

Internationalization of Brand Biography: Firm Characteristics as Moderators*

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Abstract

Purpose – Underdog positioning is often used to evoke a positive attitude when interacting with consumers. However, little research has been conducted on the market competition structure and innovation contexts in which underdog positioning produces the most impact. This research aims to investigate unexplored boundary conditions of underdog positioning and addresses two issues: market structures (oligopoly vs monopolistic competition) and perceived firm innovativeness (PFI).

Design/methodology – Two one-way ANOVA designs (market structures: monopolistic competitions vs. oligopoly; perceived firm innovativeness: strong vs. weak) were randomly assigned to 297 graduate and undergraduate students (52 % female) majoring in business. Study 1 examined the effect of underdog positioning on consumer attitudes in the different market structures. Study 2 investigated the relationship between underdog effect and consumer attitudes through viewing conditions that varied in PFI.

Findings – Drawing on the results of the study, the authors conclude that underdog positioning is effective to generate more positive consumer attitudes when employed in the market structure of monopolistic competition rather than oligopoly. Moreover, both underdog and top dog positioning are likely to generate more positive consumer attitudes when accompanied with strong PFI than weak PFI.

Originality/value – This is the first study to distinguish between monopolistic competition and oligopoly market structures with underdog positioning as well as to demonstrate a positive effect of PFI, regardless of the type of brand narratives.

Keywords: Brand Narratives, Consumer Attitude, Market Structure, PFI

JEL Classifications: F23, L10, M31

1. Introduction

Well-constructed brand stories have a positive influence on consumers' brand experience and brand perceptions (Brakus, Schmitt and Zarantonello, 2009; Kao, Wu and Yu, 2017). Literature has suggested that brands have held an important position in consumers life stories (Holt and Thompson, 2004; Woodside, Sood and Miller, 2008) and hence companies have created narratives to communicate their brand values either through consumer-generated brand stories or company-originated storytelling from managerial perspective (Lundqvist et al., 2013; Schembri, Merrilees and Kristiansen, 2010). Moreover, brand stories that connect consumers with the brand have been leveraged to create positive consumer attitudes as the brand narratives help consumers understand the brand benefits (Kao, 2016; Kaufman, 2003; Kelley and Littman, 2006). For example, previous studies have suggested that brand stories give consumers positive feelings and psychological satisfaction so that storytelling enhances

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brand trust and brand awareness (Paharia et al., 2010). Thus far, with an increasing number of companies realizing the significant value of brand narratives as the drivers of positive consumer attitudes, strategic marketers across businesses have endeavored to connect with consumers through effective brand stories (Jun et al., 2015; Kao, Wu and Yu, 2017; Shirai, 2017).

One of the notable studies on narrative structure for storytelling and sustainable relationship between brand and consumer has been proposed by Paharia et al., (2010). Their study conceptually identifies the brand biography as a new construct in understanding brand meaning, and defines the brand biography as a dynamic narrative that can adjust to changing cultural and environmental conditions of emerging marketplace. Specifically, the authors introduce the concept of an underdog brand biography describing the origins and growth of a brand in the external disadvantages and passion and determination dimensions. All in all, in recent consumer behavior and marketing literatures, the advent of the brand biography (Paharia et al., 2010) has ushered firms and managers in markets in which products and services are positioned with underdog narratives to gain favorable attitudes and purchase intentions. With explicitly declaring the stronger focus on consumers' identification with the underdog brand, (Paharia et al., 2010), literature has found positive effects of underdog brand stories on customer purchase intentions and actual buying behaviors (Jun et al., 2015; Kao, 2015; McGinnis et al., 2017; Paharia, Avery and Keinan, 2014; Shirai, 2017). Although some research papers also show that underdog narratives may have adverse effects with the product categories related to quality and security such as hospitals and airline services (Kim et al., 2008; Kirmani et al., 2017) those initial studies on underdog brand biographies have indeed raised a number of important issues by primarily focusing on the effectiveness of the brand biography related to the consumer characteristics (Jun et al., 2015; Kao, 2015; Kim et al., 2008; Paharia et al., 2010). For instance, underdog effects pay off more solidly with consumers whose personality traits described as high in empathic concerns than with consumers otherwise (Jun et al., 2015). In addition, the effectiveness of underdog biographies significantly depends on consumers' characteristics such as consumers' underdog disposition and the personality traits of agreeableness (Kao, 2015; Paharia et al., 2010).

Unfortunately, very little research has been conducted on the effectiveness of underdog biography from company perspectives. Questions remain unexplained about how firm's characteristics may become critical differentiators between companies that can successfully engage in underdog brand biographies and those that expect no effect of their underdog positioning efforts. In other words, to consumers, the underdog biography a firm narrates differs in firm's characteristics, e.g., how innovative a firm is perceived in consumers' eyes, and business models (whether a firm is regarded as cost leadership or market focus) because strategies required (e.g., size, resources, , and marketing) for cost leadership are different to those for market focus. Besides, the current market structures of a firm positioned with underdog biographies can also affect consumer attitudes. Hence, we aim to examine effects of underdog biographies in conditions of different industry structures (oligopoly vs. monopolistic competition) from the market competitiveness perspective. Further, we explore firm characteristics such as firm innovation and posit that perceived firm innovativeness (PFI) is considered when consumers accepting an underdog brand biography. As such, this research attempts to examine whether the level of PFI can moderate consumer brand attitude toward brand biographies.

To fill the research gap concerned the impact of brand biographies on consumer behaviors, this research seeks to conceptualize and empirically test the relationship between brand narratives and consumer attitudes. Drawing upon prior brand storytelling literature, we propose that the relationship between brand biographies and consumer attitudes is contingent on firm characteristics (i.e., perceived firm innovativeness) and market competitiveness (i.e., industry structures).

2. Conceptual Development

2.1. Brand Biography

It is well-known that marketers use narratives or stories to influence consumers' perceptions about brands. Generally, effective brand storytelling has been exercised both as a rational and emotional aspect. Traditionally, brand stories focus on goals, actions, and outcomes and create an experience that consumers can relate to. Specifically, brand storytelling is likely to include a self-brand connection to evoke an array of consumer values and perceived psychological benefits when profiling its brand history. Brand biography, in particular, narrates the biographical stories of brands through product packaging, corporate Web sites and blogs, and marketing communications. That is, these brand biographies use personal narrative to provide a historical account of the events that have shaped the brand, chronicling its origins, life experiences, and evolution (Paharia et al., 2010). As Paharia et al., (2010) introduced, the style of brand biography can be characterized into underdog and top dog. Underdog brand biography is usually telling stories about a humble origin entrepreneur who struggles against the odds to succeed businesses through commitment and determination, despite a lack of resources compared to well-established competitors. Top dog biography, on the other hand, describes the history of the brand in terms of the smooth start of entrepreneurship with few obstacles and the wealthy resources endowed during the branding phase, as compared with its inadequately resourced rivals (Paharia et al., 2010).

In today's marketplace, many contemporary brand biographies contain underdog narratives that emphasize the company's humble beginnings, hopes and dreams, and noble struggles against their competitors. Both large and small companies across industries and categories utilize underdog brand biographies. For example, large corporations, such as Google and Apple, are carefully consider applying their underdog starts in their brand biographies because being an underdog brand can be consumer perceptions rather than a market reality (Kirmani et al., 2017). Concurrently, brand storytelling strategies require the brand and the story be perceived as authentic in order to achieve positive results, considering the fact that consumers evaluate brand narratives in a critical fashion (Lundqvist et al., 2013).

2.2. Effect of Market Structures

Although many studies have found positive effects of underdog brand biography on consumer responses such as brand preference and purchase intentions (Jun et al., 2015; Kao, 2019; McGinnis et al., 2017; Nagar, 2017; Shirai, 2017) some literature also shows conditional boundaries for underdog brand biography. For instance, brand positioning with underdog biographies may negatively affect evaluations of the product categories related to quality and security such as hospitals and airline services (Paharia et al., 2010). Literature also cautions that the effectiveness of underdog biographies critically depends on company characteristics and the condition of the market competition. For instance, smaller companies with emerging brands could utilize underdog biographies more effectively than larger firms with established brands (Kao, 2015; Legendre, Warnick and Baker, 2018; Shirai, 2017). These counteracting effects on underdog brand biographies may explain why many studies thus far find inconclusive effects of underdog biography on consumer behavior (Goldschmied and Vandello, 2012). As a result, company or brand characteristics become critical differentiators on which underdog brand biography produces the most impact. Based on these previous findings, one argumentation this study posits that employing underdog biography as a brand-storytelling strategy is bounded by the market structure in which a business operates. A market structure composed with a number of interrelated features or characteristics of an industry affects a company in creating the unique brand cues and the distinctive brand

positioning (Ozretic-Dosen, Skare and Krupka, 2007). Specifically, among various brand positioning strategies that describe the degree to which brands explain their relative market status, underdog brand positioning employs the brand storytelling that involves external disadvantages and passion and determination to succeed (Paharia et al., 2010). It has been suggested that underdog brand positioning increases a greater support of consumer preference and purchase intentions particularly in the market structure where there exist a significant number of small businesses with little marketing resources competing for a least (minimum) market share (i.e., monopolistic competition) (Legendre, Warnick and Baker, 2018; Nagar, 2017; Paharia et al., 2010). Under monopolistic competition there is a large number of smaller businesses, providing differentiated but real close substitute products and services (Thisse and Ushchev, 2018). This creates a fiercely competitive environment for resource-poor participants to secure a fragmented portion of the market. At the same time, monopolistic competition is a market structure characterized by a few successful brands that have made it to the top and the majority of small businesses that make up the rest of the market (Shonesy and Gulbro, 1998). Such a market structure is explicitly dichotomized into a large group of underdogs and a small group of top dogs, which intensifies the disadvantages of the underdog compared to the top dogs' affluent conditions in the marketplace. Therefore, small businesses could apply their disadvantaged positions to underdog brand biography to lead to favorable consumer evaluations. As such, consumers are likely to make inferences about the small businesses on the basis of the market they observe and strongly motivated to support the underdogs who attempt to succeed against advantaged opponent (Kim et al., 2008; Kirmani et al., 2017; Paharia, Avery and Keinan, 2014). We thus argue that engaging in underdog brand biography is a more worthwhile strategy for small businesses in monopolistic competition in which the condition of the market competition mainly emphasized with a number of disadvantaged underdogs rather than a few successful top dog businesses.

Oligopoly is categorized at the other end of the market structure where few number of large companies take up the high market share in the entire industry (Anderson, De Palma and Nesterov, 1995). These companies are characterized as a powerful, bigger sized, and well-endowed business, maintaining their authoritative position as closely interdependent to other competitors in the market (Mazzeo, 2002). In oligopoly, firms have a complete control over the market, each dominating the entire industry and influencing the prices (Anderson, De Palma and Nesterov, 1995). This market environment generates an inference that these established companies have less to gain by engaging in underdog brand biography. While some of the oligopoly organizations may have relatively low share of the market than other competitors (Anderson, De Palma and Nesterov, 1995), consumers hardly view these companies in the bottom as an unfortunate entity. Generally, consumers' perceptions of these established companies in the oligopoly market structure leave little potential for underdog biography to further increase positive attitudes toward the companies (McGinnis et al., 2017). Such a perspective is in line with findings that the effect of underdog biography on large companies to increase positive attitudes is slim since the underdog biography is valid for the storytelling reflected by comparison between the ferocious top dog and the vulnerable underdog (Li and Zhao, 2018; Paharia et al., 2010). As such, the bottom one or two companies in the oligopoly structure are not prompted enough to gain consumers' approval and support from the underdog biography. In contrast, top dog brand biographies tend to focus on the current state of brand success. The most important point that top dog businesses narrate in their brand biography should be how strong and well-positioned they are in a competitive market, implying that the type of market structure is outside the scope of consideration. That is, the type of market structure, either monopolistic competition or oligopoly, does not affect consumer attitudes toward brand biographies with top dog narrations. Therefore, we predict that more positive attitudes toward underdog brand biography increase in the monopolistic competition market structure but not in the

oligopoly market structure. Consequently, we hypothesize:

H1-a: Underdog biographies are likely to generate more positive consumer attitudes when used in the market structure of monopolistic competition rather than oligopoly.

H1-b: Top dog biographies are likely to generate no differential consumer attitudes when used in the market structure of monopolistic competition over oligopoly.

2.3. Perceived Firm Innovativeness (PFI)

Marketing and innovation research define innovation as an outcome of firm's activities of a recombination of old ideas, a schema challenging the present order, or a unique approach (Kunz, Schmitt and Meyer, 2011). Innovativeness refers to 1) the capability of a firm open to new ideas and work on new solutions and, 2) an enduring characteristic and not to success at one point in time (Im and Workman, 2004). In consumer behavior research, innovation is considered on the basis of a consumer-centric perspective. Ultimately, the success of an innovation of most organizations in the marketplace is determined by the end consumers (Adiele, 2012; Henard and Dacin, 2010). Moreover, researchers have suggested that consumers often perceive innovation as a sustainable competitive advantage for firms, creating a positive brand image and favorable attitudes toward products and services (Danneels and Kleinschmidt, 2001; Srinivasan, Lilien and Rangaswamy, 2002). Innovative offerings of a firm impact individual's beliefs and attitudes and thus, most companies invest considerable resources in marketing to develop successful innovations for continuing profit and growth (Aaker, 2007). Perceived firm innovativeness (PFI), established conceptualizations of perceived innovativeness from the consumer perspective, measures the inferences about innovative attributes of products and services (Kunz, Schmitt and Meyer, 2011). Kunz, Schmitt and Meyer (2011) define PFI as a subjective consumer perception and attribution of firm innovativeness based on consumer information, knowledge, and experience. The study also shows that consumers process innovativeness with two distinct perceived values, functional and emotional. Specifically, the emotional value created by company's new communication approach influences the market success of the brand (Li et al., 2008), as consumers perceive the experiential benefits deriving affective emotions. While, in general, the view of innovation focuses solely on technical and functional perspectives (Moreau and Dahl, 2005), innovation concerned in the consumer perspective is mostly relate to whether company's new offerings fit their lifestyle and create new experiences for them (Kulviwat, Bruner and Al-Shuridah, 2009; Lopez and Roberts, 2002; Smith et al., 2007). Moreover, one of the central aspects of innovativeness is creative novelty which manifests itself in imaginative marketing strategies seen as forward-looking and future-orientated (Im and Workman, 2004; Kunz, Schmitt and Meyer, 2011). These findings suggest that when the company is perceived as highly innovative, consumers are likely to have positive attitudes toward the company's marketing communications, such as underdog brand biography. This infers that PFI is used as a deliberate factor when consumers accept the underdog business. Although previous studies have based the premise that innovation is an intrinsic property of a large, resource-rich enterprise (Kim et al., 2015) this paper also posits that the well-perceived innovation of a relatively small-sized company will give consumers the assurance to accept underdog biographies. In this sense, underdog biography can be effortlessly appreciated when the company is perceived as highly innovative that brings novelty, creativity and meaningfulness to consumers. In contrast, the top dog brand biography characterized by ensuring success and abundant disposable resources of market leaders will be aligned with consumer expectation for the imperative innovation with which most large businesses should provide. Therefore, when the use of PFI, we hypothesize:

H2-a: Underdog biographies are likely to generate more positive consumer attitudes when accompanied with strong PFI than weak PFI.

H2-b: Top dog biographies are likely to generate no differential consumer attitudes when accompanied with strong PFI over weak PFI.

3. Research Design and Procedure

Two one-way ANOVA designs (market structures: monopolistic competitions vs. oligopoly; perceived firm innovativeness: strong vs. weak) were randomly assigned to 297 graduate and undergraduate students (52 % female) majoring in business. In this study, the types of brand biographies (underdog vs. top dog) acted as the measured independent variable, market structures and PFI as moderators, and consumer attitudes as the dependent variable. A scenario approach is considered in order to manipulate the factors and the secondary data on market information is obtained from the Data Guide 5.0 database (see Table 1).

Table 1. Variables Descriptions and Measures

Variables	Description and Items	Mean (SD)	References	Cronbach's α
Dependent Variable	Based on the characteristic of [] in the description			
<i>Consumer Attitudes</i>	Q1. I dislike/like Q2. I am dissatisfied/satisfied Q3. I am unfavorable/favorable	5.54 (1.25) 5.53 (1.26) 5.67 (1.19)	Aggarwal (2004)	0.93
Independent Variable				
<i>Underdog Biography</i>	Q1. [] started from disadvantaged position in achieving its goals compared to the average. Q2. [] seems passionate about its business and seems determined to succeed.	4.28 (1.78) 4.41 (1.82)	Paharia et al., (2010)	0.95
Moderators				
<i>Market Structure</i>	Secondary Data: Monopolistic competition vs. Oligopoly per industry, based on their relative number of companies listed each sector	The Korea Stock Exchange and KOSDAQ	Sources: Data Guide 5.0	-
<i>PFI</i>	Q1. [] is dynamic. Q2. [] is very creative.	4.51 (1.23) 4.61 (1.20)	Kunz, Schmitt and Meyer (2011)	0.93

3.1. Manipulation Checks

For the manipulation of brand biography, two different brand biographies (underdog vs. top dog) were adapted, with the brand biographical levels being manipulated as in Paharia et al., (2010). The underdog condition of each brand biography was examined by 2, 7-point scales whether the brand depicted with the underdog biography was rated with more

obvious external disadvantage and passion and determination compared to the top dog biography (Paharia et al., 2010). An acceptable internal consistency was indicated with the Cronbach's α value of 0.92, and the mean scores were in the expected direction for passion and determination ($M_{\text{underdog}} = 5.14$, $M_{\text{top}} = 3.73$, $t(285) = 9.97$, $p = 0.00$) and external disadvantages ($M_{\text{underdog}} = 5.27$, $M_{\text{top}} = 3.91$, $t(280) = 9.06$, $p = 0.00$), indicating underdog biography and top dog biography exhibited significantly different measures for external disadvantages and passion and determination. Thus, these data suggest that the manipulation of underdog brand biography was successful.

3.2. Dependent Measure

Consumer attitudes were measured with three items (dislike- like, dissatisfied- satisfied, unfavorable- favorable) and were adapted from the study of Aggarwal (2004). All questionnaire responses were collected on seven-point Likert scale (1= strongly disagree; 7= strongly agree). All items were averaged to form a score for consumer attitudes ($\alpha = 0.93$).

3.3. Study 1

Study 1 investigated the effect of underdog positioning on consumer attitudes in the different market structures.

3.3.1. Measurement of Market Structures

The two market structure conditions compared in this study were monopolistic competition and oligopoly. The number of companies in an industry was applied to distinguish from two types of market structures. As in the study of Cave and Porter (1978), we distinguished the industry as oligopoly with less than five to six participating companies in the market whereas monopolistic competition is determined by industry in which a number of companies compete. Based on the cross sectional data listed in the Korea Stock Exchange and KOSDAQ, we collected the number of companies in the corresponding industries. Specifically, adapted from the study of Kunz, Schmitt and Meyer (2011), we selected industries of a goods and service that were seen as innovative and relevant to respondent. As a result, we decided on the mobile service providers for the oligopoly market (6 firms) based on the aggregated number of firms (Sudhir, 2001). For the monopolistic competition, we selected the scented candle manufactures, where a total of 109 firms are currently registered in the industry.

3.3.2. Results

The simple interaction effect of brand biography x market structures on consumer attitudes ($F(1, 293) = 21.61$, $p = 0.000 < 0.001$, $\eta_p^2 = 0.069$; see Table 2) reached the significant level, implying that the brand biography effect on consumer attitudes depends on the market structure conditions. The follow-up independent samples t -test for the consumer attitude showed that the underdog brand biography is likely to generate more favorable attitudes for brands accompanied with the market structure of monopolistic competition than those with the market structure of oligopoly condition ($M_{\text{monopolistic}} = 4.77$, $M_{\text{oligopoly}} = 3.64$, $t(146) = 5.48$, $p = 0.000 < 0.001$; see Table 3). On the contrary, the simple effect of market structures with the top dog biography is likely to generate no differential attitudes towards the brands accompanied with the market structure of monopolistic competition over oligopoly conditions ($M_{\text{monopolistic}} = 3.28$, $M_{\text{oligopoly}} = 3.60$, $t(147) = -1.355$, $p = 0.177 > 0.05$; see Table 3). This is consistent with H1-a and H1-b, implying there is more positive consumer evaluations towards underdog brands in the monopolistic competition market condition.

Table 2. Univariate Analysis of Effects of Brand Biography and Market Structure on Attitudes

Source of variance	<i>F</i>	<i>p</i>	η_p^2
Market structure x brand biography	21.608	0.000 ***	0.069
Market structure	6.881	0.009 **	0.023
Brand biography	24.655	0.000 ***	0.078

Note: ** $p < 0.05$, *** $p < 0.001$.

Table 3. Dependent Measure across Brand Biography x Market Structure Conditions

Attitudes	Underdog biography		Top dog biography	
	Monopolistic competition	Oligopoly	Monopolistic competition	Oligopoly
Mean	4.773	3.644	3.280	3.595
SD	1.146	1.358	1.457	1.374
<i>T</i>		5.475		-1.355
<i>P</i>		0.000 ***		0.177

Note: *** $p < 0.001$.

3.4. Study 2

Study 2 investigated the relationship between underdog effect and consumer attitudes through viewing conditions that varied in PFI.

3.4.1. Manipulation of PFI

Next, the manipulation of PFI (strong vs weak) was adapted from the study of Kunz, Schmitt and Meyer (2011). From a broad-based, consumer-centric view, Kunz, Schmitt and Meyer (2011) have proposed the PFI scale to measure the firm's perceived innovativeness differences in which affect consumer evaluations of business success. In this research, we created two versions of online product review, equal in all respects except for their innovativeness conditions. The users' comments of the reviews in the version of strong PFI read, "... dynamic, creative, new market trends, forward-looking...", whereas the users' comments of the reviews in the version of weak (low) PFI read, "...follower, traditional, conventional, familiar, play safe...". We were attentive to expressions that would create negative impressions when depicting the weakly perceived firm innovativeness. The evaluation of firm's innovativeness was measured with 2, 7-point scales whether the evoked innovative company was rated as more dynamic and creative compared to the company depicted as weak innovation. Participants assessed a high level of dynamism and creativity when testing a company demonstrating strong innovativeness rather than weak innovativeness. The means were in the expected direction for the dynamics ($M_{\text{strong}} = 5.12$, $M_{\text{weak}} = 3.51$, $t(289) = 10.51$, $p = 0.00$) and creativity ($M_{\text{strong}} = 5.09$, $M_{\text{weak}} = 3.45$, $t(295) = 10.94$, $p = 0.00$). As the independent sample t-test revealed, the perceived valences for innovativeness (strong vs weak) differed; therefore, these data suggest that the manipulation of PFI was successful.

3.4.2. Results

The simple interaction effect of brand biography x PFI on consumer attitudes ($F(1, 293) = 9.463$, $p = 0.002 < 0.05$, $\eta_p^2 = 0.031$; see Table 4) reached the significant level, implying that the brand biography effect on consumer attitudes was subject to PFI. The follow-up independent samples *t*-test for the consumer attitude indicated that the underdog brand biography is likely

to generate more positive attitudes for brands accompanied with strong PFI than those with weak PFI ($M_{\text{strong PFI}} = 4.55$, $M_{\text{weak PFI}} = 3.88$, $t(146) = 3.08$, $p = 0.002 < 0.01$; see Table 5). Interestingly, unlike our assumption, the top dog brand biography is likely to generate significantly more favorable attitudes for brands accompanied with strong PFI than those with weak PFI ($M_{\text{strong PFI}} = 4.23$, $M_{\text{weak PFI}} = 2.65$, $t(147) = 8.13$, $p = 0.000 < 0.001$; see Table 5). Overall, hypothesis 2 was partially supported as H2-b was not supported.

Table 4. Univariate Analysis of Effects of Brand Biography and PFI on Attitudes

Source of Variance	<i>F</i>	<i>p</i>	η_p^2
PFI x Brand Biography	9.463	0.002 **	0.031
PFI	59.158	0.000 ***	0.168
Brand Biography	28.006	0.000 ***	0.087

Note: ** $p < 0.05$, *** $p < 0.001$.

Table 5. Dependent Measure across Brand Biography x PFI Conditions

Attitudes	<u>Underdog Biography</u>		<u>Top Dog Biography</u>	
	Strong PFI	Weak PFI	Strong PFI	Weak PFI
Mean	4.55	3.88	4.23	2.65
SD	1.184	1.147	1.177	1.191
<i>T</i>	3.079		8.126	
<i>p</i>	0.002 **		0.000 ***	

Note: ** $p < 0.05$, *** $p < 0.001$.

4. Discussion

The major objective of this research was to investigate some of the unexplored boundary conditions of underdog brand biography on consumer attitudes. Despite the widespread use of brand-storytelling, research focusing on the brand biographies of underdog effects has been rather limited. In this sense, this study has addressed two relatively unexplored issues mainly focused on company characteristics: market competition structures and innovation in which the underdog brand biography is best provoked. With regard to the market structures, we conceptualized monopolistic competition and oligopoly as alternative competition in the marketplace. The results indicated that the underdog brand biography may be evoked more easily when the business is in the monopolistic competition market structure than the oligopoly market. When forming attitudes for small businesses in the monopolistic competition market, consumers are generally stimulated by fair competition based on the principle of equity, with the comparison being the resources with competitors (Jun et al., 2015; McGinnis and Gentry, 2009). This presumably encourages consumers to support small businesses with underdog biographies more because they want to provide them an opportunities to succeed.

PFI, consumer's perception of firm's innovativeness, had the moderating effects between brand biographies and consumer attitudes. We tested consumers' perceptions of firm's innovativeness and whether this perception moderates the relationship between brand biography and attitudes. The results indicated that consumers showed a strong attitude toward underdog brand biography which is perceived as highly innovative. Moreover, this phenomenon is evident for top dog brand biography perceived as a high innovativeness. This suggests that consumers use an adequate level of firm innovativeness when forming positive attitudes toward both the underdog and top dog brand biographies. That is, the high PFI with

the top dog biography can also promote a stronger consumer attitude compared to lower PFI, as is the case with the underdog brand biography. However, the top dog biography of the company perceived as low innovative resulted in the least favorable consumer attitudes whereas consumers showed more lenient attitudes toward the low PFI with the underdog biography. Presumably, this is because the underdog brand biography justifies the low PFI that consumers feel for small business.

5. Conclusion

One implication of this study is that providing consumers with the impression that the business is advanced and innovative creating market trends may foster better evaluation of the underdog brand biography. Especially, in the current marketplace where large firms mainly concentrate all efforts on differentiating themselves through innovative research development for new products and technologies, small businesses may focus their innovative efforts from the consumer's perspective through an affective-experiential route (Kunz, Schmitt and Meyer, 2011; Shim Hyaе-Chong, 2017). This calls for the underdog brand stories related to firm's innovative efforts providing emotional values. For example, new appealing design and new communication approaches detailed in the underdog biography of small businesses may influence consumers successfully (Han Bang-Wool, Kim Min-Ho and Lee Jae-Hoon, 2018). In other words, brand stories related to the firm's innovativeness such as outside-industry benchmarking will be perceived as an innovative effort that small business challenges the conventional market environment. Today, with the increased pressure for creative ideas that result in novel solutions for a market changing (Mol and Birkinshaw, 2009; Simpson et al., 2006), the underdog brand biography of small businesses should drive more emotional benefit from the consumer-innovative firm relationship (Kulviwat, Bruner and Al-Shuridah., 2009).

Our findings make important contributions to the literature. First, this study provides evidence for the existence of underdog brand biography effects from the company characteristic perspective. While previous research has focused primarily on the effectiveness of underdog biography based on a variety of consumer characteristics our results suggest that the effectiveness of the underdog context in the brand story depends on the market competition structures. That is, when the competitive market structure is monopolistic rather than oligopolistic, the consumer positively considers the underdog brand story when forming an attitude toward the business. Second, we contribute to Kunz, Schmitt and Meyers' (2011) theoretical development by empirically showing that consumer attitudes toward underdog brand biography are influenced by the perceived innovativeness of the company. Third, our results provide empirical proof for the "what is innovative is good" (Henard and Dacin, 2010; Shams, Alpert and Brown, 2015) in a business context. Our findings show that both the underdog and the top dog brand biographies perceived as innovative have a positive impact on consumer attitudes. This is an important factor for both the underdog and the top dog businesses when seeking to generate a better consumer attitudes.

6. Future Research

This research, however, has limitations that need to be addressed in future research. First, we limited our research to the investigation of underdog effects in hedonic consumption; however, a recent study by Shirai (2017) provides evidence that consumer's evaluations of underdog brand biography are varied based on the different consumption domains. Thus, future research is expected to investigate whether the underdog biography of utilitarian product in the same market structures of the current study may have the similar impact on

consumer attitudes. Secondly, beyond the company characteristics and market influences utilized herein, there may exist other moderating factors that affect consumer attitudes toward brand narratives of underdog biography. For example, cultural variances were not concerned in investigating the impact of underdog brand narratives on consumer attitudes. It would be interesting to examine whether cultural factors influence the relationship between attitudes and the effect of underdog biography exerted in both the monopolistic and oligopolistic market structures since Paharia et al., (2010) provides evidence of culture values as a moderator of the underdog brand biography. Finally, our study focuses on the relative effects of one type of innovativeness (PFI), without employing all the dimensions of consumer perceived innovativeness —factors which are commonly used to conceptualize perceived innovativeness at the brand level. Thus, future studies should include innovativeness variables such as consumer perceived product innovativeness and consumer perceived brand innovativeness (Shams, Alpert and Brown, 2015) to determine which of these factors tend to defuse or escalate the effects of firm characteristics and innovativeness on consumer attitudes toward underdog biography. Indeed, investigation along these lines could be a fruitful framework for future research, with the potential to broaden the relative effectiveness of moderators on consumer attitudes toward brand stories, as researched herein.

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