Developing a brand heritage model for time-honoured brands: extending signalling theory

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Abstract
Numerous time-honoured brands have been authenticated by governments and other organizations; however, there is little understanding of this special but important type of brand. Drawing on signalling theory, this study investigates four key aspects of time-honoured restaurants: brand heritage as a brand signal, brand evaluation (i.e., brand authenticity), consumer experience (i.e., nostalgic experiences) and behavioural outcomes (i.e., purchase intention). A total of 366 local residents were surveyed in Beijing and Shanghai, the two largest metropolitan areas in China. The study results show that brand heritage significantly affects purchase intention both directly and indirectly through brand authenticity and nostalgic experiences. The findings of this study provide important insights into how to increase restaurant patrons’ perceived brand authenticity and purchase intention.

Keywords: Signalling theory, time-honoured restaurant, brand heritage, brand authenticity, nostalgic experience, purchase intention
1. Introduction

Time-honoured brands are popular worldwide, including in the UK and China (Kong et al., 2009; Meechan, 2020). Using China as an example, the Chinese Central Government has authenticated more than 600 national time-honoured restaurant brands (China's Ministry of Commerce, 2019), and provinces, cities and counties also proactively authenticate and promote regional time-honoured restaurant brands in local regions (Kong et al., 2009). Time-honoured restaurant brands are specific brands in the restaurant sector. A time-honoured restaurant must meet four criteria: 1) it was established in or before 1956; 2) its food products, cooking skills or services must be unique and inherited over generations; 3) it contributes significantly to the culinary culture of a country or a given region; and 4) it enjoys a good reputation and is widely praised (Forêt & Mazzalovo, 2014).

These time-honoured restaurant brands make significant cultural and economic contributions to the restaurant industry. For example, time-honoured restaurants are an important component of the national culinary heritage as they use unique cooking techniques and culinary skills passed down from generation to generation (Gao & Wang, 2012; Zhang et al., 2021b). Thus, they serve as cultural disseminators that promote the uniqueness of local culture and heritage (Uggioni et al., 2010). Furthermore, these restaurants are popular among tourists and local residents despite their higher cost of dining than non-time-honoured brands (Ji, 2017; Meituan Academy, 2020).

Acknowledging the importance of time-honoured restaurant brands in the foodservice market, some researchers have examined the determinants of individuals’ dining intention at time-honoured restaurants, such as brand authenticity (Kim, 2021), perceived values (Zhang et al., 2021a), and brand experience (Zhang et al., 2021b). Furthermore, Chen et al. (2020) identified that perceived authenticity affects one’s behavioural intentions to revisit and spread positive word-of-mouth for time-honoured restaurants both directly and indirectly through
perceived value. These studies have advanced our understanding of the factors that promote consumer behaviour at time-honoured branded restaurants. However, other important constructs, such as brand heritage and nostalgic experience, have been neglected in the prior research.

First, brand heritage, as an asset of brands, has been proven to enhance consumers’ trust, perceived quality, and willingness to pay more (Pecot et al., 2018; Rose et al., 2016). Thus, marketing managers actively utilise cues, such as the founding date of a business and the company’s history, in the marketing mix to infer brand heritage (Orth et al., 2019). In China, most time-honoured restaurants are branded chain organizations. The long history of these chain brands often indicates that they may have a high level of brand heritage (Balmer & Chen, 2016). Thus, it is worthwhile to investigate the concept of brand heritage for these time-honoured restaurants. Furthermore, researchers have noted that consumers frequently seek nostalgic experiences from established brands (Shields and Johnson, 2016). Given that time-honoured restaurant brands are highly relevant to the nostalgia phenomenon, it is important to understand the factors facilitating individuals’ nostalgic experiences and their consequences for consumer behaviour (Zhou et al., 2013).

Another gap identified in the literature is that prior research has mainly focused on the direct effect of brand heritage on purchase intention (e.g., Orth et al., 2019; Rose et al., 2016). However, some researchers have expanded the brand heritage model by examining the indirect effect of brand heritage through different factors, such as brand image (Wiedmann et al., 2011), brand trust (Chelminski & DeFanti, 2016), brand oldness (Ford et al., 2018), and positive emotions (Merchant et al., 2013). Despite such progress, there remains little understanding of important mediators, such as perceived authenticity and nostalgic experiences, in the brand heritage model. Researchers have suggested that heritage enhances individuals’ authenticity perceptions (Gundlach & Neville, 2012; Sinha et al., 2018) and
evokes nostalgia (Pecot et al., 2019). They have further noted that both brand authenticity (Beverland, 2009; Gundlach & Neville, 2012) and nostalgia (Marchegiani & Phau, 2010; Zhou et al., 2019) influence consumers’ purchase intention. Therefore, brand heritage may influence purchase intention via individuals’ perceived brand authenticity and nostalgic experiences.

This study is underpinned by signalling theory (Spence, 1973, 2002), which suggests that recipients infer unobservable product quality from their judgements of signals disseminated by signallers (Boulding & Kirmani, 1993; Price & Dawar, 2002; Rao et al., 1999). Accordingly, individuals may develop brand authenticity (i.e., a subjective evaluation of the brand, Morhart et al., 2015) based on a signal (i.e., brand heritage). While the original signalling theory does not study the influence of signalling on consumption experiences (Fang et al., 2021), Mavlanova et al. (2012) argued that brands influence consumers’ entire purchasing/consumption experience. Thus, this study extends signalling theory by investigating the influence of brand heritage on restaurant patrons’ consumption experience (i.e., nostalgic experiences).

In summary, this study addresses the above unexplored issues by focusing on Chinese time-honoured restaurants. Based on signalling theory, this study investigates four key aspects: brand heritage, brand evaluation (e.g., brand authenticity), consumer experiences (e.g., nostalgic experiences) and purchase intention. More specifically, this study develops and tests a brand heritage model that includes both the direct and indirect effects of brand heritage on purchase intention via perceived brand authenticity and nostalgic experiences.

2. Literature review

2.1. Applying signalling theory to the context of time-honoured restaurants
Signalling theory emphasizes the asymmetry of information as not equally available to the two parties, signallers and recipients (Erevelles et al., 2001). For example, consumers generally do not have enough information to evaluate product quality until they purchase and own the product (Pappu & Quester, 2016). Therefore, businesses utilize various cues to help customers reduce uncertainty about unobservable product quality (Erdem & Swait, 2001). Among others, brand heritage has been confirmed as an effective signal to enhance consumers’ perceived brand quality (e.g., Pecot et al., 2018).

In this study, the signallers are time-honoured restaurant brands, and the recipients are their consumers. As previous research has discussed, individuals consider perceived authenticity an important quality for time-honoured restaurants (Chen et al., 2020; Kim & Song, 2020). Authenticity evaluations are based on individuals’ knowledge of or experience with the original products and/or services (Kim et al., 2020). However, in many cases, customers have not experienced the original products or services. For example, individuals may have not lived during the same era in which a traditional cuisine was first introduced. Thus, time-honoured brand restaurateurs utilize signals, such as brand heritage, to effectively convey a feeling of authenticity, particularly to consumers who lack the original references. Based on signalling theory, individuals evaluate brand authenticity (i.e., an unobservable product quality) based on their observation of brand heritage (Napoli et al., 2014). The extant literature utilizing signalling theory has dominantly focused on signals’ effect on product quality inference (e.g., Ho & Wei, 2016; Price & Dawar, 2002; Rao et al., 1999) while neglecting their effect on the experiential stage of consumption (Fang et al., 2021). However, research has suggested that businesses transmit signals to influence consumers’ entire purchasing/consumption experience (Gremler & McColough, 2004; Mavlanova et al., 2012). Therefore, this study proposes that brand heritage influences not only brand authenticity but also consumers’ experience (i.e., nostalgic experiences).
2.2. **Brand heritage**

Brand heritage can be a visual signal employed by businesses. Brand heritage refers to a branded representation of the past that unifies past, present and future time frames (Pecot et al., 2019). Since it is a corporate asset, businesses often explicitly promote brand heritage by emphasizing historical references to the brand in various marketing and management communications (Hudson, 2011; Sammour et al., 2020). When disseminating brand heritage, businesses often utilize stories of the brand history in their marketing activities to persuade consumers to buy their brand (Hakala et al., 2011).

Brand heritage is a comparatively new research area that has developed from studies of corporate heritage (Balmer, 2013; Balmer & Chen, 2016). A review of previous studies reveals two common characteristics of brand heritage. First, brand heritage represents the past associated with the history and longevity of the brand (Pizzi & Scarpi, 2019). The brand’s past history is reflected in its current position (Pecot et al., 2019) of being based on tradition with a strong link to the past. Second, brand heritage is also associated with the future (Hartog, 2015) as assets may be handed down to the next generation, indicating a sense of continuity (Kim, 2021). Thus, brand heritage encompasses the past, present, and future (Sarial-Abi et al., 2017).

Many tourism and hospitality organizations have a strong brand heritage, and the food sector is considered an excellent context for researching brand heritage (Csergo, 2018). Nevertheless, surprisingly, no previous study has examined brand heritage in the hospitality industry. Research has confirmed that brand heritage influences purchase intention directly (Orth et al., 2019) and indirectly via brand image (Wiedmann et al., 2011) and brand trust (Chelminski & DeFanti, 2016). However, there remains little understanding of the indirect effect of brand heritage on purchase intention. Since previous studies have suggested that heritage is a direct driver of customers’ perceptions of authenticity (Sinha et al., 2018), and
brand heritage evokes consumers’ nostalgia (Ford et al., 2018; Pecot et al., 2019), brand heritage may affect purchase intention through brand authenticity and nostalgic experiences.

2.3. Brand authenticity: Evaluation of a brand

Individuals’ perceived brand authenticity is based on their subjective evaluations of brand signals (Morhart et al., 2015), including brand heritage. For example, with regard to restaurants, restaurateurs may directly control brand heritage cues, such as emphasizing historical references to brand heritage, but they have little power over authenticity. Thus, brand authenticity is considered an outcome of the brand heritage signal. Brand authenticity, referring to a brand being perceived as honest, real, and genuine (Guèvremont, 2018), has been researched from various angles. For example, Grayson and Martinec (2004) focused on indexical and iconic authenticity. The former refers to something that is judged as ‘the original’, whereas the latter refers to something ‘whose physical manifestation resembles something that is indexically authentic’ (p. 298). Beverland et al. (2008) identified three components of authenticity: pure, approximate and moral authenticity. Pure authenticity emphasizes a link with the place of origin or a valued tradition, which is akin to indexical authenticity. Approximate authenticity refers to the symbolic meanings of a brand. Moral authenticity indicates that the brand is motivated by genuine passion rather than a financially oriented goal. All of these definitions show that brand authenticity is based on individuals’ subjective assessments of the brand.

Although there may be different meanings of authenticity, two particular meanings are associated with brands (Gilmore & Pine, 2007). One is whether the brand maintains internal consistency in its pedigree and core philosophy, and the other is whether it has external consistency in the quality and appearance of its products (Brown et al., 2003; Grayson & Martinec, 2004). Prior research has reported the positive effects of brand
authenticity on brand attitudes and purchase intention (Shulga & Busser, 2019). For example, authentic brands may gain consumers’ favour and word-of-mouth support (Shulga & Busser, 2019). However, the relationship between brand authenticity and brand heritage needs to be verified (Pecot et al., 2019).

2.4. Consumers’ nostalgic experience
Nostalgia, defined as a desire to return to the past (Holbrook, 1993), has been found to influence consumers’ attitudes and behaviour, such as brand involvement, participation in brand communities, brand attitude and purchase intention (Kim et al., 2019; Koetz & Tankersley, 2016). For example, consumers’ nostalgic memories of films positively affect their psychological involvement with them (Kim et al., 2019). Accordingly, Koetz and Tankersley (2016) found that nostalgia is a core element that stimulates consumers to participate in online brand communities. Nevertheless, only a few hospitality researchers have studied the dimensions of nostalgia. For instance, Chen et al. (2014) investigated consumers’ nostalgic emotions towards themed restaurants, and Hwang and Hyun (2013) explored how nostalgic stimuli in luxury restaurants affect diners’ emotions.

However, the nostalgia-related literature in psychology and marketing suggests that nostalgic experiences are formed mainly through memories (Kim et al., 2019), positive emotions (Merchant & Rose, 2013) and collective relationships with others (Jain et al., 2019). With a sentimental longing or wistful affection for the past (Zhou et al., 2012), nostalgic experiences involve individuals recalling memories from their childhood, adolescence or early adulthood (Kim et al., 2019). Nostalgia predominantly evokes positive emotions (Zhou et al., 2012), such as pleasure, joy, satisfaction, goodness and happiness (Wildschut et al., 2006). Recent studies acknowledge the social aspect of nostalgia, which refers to social relationships with valued people such as family, friends and partners (van Tilburg et al.,
Nostalgia is also a social emotion that fosters social connectedness (Cheung et al., 2020; van Tilburg et al., 2019). In some collective societies such as China, relationships with others are more prominent than in individualistic societies such as the US (Jain et al., 2019).

3. Hypothesis development

3.1. Relationship between brand heritage and brand authenticity

Signalling theory indicates that consumers infer the quality of a brand from brand signals (Boulding & Kirmani, 1993). This cause-effect relationship between a signal and an evaluation of quality is also supported by previous empirical studies. For example, Taheri et al. (2018) found that tourists perceived greater objective authenticity as well as existential authenticity when they felt that a tourist attraction pertained to a strong brand heritage. Fritz et al. (2017) and Sinha et al. (2018) confirmed that heritage is a direct driver of customers’ authenticity perceptions. Furthermore, Chhabra et al. (2003) contended that the heritage of an attraction has a significant effect on consumers’ evaluations of the attraction’s authenticity. In a restaurant context, Kim (2021) identified that a restaurant’s history influences consumers’ perceptions of its authenticity. In line with above discussion, we develop the following hypothesis:

H1: Brand heritage is positively associated with individuals’ brand authenticity perceptions.

3.2 Relationship between brand heritage and nostalgic experience

In general, both heritage and nostalgia are closely linked with the concept of ‘the past’ (Autio
et al., 2013). Consequently, some researchers have examined the relationship between brand heritage and nostalgia. For example, Ford et al. (2018) revealed that consumers’ perceptions of brand heritage facilitate the development of nostalgic feelings. Pecot et al. (2019) also suggested that brand heritage evokes consumers’ personal nostalgia. Other studies (e.g., Rose et al., 2016) have revealed that brand heritage positively influences positive emotions, which are an important part of nostalgic feelings. The history of festivals, which is often related to heritage, is also associated with tourists’ nostalgic experience (Yeh & Lin, 2017). In line with the previous discussion and empirical findings, we hypothesize the following:

H2: Brand heritage is positively associated with consumers’ nostalgic experiences.

3.3 Relationship between brand heritage and purchase intention

Studies have confirmed that brand heritage has a direct influence on consumers’ purchase intention. For example, consumers are more likely to purchase brands with a stronger brand heritage (Orth et al., 2019; Wiedmann et al., 2011). Focusing on brands of shoes, Chelminski and DeFanti (2018) confirmed a positive relationship between brand heritage and consumers’ purchase intention. Furthermore, Pulh et al. (2019) found that visitors are more likely to revisit a museum when they view it as a heritage tradition. Based on the previous study findings, we offer the following hypothesis:

H3: Brand heritage is positively associated with consumers’ purchase intention.

3.4. Relationship between brand authenticity and nostalgic experience

The extant literature has not confirmed a relationship between brand authenticity and nostalgic experience. However, several qualitative studies found that authenticity leads to
nostalgia (Meng et al., 2019). For example, Autio et al. (2013) researched local food production and found that tourists’ feelings of nostalgia are manifested in the context of authentic local food, indicating that authenticity contributes to tourists’ nostalgic experience. Furthermore, Christou et al. (2018) revealed that tourists experience nostalgia when visiting authentic heritage sites. These studies indicate significant role of authenticity in forming consumers’ nostalgic experience. Based on the previous findings, we hypothesize the following:

H4: Brand authenticity is positively associated with consumers’ nostalgic experiences.

3.5. Relationship between brand authenticity and purchase intention

Prior research on authenticity has confirmed a positive causal relationship between authenticity and purchase intention (Chen et al., 2020; Kim & Baker, 2017; Youn & Kim, 2017). For example, Kim and Bonn (2016) found a positive relationship between customers’ perceptions of authenticity and purchase intention. Corroborating this, Kim et al. (2020) identified that consumers are more likely to dine in restaurants perceived as authentic. The brand literature has also demonstrated a positive relationship between consumers’ purchasing decisions and their perceptions of brand authenticity (Jimenez-Barreto et al., 2020), such that the greater the perceived brand authenticity, the more likely consumers are to purchase the brand. Thus, we hypothesize the following:

H5: Brand authenticity is positively associated with consumers’ purchase intention.

3.6. Nostalgic experiences and purchase intention

Prior research has widely confirmed a positive link between nostalgia and purchase intention
(Marchegiani & Phau, 2010; Zhou et al., 2019). For example, Marchegiani and Phau (2010) stated that as the level of personal nostalgia increases, consumers’ intention to purchase a brand increases significantly. Furthermore, in a leisure context, Cho (2020) found that nostalgia affects consumers’ participation intention. Additionally, Zhou et al. (2019) identified that nostalgic food labels increase both customers’ purchase intention and their actual consumption. In line with previous findings, we hypothesize the following:

H6: Nostalgic experiences are positively associated with consumers’ purchase intention.

Based on the above hypotheses, we develop a conceptual framework, as shown in Figure 1. Additionally, we recognize the existence of potential mediating variables in the framework (e.g., Kim et al., 2020; Zhou et al., 2019). In this study, we examine the mediating influences of brand authenticity and nostalgic experiences on the relationship between brand heritage and purchase intention, as discussed. Hence, the following hypotheses are proposed:

H7: Brand authenticity mediates the relationship between brand heritage and purchase intention.

H8: Nostalgic experiences mediate the relationship between brand heritage and purchase intention.

H9: Both brand authenticity and nostalgic experiences mediate the relationship between brand heritage and purchase intention.

[Insert Figure 1 about here]
3. Method

3.1. Study context

We focused on the list of time-honoured restaurant brands available on the website of China’s Ministry of Commerce (2019). Since 1991, the Chinese central government and regional provincial governments have actively promoted time-honoured restaurant brands; thus, Chinese residents are knowledgeable about this type of restaurant (Zhou et al., 2013). Beijing and Shanghai have the largest numbers of national time-honoured restaurant brands in China, so residents in these two metropolitan areas have more opportunities to consume a wider range of brands than people from other Chinese cities. Thus, we collected data in Beijing and Shanghai.

3.2. Measurement

All the measurement scales used in this study were developed and validated through prior research (Jain et al. 2019; Kim et al., 2020; Merchant and Rose, 2013; Merchant et al., 2013; Moulard et al., 2016; Pecot et al., 2019). The items were then modified to fit the current study context. Specifically, brand heritage was measured using nine items adapted from Merchant and Rose (2013) and Pecot et al. (2019): ‘This restaurant brand will never go out of fashion’, ‘this restaurant brand is a timeless brand’, ‘this restaurant brand won’t disappear tomorrow’, ‘this restaurant brand knows how to reinvent itself’, ‘this restaurant brand renews itself’, ‘this restaurant brand is exuding a sense of tradition’, ‘this restaurant brand reinforces and builds on long-held traditions’, ‘this restaurant brand is a brand with roots’, and ‘this restaurant brand has a strong link to the past’. Nostalgic experiences were measured using 13 items adapted from Jain et al. (2019) and Merchant et al. (2013): ‘So many memories about this restaurant brand came to my mind’, ‘a lot of thoughts about this restaurant brand came to my mind’, ‘I thought of bygone days’, ‘I thought of sweet memories about this restaurant brand’, and so on.
‘detailed past memories came to my mind’, ‘I relived the moment’, ‘I felt joy’, ‘I felt pleasant’, ‘I was happy’, ‘I felt like immediately getting in touch with my family’, ‘I felt like sharing my feelings with friends’, ‘I thought of memories related to my generation’, and ‘I would like others also to experience what I was feeling during the dining experience’. Brand authenticity was assessed using three items adapted from Moulard et al (2016): ‘This restaurant brand wants to do its best in providing its product/service’, ‘this restaurant brand has a true passion for its business’, and ‘this restaurant brand is devoted to what it does’.

Purchase intention was measured using three items adopted from Kim et al. (2020): ‘This restaurant would be my first choice compared with other time-honoured restaurants’, ‘I would like to dine in this restaurant again’, and ‘I would choose to go to this restaurant over other time-honoured restaurants’. All items were measured using a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

The survey questionnaire was originally developed in English. Then, two bilingual speakers of both English and Chinese evaluated the cultural compatibility and adequacy of the scale items. To avoid any potential bias and personal input during the translation process, a professional translator with no prior knowledge of this particular study was hired to translate the questionnaire from English to Chinese. The two bilingual speakers then back-translated the questionnaire from Chinese to English. The result showed a good match with the original English version. This survey was then pretested with 95 undergraduate students. None of the participants reported any problems in understanding the survey questions.

3.3. Pilot study

The researchers conducted a pilot test for the scale instrument to identify the underlying dimensionality of brand heritage and nostalgic experiences. The pilot study data were collected through Wenjuanxing (www.wjx.cn), an online marketing research company that has been used for data collection by other tourism researchers (Wang et al., 2018) because it
has a huge, reliable and valid database of 2.6 million consumers. Using a random sampling approach, Wenjuanxing sent questionnaire links to residents of Beijing and Shanghai in their database. As Chinese consumers are familiar with time-honoured restaurants, we did not include the definition of time-honoured restaurants in the survey. However, we included a screening question (i.e., please write down the name of a time-honoured restaurant where you have dined in the past six months) to recruit those who could discuss their perceptions of the time-honoured brands that they had recently purchased. To be qualified, participants had to provide a time-honoured restaurant brand that is listed on the website of China's Ministry of Commerce (2019). Qualified participants were then asked to recall their most recent dining experience at a time-honoured restaurant and complete the survey questionnaire.

A total of 101 valid questionnaires were collected. Nearly half of the participants (47.5%) were between 31 and 40 years old. Males (52.5%) outnumbered females (47.5%), 80.2% of participants had a bachelor’s degree, and 54.5% of participants were white-collar workers. The participants’ monthly salaries were high: 39.6% earned more than 10,000 RMB (approximately US$1413) a month. All time-honoured restaurants mentioned by participants were chain organizations.

Exploratory factor analysis (EFA) with the pilot study data was conducted using the principal component method with varimax rotation to determine the dimensionality and internal consistency of each of the first-order constructs (e.g., continuity, tradition, memories, positive emotions, and collective relationships) and the second-order constructs (e.g., brand heritage and nostalgic experience) (Anderson & Gerbing, 1988). The EFA results demonstrated that the loadings performed well for corresponding second-order constructs, supporting the dimensionality of each of the constructs in this study. In addition, the factor structure of the model for this research was determined to be reliable on the basis of Bartlett’s $\chi^2$ test, the KMO test, and Cronbach’s alpha. The Cronbach’s alpha results for all constructs
were above 0.70, indicating satisfactory reliability for the overall scale and for all of the extracted factors (see Table 1).

4. Results

4.1. Samples

Following the same procedure used in the pilot study, a total of 362 valid questionnaires were collected. A total of 42.8% of participants were between the ages of 31 and 40 years, which was the leading age group. There were more females (51.1%) than males (48.9%). A total of 72.4% of participants had a bachelor’s degree, and nearly 49.4% of participants were white-collar workers. The participants’ monthly salaries were high: 39% earned more than 10,000 RMB (approximately US$1413) a month. All restaurants mentioned by participants were chain restaurants. A total of 95 time-honoured restaurant brands were mentioned by participants. The five most frequently cited brands were Quan Ju De (61), Xing Hua Lou (25), Dong Lai Shun (18), De Xing Guan (12), and Shen Da Cheng (11).

4.2. Measurement model

Following Anderson and Gerbing’s (1988) two-step approach, confirmatory factor analysis (CFA) was conducted before testing the structural model. As shown in Table 2, the CFA results (goodness-of-fit index: $\chi^2 = 97.315, \text{df} = 37, \chi^2/\text{df} = 2.630$, CFI = .966, TLI = .949, IFI = .966, RMSEA = .067) demonstrated that the measurement model fit the data well. In
addition, the convergent and discriminant validity and composite reliability of all the multi-item scales (Hair et al., 2010) were examined. First, the composite reliability of the research constructs indicated adequate internal consistency between multiple indicators for each construct, ranging from 0.74 to 0.81 (Bagozzi & Yi, 1988). The Cronbach’s alpha values (ranging from 0.70 to 0.81) also indicated adequate internal consistency. Second, convergent validity was assessed in terms of factor loadings and average variance extracted (AVE). AVE is the average variance shared between a construct and its measurement. The factor loadings of all items were higher than 0.60 and the AVE values were higher than 0.50, thus confirming convergent validity (Fornell & Larcker, 1981). Third, discriminant validity was examined by comparing correlations between the constructs and the square roots of each individual construct’s AVE values (Fornell & Larcker, 1981). As shown in Table 3, all correlations between the paired constructs were smaller than the square roots of the AVE estimates; thus, discriminant validity was achieved.

4.3. Structural equation model

In the next step, the proposed structural model was analysed with Hayes’ (2017) process (Model 6), in which indirect effects are significant when the 95% confidence interval (CI) does not include zero. Figure 2 and Table 4 summarize the proposed structural model and present the results used to test the research hypotheses. The $R^2$ values reported in Figure 2 refer to the explanatory power of the predictor variable for each construct. The results show that brand heritage explains 47% of the variance in brand authenticity ($R^2 = .469$), brand
heritage and brand authenticity contribute to 38% of nostalgic experience ($R^2 = .383$), and brand heritage, brand authenticity and nostalgic experience account for 50% of purchase intention ($R^2 = .502$).

[Insert Figure 2 and Table 4 about here]

All hypotheses on the direct effects between the four constructs are supported by the results. More specifically, consistent with the expectation of H1, brand heritage is found to positively influence brand authenticity ($\beta = .936, p < .001$). The prediction of H2 that brand heritage positively influences nostalgic experience is supported by the results ($\beta = .468, p < .001$). The hypothesis that brand heritage positively impacts purchase intention (H3) is also supported ($\beta = .435, p < .001$). The results show that the higher the participants’ perceived value of brand heritage is, the higher participants’ level of brand authenticity, nostalgic experience and purchase intention. Brand heritage is a strong explanatory factor for brand authenticity ($\beta = .936$), nostalgic experiences ($\beta = .468$), and purchase intention ($\beta = .435$).

Among the three pathways from brand heritage to brand authenticity, nostalgic experience and purchase intention, brand heritage contributes the most to brand authenticity. Brand authenticity positively affects nostalgic experiences ($\beta = .201, p < .001$) and purchase intention ($\beta = .255, p < .001$), supporting H4 and H5. The results show that when participants perceive a higher brand authenticity, they have a higher level of nostalgic experiences and purchase intention. Nostalgic experiences also positively affect purchase intention ($\beta = .315, p < .001$), thereby supporting H6.

This study then examined the indirect effects of brand heritage on purchase intention
via brand authenticity and nostalgic experience. The results confirm that brand authenticity mediates the relationship between brand heritage and purchase intention ($\beta = .239$, 95% CI = .109, .373), supporting H7. Furthermore, consistent with H8, nostalgic experiences mediate the relationship between brand heritage and purchase intention ($\beta = .164$, 95% CI = .093, .251). Additionally, the relationship between brand heritage and purchase intention is mediated by brand authenticity and nostalgic experiences ($\beta = .066$, 95% CI = .031, .109).

Thus, H9 is supported. In relation to the three pathways of indirect effects from brand heritage to purchase intention (see Table 4), the pathway through brand authenticity has a greater effect ($\beta = .239$) than the other two pathways of nostalgic experiences ($\beta = .164$) and brand authenticity and nostalgic experiences combined ($\beta = .066$). Overall, Table 4 presents the significant and strong role of brand heritage in the model. More specifically, brand heritage is a strong explanatory factor for brand authenticity ($\beta = .936$), nostalgic experiences ($\beta = .468$), and purchase intention ($\beta = .435$).

5. Discussion

The main purpose of this study was to develop and test a brand heritage model that includes both direct and indirect effects of brand heritage on purchase intention via perceived brand authenticity and nostalgic experiences. The results suggest that brand heritage directly influences purchase intention. In addition, brand heritage indirectly affects purchase intention via brand authenticity and nostalgic experiences. The findings of this study provide the following important theoretical and managerial implications.}

First, we conducted EFA and CFA and confirmed two dimensions of brand heritage associated with time-honoured restaurants: continuity in brands’ capability for self-renewal and tradition with strong brand roots. Although previous studies on brand heritage were
conducted in a non-hospitality context, the results of the current study demonstrated that continuity and tradition are two key components of the brand heritage of time-honoured restaurants in China. The results of this study confirmed that consumers are more likely to purchase time-honoured restaurant brands with a stronger brand heritage (Orth et al., 2019; Wiedmann et al., 2011).

Second, our study supported the indirect influence of brand heritage on purchase intention by previous scholars. For example, Ford et al. (2018) verified that brand heritage affects consumers’ purchase intention via brand oldness, and Rose et al. (2016) supported an indirect relationship between brand heritage and purchase intention through other constructs, such as positive emotions. Our study offers new knowledge that brand authenticity and nostalgic experience can be mediators that influence the effect of brand heritage and purchase intention. More specifically, brand heritage is a direct driver of brand authenticity (Gundlach & Neville, 2012; Sinha et al., 2018; Taheri et al., 2018), and brand authenticity influences consumers’ purchasing decisions (Beverland, 2009; Gundlach & Neville, 2012), supporting that proposal that brand authenticity is a mediator of the relationship between brand heritage and purchase intention.

This study also verified the positive relationship between brand heritage and nostalgic experiences and the positive relationship between nostalgia and consumers’ purchase intention in the time-honoured restaurant context, although this relationship was previously tested in the fields of marketing (Ford et al., 2018; Rose et al., 2016) and tourism (Cho, 2020). Our study found that nostalgic experience is a successful mediator that influences the relationship between brand heritage and purchase intention. Previous studies have tended to discuss the relationship between brand authenticity and nostalgic experience theoretically (Goulding, 2001) or have only partially tested this relationship (Kim et al., 2019). Our study provides empirical evidence to verify the proposed relationship between brand authenticity
and nostalgic experience. This study also revealed that brand authenticity and nostalgic experience are sequential mediators that affect the relationship between brand heritage and purchase intention. Among the three indirect pathways, our study demonstrated that the pathway of brand heritage $\rightarrow$ brand authenticity $\rightarrow$ purchase intention has a much higher effect than the other two pathways, indicating that brand authenticity plays a vital role in determining consumers’ purchase intention.

Third, this study revealed that brand heritage has the greatest contribution to brand authenticity compared with the impacts on nostalgic experiences and purchase intention. The results demonstrated that brand heritage, as the most significant driver, can be used to enhance brand authenticity in the time-honoured restaurant context. Additionally, our study is a pioneering effort to investigate the comparative effect of brand heritage, brand authenticity, and nostalgic experience on consumers’ purchase intention. The results showed a vital role of brand heritage by finding that brand heritage had a greater influence on purchase intention than brand authenticity and nostalgic experiences.

6. Theoretical contributions

This study contributes to the knowledge on time-honoured restaurants and signalling theory. First, our investigation expands signalling theory by incorporating the consumer consumption experience and purchase intention. Previous studies in the field of marketing have mainly examined the influence of signals on product quality (Boulding & Kirmani, 1993; Price & Dawar, 2002; Rao et al., 1999). Although Mavlanova et al. (2012) proposed that businesses disseminate signals at both the pre-purchasing (e.g., signals affect consumers’ expected product quality) and the purchasing stages (e.g., signals influence consumers’ entire consumption experience), there is no empirical evidence supporting the relationship between
brand signals and consumer consumption experiences. Our findings demonstrate that brand signals influence consumers’ nostalgic experiences. Our study also proposed and tested signalling theory for four components, brand signals, brand evaluation, consumer experience and behavioural outcomes, and confirmed that these four components of signalling theory can be used to understand consumers’ brand heritage in the context of time-honoured restaurants in China.

Second, this study is one of the first studies to investigate brand heritage in the tourism and hospitality industry. Many hospitality organizations, such as time-honoured restaurants, have a long business history with a strong brand heritage. However, little effort has been made to understand consumers’ perception of brand heritage and its consequent effects on consumer behaviour in time-honoured restaurants. Thus, this study offers valuable insights into the concept of brand heritage in time-honoured restaurants as well as the direct and indirect effects of brand heritage on consumers’ purchase intention. Consistent with previous research findings (Orth et al., 2019; Rose et al., 2016), the results demonstrated a direct effect of brand heritage on purchase intention. Furthermore, some researchers have identified an indirect effect of brand heritage through brand oldness (Ford et al., 2018) and positive emotions (Rose et al., 2016). Similarly, we found that brand heritage influences consumers’ purchase intention via brand authenticity and nostalgic experiences. Thus, this study contributes to the brand heritage literature by identifying new factors that mediate the relationship between brand heritage and purchase intention.

Third, this study also expands knowledge on nostalgia. The existing literature on nostalgia has largely neglected the dimension of collective relationships, although this dimension plays a vital role in a collective society (Jain et al., 2019) such as China, which might contribute to individuals’ nostalgia. There is also no empirical evidence to confirm the dimension of collective relationships in measuring consumer nostalgic experience. Our study
tested and confirmed three subdimensions, namely, memories, positive emotions, and collective relationships, of consumers’ nostalgic experiences. Nostalgia has been widely researched in psychology and marketing, but hospitality scholars have largely ignored this topic (Chen et al., 2014; Hwang & Hyun, 2013) even though many hospitality organizations, such as time-honoured restaurants, may trigger consumers’ nostalgic feelings. Thus, our study of consumers’ nostalgic experience with time-honoured restaurants contributes to the tourism and hospitality literature.

7. Managerial implications

The results of this study offer several implications for restaurant management. The first relates to brand heritage. As brand heritage is the key determinant of brand authenticity, nostalgic experiences and purchase intention, time-honoured restaurants in China must uncover and promote their brands’ heritage-related information, such as the histories of their founders and changes to the brands in the past. Blombäck and Brunninge (2009) suggest that historical references should be used in brand management both within and outside the company. Examples of historical references include old pictures, older people, and evidence of long-term connections between the owning family and the business operations. Time-honoured restaurants should list and emphasize these heritage-related messages both online (e.g., company websites) and offline (e.g., menus and indoor signage). In terms of promoting the traditional characteristics of these brands, restaurants should focus on traditional elements of food, interior and external decorations, and staff members. For example, unique recipes, traditional ingredients, decor incorporating a local flavour, and staff members wearing traditional Chinese costumes might be used to create a feeling of tradition. In addition, these brands must focus on continuity to ensure that the brand does not go out of fashion, for
example, by introducing new products to adapt to new trends (such as offering low-fat, low-sugar, and low-salt products to meet the demand for healthy food) or promoting the brand through young celebrity endorsements.

Second, as brand authenticity also strengthens consumers’ nostalgic experiences and purchase intention, these time-honoured restaurants should demonstrate a true and genuine passion for the brand, business, products, and service. For example, the quality of food and service can be enhanced by using high-quality ingredients and materials and by staff members providing excellent service. These messages can be delivered through quality products and services. These factors may help these restaurants create a positive reputation for brand authenticity.

Third, consumers’ nostalgic experiences can be evoked not only through brand heritage and brand authenticity but also through the restaurant’s servicescape, including its internal and external environments, food, service and staff members. The servicescape should evoke traditional, old and local feelings, for example, by displaying old pictures from the restaurant’s history. Such stimuli enable consumers to recall warm memories and create a feeling of nostalgia, making them more likely to (re)visit these time-honoured restaurants.

8. Limitations and future research

As with any study, this research has certain limitations. First, while focusing on brand heritage, this study is limited to chain-owned time-honoured restaurants. Prior research has noted that chain restaurants deliver a higher level of perceived authenticity than their independent counterparts in China (e.g., Kim et al., 2020). However, research conducted in a Western context reports contradictory findings that customers perceived independently owned and small restaurants as more authentic than chain restaurants (e.g., Kovács et al.,
Therefore, it would be interesting to see whether data acquired from different populations and/or from customers in independent time-honoured restaurants would result in the same causal relationships found in this study.

Second, local residents from the two largest metropolitan areas in China were surveyed. As these two areas have the largest numbers of time-honoured branded restaurants in China, residents in our study sites had more opportunities to dine in these restaurants regularly (Kong et al., 2009), which may have influenced their attitudes towards these brands. Thus, future research is invited to validate the study results with samples from different regions in China. Furthermore, prior research has noted that local residents and travellers have different reasons for consuming local foods (Lu and Chi, 2018). Thus, future research can recruit other diner groups (e.g., gourmet tourists) to enrich the results.

Another limitation of this study is that the participants in this study were relatively young. It should be noted that many time-honoured restaurants in China are targeting young consumers (Zhu, 2019). However, future studies might survey older participants to identify any age-related differences. Prior research has also found that individuals’ personality characteristics, such as nostalgia proneness and need to belong, influence their intention to purchase nostalgic food products (e.g., Kim, 2021; Zhou et al., 2019). Therefore, future research can extend our brand heritage model by examining the influence of these factors on consumer behaviour.
References


<table>
<thead>
<tr>
<th>Variable</th>
<th>Measurement items</th>
<th>Factor loading</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand heritage</strong></td>
<td>Kaiser-Meyer-Olkin (KMO) = .862, Bartlett’s test of sphericity $\chi^2 = 994.729$, $p &lt; .001$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity</td>
<td>This restaurant brand will never go out of fashion</td>
<td>.660</td>
<td>.81</td>
</tr>
<tr>
<td></td>
<td>This restaurant brand is a timeless brand</td>
<td>.669</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This restaurant brand won’t disappear tomorrow</td>
<td>.611</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This restaurant brand knows how to reinvent itself</td>
<td>.791</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This restaurant brand renews itself</td>
<td>.797</td>
<td></td>
</tr>
<tr>
<td><strong>Tradition</strong></td>
<td>This restaurant brand is exuding a sense of tradition</td>
<td>.621</td>
<td>.71</td>
</tr>
<tr>
<td></td>
<td>This restaurant brand reinforces and builds on long-held traditions</td>
<td>.651</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This restaurant brand is a brand with roots</td>
<td>.800</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This restaurant brand has a strong link to the past</td>
<td>.669</td>
<td></td>
</tr>
<tr>
<td><strong>Nostalgic experiences</strong></td>
<td>Kaiser-Meyer-Olkin (KMO) = .904, Bartlett’s test of sphericity $\chi^2 = 2010.806$, $p &lt; .001$</td>
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<tr>
<td>Memories</td>
<td>So many memories about this restaurant brand came to my mind</td>
<td>.767</td>
<td>.86</td>
</tr>
<tr>
<td></td>
<td>A lot of thoughts about this restaurant brand came to my mind</td>
<td>.752</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I thought of bygone days</td>
<td>.724</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I thought of sweet memories about this restaurant brand</td>
<td>.715</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Detailed past memories came to my mind</td>
<td>.723</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I relived the moment</td>
<td>.666</td>
<td></td>
</tr>
<tr>
<td><strong>Positive emotions</strong></td>
<td>I felt joy</td>
<td>.755</td>
<td>.78</td>
</tr>
<tr>
<td></td>
<td>I felt pleasant</td>
<td>.793</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I was happy</td>
<td>.789</td>
<td></td>
</tr>
<tr>
<td><strong>Collective relationships</strong></td>
<td>I felt like immediately getting in touch with my family</td>
<td>.815</td>
<td>.80</td>
</tr>
<tr>
<td></td>
<td>I felt like sharing my feelings with friends</td>
<td>.785</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I thought of memories related to my generation</td>
<td>.684</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I would like others to also experience what I was feeling during the dining experience</td>
<td>.624</td>
<td></td>
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### Table 2. CFA results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Standardized loadings</th>
<th>Bootstrap 95% CI</th>
<th>Cronbach’s</th>
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<tr>
<td></td>
<td></td>
<td>Lower</td>
<td>Upper</td>
<td>α</td>
<td>CR</td>
<td>AVE</td>
</tr>
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<td>Brand heritage</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Continuity</td>
<td>.816</td>
<td>.752</td>
<td>.876</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Tradition</td>
<td>.714</td>
<td>.635</td>
<td>.781</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand authenticity</td>
<td></td>
<td></td>
<td>.81</td>
<td>.81</td>
<td>.59</td>
<td></td>
</tr>
<tr>
<td>• This restaurant brand wants to do its best in providing its product/service</td>
<td>.786</td>
<td>.721</td>
<td>.841</td>
<td>.001</td>
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<td></td>
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<tr>
<td>• This restaurant brand has a true passion for its business</td>
<td>.701</td>
<td>.634</td>
<td>.764</td>
<td>.001</td>
<td></td>
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</tr>
<tr>
<td>• This restaurant brand is devoted to what it does</td>
<td>.814</td>
<td>.750</td>
<td>.867</td>
<td>.001</td>
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<td></td>
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<tr>
<td>Nostalgic experiences</td>
<td></td>
<td></td>
<td>.75</td>
<td>.77</td>
<td>.52</td>
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<td>• Collective relationships</td>
<td>.738</td>
<td>.664</td>
<td>.799</td>
<td>.001</td>
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<tr>
<td>• Positive emotions</td>
<td>.717</td>
<td>.637</td>
<td>.787</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Memories</td>
<td>.712</td>
<td>.630</td>
<td>.778</td>
<td>.001</td>
<td></td>
<td></td>
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<tr>
<td>Purchase intention</td>
<td></td>
<td></td>
<td>.74</td>
<td>.78</td>
<td>.55</td>
<td></td>
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<tr>
<td>• This restaurant would be my first choice compared with other time-honoured restaurants in the future</td>
<td>.782</td>
<td>.708</td>
<td>.846</td>
<td>.001</td>
<td></td>
<td></td>
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<tr>
<td>• I would like to dine in this restaurant again</td>
<td>.762</td>
<td>.677</td>
<td>.832</td>
<td>.001</td>
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<tr>
<td>• I would choose to go to this restaurant over other time-honoured restaurants in the future</td>
<td>.671</td>
<td>.568</td>
<td>.751</td>
<td>.001</td>
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Table 3. Construct intercorrelations

<table>
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<tr>
<th>Construct</th>
<th>BH</th>
<th>BA</th>
<th>NE</th>
<th>PI</th>
<th>M</th>
<th>SD</th>
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<td>BH</td>
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<td></td>
<td>.767a</td>
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<td>.769a</td>
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<tr>
<td>NE</td>
<td>.592</td>
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<td>.722a</td>
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<td>PI</td>
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<td>.601</td>
<td>.586</td>
<td>.740a</td>
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</tbody>
</table>

Notes: BH= brand heritage; BA= brand authenticity; NE= nostalgic experience; PI= purchase intention. a Square root of the average variance extracted.

Table 4. Results for mediation

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Brand authenticity</th>
<th>Nostalgic experience</th>
<th>Purchase intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand heritage</td>
<td>.936 (.052)*</td>
<td>.468 (.063)*</td>
<td>.435 (.078)*</td>
</tr>
<tr>
<td>Brand authenticity</td>
<td>-</td>
<td>.201 (.046)*</td>
<td>.255 (.054)*</td>
</tr>
<tr>
<td>Nostalgic experience</td>
<td></td>
<td>.351 (.061)*</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>.469*</td>
<td>.383*</td>
<td>.502*</td>
</tr>
<tr>
<td>Indirect effect</td>
<td>Effect (SE)</td>
<td>LL 95% CI</td>
<td>UL 95% CI</td>
</tr>
<tr>
<td>BH → BA → PI</td>
<td>.239 (.067)</td>
<td>.109</td>
<td>.373</td>
</tr>
<tr>
<td>BH → NE → PI</td>
<td>.164 (.041)</td>
<td>.093</td>
<td>.251</td>
</tr>
<tr>
<td>BH → BA → NE → PI</td>
<td>.066 (.020)</td>
<td>.031</td>
<td>.109</td>
</tr>
</tbody>
</table>

Notes: BH= brand heritage; BA= brand authenticity; NE= nostalgic experience; PI= purchase intention. *p < .001.
**Figure 1.** Conceptual framework
Notes: H7, H8, H9 are mediating effects
Figure 2. Results of the structural model