of wine integration in the respective culture.....	124
Figure 5.4: One factor CFA model of Past Orientation	125
Figure 5.5: One factor CFA model of wine knowledge.....	126
Figure 5.6: One factor CFA model of wine involvement	127
Figure 5.7: Baseline Model for past orientation for Australia, Singapore and France samples.....	130
Figure 5.8: Baseline Model for traditionality for Australia, Singapore and France samples.....	131
Figure 5.9: Baseline Model for Knowledge for Australia, Singapore and France samples	132
Figure 5.10: Baseline Model for Involvement for Australia, Singapore and France samples	133
Figure 5.11: Baseline Model for Authenticity of the Innovated product for Australia, Singapore and France samples.....	134
Figure 5.12: Path Model for Low Alcohol Wine	138
Figure 5.13: Path Model for Australia	143
Figure 5.14: Path Model for Singapore.....	144
Figure 5.15: Path Model for France	145
Figure 5.16: Path Model for low Past Orientation	150
Figure 5.17: Path Model for high Past Orientation sample.....	151
Figure 5.18: Path Model for low Knowledge	154
Figure 5.19: Path Model for high Knowledge	154
Figure 5.20: Path Model for low Involvement.....	157
Figure 5.21: Path Model for high Involvement	157

Figure 6.1: Path Model for TAMs	171
Figure 6.2: Path Model for Australia	177
Figure 6.3: Path Model for Singapore.....	178
Figure 6.4: Path Model for France	179
Figure 6.5: Path Model for low Past Orientation	184
Figure 6.6: Path Model for high Past Orientation.....	184
Figure 6.7: Path Model for low Subjective Knowledge.....	187
Figure 6.8: Path Model for high Subjective Knowledge	188
Figure 6.9: Path Model for low Involvement.....	190
Figure 6.10: Path Model for high Involvement	191
Figure 7.1: Path Model for Bamboo Bicycle	204
Figure 7.2: Path Model for Australia	210
Figure 7.3: Path Model for Singapore.....	211
Figure 7.4: Path Model for France	212
Figure 7.5: Path Model for low Past Orientation	217
Figure 7.6: Path Model for high Past Orientation.....	218
Figure 7.7: Path Model for low Subjective Knowledge.....	221
Figure 7.8: Path Model for high Subjective Knowledge	222
Figure 7.9: Path Model for low Involvement.....	225
Figure 7.10: Path Model for high Involvement	225
Figure A5.1: Hypothesized one factor CFA model of low alcohol wine authenticity perceptions for the Singaporean sample	283
Figure A5.2: Hypothesized one factor CFA model of low alcohol wine advantages for the Singaporean sample	283
Figure A5.3: Hypothesized one factor CFA model of wine integration in Singapore.....	284
Figure A5.4: Hypothesized one factor CFA model of consumer past orientation for the Singaporean sample	284

Figure A5.5: Hypothesized one factor CFA model of low alcohol wine authenticity perceptions for the French sample	285
Figure A5.6: Hypothesized one factor CFA model of low alcohol wine advantages for the French sample	285
Figure A5.7: Hypothesized one factor CFA model of wine integration in France	286
Figure A5.8: Hypothesized one factor CFA model of consumer past orientation for the French sample	286
Figure A5.9: Path model for low past orientation.....	288
Figure A5.10: Path model for high past orientation.....	288
Figure A5.11: Path model for low past orientation.....	289
Figure A5.12: Path model for high past orientation.....	289
Figure A5.13: Path model for low past orientation.....	290
Figure A5.14: Path model for high past orientation.....	290
Figure A5.15: Path model for low involvement	291
Figure A5.16: Path model for high involvement	291
Figure A5.17: Path model for low involvement	292
Figure A5.18: Path model for high involvement	292
Figure A5.19: Path model for low involvement	293
Figure A5.20: Path model for high involvement	293
Figure A5.21: Path model for low knowledge.....	294
Figure A5.22: Path model for high knowledge.....	294
Figure A5.23: Path model for low knowledge.....	295
Figure A5.24: Path model for high knowledge.....	295
Figure A5.25: Path model for low knowledge.....	296
Figure A5.26: Path model for high knowledge.....	296
Figure A5.27: Hypothesized one factor CFA model of low alcohol wine authenticity perceptions for the Australian sample.....	297

Figure A5.28: Hypothesized one factor CFA model of low alcohol wine advantages for the Australian sample	297
Figure A5.29: Hypothesized one factor CFA model of wine integration in Australia	298
Figure A5.30: Hypothesized one factor CFA model of consumer past orientation for the Australian sample	298
Figure A6.1: Hypothesized one factor CFA model of Past Orientation	299
Figure A6.2: Hypothesized one factor CFA model of TAMs knowledge	300
Figure A6.3: Hypothesized one factor CFA model of TAMs involvement.....	301
Figure A6.4: Hypothesized one factor CFA model of Authenticity of the innovated product (TAMc)	302
Figure A6.5: Hypothesized one factor CFA model of advantages of the innovated product (TAMc)	303
Figure A6.6: Hypothesized one factor CFA model of TAMs integration in the respective culture ..	304
Figure A6.7: Hypothesized one factor CFA model of TAMc authenticity perceptions for the Australian sample	305
Figure A6.8: Hypothesized one factor CFA model of TAMc advantages for the Australian sample	305
Figure A6.9: Hypothesized one factor CFA model of TAMs integration in Australia.....	306
Figure A6.10: Hypothesized one factor CFA model of consumer past orientation for the Australian sample	306
Figure A6.11: Hypothesized one factor CFA model of TAMc authenticity perceptions for the Singaporean sample	307
Figure A6.12: Hypothesized one factor CFA model of TAMc advantages for the Singaporean sample	307
Figure A6.13: Hypothesized one factor CFA model of TAMs integration in Singapore	308
Figure A6.14: Hypothesized one factor CFA model of consumer past orientation for the Singaporean sample	308
Figure A6.15: Hypothesized one factor CFA model of TAMc authenticity perceptions for the French sample	309

Figure A6.16: Hypothesized one factor CFA model of TAMc advantages for the French sample...	309
Figure A6.17: Hypothesized one factor CFA model of TAMs integration in France	310
Figure A6.18: Hypothesized one factor CFA model of consumer past orientation for the French sample	310
Figure A6.19: Baseline Model for past orientation for Australia, Singapore and France samples....	311
Figure A6.20: Baseline Model for traditionality perceptions (P_INT) for Australia, Singapore and France samples.....	312
Figure A6.21: Baseline Model for Knowledge for Australia, Singapore and France samples	313
Figure A6.22: Baseline Model for Involvement for Australia, Singapore and France samples	314
Figure A6.23: Baseline Model for Authenticity of the Innovated product for Australia, Singapore and France samples.....	315
Figure A6.24: Baseline Model for Advantages of the Innovated product for Australia, Singapore and France samples.....	316
Figure A6.25: Path model for low past orientation.....	318
Figure A6.26: Path model for high past orientation.....	318
Figure A6.27: Path model for low past orientation.....	319
Figure A6.28: Path model for high past orientation.....	319
Figure A6.29: Path model for low past orientation.....	320
Figure A6.30: Path model for high past orientation.....	320
Figure A6.31: Path model for low involvement	321
Figure A6.32: Path model for high involvement	321
Figure A6.33: Path model for low involvement	322
Figure A6.34: Path model for high involvement	322
Figure A6.35: Path model for low involvement	323
Figure A6.36: Path model for high involvement	323
Figure A6.37: Path model for low knowledge.....	324
Figure A6.38: Path model for high knowledge.....	324
Figure A6.39: Path model for low knowledge.....	325

Figure A6.40: Path model for high knowledge.....	325
Figure A6.41: Path model for low knowledge.....	326
Figure A6.42: Path model for high knowledge.....	326
Figure A7.1: Hypothesized one factor CFA model of Past Orientation	327
Figure A7.2: Hypothesized one factor CFA model of Bicycle knowledge	328
Figure A7.3: Hypothesized one factor CFA model of Bicycle involvement.....	329
Figure A7.4: Hypothesized one factor CFA model of Authenticity of the innovated product (Bamboo Bicycles)	330
Figure A7.5: Hypothesized one factor CFA model of advantages of the innovated product (bamboo bicycle).....	331
Figure A7.6: Hypothesized one factor CFA model of bicycle integration in the respective culture .	332
Figure A7.7: Hypothesized one factor CFA model of bamboo bicycle authenticity perceptions for the Australian sample.....	333
Figure A7.8: Hypothesized one factor CFA model of bamboo bicycle advantages for the Australian sample	333
Figure A7.9: Hypothesized one factor CFA model of bicycle integration in Australia.....	334
Figure A7.10: Hypothesized one factor CFA model of consumer past orientation for the Australian sample	334
Figure A7.11: Hypothesized one factor CFA model of bamboo bicycle authenticity perceptions for the Singaporean sample	335
Figure A7.12: Hypothesized one factor CFA model of bamboo bicycle advantages for the Singaporean sample	335
Figure A7.13: Hypothesized one factor CFA model of bicycle integration in Singapore	336
Figure A7.14: Hypothesized one factor CFA model of consumer past orientation for the Singaporean sample	336
Figure A7.15: Hypothesized one factor CFA model of bamboo bicycle authenticity perceptions for the French sample	337

Figure A7.16: Hypothesized one factor CFA model of bamboo bicycle advantages for the French sample	337
Figure A7.17: Hypothesized one factor CFA model of bicycle integration in France	338
Figure A7.18: Hypothesized one factor CFA model of consumer past orientation for the French sample	338
Figure A7.19: Baseline Model for traditionality for Australia, Singapore and France samples.....	339
Figure A7.20: Baseline Model for Authenticity of the Innovated product for Australia, Singapore and France samples.....	340
Figure A7.21: Baseline Model for Authenticity of the Innovated product for Australia, Singapore and France samples.....	341
Figure A7.22: Path model for Low Past Orientation	343
Figure A7.23: Path model for High Past Orientation.....	343
Figure A7.24: Path model for Low Past Orientation	344
Figure A7.25: Path model for High Past Orientation.....	344
Figure A7.26: Path model for Low Past Orientation	345
Figure A7.27: Path model for High Past Orientation.....	345
Figure A7.28: Path model for Low Involvement.....	346
Figure A7.29: Path model for High Involvement	346
Figure A7.30: Path model for Low Involvement.....	347
Figure A7.31: Path model for High Involvement	347
Figure A7.32: Path model for Low Involvement.....	348
Figure A7.33: Path model for High Involvement	348
Figure A7.34: Path model for Low Knowledge.....	349
Figure A7.35: Path model for High Knowledge.....	349
Figure A7.36: Path model for Low Knowledge.....	350
Figure A7.37: Path model for High Knowledge	350
Figure A7.38: Path model for Low Knowledge.....	351
Figure A7.39: Path model for High Knowledge.....	351

Abstract

Products are continuously innovated to improve organization efficiency and meet consumer expectations. Although satisfying consumer expectations in a society where continuous product improvement is imperative to survival, 41% of these innovated products eventually fail (Barczak et al., 2009). While this could be due to the perceived lack of authenticity of the innovated product leading to diminished perceived value, our understanding of the relationship between authenticity and value creation remains limited. Moreover, there is no conceptual explanation relating to how consumers react when a traditional product is modified or how consumers' characteristics, and consumption situation moderate trade-offs between perceptions of product authenticity and increased functional benefits. This study addresses these gaps through the development and testing of a conceptual framework employing three different contexts and three different countries. The research examines whether the innovation of a product will elicit a stronger influence on perceived authenticity when the product is traditional rather than not traditional, and whether perceptions of authenticity of the innovated product will impact perceptions of gain from the innovation and purchase intention.

A preliminary exploratory qualitative study conducted to inform and support the conceptual framework, involving eleven focus groups and wine tastings, was conducted in Jakarta, Adelaide, and France. The focus groups investigating perceptions towards the innovated products (low and no alcohol wine as well as bamboo bicycles and traditional Asian Medicine served in the form of pills/capsules), were conducted in different countries with the purpose of understanding the role of product traditionality on perceptions towards product innovation.

A quantitative study followed, consisting of three surveys (each focusing on a specific stimulus) launched in France (1333 participants), Singapore (1326 participants) and Australia (1321 participants). The quantitative study aimed to test the hypothesised relationships between product traditionality, congruence of innovation, perceived authenticity of the innovated

product, and perceived gain and sacrifice from the innovation among others. The data of the quantitative study was analysed using Structural Equation Modelling (AMOS).

Overall the qualitative results supported the conceptual model, showing that Indonesian participants are more open to consuming low/no alcohol wine but still consider the product to be wine in contrast to Australian and French participants, who reacted more negatively to the product innovation and did not consider the product to be wine (authentic). The opposite was true for traditional Asian medicine. Consumption history, frequency, gender and situation were found to play a moderating role. Quantitative results indicated that the conceptual model fit the data for all three contexts when considering the aggregated and country specific samples. Moreover, support was provided for the hypothesised relationship between traditionality perceptions and perceptions of authenticity of the innovated product, which in turn was found to significantly and positively influence perceived gain from the innovation and purchase intention. While several hypothesised relationships were found to be generalizable across different products and countries, a comparison between the contexts illustrated that some influences are likely to be context-specific as support for the hypotheses was not always consistent for all three contexts.

Declaration

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint award of this degree.

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Signature:

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