Does it Pay to Be Truthful? Understanding the Role of Authenticity in TV Advertising

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Authenticity is one of the most prevalent buzzwords in the advertising industry. Marketing managers and creatives alike believe that, today, authenticity is an essential element for effective advertising. However, authenticity in advertising is used in very different contexts by practitioners as well as academics. The authors identify four different dimensions of how authenticity can be conveyed in advertising and they investigate the effect of those dimensions on the sales performance of the advertised product. Moreover, as the impact of authenticity might depend on the type of brand, the authors also analyze how these moderating effects vary across brands with different positioning (premium vs. low cost brands). The study is conducted in a FMCG context in Germany, covering 341 TV ads across 68 brands and 4 years. The objective is to pinpoint whether and in which context authenticity indeed enhances ad effectiveness - also compared to other content cues - in order to help managers to increase their return on advertising investment.