The Authenticity Paradox: Why Being More Successful Makes Firms Less Authentic

Abstract

We develop a theory of the social construction of authenticity, how it affects producer appeal, and how producers’ commercial success affects the returns to authenticity. We propose that there are two mechanisms by which authenticity increases appeal that correspond to the two pathways by which authenticity is socially constructed—attributions by audiences made either in response to broader cultural shifts in society or attributions made in response to claims by organizations able to project an authentic identity. But authenticity-based appeal leads to market popularity that contradicts the central tenets of authenticity—intrinsic motivation and the pursuit of social, rather than economic value. The authenticity paradox is that even as the appeal of authentic producers increases, their popularity diminishes the returns to authenticity on appeal. We find support for these ideas in the context of the U.S. market for craft beer and discuss the implications of our theory for authenticity research and for the broader market and social dynamics in craft industries.