Building Consumer Trust in Cosmetic Advertisements: The Effect of Model Ethnicity and Brand Origin

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Introduction/Background: The global cosmetic industry, including products such as hair care, skin care, fragrances, and color cosmetics, is rapidly growing and expected to reach \$805.61 billion US dollars by 2023 (Marketwatch, 2019). To match global demand for cosmetic products, brands are seeking growth opportunities and advertising within international markets. However, despite industry trends, there is not a clear understanding of effective cosmetic advertising components (e.g., brand origin, model ethnicity) that may impact consumers' responses. Additionally, a unique aspect of cosmetic advertisements is their claims to enhance favorable beauty standards (e.g., "your skin will feel softer"). However, research indicates that claims are often bogus; surprisingly, only 18% of claims in advertising are considered trustworthy (Fowler, et al., 2015). Considering staggering evidence, consumers may become skeptical towards cosmetic advertisements and may vary based on the appeal of an ad, the motivating power for consumers' desire and action for buying (Schiffman & Kanuk, 2007). Equipped with this knowledge, the purposes of this experimental study are to test (i) the differences in consumers' trust responses based on advertising factors (i.e., brand origin, model ethnicity), (ii) the moderating role of ad appeal in this relationship, and (iii) the subsequent impact on consumers' purchase behavior. This study selects a US and Korean brand and tests responses by model ethnicity (Caucasian vs. Korean), given the popularity of K-beauty brands within the US market.

Literature Review and Hypotheses Development: Research shows mixed results regarding whether consumers prefer domestic models or not (e.g., Qualls & Moore 1990). More recent research indicates that domestic or foreign models impact source credibility dimensions of trustworthiness and expertise (Clow et al., 2011). That is, US consumers perceive Asian-American models to have a higher level of expertise than Caucasian models (Chang, 2008). Further, Moon and Jain (2001) indicate customers' positive country of origin perceptions influence their responses to foreign advertising. Thus, brand origin may affect trustworthiness of the model and advertisement. Due to mixed findings, we proposed significant differences among consumers based on the featured model ethnicity and brand origin. Thus, **H1:** There will be significant differences among cosmetic advertisements by model ethnicity on a) trust in the model and b) trust in the advertisement. **H2:** There will be significant differences among

cosmetic advertisements by brand origin on a) trust in the model and b) trust in the advertisement.

Customers were willing to pay more for products and try a product if they were exposed to advertisements that possessed appealing images (Snyder & DeBono, 1985). In other words, the appeal of an advertisement can enhance consumer experience by persuading customers to purchase the product. These findings suggest that the appeal of the ad may inhibit consumers' skepticism. This research hypothesizes that ad appeal can be used as a moderator between both model ethnicity and brand origin and a) trust in the model and b) trust in the advertisement. **H3:** Ad appeal will moderate the effect of model ethnicity on a) trust in the model and b) trust in the advertisement. **H4:** Ad appeal will moderate the effect of brand origin on a) trust in the model and b) trust in the advertisement.

Trust imposes indirect or direct influences on online shoppers' purchase intention (Grazioli & Jarvenpaa, 2000). Also, trusting beliefs result in online purchase behaviors (Lu, Fan, & Zhou, 2016). Trust is an important factor to decide customers' purchase. Thus, trust in model and ad might have a positive impact on purchase intentions. Thus, **H5:** a) trust in the model and b) trust in the advertisement will influence purchase intentions.

Method: This study employed a 2 (model ethnicity: Caucasian vs. Korean) x 2 (brand origin: US vs. Korean) experimental study. A series of pre-tests were conducted to select the brand names representing the US and Korean brands. Model ethnicity (Caucasian vs. Korean) was selected from previous research (Rhee, Woo, & Kwon, 2012). A US female online consumer panel (n=430) was exposed to a cosmetic advertisement as the experimental stimuli that varied in model ethnicity and brand origin: US brand, Caucasian model (n=108); US brand, Korean model (n=103); Korean brand, Caucasian model (n=120); and Korean brand, Korean model (n=99). Females were chosen for this study since they are a main target audience for skincare and beauty products (Xie & Zhang, 2013). Following exposure to the cosmetic advertisements, the participants responded to measures for trust in model, trust in ad, ad appeal, purchase intentions and demographic questions. All measures were based on previous research.

Results: ANOVA results indicated significant differences among model ethnicity on trust in model (Caucasian model $M=4.770$, Korean model $M= 5.301$, $F=25.028$, $p=.000$) and trust in the advertisement (Caucasian model $M=4.624$, Korean model $M= 5.137$, $F=22.992$, $p=.000$), thus, supporting H1a and H1b. Additionally, ANOVA results indicated non-significant differences among brand origin on trust in model (US brand $M=5.067$, Korean brand $M= 4.975$, $F=.712$, $p=.015$). However, significant differences were found between brand origin on trust in

advertisement (US brand $M=5.001$, Korean brand $M=4.736$, $F=5.933$, $p=.015$). Thus, H2a was not supported and H2b was supported. Hayes' PROCESS mediation model 4 was used to test H3 and H4. While ad appeal does not moderate the effect of model ethnicity on trust in the model (Effect = .001, $SE=.060$, $t=.0121$, $p=.990$, 95% CI = -.117, .119), ad appeal moderates the effect of model ethnicity on trust in advertisement (Effect = .169, $SE=.056$, $t=3.042$, $p=.003$, 95% CI = .060, .279), with a 95% CI above zero. H3a was not supported and H3b was supported. In a similar way, ad appeal does not moderate the effect of brand origin on trust in model (Effect = -.086, $SE=.058$, $t=-1.465$, $p=.144$, 95% CI = -.200, .029), but ad appeal does moderate the effect of brand origin on trust in the advertisement (Effect = .117, $SE=.054$, $t=2.181$, $p=.030$, 95% CI = .223, -.012). H4a was not supported and H4b was supported. Finally, to test the effect of trust on purchase intentions, multiple regression was used. Results indicate model significance ($F=201.310$, $p=.000$) with significant paths of trust in model ($\beta=.243$, $t=5.676$, $p=.000$) and trust in advertisement ($\beta=.12.248$, $t=12.248$, $p=.000$). H5a and H5b were supported.

Discussion: In cosmetic advertisements, a Korean model is considered more trustworthy, generating higher model and advertising trust, when compared to use of a Caucasian model. On the other hand, a US brand is more trustworthy to US customers than a Korean brand in cosmetic advertisements. The impact of model ethnicity on advertising trust differs based on levels of ad appeal. Also, the influence of brand origin on ad trust is different according to the levels of ad appeal. As previous research proved that trust is one of the most important factors for purchasing intention, trust in model and trust in the advertisement has an impact on the purchase intentions.

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