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„ Consumer Perspective: Does brand globalness really matter? “

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ABSTRACT

(ENGLISH)

The purpose of this study is to examine the influence of perceived brand globalness/localness on consumer evaluation of new unknown brands. This study will investigate alleged superiority of global brands over local brands.

The study was conducted in Austria using an experimental method. Specifically, print advertisement stimuli of two fictitious brands were developed and English/German language and statements in the advertisements were used to induce consumer perception of a brand being global or local. Subsequently, the influence of such brand perceptions on consumer brand evaluation in terms of quality, trust, and prestige, as well as purchase intention was assessed.

The results support the impact of global/local brand perception on consumer brand evaluation. However, the influence of consumers' level of ethnocentrism, cosmopolitanism, global and local identity as moderators of the relationship between global/local brand perception and brand evaluation is not supported in this study.

The main limitations of this study involve the sample employed and use of fictitious brands in only two product categories. Nonetheless, this study provides valuable insights for marketing managers into the importance of understanding consumer brand perceptions in terms of globalness/localness and consequently its influence on brand evaluation.

ABSTRACT

(GERMAN)

Der Zweck dieser Studie ist es, den Einfluss der wahrgenommenen globalen/lokalen Marken auf Verbraucher Evaluierung neuer unbekannte Marken zu untersuchen. Diese Studie wird angebliche Überlegenheit der globalen Marken über lokale Marken untersuchen.

Die Studie wurde in Österreich unter Verwendung eines experimentellen Verfahrens durchgeführt. Im Besonderen wurden Printwerbung von zwei fiktive Marken entwickelt und wurden englische/deutsche Sprachen und Aussagen in der Werbung verwendet, um Verbraucher Wahrnehmung einer Marke als globale oder lokale zu induzieren. Anschließend wurde der Einfluss solche Markenwahrnehmung auf Verbraucher Markenbewertung in Bezug auf Qualität, Vertrauen, Prestige und Kaufabsicht beurteilt.

Die Ergebnisse stützen die Auswirkung der globalen/lokalen Markenwahrnehmung auf Verbraucher Markenbewertung. Doch, der Einfluss von Verbraucher Ebene des Ethnozentrismus, Kosmopolitismus, globale und lokale Identität, als Moderatoren der Beziehung zwischen globale/lokale Markenwahrnehmung und Markenbewertung, wird in diese Studie nicht unterstützt.

Die Einschränkungen dieser Studie umfassen die eingesetzte Stichprobe und die Verwendung von fiktiven Marken in nur zwei Produktkategorien. Dennoch bietet diese Studie wertvolle Erkenntnisse für die Marketing- Manager in die Wichtigkeit des Verständnisses von Verbraucher Markenwahrnehmung und damit ihren Einfluss auf Markenbewertung.

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1. INTRODUCTION

Globalization, as unstoppable integration of markets, national states and technologies, has enabled corporations and individuals to expand their activities throughout the world faster, deeper and cheaper than ever before. As a process of integration, globalization is not without its consequences. The rapid process of globalization makes some companies global players, setting trends in the market. While globalization intensifies, many multinational firms face challenges in their marketing efforts, especially with regard to alternation of their portfolios in favour of global brands (Douglas and Craig 2001; Schuiling and Kapferer 2004; Steenkamp, Batra, and Alden 2003). Common struggle between global brands in winning local markets with well established local brands often leads to acquisition of some local brands. Sometimes a global brand cannot achieve the desired market share in a local market. This happens primarily because of strong local brands that have been market leaders for years.

As well as companies, consumers are confronted with the choice between brands, since different brands convey different values for consumers. Brands come in different sizes: from small, local to global and big brands. Vast amount of studies is dealing with empirically assessing the consumer perceived value of global and, to a lesser extent, local brands (Steenkamp and De Jong 2010; Dimofte, Johansson and Bagozzi 2010; Dimofte, Johansson and Ronkainen 2008; Johansson and Ronkainen 2005; Holt, Quelch and Taylor 2004; Steenkamp *et al.* 2003). Global brands are believed to benefit from several advantages in their competition for consumers' preferences. They engender more positive affect (Alden, Steenkamp and Batra 1999), suggest higher quality (Steenkamp *et al.* 2003), enjoy appealing global myths (Holt *et al.* 2004) and generally are preferred over local brands (Holt *et al.* 2004). Overall, the consensus in the literature on the supremacy of global brands has been well documented.

However, most of the studies on consumer preferences for global vs. local brands have dealt with actual market brands, which weakened the reliability of the results. The results may be an artifact of the use of actual brand names. Additionally, while there is consensus among researchers what local brand is, inconsistencies in defining global brand continue to cast a shadow over the obtained results. Namely, whether a brand is global or not can be measured from various aspects such as the market coverage of the

brand or marketing strategies of the brand in different countries. It is important to delineate the various aspects incorporated in definitions of global brand and to focus attention on the meaning of global brand from a consumer perspective.

Furthermore, considerable findings in the past suggested that the magnitude of consumers' individual characteristics such as ethnocentrism (Alden *et al.* 2006; Balabanis and Diamatopoulos 2004; Nijssen and Douglas 2004; Shimp and Sharma 1987; Steenkamp *et al.* 2003; Verlegh 2007; Vida and Reardon 2008) and cosmopolitanism (Batra *et al.* 2000; Parts and Vida 2010; Dimofte, Johansson and Ronkainen 2008; Strizhakova, Coulter and Price 2008) has impacts on attitudes and behavioural intentions toward global vs. local brands. Also the psychological consequences of globalization resulted, among other things, in consumers' development of global and local identity, which also have influence on consumers' preferences for global vs. local brands (Mahammadbakhsh, Fathiazar, Hobbi, and Ghodrattpour 2012; Zhang and Khare 2009). Most people in the world have now developed bicultural identity, with one part of their identity being rooted in their local culture and another part originating from an awareness of their connection with the global culture (Arnett 2002). In general, studies showed that high ethnocentric consumers and consumers who have strong local identity prefer local over global brands, while high cosmopolitan consumers and consumers who express strong global identity opt for global over local brands. However, the lack of a clear definition of a global brand is particularly problematic in interpreting findings of studies on the influence of consumers' expression of ethnocentrism, cosmopolitanism, global and local identity on global vs. local brand evaluations.

This thesis will test whether global brands are still perceived superior to local brands in the context of several brand characteristics. Steenkamp *et al.* (2003) proposed that the perceived brand globalness by consumers would create brand value. Therefore, it is important to investigate the effects of global brands from the perspective of consumers. This thesis will also test the moderating role of consumers' individual characteristics in the context of global vs. local brand evaluation, and will try to find which one is the case in the Austrian market.

1.1. Research Objectives

The purpose of this thesis is to assess the impact of perceived brand globalness on consumer brand evaluation and therefore, to confirm or deny the superiority of global over local brands. Consumers' perceptions of a brand being global or local are reflected in the differences in their perceptions of brand quality, prestige, trust and brand purchase intention, as evidenced in the marketing literature. Due to the inconsistencies with global brand definitions, which incorporate producer and consumer perspective simultaneously, some clarifications are required. This thesis will limit the scope of the study to the specific approach of global and local brand in order to fulfill its purpose – to answer the question – is brand globalness really that important. The concept of global brand and its opposite, local brand, will incorporate consumer perception and geographical market coverage together.

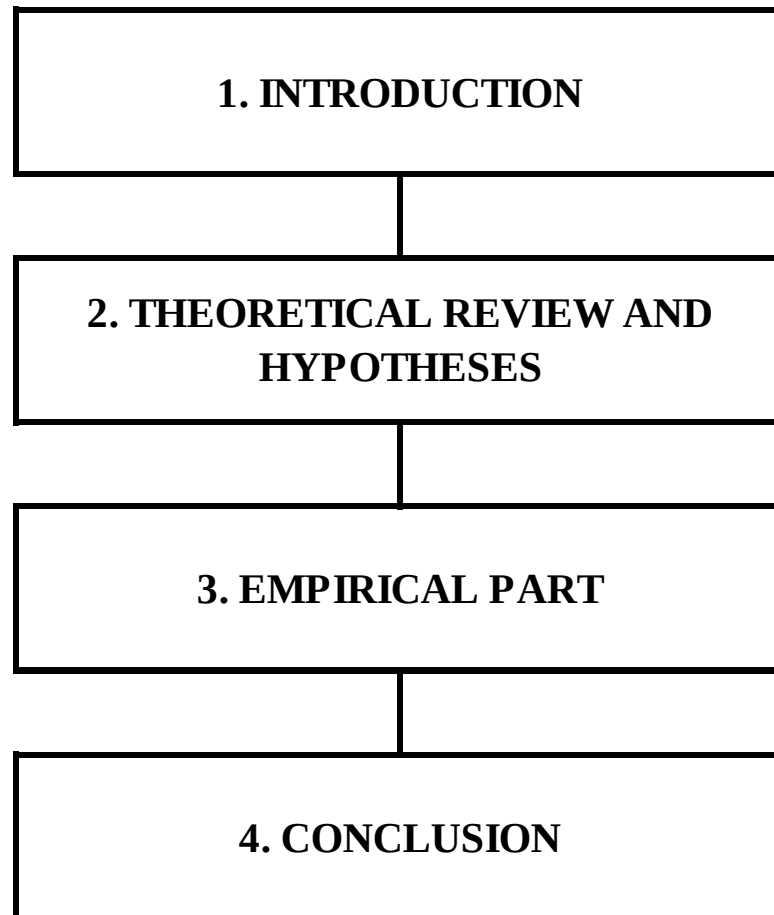
Furthermore, previous marketing researches have dealt with actual market brands, which weakened the reliability of the results in consumers' preferences for global vs. local brands. The brand equity of actual market brands has an important impact on consumer brand evaluation. Taking into consideration that brand equity is a critical factor that influences the consumers' response, this thesis developed fictitious brands as the evaluating targets. This approach enabled us to avoid the possible confounding effects caused by brand equity of established brands allowing us to assess pure brand globalness effects on the consumer brand evaluation.

Specifically, the aim of this study is to assess the effect of perceived brand globalness as a brand attribute *per se*, on other brand dimensions - perceived brand quality, prestige, trust and also brand purchase intention, examining associations between consumer's global/local brand perception and other brand's attributes. This study also investigates moderating role of consumer ethnocentrism, cosmopolitanism, global and local identity on the relationship between global/local brand perceptions and previously mentioned brand-related factors.

1.2. Structure of the Thesis

Figure 1.1 illustrates the structure of this thesis. As the figure shows, the thesis is divided into four main sections. After a short introduction, the second section presents an overview of the theoretical background relevant for this study. This overview of relevant marketing literature provided the basis for the development of hypotheses. Thus, the structural model of this research is introduced. The second section begins with the definition of global and local brands and points out the inconsistencies of definitions in marketing literature regarding these two concepts (and tries to reconcile researchers by providing definitions of these two concepts). Advantages of global and local brands are reported as well as the overview of branding strategies used by marketers to position their brands regardless of their actual globalness or localness. In addition, consumers' characteristics such as cosmopolitanism, ethnocentrism, global and local identity are reviewed in the light of consumers' preferences for global and local brands. The third section describes the empirical part of this thesis. It gives an overview of the prestudy in which the advertisement stimuli are developed and methodologies used in the main study. Second part of the third section provides the results of the main analysis. Final part of the thesis points out the limitations of this research and gives an interpretation of the main analysis findings. It also provides recommendations for further research as well as recommendations for marketing managers in the light of obtained results.

Figure 1.1: Structure of the Thesis



2. LITERATURE REVIEW AND HYPOTHESES

This theoretical review of global-local brand marketing literature is by no means intended to be exhaustive or all inclusive. The aim is to provide relevant aspects of the global-local brand marketing literature as well as to integrate the various contributions appropriate for this study.

2.1. Brand and Branding

The key to success in any business activity is detailed knowledge and understanding of human emotional needs and desires. This is best illustrated by the title of an article in Wall Street Journal “Goodbye Supply and Demand!” (April 24th, 1996). Corporations worldwide are slowly accepting the fact that their chances on the market do not depend so much on reducing production costs and increasing profit as much as on developing entirely new revenue streams based on new ideas. And above all, these new ideas stem from building stronger links and relationships with their customers, characterized by the relationship of partnership rather than by classic law of supply and demand.

Today, if one wishes to be involved in marketing, they will occupy themselves more with psychological terms than with statistical formulas and charts. Words used most frequently in modern marketing literature are “perception”, “emotion” and “feeling”, rather than “product” and “price”. One of the new concepts most associated with this change in the field of economics and marketing is the concept of branding.

The first application of the word brand was for the cowboys in the Old West who branded their cattle to distinguish them from others on the prairie. From the business point of view, branding in the market is very similar to branding on the ranch. The goal of branding is to differentiate your products in the market from others. Even if most cows on the prairie are very similar to each other, the perception of your product must be different. The goal is to create, in the minds of consumers, a perception that there is no product like your product, that it is unique and should be remembered as something completely new and distinctive. However, it is important to remember that the process of branding does not take place in the market of products and services, but only in the minds of consumers.

It is believed that today the most important function of marketing is brand building. Moreover, many of the world's leading marketing experts believe that the basic function of marketing is building a strong brand. What is the main role of branding in the modern market? Brand influences purchasing decisions to be made long before the act of exchange of goods and money occurs. The decision to buy a product or not is made by previous positioning of the product, its name (brand) in the mind of consumers. The result of purchasing the product is already predetermined. Branding practically pre-sells a product or service to customers. Branding is simply a more efficient mean of selling.

2.2. Misconceptualization of Global vs. Local Brand

Country of origin (COO) and its influence on consumer behavior have been comprehensively studied since the 1960s (Balabanis and Diamatopoulos 2004; Verlegh and Steenkamp 1999). The marketing literature on COO helps to explain why consumers in different countries have varying attitudes towards products based on the origin of the product. Next to the origin cues, "made in" signs has been one of the topics generating research interest. There is evidence that the origin and ownership of a brand are significant and influential cues that consumers use when evaluating or purchasing products. The traditional "made in" cue is of less importance (Thakor and Kohli, 1996). The brand itself can provide information on the product quality, product ownership and product image.

Although a wide range of well known brands such as Sony, Panasonic, Polo, etc. have moved their production facilities to other low labor cost countries, consumers continue to refer to the origin of the product as the origin of a brand. For example, consumers perceive a Sony product as a Japanese product despite the fact that it is manufactured in Thailand. Based on the concept of COO, products can be categorized into two groups – foreign-made products and locally-made (or domestic) products. It is sensible, therefore, to divide brands based on brand ownership into two main groups – foreign-owned brands and local-owned brands.

Furthermore, marketing literature has been paying attention also to the concept of global branding and its power on consumer behavior. Generally, global brands are associated with a higher level of brand quality and positive signs of brand image (Alden *et al.*

2006; Dimofte *et al.* 2008; Johansson and Ronkainen 2005; Lee *et al.* 2008; Özsomer and Altaras 2008; Steenkamp *et al.* 2003). Consumers' preference for global brands are credited, therefore, to better product quality, stronger brand image, as well as higher social responsibility (Holt *et al.* 2004). On the contrary, local brands are seen as dichotomous of global brands (Johansson and Ronkainen 2005; Lee *et al.* 2008) and are regarded as less appealing and attractive to consumers, and therefore are considered to be less preferable than global brands (Dimofte *et al.* 2008; Johansson and Ronkainen 2005).

This global-local dichotomy is flawed because such conceptualization involves two different aspects, namely brand ownership and brand distribution. The term "global brand" is consistently defined as a brand that consumers can find in multiple countries around the world under the same name and under the same or similar positioning and marketing strategies (Aaker and Joachimsthaler 1999; Kapferer 2005; Steenkamp *et al.* 2003; Schuiling and Kapferer 2004; Townsend *et al.* 2009). On the other hand, a local brand is commonly defined as a brand that is marketed in one country or in a specific geographical region, but can be owned by a local (domestic) company as well as by an international or a global firm (Schuiling and Kapferer 2004; Wolfe 1991). Otherwise stated, the more countries in which a brand is marketed, the more global the brand is perceived to be (Johansson and Ronkainen 2005). Conversely, a local brand includes two perspectives – geographical reach and brand ownership. From the perspective of geographical reach or market distribution a local brand is a brand that is available only in one country or in one specific region. Furthermore, from the brand ownership perspective a local brand could be explained as a brand owned by a local (domestic) company. For that reason the confusion with regard to the global-local brand conceptualization occurs. Local brand is characterized as a brand that is available only in one specific country and is owned by a local company. On the other hand, global brand is defined in terms of its geographical reach and the ownership is assumed to be foreign (global brand is owned by foreign or global firms), although the ownership is not explicitly stated. Including (or omitting) these two perspectives when determining global/local brand lead to misconceptualization of these constructs. Therefore, re-conceptualization of global/local brand is needed, which will include only one perspective – geographical availability of a brand since it is the most used perspective in defining these constructs.

2.3. Brand Positioning Strategies (GCCP and LCCP)

Alden *et al.* (1999) first proposed the concept of global consumer culture positioning (GCCP) as well as local consumer culture positioning (LCCP)¹. These brand positioning strategies are drawn from consumer culture theory. Namely, one of the outcomes of globalization is the surfacing of global culture – global consumer segment, i.e. individuals around the world, whose cultural, social and other differences are diminishing with regard to their consumption. A GCCP strategy is aimed at those global consumers and represents „a strategy that identifies a brand as a symbol of a given global culture “(Alden *et al.*, p. 77). A LCCP is defined as „a strategy that associates the brand with local cultural meanings, reflects the local cultural norms and identities, and is portrayed as consumed by local people in the national culture “(Alden *et al.*, p.77). In spite of their nationality, companies can use branding strategies to position their brand as being global if they sell their products in a number of countries. Also they can position their brand to be perceived by consumers that the brand is marketed in multiple countries worldwide. On the other hand, companies can use branding strategies to position their brand as being local regardless of the fact that the brand might be sold worldwide. Additionally, a local brand could position itself in a global fashion, without actually being a global brand. GCCP strategy is employed by marketing managers when they want to associate their brands with desirable global images using global symbols (brand names, themes, logos) in marketing communication (Alden *et al.* 1999). Such strategies help global brands to be recognized as a “passport to global citizenship” (Strizhakova, Coulter and Price 2008) and to have power especially in developing countries (Batra *et al.* 2000). Marketers are employing GCCP or LCCP strategies to appeal to either global or local consumer cultures, respectively. GCCP is certainly more suitable to be implemented across different countries than LCCP. However some brands position themselves in one market using LCCP in order to be perceived as local brand, while in another market GCCP strategy is employed in order for a brand to be perceived as a global brand. For example, Budweiser and Chevrolet use strong local appeals in their domestic market (LCCP), while in other markets a more global approach is used (GCCP). GCCP may be used as a standardized marketing strategy, but it must not necessarily be the case.

¹ Alden *et al* (1999) also introduced the concept of foreign consumer culture positioning (FCCP – a strategy that positions the brand as a symbol of a specific foreign consumer culture), but the scope of this thesis is limited to GCCP and LCCP.

As mentioned before marketers use brand positioning strategies to appeal to either global or local consumer culture and thus to induce the consumers' perception of a brand being global or local no matter whether the brand is truly one of the two. Depending on which brand positioning strategy is used, consumers could make inferences regarding brand globalness or localness. In this vein, the brand should be associated with language, aesthetics and themes, which help to reflect brand membership to either global or local brands. In fact, GCCP strategy could create the association that "consumers all over the world consume a particular brand" (Alden *et al.* 1999, p. 77).

GCCP and LCCP should not be equalized with the concept of brand globalness and localness. Certainly, GCCP and LCCP could be used to persuade consumers that brand is global or local, respectively regardless of the facts. For instance, the use of GCCP strategy for local brand can conceal the fact that the brand is truly local and available only in one country; and LCCP strategy for global brand can persuade consumers that this brand is local even though it is a truly global brand available worldwide. These strategies, through the use of appropriate language, aesthetics and themes can help to achieve that the brand is perceived as global or local. This study will employ GCCP and LCCP to induce consumer perception of a brand being global or local, but only in terms of brand's geographical reach or market coverage.

2.4. Definitions - Global and Local brand

Global brands are usually defined as brands that are known internationally (Tse and Gorn 1993) or as brands that consumers can find in multiple countries in the world under the same name and the same or similar brand positioning strategy (Kapferer 2005; Steenkamp *et al.* 2003). However, the global branding literature is not unified in defining the concept of global brand. Inconsistencies in definitions of global brand stem from different approaches. Global brand can be defined in terms of market expansion (Townsend, Yenyurt and Talay 2009); in terms of marketing standardization strategy (Özsomer and Altaras 2008) and global brand as consumer perception (Dimofte *et al.* 2008; Steenkamp *et al.* 2003).

Global brand starts to develop from domestic product (brand) and companies implement a market growth strategy to expand sales in other countries worldwide (Pitta and Franzak 2008). Because of the saturation of the domestic market, especially in developed economies, companies see growth opportunity in selling their existing products and brands to new markets in other countries, especially less developed or developing countries (Holt *et al.* 2004; Lee *et al.* 2008, Pitta and Franzak 2008). Thus, any company can create a global brand by expanding their domestic brand to new markets. Under the assumption that a brand reaches the mature stage of internationalization, i.e. a brand is sold in multiple countries all over the world; such brand can be characterized as a global brand. Here, the globalness of a brand is defined by the extent of its geographical reach or market distribution.

Global brand as marketing standardization is explained as “the extent to which brands employ standardized marketing strategies and programs across markets” (Özsomer and Altaras 2008, p. 3). It means that companies attempt to globalize their product, brand image and marketing strategy in order to maintain consistent or standardized image worldwide (Park and Rabolt 2009). On the other hand, their goal is to achieve a competitive advantage from the economy of scale and lower research and development costs, as well as the costs of manufacturing and marketing (Craig and Douglas 2000; Holt *et al.* 2004; Levitt 1983; Özsomer and Altaras 2008; Schuling and Kapferer 2004).

Consumer perception of global brand can be described as “the extent to which the brand is perceived as global and marketed not only locally but also in some foreign markets” (Özsomer and Altaras 2008). This approach suggests that the level of brand globalness is determined from the perceived multimarket reach of the brand.

However, definitions of global brand frequently incorporate both producer and consumer perspective (Rosenbloom 2009). For example, Johanasson and Ronkainen (2005, p. 340) incorporated both perspectives in their definition of global brand – “the multimarkets reach of products that are perceived as the same by both consumers and internal constituents”. Levitt (1983, p. 1) defined global brand, using producer perspective, in terms of operations of global corporation which operates “as if the entire world is a single entity and sells the same things in the same way everywhere”. Aaker and Joachimsthaler (1999, p. 137) defined global brand as “brands whose positioning, advertising strategy, personality, look and feel are in most respects the same from one

country to another”. Schuiling and Kapferer (2004) defined global brands as brands that use the same marketing strategy mix in all markets. Definitions of global brand from a producer perspective are emphasizing marketing strategy and positioning used by marketers, which is more or less the same across countries in which brand is present.

From a consumer perspective, a global brand is any brand that consumers perceive to be global. Steenkamp *et al.* (2003) defined global brand as follows: “A brand benefits from consumer perception that it is ‘global’...only if consumers believe the brand is marketed in multiple countries” (p. 54). This perception or belief that a brand is global is named perceived brand globalness (PBG).

While most attention has been paid to global brands, researchers have paid little attention to the concept of local brand. Contrary to the literature of global brand, where no agreement in defining it exists, definitions of local brand are consistent. Local brand is defined as a brand that is marketed in one country or in a limited geographical area (Wolfe 1991). From the consumers’ perspective local brand could be defined as a brand that exists in one country and is connected with the local culture. This perceived brand localness could create distinctive values for consumers as it enhances brand relevance and acceptability to the local markets. Local brands across the major European countries show a higher level of awareness, trust and reliability compared to global brands (Schuiling and Kapferer 2004).

This study takes the consumers’ perspective of what global and local brand is. Therefore, global and local brands are defined in terms of their geographical availability or market coverage – global brand is marketed throughout the world (globally available), while local brand is marketed only in one country (locally available).

2.4. Global vs. Local Brand

Marketing research has shown that global brands have a positive relationship with the perception of brand quality, brand prestige, esteem image and purchase intention (Holt *et al.* 2004; Johansson and Ronkainen 2005; Steenkamp *et al.* 2003). Steenkamp *et al.* (2003) were among the first researchers to investigate the positive impact of perceived brand globalness in terms of quality and prestige on consumers' purchase intention. Holt *et al.* (2004) identified that global brands are associated with quality, global myth and social responsibility. Mixed results exist in studies investigating the impact of local brands on brand evaluation. Some studies showed that compared to global brands, local brands better address consumers' needs and are associated with trust (Schuiling and Kapferer 2004), while other researchers found that global brands are preferred based on trust and prestige (Johansson and Ronkainen 2005; Steenkamp *et al.* 2003). Additionally, the findings related to the differences in consumers' preferences between global and local brands are inconclusive. For instance, Schuiling and Kapferer (2004) found that there is no significant difference in perceptions of brand quality and prestige between global and local brands meaning that consumers do not always favour global brands and have less favourable attitudes toward local brands. Steenkamp *et al.* (2003) found that positive perceptions of brand quality and brand prestige exist not only for global brands, but also for local brands that have a local icon image. These mixed findings could stem from consumer misunderstanding of brand ownership and brand globalness concepts. In other words, the confusion in brand ownership and brand globalness concepts could lead to misinterpretation in consumer perception and attitudes towards global and local brands. For example, consumers may favour global brands because they appreciate the fact that the brand is sold all over the world with the same level of quality or because the brand is owned by a foreign multinational company. In addition, it is unclear whether consumers prefer local brands because they appreciate the fact that the brand is owned by a local firm (although it can be available worldwide; for example Red Bull) or because the brand is exclusively sold in one specific country.

Furthermore, most of the studies have dealt with actual market brands which shaded the validity of their findings. Additionally, studies in the past, which used actual market brands, have shown that brand familiarity plays important role in consumers' brand evaluation. Consumers' preference for global brands are credited to better product

quality, stronger brand image, as well as higher social responsibility (Holt, Quelch, & Taylor, 2004). Research also indicates that consumers value global brands especially for their assumed high quality and image of prestige (Steenkamp *et al.* 2003). If a brand is perceived as globally available, consumers will attach a superior quality to the brand, because the high quality is necessary for a brand to be accepted worldwide. Global brand may also stand for cosmopolitanism. Some consumers may prefer global brands because they enhance their self-image as being cosmopolitan, sophisticated and modern. On the other hand, Schuiling and Kapferer (2004) found that the image of trust is stronger for local than for international brands, but no significant differences between these two types of brand exist with regard to the perception of quality and prestige.

Fuchs and Diamantopoulos (2011) introduced the concept of global and local brand paradox in an attempt to explain different findings regarding consumers' preferences for global versus local brands. This paradox refers to consumers' interpretation of global and local brands in both positive and negative ways. According to them, "consumers associative networks with specific brands classified as global or local (categorization theory) are a function of the signals sent out by these brands in the market place (signaling theory)" (p. 5). Therefore, consumers will make brand evaluation in terms of brand-related attributes based on their perception of the brand being global or local.

Global brand in this study is defined as a brand perceived by consumers as marketed in countries across continents worldwide. In contrast, local brand in this study is referred exclusively to a brand perceived by consumers as marketed only in Austria. As mentioned before, marketing literature has addressed the relationship between type of brand and brand attitudes and has found that consumers associate global brands in positive ways with attributes such as high quality, favourable symbolism, social responsibility, perceived esteem, sense of achievement, perceived brand prestige, reduced risk, trustworthiness, credibility, power and purchase likelihood (Dimofte *et al.* 2008; Johansson and Ronkainen 2008; Holt *et al.* 2004; Özsomer and Altaras 2008; Steenkamp *et al.* 2003). Additionally, consumers in different countries may favour global brands for different reasons. For example, consumers in developing countries may associate global brands with the prestige and social status enhancement and use the desired signal attached to the global brand to identify them with the outside world (Batra, Alden and Steenkamp 2000). Because global brand image is likely to create favourable attitudes and intentions toward the brand, it is reasonable to conclude that

some consumers may evaluate nonglobal (local) brands in a neutral or even an opposite way. This is because a local brand is marketed only in one country, or domestically. Dimofte *et al.* (2008) reported that global brands are generally perceived to be stronger and more powerful than local brands because they are large. The negative associations with nonglobal (local) brands may subsequently lead to the perception of weaker brand image, inferior quality, less credibility, lack of glamour and expertise (Kapferer 2002). Thus, the lack of global presence may lead to a lack of worldwide success and recognition. Therefore, it can be concluded that consumers' attitudes to and preferences for global vs. local brand will rely to some extent on whether the brand is perceived to be a global or local brand, that is whether the brand is globally or locally available. This thesis will test the superiority of global brand over local brand in terms of consumer perception of geographical reach of the brand. Thus, the following hypothesis has been proposed:

H₁: Consumers' brand evaluation in terms of: a) brand quality, b) brand trust, c) brand prestige and d) purchase intention will be more favourable for the brand they perceive to be global than for the brand they perceive to be local.

2.5. Consumers' Characteristics

In an attempt to understand consumer preference formation for global or local brands, researchers have resorted to various socio-psychological constructs that help unravel consumption motivations. What value perceived global or local brand provides to consumers would probably be dependent on what consumers believe about themselves. Individual differences are likely to influence consumers' brand evaluation of different brand types. Consumers' characteristics would therefore act as moderators between consumers' brand perception and brand evaluation. The objective is to examine whether there is a differential relationship between brand perception and brand evaluation at various levels of consumers' attributes. In order to investigate the moderating roles of consumers' characteristics on the relationship between consumers' perception of brand type and their brand evaluation, the hypotheses were posed based upon the relevant literature detailed below.

2.5.1. Ethnocentrism

Consumer ethnocentrism refers to the consumers' inclination for purchasing domestic products. It also implies disapproval of purchasing foreign products and the attitude that buyers of foreign goods are responsible for domestic economic problems and unemployment. The concept of consumer ethnocentrism in marketing literature was first introduced by Shimp and Sharma (1987) and is defined as consumers' beliefs about the appropriateness and morality of purchasing foreign made products. Until its introduction, several other concepts such as patriotism and nationalism have been used interchangeably. Shimp and Sharma developed a construct and corresponding measurement scale (CETSCALE - Consumer Ethnocentric Tendency Scale) from which other scales for measuring ethnocentrism were developed. They also argued that highly ethnocentric consumers would avoid buying imported products because it would be unpatriotic and would hurt domestic employment. Domestically produced goods provide closeness with and support to national economy, and therefore highly ethnocentric consumers would prefer buying local products in order to support their domestic economy (Steenkamp *et al.* 2003). On the other hand, foreign products are seen as a threat to domestic economy and would be avoided by highly ethnocentric consumers.

The level of consumer ethnocentrism differs between individuals due to the range of related factors. For example, consumers tend to express high ethnocentrism when they perceive personal or economic threats from outsiders (Sharma *et al.* 1995). When consumers perceive that imported products are necessary, they will have a low ethnocentric tendency toward nonlocal products and vice versa (Sharma *et al.* 1995). Additionally, consumers are likely to have low ethnocentric tendencies and to evaluate foreign product positively when they observe that no domestic alternatives are available (Piron 2002; Watson and Wright 2000). Ethnocentric consumers tend to demonstrate positive attitudes towards imported products which are produced in culturally similar countries (Sharma *et al.* 1995; Watson and Wright 2000). Consumers in developing countries, however tend to buy nonlocal brands rather than local because of status-enhancing reasons (Batra *et al.* 2000).

Considerable findings have reported that the magnitude of ethnocentrism has impact, generally in the form of consumers' home country bias, on attitudes and behavioural

intentions towards local vs. nonlocal brands (Alden *et al.* 2006; Balabanis and Diamatopoulos, 2004; Nijssen and Douglas 2004; Shimp and Sharma 1987; Steenkamp *et al.* 2003; Verlegh 2007; Vida and Reardon 2008). The concept of consumer ethnocentrism can be used to explain consumers' more favourable attitudes toward local brands and less favourable attitudes toward global brands. Studies have also shown that there is a significant relation between high ethnocentrism and local brand preference (Steenkamp *et al.* 2003, Verlegh 2007; Vida and Reardon 2008; Watson and Wright 2000), even when nonlocal brands are perceived as having superior quality. Ethnocentric appeals and campaigns are also considered by advertisers to be effectively implemented when domestic brands are aimed to be differentiated from nondomestic brands. Therefore, consumer ethnocentrism can be used as a criterion for consumer segmentation and can explain consumers' consumption motivations.

However, the obtained results are not very clear due to the confounding nature of the global-local brand separation. Additionally, these studies are including existing market brands which raise the question of brand equity effect. For example, South Korean consumers who are considered to be ethnocentric favour local brands (e.g. Samsung) over global brands. The problem here is that these local brands in South Korea are also major global brands. Therefore, consumer ethnocentrism should be re-examined in the light of the proposed conceptualisation of global and local brand.

The majority of consumer ethnocentrism studies reached conclusion that consumers with a high ethnocentric tendency tend to reject foreign (global) products and favour local products (brands) (Balabanis and Diamatopoulos 2004; Shimp and Sharma 1987). Furthermore, some of the studies reveals that consumer ethnocentrism is more pronounced for consumers in developed countries compared to consumers in developing countries due to the availability of local products (brands). In terms of nonlocal brand judgment from the consumer ethnocentrism perspective, most studies have found that generally, highly ethnocentric consumers will negatively evaluate nondomestic brands especially in developed countries. Considering that Austria is a developed country, the following hypothesis has been proposed:

H₂: : High ethnocentric consumers will evaluate local brand more favourably than global brand in terms of a) brand quality, b) brand trust, c) brand prestige and d) purchase intention and vice versa.

2.5.2. Cosmopolitanism

Cosmopolitanism is the product of the increased exchange between nations, cultures and individuals all over the world. The integration of cultures has resulted in the appearance of groups who are oriented more globally than locally (Craig and Douglas 2006) and these people have been marked as cosmopolitans. They are conscious of the world openness, aware of cultural differences and willing to take part in diverse cultural experiences. Cosmopolitans tend to be frequent travelers who encounter different cultures, people as well as different brands and products.

The word cosmopolitanism is coined from two Greek words – *cosmos* (world) and *polites* (citizen) which translates into the meaning of citizen of the world (Riefler and Diamatopoulos, 2009). The concept of cosmopolitanism is first introduced by sociologist Merton (1957) who defines concept as a personal inclination to familiarize oneself afar from the borders of the local society. From consumer behaviour context Riefler and Diamatopoulos (2009) describe the cosmopolitans as individuals who are much open to new ideas, appreciate the products and services that best deliver the desired functions regardless of social or local influences. The construct is describing “an open-minded individuals whose consumption orientation transcends any particular culture, locality or community and who appreciate diversity including products and services from a variety of countries”(Riefler and Diamantopoulos 2009, p. 415). There are three broad aspects in conceptualizing cosmopolitanism, which is “open-mindedness” (willingness to engage with others, embrace other culture from other nations), “diversity appreciation” (interest towards diversity, contrast rather than uniformity), and “consumption transcending borders” (interest in consuming items from different countries or cultures, for example food, clothing, decorations, hobbies) (Riefler and Diamantopoulos, 2008).

In the context of this study, the concept of cosmopolitanism is important in predicting consumers’ brand preferences. Cosmopolitans, with an open mind and willingness to engage in diverse cultural experiences, are likely to be more responsive to global consumer culture positioning strategies (Alden *et al.* 2006) and thus prefer brands they perceive to be global. They are more inclined to accept products or brands which they perceive to be global and available worldwide, because consumption of global brands can provide an opportunity to express one’s cosmopolitan values. Some consumers may

prefer global brands because they enhance their self-image as being cosmopolitan, sophisticated and modern. Therefore, the following hypothesis has been proposed:

H₃: High cosmopolitan consumers will evaluate global brand more favourably than local brand in terms of a) brand quality, b) brand trust, c) brand prestige and d) purchase intention and vice versa.

2.5.3. Local-global identity

Tu, Khare and Zhang (2012) define local and global identity as follows: “A local identity means that consumers feel they belong to their local community and identify with local ways of life, whereas a global identity means that consumers feel they belong to the global community and identify with global lifestyle.” The local-global identity was introduced by psychologist Arnett (2002) to explain psychological consequences of globalization, while Zhang and Khare (2009) in their study showed that classifying consumers’ identity as global or local is a key to understanding consumers’ attitudes towards global versus local products (Tu *et al.* 2012). From managerial perspective, identifying and understanding these identities is important when deciding which consumer culture positioning strategy should be implemented for their brands. The global positioning strategy should be employed where global identification of consumers is strong, and local positioning strategy should be implemented when local identification of consumers is strong (Tu *et al.* 2012). Zhang and Khare (2009) proposed a 19-item scale to measure these constructs, whereas Tu *et al.* (2012) introduced a shorter scale version consisting of 8 items, four of which are intended to empirically measure local identity and other four items are developed to measure global identity.

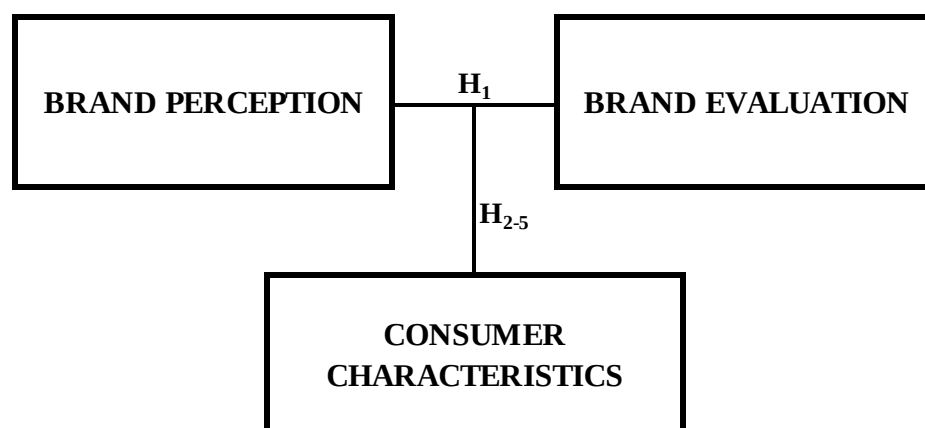
Local and global identities are considered to be consumers’ characteristics, which are believed to affect consumers’ evaluation of global and local brands. It is expected that consumers with strong global identity would prefer brands perceived to be global, while consumers with salient local identity would have stronger preferences for local brands, i.e. brands that are perceived to be local. This means that consumers match their identity with their consumption. Hence, it is proposed that the global and local identities will act as moderators in the relationship between consumers’ brand type perception and their brand evaluation.

H₄: Consumers with high global identity will evaluate the global brand more favourably than local brand, in terms of a) brand quality, b) brand trust, c) brand prestige and d) purchase intention and vice versa.

H₅: Consumers with high local identity will evaluate local brand more favourably than global brand in terms of a) brand quality, b) brand trust, c) brand prestige and d) purchase intention and vice versa.

Conceptual model of the study is presented in Figure 2.1. First, the influence of consumer brand perception in terms of globalness/localness on brand evaluation is assessed. The aim is to determine whether the perceived global brand is evaluated more favourably in terms of quality, prestige, trust and purchase intention than the brand perceived to be local. Answering this question is important to resolve conflicting findings in the marketing literature regarding whether global or local brands are more preferable. Secondly, the role of consumers' characteristics is examined. Does consumer brand evaluation of different brand types depend on the level of consumers' attributes and who is more inclined to choose global vs. local brand?

Figure 2.1: Conceptual model



3. EMPIRICAL PART

The empirical part is divided into two main subsections – methodology and results. In methodology section, development of stimuli is explained and the results of pre-study are presented. Secondly, data collection procedure is explained and the results of reliability analysis for testing the consistency of the scales employed are given. In the results section, the findings of the main analysis are presented according to the hypotheses proposed.

3.1. Methodology

3.1.1. Stimuli Development

For the purpose of the study an experimental design was used to investigate effects of the perceived brand globalness/perceived brand localness on consumers' brand evaluation. The following criteria were considered when selecting the stimulus material. First, in order to assure the respondents' appropriate perception of advertised brands, German and English languages are used for slogans in the adverts. Secondly, the advertised products had to be sufficiently familiar to and used by respondents. Thirdly, the products had to be available in Austrian market; that is, there had to be local and foreign alternatives of the same product. Two product categories are selected coffee and clothes. The reason for this selection is the presence of strong local Austrian brands as well as foreign brands in the product category coffee and a variety of fashion labels in the clothing industry. Experimental stimuli were made up of print advertisements for new products in these two product categories. The product categories coffee (low involvement) and clothes (high involvement) are also selected for the reason of achieving generalizability of results because they represent the two ends of the involvement continuum. For product category coffee a new brand was created called DONCAFE, while for the product category clothes a new brand PANDORA was created. For product category coffee, the adverts were identical in all aspects except for in the statements and languages, which were used to induce the respondents' perception of a brand being global or local. The same was done for product category clothes. The

major base used for respondents' global or local perception of the brands was, therefore, language and statement in the adverts.

Before administering an online survey, the self-administered questionnaire of students (N=40) was conducted in order to pre-test whether the intended manipulation would give expected results, i.e. whether the adverts would stimulate respondents' perception of a brand being global or local. Additionally, the purpose of the self-administered questionnaire was to make a decision whether to use English or German language for the statement in the global version of the adverts. Each respondent was presented with one advert for each product category, but the statements were opposite or no statement was presented in the advert. For example, the respondent was presented with DONCAFE advert with the statement intended to induce global perception of the brand (global statement) and with PANDORA advert with the opposite statement intended to induce local perception of the brand (local statement) or with no statement. Control (neutral) version of the adverts did not contain any statement. Tables 3.1 and 3.2 show the statements included in the adverts.

Table 3.1: Statement in the adverts for product category Clothes

Brand	Type	STATEMENT in the ADVERT	N
PANDORA	Global	<i>All around the World</i>	10
	Global	<i>Rund um die Welt</i>	10
	Local	<i>Exklusiv in Österreich</i>	10
	Neutral	(no statement)	10

Table 3.2: Statement in the adverts for product category Coffee

Brand	Type	STATEMENT in the ADVERT	N
DONCAFE	Global	<i>All around the World</i>	10
	Global	<i>Rund um die Welt</i>	10
	Local	<i>Exklusiv in Österreich</i>	10
	Neutral	(no statement)	10

The respondents were presented with the print adverts and asked to evaluate the level of perceived brand globalness on several items taken from Steenkamp *et al.* (2003) as well as the level of perceived brand localness on a measurement scale taken from Shieffer (2008). As a criterion for determining whether the brand is perceived as global or local, the simple logic is applied. The adverts containing a global statement should score high on the level of PBG and low on the level of PBL, and the adverts with the local statement should score high on the level of PBL and low on the level of PBG. Additionally, in each product category the global and local brand version should differ in the level of PBG as well as in the level of PBL.

As previously mentioned, the first analysis was carried out to determine the appropriate language for the global brand version. English and German versions of the global statement in the adverts are shown in Figure 3.1 and Figure 3.2.

Figure 3.1: PANDORA – English and German global statement in the advert



Figure 3.2: DONCAFE – English and German global statement in the adverts



For brand PANDORA, the level of PBG in the advert using English statement ($M_{\text{English}} = 5.12$, $SD = 1.36$) did not differ significantly from the level of PBG in the advert using German statement ($M_{\text{German}} = 5.15$, $SD = 1.42$), $t(18) = .04$, ns). The level of PBL in these two adverts ($M_{\text{English}} = 2.04$, $SD = .90$, $M_{\text{German}} = 1.96$, $SD = .94$) also did not differ significantly, $t(18) = -.19$, ns . For brand DONCAFE, English version of the advert did not differ significantly from German version in the level of PBG and PBL (PBG: $M_{\text{English}} = 5.00$, $SD = 1.34$, $M_{\text{German}} = 4.75$, $SD = 1.05$, $t(18) = -4.63$, ns ; PBL: $M_{\text{English}} = 1.70$, $SD = .59$, $M_{\text{German}} = 2.14$, $SD = .97$, $t(18) = 1.22$, ns). These results allowed a free choice in deciding which language to use for global statement. However, the marketing literature suggests that the global/local distinction was commonly associated with the use of foreign versus local language (Stritzhakova *et al.* 2008). Given that this research was conducted in Austria and that the English language is a foreign language in this country, it was decided to use the English language and statement “*All around the World*” in order to induce respondents’ global perception of the brand. German language and statement “*Exklusiv in Österreich*” were used to generate the respondents’ perception of the brand being local. As previously mentioned, the adverts with no statement were used as a control group. To sum up, three versions of a print advertisement in each product category were manipulated, resulting in a total of six print advertisements. Adverts in full resolution can be seen in Appendices I and II.

3.1.2. Manipulation Check I

In order to determine whether the language and statements manipulation was successful, a series of statistical tests were performed. I pre-tested each study stimuli separately to validate the global/local brand perception manipulation.

For all adverts versions of brand PANDORA the level of PBG and the level of PBL were compared. In order for our manipulation to be successful, significant differences should be observed. The level of PBG for global stimuli ($M_{\text{PBG}} = 5.12$, $SD = 1.36$) was significantly different than the level of PBL ($M_{\text{PBL}} = 1.98$, $SD = .84$), $t(9) = 7.50$, $p < .05$. For local stimuli the level of PBG ($M_{\text{PBG}} = 1.80$, $SD = .71$) was also significantly different from the level of PBL ($M_{\text{PBL}} = 4.44$, $SD = 2.02$), $t(9) = -4.26$, $p < .05$. However, for neutral (control) version of the advert, which did not include any

statement, significant differences were not observed ($M_{PBG} = 1.72$, $SD = .47$, $M_{PBL} = 1.64$, $SD = .36$, $t(9) = .59$, *ns*).

The same analysis was performed for brand DONCAFE and the results are as follows: for global stimuli the level of PBG ($M_{PBG} = 5.00$, $SD = 1.34$) was significantly different from the level of PBL ($M_{PBL} = 1.70$, $SD = .59$), $t(9) = 7.49$, $p < .05$; the significant difference was also observed for local stimuli ($M_{PBG} = 2.57$, $SD = .99$, $M_{PBL} = 5.36$, $SD = 1.01$, $t(9) = -5.24$, $p < .05$), but not for neutral stimuli ($M_{PBG} = 2.45$, $SD = .77$, $M_{PBL} = 2.06$, $SD = 1.07$, $t(9) = 1.11$, *ns*).

These results suggested that the respondents' perception of brand globalness/localness for global and local versions of the adverts were in line with the intended manipulation. Specifically, in both product categories the adverts with the statement "*All around the World*" are perceived as representing the global brand, and the adverts with the statement "*Exklusiv in Österreich*" are recognized as representing the local brand.

With the purpose of confirming the previously obtained results, an analysis of variance (ANOVA) was performed in order to determine the existence of differences in the brand globalness/localness between three adverts in each product category separately. For brand PANDORA global, local and neutral adverts were compared on the level of PBG and PBL and the differences were found to be statistically significant for both variables ($F_{PBG(2, 27)} = 43.43$, $p < .05$; $F_{PBL(2, 27)} = 14.19$, $p < .05$). Tukey's HSD *post-hoc* test revealed that the global stimuli had significantly higher score on PBG compared to local and neutral version ($p < .05$), but the differences between local and neutral advert were not statistically significant ($p = .98$). The level of PBL was significantly higher for local stimuli compared to global and neutral ($p < .05$), but no statistically significant differences were found between global and control adverts ($p = .82$). For brand DONCAFE three adverts were compared on the level of PBG and the difference was found to be statistically significant ($F_{PBG(2, 27)} = 18.30$, $p < .05$). Tukey's HSD *post-hoc* test revealed that the level of PBG was significantly higher for global stimuli compared to both local and neutral ($p < .05$). There was no statistically significant difference in the level of PBG between local and neutral stimuli ($p = .96$). Regarding the differences in the level of PBL, they were found to be statistically significant ($F_{PBL(2, 27)} = 47.83$, $p < .05$) while the local stimuli scored significantly higher in the level of PBL compared to

both global and neutral stimuli ($p < .05$). There was no statistically significant difference between global and neutral adverts on the level of PBL.

Given that the respondents' perceptions of brand globalness/localness of the advertised brands are significantly different, we could conclude that the planned manipulation was successful and that the advertised brands are perceived as representing global and local brands. Nevertheless, the sample for pre-study included 40 students (N was reduced to 30 after elimination of German global statement), which left us hoping that these observed differences would still hold and improve in a larger sample. In the main analysis, the same procedures were undertaken to assess respondents' perception of stimuli as representing global and local brands.

3.1.3. Data Collection and Sample

The software package SoSci Survey was utilized to create online questionnaires. The link for the survey was e-mailed to students-acquaintances, who were asked to forward the link to their friends. Therefore, a snowball sampling approach was used. The questionnaire was composed of several segments. Prior to completing the questionnaire, respondents were informed that the survey was conducted for scientific purpose, namely master thesis. They were also assured that their responses would be kept confidential. In the first part of the questionnaire, respondents were shown one version of the advert of fictitious brand, which randomly appeared when accessing the link of the survey. Following the page with the advert, a new page appeared where respondents were asked to evaluate the advertised brand on several brand related attributes (brand quality, brand trust, brand prestige), including respondents' purchase intention. In the second part of the questionnaire respondents were asked to rate the advertised brand on a number of features concerning their perception of brand globalness and localness. In the third part of the questionnaire respondents were asked to indicate to which extent they agree or disagree with the statements on the subject of ethnocentrism, cosmopolitanism, global and local identity. Lastly, personal information on important demographic characteristics was collected so that the survey sample could be accurately described. The survey was conducted in German language.

The data were collected through an online survey of 240 respondents, over a 3 month period with occasional extending of its availability on the Internet in order to increase the sample size. The response rate remained within reasonable limits. However, due to the large number of incomplete questionnaires this number was reduced. 223 questionnaires were filled completely, but after an initial inspection of collected data more than a few cases of inadequate variation in responses were noted. This led to the elimination of such questionnaires and the final sample consisted of 200 usable questionnaires.

Gender distribution of respondents was relatively equal, while the majority of respondents belonged to the age group of 25 to 34 years. The majority of respondents reported to have completed a certain type of higher education. Regarding nationality, Austrians made up more than 90 per cent of the sample. All other respondents, even though not of Austrian nationality, reported that they have lived in Austria for several years. Under the assumption that these respondents have familiarized with Austrian culture and tradition, their responses are also included in the analysis. The following table shows detailed demographic profile of the respondents.

Table 3.3: Demographic Profile of Respondents

Gender	%	Age	%	Education	%	Net Income (€)	%	Nationality	%
Female	56	18-24 y.	32	Compulsory education	0	<650	58	Austrian	90.5
Male	44	25-34 y.	62.5	Vocational high school	3.5	650-1349	17	Other	9.5
		35-44 y.	5	High school	20	1350-1899	17.5		
		45-54 y.	0	University	76	1900-2500	6,5		
		>55 y.	0.5	Other	0.5	>2500	1		

3.1.4. Measures and Reliability Analysis

All of the constructs in the study employ measures based on scales already used in the literature. The full list of the scale items for each construct and their sources is shown in the tables below (Table 3.4. and Table 3.5). First table contains constructs that measure brand related factors and the second table includes constructs that measure consumers related factors. All constructs are measured on a 7-point Likert type scale ranging from 1-strongly disagree to 7-strongly agree, apart from two constructs, perceived brand globalness and perceived brand quality, measured on a 7-point bipolar scale.

Table 3.4: Measurement Scales of brand related factors

Construct	Measurements Items	Source
Brand Quality	low quality/high quality inferior/superior bad/good worse than most brands/better than most brands negativ/positive	Keller and Aaker (1992); Taylor and Bearden (2002); Kummar (2005a, 2005b)
Brand Trust	I trust this brand. I rely on this brand. This is an honest brand. This brand is safe.	Chaudhuri & Holbrook (2001)
Brand Prestige	This brand is very prestigious. This brand has high status. This brand is very upscale.	Beak, Kim and Yu (2010)
Purchase Intention	The likelihood that I purchase this brand is very high. The probability that I consider buying this brand is very high. I am willing to buy this brand.	Dodds, Monroe and Grewal (1991)
Perceived Brand Globalness	To me this is a global brand/To me this is a local brand (rc) I don't think consumers overseas buy this brand/I think consumers overseas buy this brand. This brand is sold in only in Austria/This brand is sold all over the world	Steenkamp, Batra and Alden (2003)
Perceived Brand Localness	The brand is a constant part of the Austrian culture. For me this is a local brand. I associate this brand with Austria. This brand is of our (the Austrian) culture. A "typical" Austrian buys this brand.	Schiefer (2008)

Table 3.5: Measurement Scales of consumers related factors

Construct	Measurements Items	Source
Cosmopolitanism	When traveling, I make a conscious effort to get in touch with the local culture and traditions. I like having the opportunity to meet people from many different countries. I like to have contact with people from different cultures. I have got a real interest in other countries. Having access to products coming from many different countries is valuable for me. The availability of foreign products in the domestic market provides valuable diversity. I enjoy being offered a wide range of products coming from various countries. Always buying the same local products becomes boring over time. I like watching movies from different countries. I like listening to music of other cultures. I like trying original dishes from other countries, I like trying out things that are consumed elsewhere in the world.	Riefler, Diamantopoulos and Siguaw (2012)
Consumer Ethnocentrism	It may cost me more, but I prefer to buy Austrian products. It is not right to purchase foreign products, because it puts Austrians out of jobs. A real Austrian should always buy Austrian products. We should purchase products manufactured in Austria instead of letting other countries get rich off us. Austrian people should not buy foreign products, because this hurts Austrian business and causes unemployment.	Vergleh (2007)
Global Identity	My heart mostly belongs to the whole world. I believe people should be more aware of how connected we are to the rest of the world. I identify that I am a global citizen. I care about knowing global events.	Tu, Khare and Zhang (2012)
Local Identity	My heart mostly belongs to my local community. I respect my local tradition. I identify that I am a local citizen. I care about knowing local events.	

When using Likert-type scales, as we did in this research, it is compulsory to calculate the reliability of the scales. Coefficient alpha (Cronbach, 1951) is certainly the most important and the widely used statistics for testing internal consistency of scales. Specifically, Chronbach's alpha seeks to measure how closely items in the scale relate to one another, measuring thus the same construct. Values for this coefficient can range from 0 to 1; when scale items are closely related to each other, Chronbach's alpha will be closer to 1, and when scale items are not closely related to one another, Chronbach's alpha will be closer to 0.

After transforming the reversely coded items of certain scales, reliability analysis was conducted. Overall, all values of Cronbach's alpha were within an acceptable level, moreover - all scales yielded Cronbach's alpha values above .8. These results assured the internal consistency of the scales used.

Table 3.6: Scale Reliability

Scale	N of items	Cronbach's alpha (α)
Perceived Brand Globalness	3	0.959
Perceived Brand Localness	5	0.970
Brand Quality	5	0.907
Brand Prestige	3	0.943
Brand Trust	3	0.940
Purchase Intention	3	0.957
Global Identity	4	0.853
Local Identity	4	0.821
Consumers Ethnocentrism	5	0.875
Cosmopolitanism	12	0.873

3.2. Study Results

In this section the results of the main analysis are presented and interpreted in the context of the research questions.

3.2.1. Manipulation Check II

In order to assess whether the stimuli used in this research are perceived as representing global and local brands, we measured the levels of PBG and PBL for all six advertisements. Using one-way analysis of variance we concluded that the adverts are perceived as representing global and local brands, i.e., the statements used in the adverts implied the perception of brands being global or local. As a control for this measurement, for both product categories we used advert in which no slogan was presented. The results of one-way ANOVA are presented in the tables below.

Table 3.7: PBG/PBL Comparison between Adverts (PANDORA)

		Global	Local	Control	F
PBG	M	6.28	2.33	4.04	91.312*
	SD	.84	1.58	.90	
PBL	M	1.74	3.93	2.41	19.34*
	SD	.59	2.27	.97	

$p < .05$. for Global (N=32); for Local (N=36); for Control (N=34)

Table 3.8: PBG/PBL Comparison between Adverts (DONCAFE)

		Global	Local	Control	F
PBG	M	5.99	1.63	3.91	215.9*
	SD	.99	.83	.68	
PBL	M	1.58	4.25	1.66	39.24*
	SD	.63	2.22	.68	

$p < .05$. for Global (N=35); for Local (N=31); for Control (N=32)

The results show a significant difference in the level of PBG as well as PBL between three adverts for both product categories. Post hoc comparisons using the Tukey's HSD

post hoc test indicate that the mean score for PBG of global version of the advertisement is higher than the mean score of local version of the advertisement for both product categories. The same applies for the level of PBL of global and local version of the advertisements, where there is a significant difference in the mean scores. Short overview of these significant differences is given in the Table 3.9.

Table 3.9: Overview of Tukey HSD test results DONCAFE and PANDORA

Brand		G vs. L	G vs. C	L vs. C
DONCAFE	PBG	>	>	<
	PBL	<	=	>
PANDORA	PBG	>	>	<
	PBL	<	=	>

In addition to separate analysis for each brand, the one-way ANOVA for both brands jointly was also conducted and the results are confirmatory of our assumption that the respondents perceived the adverts in appropriate way. The results of joint analysis are presented in Figure 3.3 and Figure 3.4 The F value in both tests yielded significant values ($F_{\text{PBG}(2,197)} = 252.53, p < .05$; $F_{\text{PBL}(2,197)} = 54.18, p < .05$). Hence, the advertised brands which included the statement “*All around the World*” are perceived to be global, while the advertised brands with the statement “*Exklusive in Österreich*” are perceived as local brands. This enabled us to continue the analysis with both product categories and not separately.

Table 3.10: Total number of cases

BRAND	DONCAFE	PANDORA	TOTAL
Global Brand	35	32	67
Local Brand	31	36	67
Neutral Brand	32	34	66
TOTAL	98	102	200

Figure 3.3: Tukey HSD *post hoc* – Perceived Brand Globalness

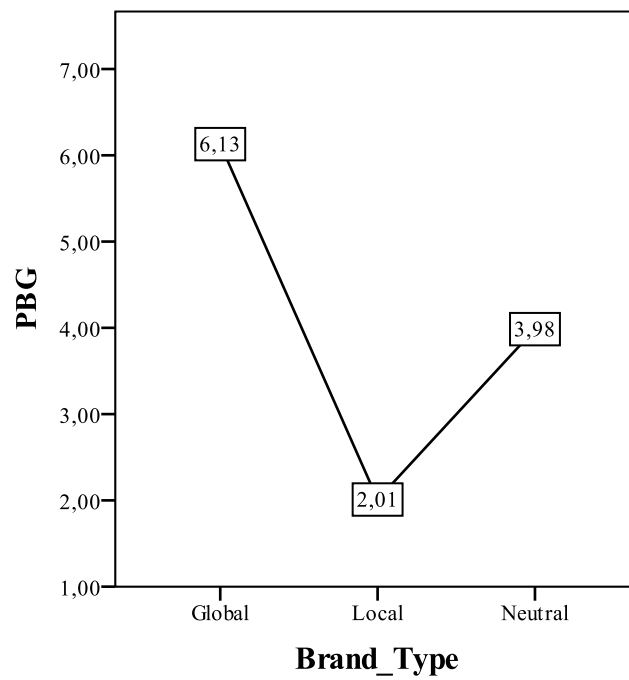
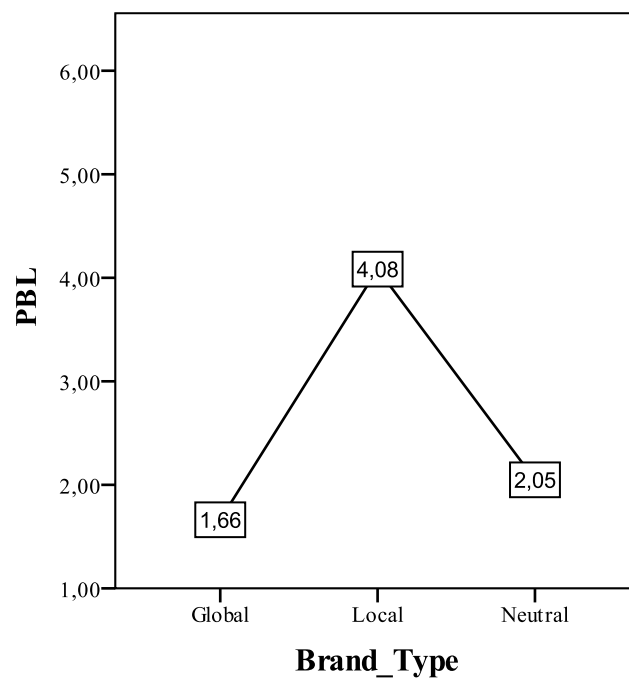


Figure 3.4: Tukey HSD *post hoc* – Perceived Brand Localness



Note: All pair comparisons were significant ($p < .05$) except one (PBL: $M_{\text{global}} = 1.66$ vs. $M_{\text{neutral}} = 2.05$; *ns*).

3.2.2. Hypothesis Testing I

In order to investigate the effects of brand type on consumers' brand evaluation, I ran several one-way ANOVA using data from the survey. The aim of these analyses is to test the effects of perceived brand globalness/localness *per se* on other brand attributes not taking into account consumers' characteristics. The analysis for each dependent variable was performed using Generalized Linear Model (GLM) procedure. This analysis also tells us whether there are significant differences in the mean scores on the evaluation of brand related factors between three brand types. Levene's test for homogeneity of variances in each analysis showed the significance value greater than .05, thus indicating that the assumption of homogeneity of variance has been met (See Appendix III).

Table 3.11: ANOVA analysis – Brand Quality

Dependent Variable: Brand Quality						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	18,271 ^a	2	9,135	9,498	,000	,088
Intercept	4727,294	1	4727,294	4915,169	,000	,961
Brand_Type	18,271	2	9,135	9,498	,000	,088
Error	189,470	197	,962			
Total	4939,440	200				
Corrected Total	207,741	199				

a. R Squared = ,088 (Adjusted R Squared = ,079)

Table 3.12: ANOVA analysis – Brand Trust

Dependent Variable: Brand Trust						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	59,343 ^a	2	29,672	26,172	,000	,210
Intercept	3494,918	1	3494,918	3082,719	,000	,940
Brand_Type	59,343	2	29,672	26,172	,000	,210
Error	223,341	197	1,134			
Total	3783,438	200				
Corrected Total	282,685	199				

a. R Squared = ,210 (Adjusted R Squared = ,202)

Table 3.13: ANOVA analysis – Brand Prestige

Dependent Variable: Brand Prestige						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	94,515 ^a	2	47,257	29,963	,000	,233
Intercept	3326,905	1	3326,905	2109,386	,000	,915
Brand_Type	94,515	2	47,257	29,963	,000	,233
Error	310,707	197	1,577			
Total	3737,222	200				
Corrected Total	405,222	199				

a. R Squared = ,233 (Adjusted R Squared = ,225)

Table 3.14: ANOVA analysis – Purchase Intention

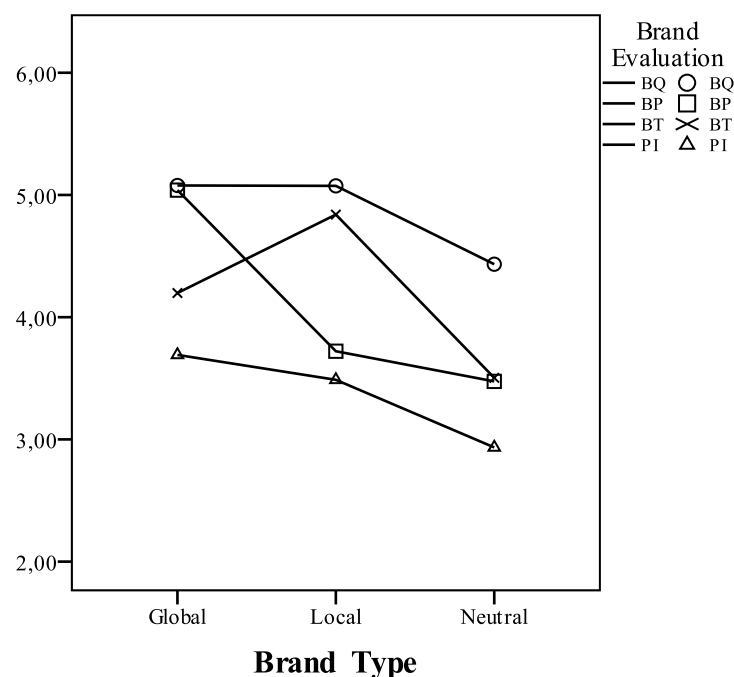
Dependent Variable: Purchase Intention						
Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	20,377 ^a	2	10,189	4,454	,013	,043
Intercept	2272,815	1	2272,815	993,584	,000	,835
Brand_Type	20,377	2	10,189	4,454	,013	,043
Error	450,636	197	2,287			
Total	2746,889	200				
Corrected Total	471,013	199				

a. R Squared = ,043 (Adjusted R Squared = ,034)

ANOVA results suggest that consumers' perception of a brand being global, local or neutral has a significant effect on consumers' evaluation of other brand attributes as presented in Tables 3.11, 3.12, 3.13 and 3.14. The *F* value in each ANOVA was statistically significant ($p < .05$). Partial Eta Squared is used to determine the effect size (because we have one independent variable partial eta squared is equal to eta squared). Despite the fact that the results are significant, the models show small to medium size effects. Brand type accounts for only 4.3 % of the variance in purchase intention, 8.8 % of the variance in brand quality, 21 % of the variance in brand trust and 23.3 % of the variance in brand prestige.

Tukey's HSP *post hoc* tests identified the following significant differences: the perceived quality of global brand ($M = 5.07$, $SD = 1.00$) and local brand ($M = 5.07$, $SD = .95$) was statistically significantly higher than the perceived quality of neutral brand ($M = 4.43$, $SD = .97$), but no significant differences existed in the level of perceived quality between global and local brand; the level of brand trust was significantly different for all three types of brand, where local brand is perceived as more trustworthy ($M = 4.83$, $SD = .92$) than both global ($M = 4.19$, $SD = 1.13$) and neutral brand ($M = 3.50$, $SD = 1.12$). Also, the level of trust for global brand was significantly higher than the level of trust for neutral brand; perception of brand prestige for global brand ($M = 5.03$, $SD = 1.23$) was significantly higher than for local ($M = 3.72$, $SD = 1.30$) and neutral brand ($M = 3.47$, $SD = 1.22$), but no significant difference was found in the level of brand prestige between local and neutral brand. The level of purchase intention for global ($M = 3.69$, $SD = 1.55$) and local brand ($M = 3.48$, $SD = 1.46$) was significantly higher than for neutral brand ($M = 2.93$, $SD = 1.51$), but no statistically significant differences in purchase intention were found between global and local brand. Geographical representation of the obtained results is given in Figure 3.5.

Figure 3.5: Mean Brand Evaluations



Overall, these results suggest that the brand type, based on consumers' perception of brand globalness and localness, does have an effect on how consumers evaluate those brands. Ability to identify one brand as global influences consumers' perception that such brand is more prestigious compared to the brand that is identified as local. On the other hand, being able to identify one brand as local influences consumers' perception that such brand is trustworthy compared to global brands. All things considered, consumers' perception of brand being global or local will have an effect on their evaluation of such brands compared to the situation where they are unable to assign globalness or localness to a brand. Therefore, the consumers' perception of brand type influences their brand evaluation. However, the superiority of global brand over local brand is only partially supported in this analysis. The superiority of global brand is reflected in the perception of brand prestige only.

3.2.3. Hypothesis testing II

In order to test moderating effects of consumers' characteristics on brand evaluation, the classification of respondents was performed first. The average of the scales used to measure consumer characteristics were used to represent respondents' degree of ethnocentrism, cosmopolitanism, global and local identity. The respondents were classified as being high-ethnocentric consumers or low-ethnocentric consumers based on a median split of 2.20. As a result 90 respondents were classified as being high-ethnocentric while 110 were listed as low-ethnocentric consumers. The same procedure was applied for classifying respondents as being high and low on other consumers' characteristics. As a result 95 respondents were classified as being high-cosmopolitan while 105 were classified as low-cosmopolitan consumers (median split 6.16). Regarding global identity of consumers, 99 respondents had high global identity and 101 had low global identity (median split 5.50). Based on a median split of local identity scale (5.25), 96 respondents had high level of local identity while 104 were listed as having low level local identity. Therefore, categorical variables were generated.

When the moderator is a categorical variable, as it is in this case, the appropriate statistical technique for moderation analysis is factorial ANOVA, and the moderation effect is presented by a significant interaction effect (Baron and Kenny 1986). An interaction effect is present when the effect of one independent variable on the

dependent variable is reliant on the value (level) of some other independent variable. In other words, the test of an interaction focuses on the question of whether or not the effect of one factor is the same for each level of the other factor. Therefore, it is necessary to specify a focal and a moderator independent variable. The focal independent variable is the variable whose effect on the dependent variable is thought to be moderated by some other independent variable. On the other hand, the moderator variable is a variable that has a potential impact on the effects of the focal independent variable. In this study, the focal independent variable is brand type, which has three levels – global, local and neutral, while the moderator variables are consumers' characteristics – ethnocentrism, cosmopolitanism, global and local identity, each having two levels (high and low).

Several 3 x 2 factorial analyses of variance were conducted (three types of brand: global, local and neutral; and two levels of consumers' characteristics: high- and low-ethnocentrism, high- and low-cosmopolitanism; high-and low-global identity; high-and low-local identity). Factorial ANOVAs were conducted for each moderator separately, and for each dependent variable separately. The assumptions of ANOVA were met in all analyses.

The results of these analyses are presented graphically (Figures 3.5; 3.6; 3.7 and 3.8) as well as in tables (Tables 3.15; 3.16; 3.17 and 3.18).

Figure 3.6: The moderation effect of Ethnocentrism

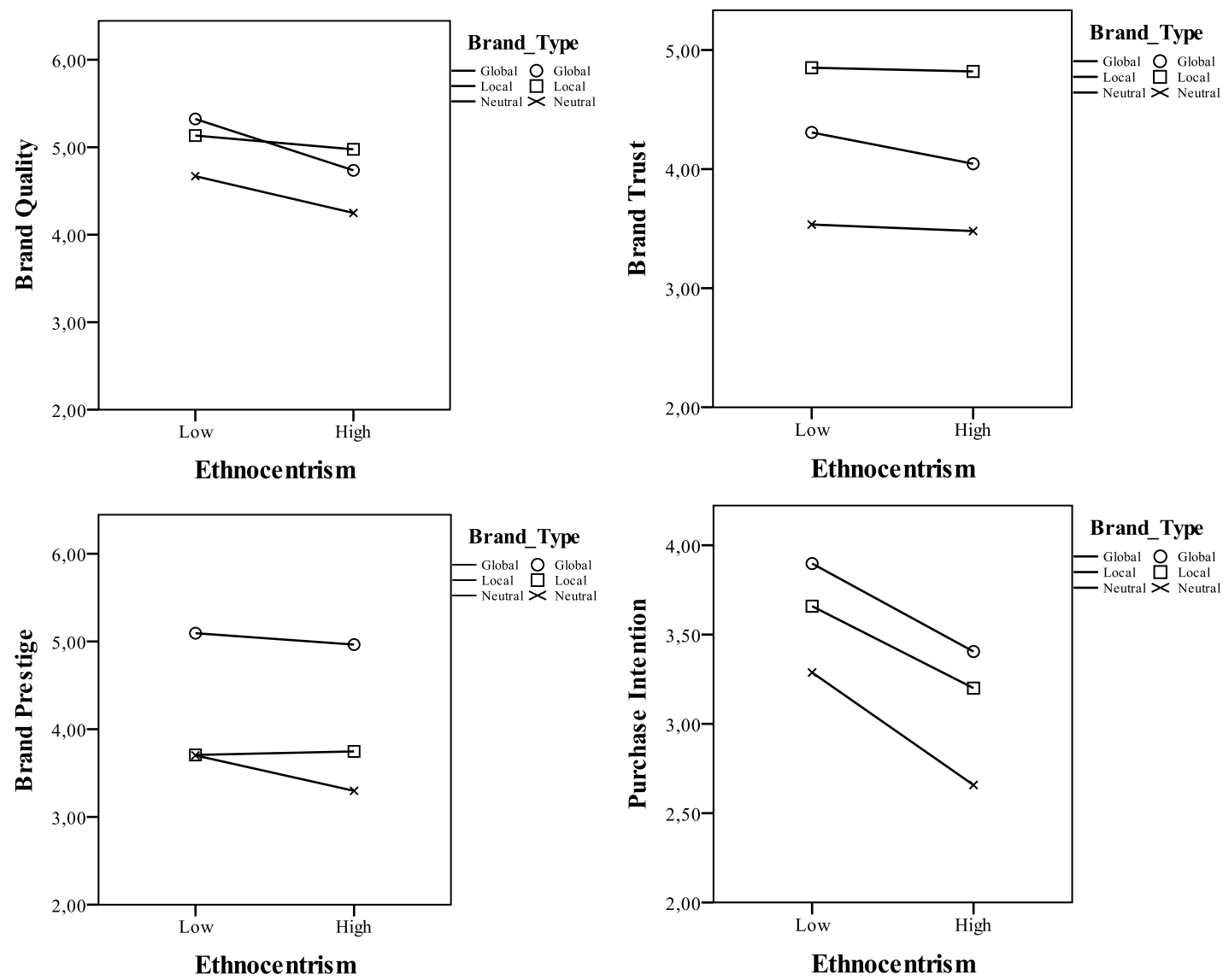


Figure 3.7: The moderation effect of Cosmopolitanism

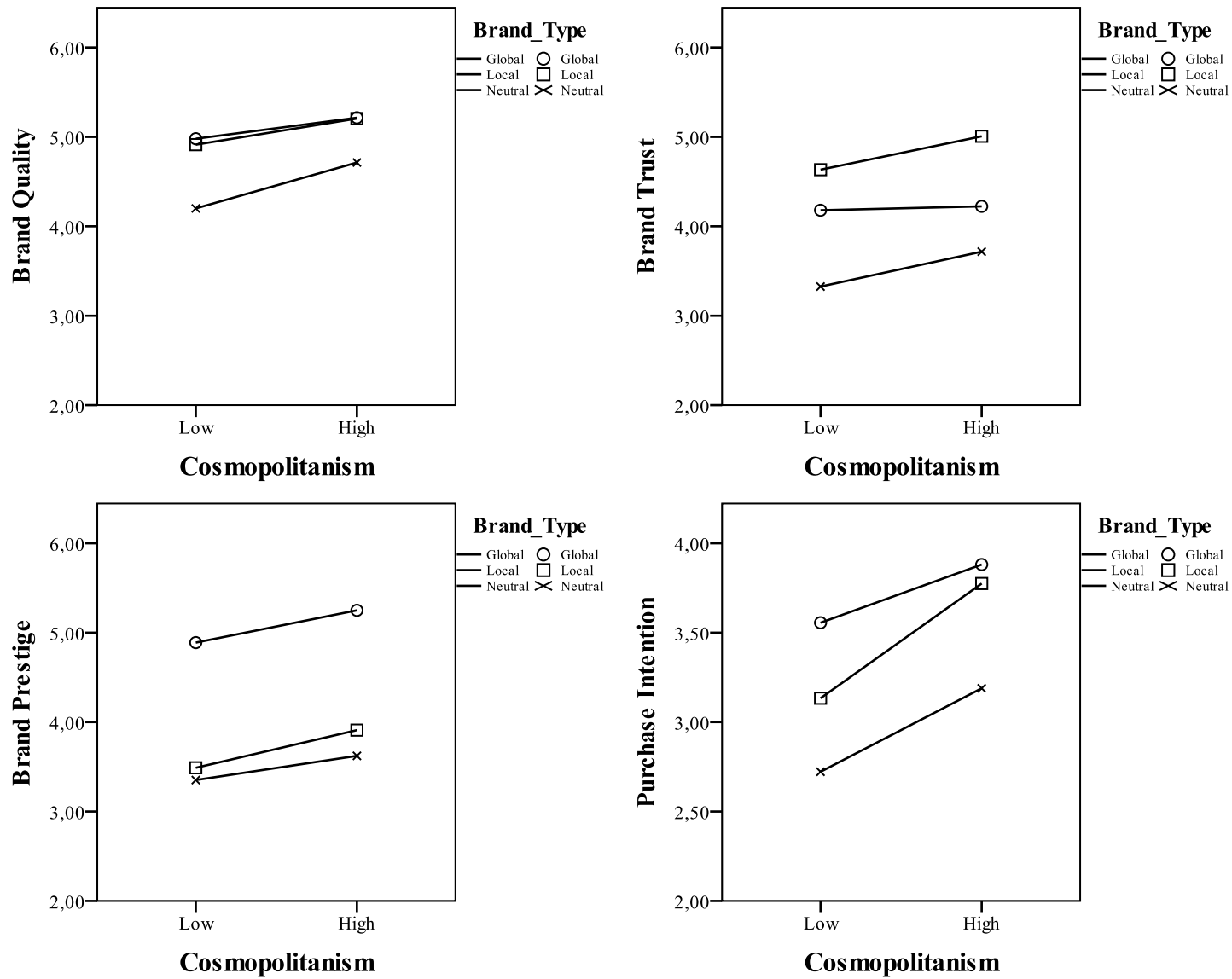


Figure 3.8: The moderation effect of Global Identity

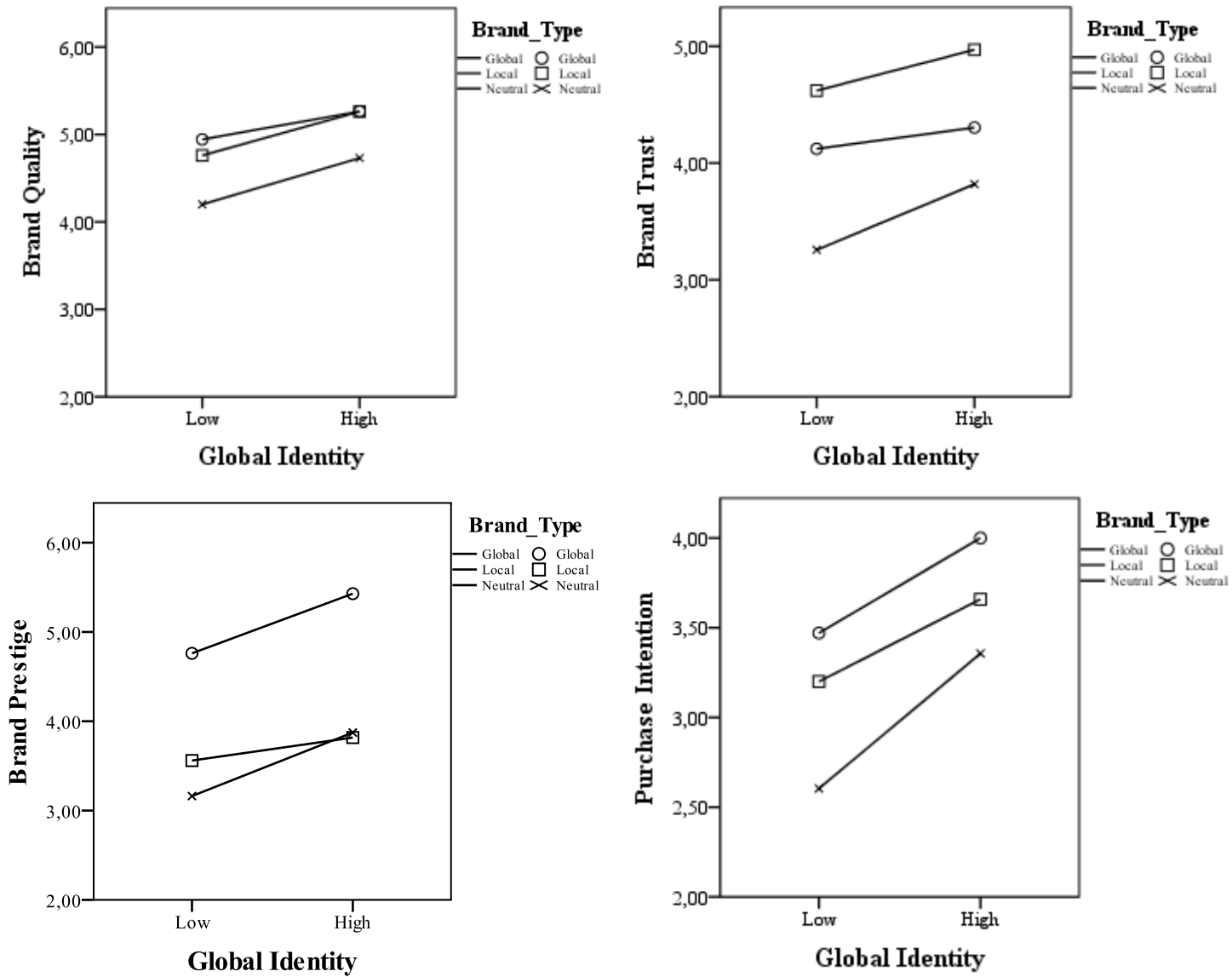
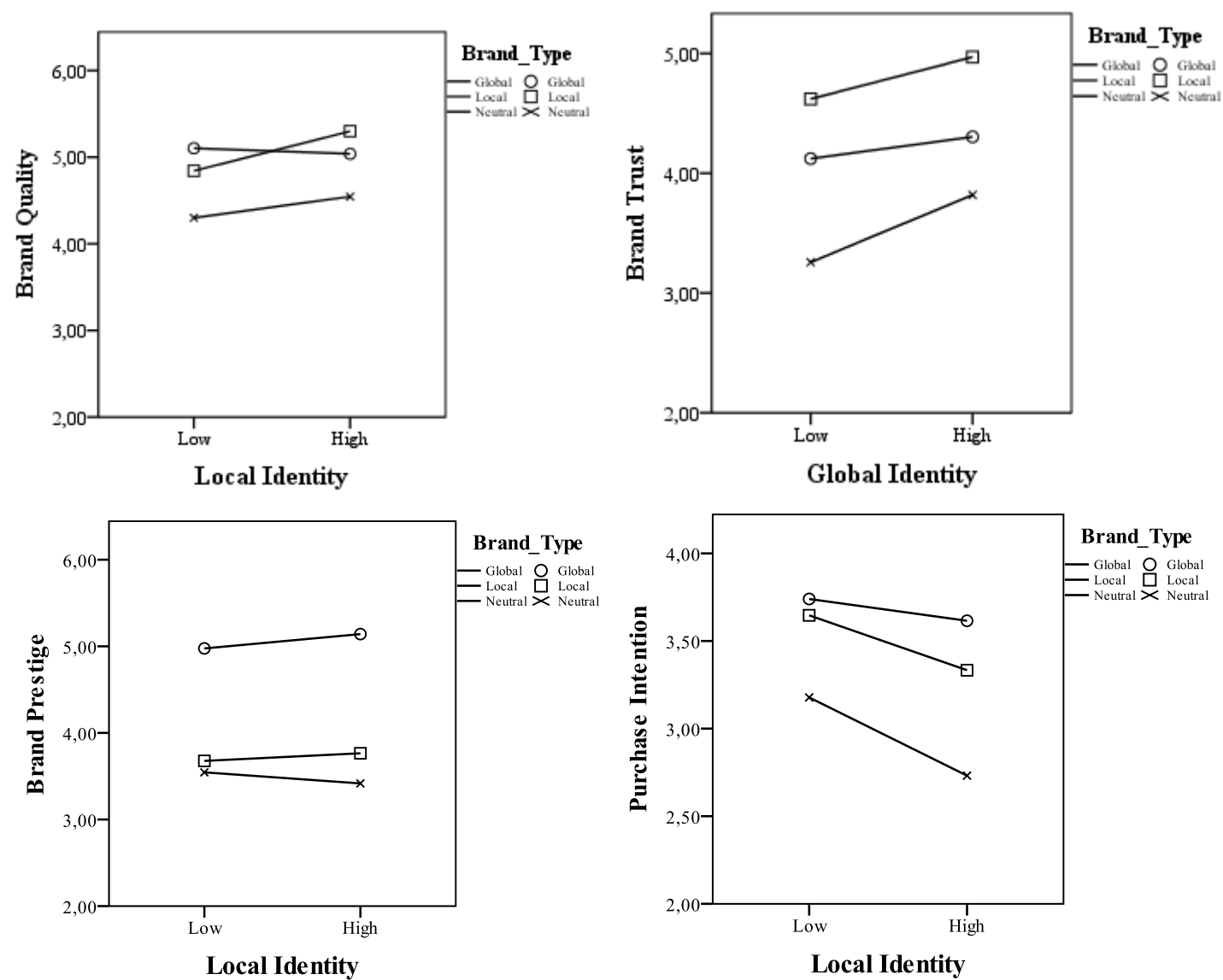


Figure 3.9: The moderation effect of Local Identity



It is a general assumption that the significant interaction is shown up by non parallel lines on an interaction graph. By examining the graphs above, it can be seen that lines are not parallel, which might be an indicator that the interaction is significant and, therefore, moderation effect of consumers' attributes might exist. However, according to Field (2009) non-parallel lines do not automatically mean that the interaction is significant - it depends on the degree to which the lines are not parallel. Furthermore, if the lines on an interaction graph cross, the significant interaction may exist. Several graphs above show crossed lines, which again may be an indication that the moderation effect of consumers' characteristics is present. Nevertheless, contrary to common belief, it isn't always the case that if the lines on an interaction graph cross then the interaction is significant (Field 2009). Therefore, in order to confirm the moderation effects suggested by the interaction graphs, it is necessary to look at F values of interaction terms in each analysis. Tables below show the results of factorial ANOVAs.

Table 3.15: Factorial ANOVA – Ethnocentrism

Source	df	Mean Square	F	partial η^2
<i>Brand Quality</i>				
Main Effects				
Brand Type (TYPE)	2	7.34	7.88*	0.075
Ethnocentrism (CET)	1	7.27	7.81*	0.039
Interaction TYPE $\times$ CET	2	0.75	0.80	0.008
<i>Brand Prestige</i>				
Main Effects				
Brand Type (TYPE)	2	44.24	27.88*	0.223
Ethnocentrism (CET)	1	1.30	0.82	0.004
Interaction TYPE $\times$ CET	2	0.80	0.51	0.005
<i>Brand Trust</i>				
Main Effects				
Brand Type (TYPE)	2	28.17	24.60*	0.202
Ethnocentrism (CET)	1	0.65	0.57	0.003
Interaction TYPE $\times$ CET	2	0.26	0.23	0.002
<i>Purchase Intention</i>				
Main Effects				
Brand Type (TYPE)	2	7.78	3.46*	0.034
Ethnocentrism (CET)	1	13.39	5.95*	0.030
Interaction TYPE $\times$ CET	2	0.13	0.06	0.001

* $p < 0.05$

The results for the ANOVA indicated a significant effect for brand type for each four dependent variables ($p < 0.05$), but non-significant interaction between brand type and consumer ethnocentrism ($p > 0.05$). This means that the consumer ethnocentrism does not moderate the relationship between brand type and brand evaluation and the hypothesis H₂ is not supported. Had the interaction been significant, the simple main effects model would have been examined; that is, the differences among brand type for high and low ethnocentric consumers would have been considered separately.

Table 3.16: Factorial ANOVA - Cosmopolitanism

Source	df	Mean Square	<i>F</i>	partial η^2
<i>Brand Quality</i>				
Main Effects				
Brand Type (TYPE)	2	8.46	8.97*	0.085
Cosmopolitanism (COS)	1	5.92	6.28*	0.031
Interaction TYPE x COS	2	0.35	0.37	0.004
<i>Brand Prestige</i>				
Main Effects				
Brand Type (TYPE)	2	48.22	30.73*	0.241
Cosmopolitanism (COS)	1	6.06	3.86	0.020
Interaction TYPE x COS	2	0.09	0.06	0.001
<i>Brand Trust</i>				
Main Effects				
Brand Type (TYPE)	2	27.77	24.66*	0.203
Cosmopolitanism (COS)	1	3.56	3.16	0.016
Interaction TYPE x COS	2	0.62	0.55	0.006
<i>Purchase Intention</i>				
Main Effects				
Brand Type (TYPE)	2	9.81	4.34*	0.043
Cosmopolitanism (COS)	1	11.24	4.97*	0.025
Interaction TYPE x COS	2	0.41	0.18	0.002

* $p < 0.05$

Moderation effects of consumer cosmopolitanism are not obtained in this test. Interaction between brand type and cosmopolitanism is not statistically significant ($p > 0.05$), but the main effect of the focal independent variable – brand type is statistically

significant suggesting that brand evaluation depends on consumer perception of a brand being global, local or neutral. Statistically non-significant interaction term for all four dependent variables imply that the effect of brand type on consumer brand evaluation is same for all consumers regardless of their belongingness to low or high cosmopolitan groups. Therefore, moderation effect of consumer cosmopolitanism is not substantiated in this study and H₃ is not supported.

Table 3.17: Factorial ANOVA – Global Identity

Source	df	Mean Square	<i>F</i>	partial η^2
<i>Brand Quality</i>				
Main Effects				
Brand Type (TYPE)	2	7.71	8.35*	0.079
Global Identity (GI)	1	9.81	10.62*	0.052
Interaction TYPE x GI	2	0.21	0.23	0.002
<i>Brand Prestige</i>				
Main Effects				
Brand Type (TYPE)	2	48.56	32.03*	0.248
Global Identity (GI)	1	14.35	9.46*	0.047
Interaction TYPE x GI	2	0.99	0.66	0.007
<i>Brand Trust</i>				
Main Effects				
Brand Type (TYPE)	2	25.29	22.75*	0.19
Global Identity (GI)	1	6.41	5.77*	0.029
Interaction TYPE x GI	2	0.59	0.53	0.005
<i>Purchase Intention</i>				
Main Effects				
Brand Type (TYPE)	2	9.39	4.20*	0.042
Global Identity (GI)	1	16.24	7.27*	0.036
Interaction TYPE x GI	2	0.39	0.17	0.002

* $p < 0.05$

Graphs representing interaction effect between brand type and global identity do not show lines which cross, which might suggest that there is no significant interaction. Additionally, the lines are not perfectly parallel to lead to immediate conclusion that the moderation effect of global identity is absent. As mentioned above, the degree to which

the lines are not parallel will determine the significance of interaction effect. Factorial ANOVA resulted in non-significant interaction term ($p > 0.05$), but significant main effects of brand type and global identity ($p < 0.05$). Non-significant interaction term means that consumers who have low global identity evaluate global, local and neutral brands in the same manner as consumers who express high global identity. Therefore, the hypothesis H₄ on moderating effects of consumers' global identity is not supported.

Table3.18: Factorial ANOVA – Local Identity

Source	df	Mean Square	F	partial η^2
<i>Brand Quality</i>				
Main Effects				
Brand Type (TYPE)	2	9.17	9.62*	0.090
Local Identity (LI)	1	2.22	2.32	0.012
Interaction TYPE x GI	2	1.12	1.17	0.012
<i>Brand Prestige</i>				
Main Effects				
Brand Type (TYPE)	2	46.53	29.13*	0.231
Local Identity (LI)	1	0.08	0.05	0.000
Interaction TYPE x GI	2	0.37	0.23	0.002
<i>Brand Trust</i>				
Main Effects				
Brand Type (TYPE)	2	29.69	26.03*	0.212
Local Identity (LI)	1	1.50	1.58	0.008
Interaction TYPE x GI	2	0.12	0.10	0.001
<i>Purchase Intention</i>				
Main Effects				
Brand Type (TYPE)	2	9.14	3.98*	0.039
Local Identity (LI)	1	4.25	1.85	0.009
Interaction TYPE x GI	2	0.42	0.18	0.002

* $p < 0.05$

Interaction graphs presenting interaction effect between consumers' local identity and brand type show almost parallel lines, which again might imply that the moderation effect of local identity does not exist. Only the first graph in this group of graphs shows crossed lines (graph brand quality) which suggest the interaction between brand type

and consumer local identity might be significant. However, F value of the interaction term for all four dependent variables is not statistically significant ($p > 0.05$), indicating that the effect of brand type on consumer brand evaluation is not conditional on the level of consumer local identity. Hence, the hypothesis H_5 is not supported in this study.

Overall, the results of factorial ANOVAs showed that the interaction effects were not statistically significant which means that we do not have enough evidence to conclude that the effect of consumers' characteristics on each dependent variable is different between three types of brand. In fact, all analyses of variance yielded statistically insignificant interaction effect between independent variable (brand type) and each level of the consumers' related variables. This suggested that the effect of brand type is not dependent on the level of any consumer's attribute, i.e., the effect of consumers' perception of a brand being global, local or neutral on evaluation of brand attributes does not depend on the consumers' characteristics. Therefore, moderating role of consumer ethnocentrism, cosmopolitanism, global and local identity is not confirmed in this research. All hypotheses of the moderating effects of consumers' characteristics are rejected.

4. CONCLUSION

4.1. Discussion and Contribution

This study was conducted to examine the effects of consumers' perception of brand globalness/localness on brand evaluation measured in terms of quality, prestige, trust and purchase intention. Considering brand equity is an important factor that influences consumer responses, this study developed fictitious brands as the evaluating targets to avoid the brand equity effects of established brands. The results revealed that the perceptions of brand globalness/localness do influence consumer evaluation of brand related factors, which was indicated by statistically significant F values in ANOVA analyses. Therefore, how consumers perceive brand in terms of its globalness/localness will be reflected in the evaluation of a brand. Results from the manipulation check showed that consumers could categorize brands into global and local brands based on geographical distribution or market coverage of the brand. The findings revealed that the perception of global brands results in more favorable brand evaluation only in terms of brand prestige. This association of global brands with brand prestige is consistent with findings of other researchers (Dimofte *et al.* 2008; Johansson and Ronkainen 2005; Özsomer and Altaras 2008; Steenkamp *et al.* 2003). On the other side, the perception of the local brand lead to more favorable brand evaluation in terms of brand trust, which is in line with Schuiling and Kapferer (2004). The lack of significant differences in brand evaluation measured in terms of brand quality and purchase intention between global and local brands supports findings from previous studies (Schuiling and Kapferer 2004).

These findings could be explained by the concept of global and local brand paradoxes (Fuchs and Diamantopoulos 2011) where consumers have both positive and negative associations with global and local brands. The investigation of the superiority of the global brand has denied this conventional belief. Global brands are not necessarily "better" than local brands

Additionally, researchers have argued that consumer' characteristics such as ethnocentrism, cosmopolitanism, global and local identity would impact consumers' preferences for global and local brands, but this study did not find enough evidence to conclude that the effects of consumers' characteristics on brand evaluation are different for global and local brands. The low level of consumer ethnocentrism illustrates that the

globalization is accepted in Austria, especially among students who do not see global brands as threats to home country. High level of cosmopolitanism and global identity additionally proves that the globalization is accepted, but consumer consumption is not reflected in exclusively accepting global brands. On the other hand, high levels of local and global identity among Austrian consumers prove that consumers can feel connected to local and global community simultaneously, without a significant impact on their consumption patterns. Therefore, consumers' attributes employed in this study do not represent good criteria for consumer segmentation.

Does brand globalness really matter? This question should be answered with caution. Results revealed that high PBG (global brand) as well as low PBG (local brand) impact consumer brand evaluation. Consumers' ability to categorize brand as global (high PBG) or local (low PBG) will lead to higher brand evaluation compared to the situation when consumers are not able to assign globalness/localness to a brand.

This study provides more insight into global/local brand literature. It points out that the concept of global/local brand dichotomy can be approached from several aspects. One of those aspects is the consumer perspective of global/local brands. Previous studies were conducted by combining producer and consumer perception into the concept of global/local brand. This study deals specifically with the concept of global and local brand in terms of brand global and local availability, respectively and points out that such conceptualization of brand globalness/localness is possible.

In addition, this study contributes to a greater managerial understanding of consumers' preferences for global vs. local brands. As the results showed, global brands are not necessarily superior to local brands. Therefore, brand managers are cautioned when deciding to alternate their portfolios in favor of global brands. If they opt for global brands, they should consider emphasizing perceived prestige. On the other hand, local brand marketers should emphasize perceived trust of their brands. Otherwise stated, for marketing managers, this means that creation of global brand image would mirror in higher perception of brand prestige, while the creation of the local brand image would reflect trustworthiness of a brand. The results also suggest that brands that are neither global nor local are in the most difficult position.

4.2. Limitations and Future Research

This study suffers from several limitations. Sample employed consists mostly of Austrian students and may not be representative of the Austrian population. Wider coverage of the population in Austria would provide better usability and enhance external validity. Secondly, the survey used online data collection which may have introduced a self-selection bias and further questions representativeness of the population. Thirdly, the study included only two product categories and hence, generalizability of the results is limited. Future work may like to extend the scope of the theory by drawing a random sample from the population in order to enhance external validity. Also, further studies may explore the subject of this study with a wider range of product categories in multiple countries. For example, how global and local brands compete in a developed versus a developing countries for different product category.

Other limitations suggest further research possibilities. This study avoided using actual brands. Therefore, researchers should test the hypotheses against actual brands. However, with actual brands, it will be difficult to circumvent contamination from other brand equity influences. Further researches are encouraged to include actual market brands to test the relationship between their globalness/localness and brand evaluation and to replicate the study in other geographical locations. It is also worthwhile including services in future research.

Another future avenue of research can be exploring other moderating factors, such as global openness, susceptibility to social influences, national identity, etc., which may have an effect on consumers' perceptions of global and local brands.

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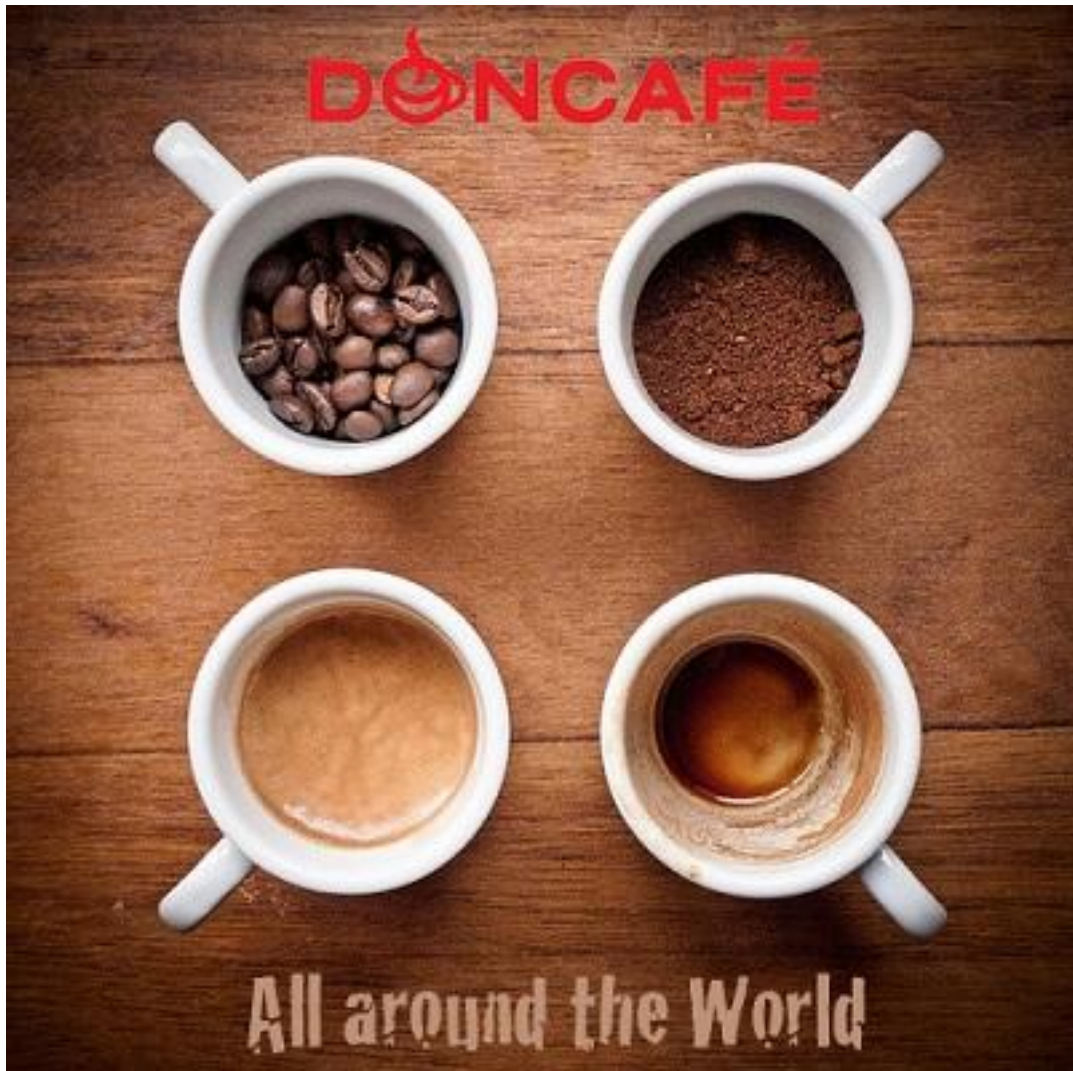
6. APPENDICES

APPENDIX I: Print advertisements for brand DONCAFE

NEUTRAL VERSION OF THE ADVERT



GLOBAL VERSION OF THE ADVERT



LOCAL VERSION OF THE ADVERT



APPENDIX II: Print advertisements for brand PANDORA

NEUTRAL VERSION OF THE ADVERT



LOCAL VERSION OF THE ADVERT



GLOBAL VERSION OF THE ADVERT



APPENDIX III: Levene's Test of Homogeneity of Variance and Descriptive Statistics for Dependent Variable (BQ, BT, BP and PI)

Test of Homogeneity of Variances				
	Levene Statistic	df1	df2	Sig.
BQ	,379	2	197	,685
BT	2,233	2	197	,110
BP	,223	2	197	,801
PI	,990	2	197	,373

Descriptives									
		95% Confidence Interval for Mean							
		N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
BQ	Global	67	5,0776	1,00541	,12283	4,8324	5,3229	2,40	7,00
	Local	67	5,0746	,95969	,11725	4,8405	5,3087	2,40	7,00
	Neutral	66	4,4333	,97639	,12019	4,1933	4,6734	1,60	6,40
	Total	200	4,8640	1,02173	,07225	4,7215	5,0065	1,60	7,00
BT	Global	67	4,1978	1,13696	,13890	3,9204	4,4751	1,75	7,00
	Local	67	4,8396	,92493	,11300	4,6139	5,0652	2,50	7,00
	Neutral	66	3,5038	1,12018	,13788	3,2284	3,7792	1,25	6,00
	Total	200	4,1838	1,19186	,08428	4,0176	4,3499	1,25	7,00
BP	Global	67	5,0398	1,23572	,15097	4,7384	5,3412	2,00	7,00
	Local	67	3,7214	1,30086	,15893	3,4041	4,0387	1,33	7,00
	Neutral	66	3,4747	1,22936	,15132	3,1725	3,7770	1,33	6,33
	Total	200	4,0817	1,42699	,10090	3,8827	4,2806	1,33	7,00
PI	Global	67	3,6915	1,55301	,18973	3,3127	4,0704	1,00	7,00
	Local	67	3,4876	1,46603	,17910	3,1300	3,8452	1,00	7,00
	Neutral	66	2,9343	1,51710	,18674	2,5614	3,3073	1,00	6,00
	Total	200	3,3733	1,53847	,10879	3,1588	3,5879	1,00	7,00

APPENDIX IV: Correlation analysis – BQ, BT, BP, PI and CET, COS, GI, LI

		Correlations							
		BQ	BT	PI	BP	CET	COS	GI	LI
BQ	Pearson Correlation	1	,630**	,599**	,600**	-,221**	,236**	,278**	,097
	Sig. (2-tailed)		,000	,000	,000	,002	,001	,000	,171
	N	200	200	200	200	200	200	200	200
BT	Pearson Correlation	,630**	1	,611**	,489**	-,124	,184**	,259**	,144*
	Sig. (2-tailed)	,000		,000	,000	,079	,009	,000	,042
	N	200	200	200	200	200	200	200	200
PI	Pearson Correlation	,599**	,611**	1	,527**	-,188**	,189**	,284**	-,020
	Sig. (2-tailed)	,000	,000		,000	,008	,008	,000	,774
	N	200	200	200	200	200	200	200	200
BP	Pearson Correlation	,600**	,489**	,527**	1	-,092	,142*	,200**	,060
	Sig. (2-tailed)	,000	,000	,000		,194	,044	,004	,400
	N	200	200	200	200	200	200	200	200
CET	Pearson Correlation	-,221**	-,124	-,188**	-,092	1	-,389**	-,279**	,175*
	Sig. (2-tailed)	,002	,079	,008	,194		,000	,000	,013
	N	200	200	200	200	200	200	200	200
COS	Pearson Correlation	,236**	,184**	,189**	,142*	-,389**	1	,607**	,216**
	Sig. (2-tailed)	,001	,009	,008	,044	,000		,000	,002
	N	200	200	200	200	200	200	200	200
GI	Pearson Correlation	,278**	,259**	,284**	,200**	-,279**	,607**	1	,145*
	Sig. (2-tailed)	,000	,000	,000	,004	,000	,000		,040
	N	200	200	200	200	200	200	200	200
LI	Pearson Correlation	,097	,144*	-,020	,060	,175*	,216**	,145*	1
	Sig. (2-tailed)	,171	,042	,774	,400	,013	,002	,040	
	N	200	200	200	200	200	200	200	200

Correlations

		BQ	BT	PI	BP	CET	COS	GI	LI
BQ	Pearson Correlation	1	,630**	,599**	,600**	-,221**	,236**	,278**	,097
	Sig. (2-tailed)		,000	,000	,000	,002	,001	,000	,171
	N	200	200	200	200	200	200	200	200
BT	Pearson Correlation	,630**	1	,611**	,489**	-,124	,184**	,259**	,144*
	Sig. (2-tailed)	,000		,000	,000	,079	,009	,000	,042
	N	200	200	200	200	200	200	200	200
PI	Pearson Correlation	,599**	,611**	1	,527**	-,188**	,189**	,284**	-,020
	Sig. (2-tailed)	,000	,000		,000	,008	,008	,000	,774
	N	200	200	200	200	200	200	200	200
BP	Pearson Correlation	,600**	,489**	,527**	1	-,092	,142*	,200**	,060
	Sig. (2-tailed)	,000	,000	,000		,194	,044	,004	,400
	N	200	200	200	200	200	200	200	200
CET	Pearson Correlation	-,221**	-,124	-,188**	-,092	1	-,389**	-,279**	,175*
	Sig. (2-tailed)	,002	,079	,008	,194		,000	,000	,013
	N	200	200	200	200	200	200	200	200
COS	Pearson Correlation	,236**	,184**	,189**	,142*	-,389**	1	,607**	,216**
	Sig. (2-tailed)	,001	,009	,008	,044	,000		,000	,002
	N	200	200	200	200	200	200	200	200
GI	Pearson Correlation	,278**	,259**	,284**	,200**	-,279**	,607**	1	,145*
	Sig. (2-tailed)	,000	,000	,000	,004	,000	,000		,040
	N	200	200	200	200	200	200	200	200
LI	Pearson Correlation	,097	,144*	-,020	,060	,175*	,216**	,145*	1
	Sig. (2-tailed)	,171	,042	,774	,400	,013	,002	,040	
	N	200	200	200	200	200	200	200	200

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

APPENDIX V: Descriptive Statistics – Consumers’ Characteristics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Ethnocentrism	200	1,00	6,80	2,4850	1,13269
Cosmopolitanism	200	3,50	7,00	6,0113	,69630
Global Identity	200	2,00	7,00	5,4287	1,09687
Local Identity	200	1,00	7,00	5,1725	1,16815
Valid N (listwise)	200				

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