

Global Brand Purchase Intention – Towards a Conceptual Foundation

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Abstract

Globalization of market has offered immense growth opportunities to customers and brands alike. The present study is an attempt to integrate the existing theories in global brand purchase intention and present a conceptual model. The study identifies two major theories pertaining to global brands – Consumer Culture theory and Signaling theory. The study presents the global brand associations of global cultural capital, global brand authenticity and perceived brand globalness derived from the Consumer Culture theory along with brand credibility derived from Signaling theory into a conceptual model. The moderating influence of consumer ethnocentrism is also explored in the study. Finally, the managerial and theoretical implications are presented.

Keywords: Global brand, Purchase Intention, Consumer Culture, Signaling, Brand Credibility, Authenticity

Companies around the world are enjoying the fruits of globalization. Customers encounter globalization everywhere – in the streets, the shops, at home and in the media. With globalization have emerged global brands that make their presence known across domains. In an economic perspective, the high premium demanded by global brands often face negligible resistance. From the psychological perspective, global brands create an identity and sense of fulfillment for the customers symbolizing the aspired values. From the cultural perspective, the idea of global brands keeps gaining importance. Thus, globalization and research in terms of global brands are growing in significance. Contemporary Research works consider globalization as a pivotal force that impact customers world over (Gupta, Nitin, 2012). This is more so in the case of global brands.

Ever since Levitt's article on globalization, several advantages of globalization has been discussed. Global brands reap more benefits from the economies of scale and from being driven by a single creative strategy. The scope in Research & Development, Manufacturing and Sourcing cannot be neglected. With few local modifications, global brands can be launched in foreign markets. From the consumer perspective, global brands may benefit from the unique perceived image across the globe.

Multinational companies truly recognise the importance of global brands. As more and more companies come to view the entire globe as their market, global brands are looked upon with envy. From building power brands, the interest has been shifted to building global brands. The study of global brands require a change in the mindset from the conventional ideas of brand equity and brand image. Both the academicians and practitioners alike look at global brands in different terms than brands per say.

Thus, the study of global brands make a very significant field of study. However, the existing literature is very limited in scope and offers an understanding of global brands in isolation. The understanding of the true meaning of global brands, their significance, the attitude of customers towards global brands and its relation to other fields of study demands better attention.

The current study is an attempt to review and integrate studies on global branding. It attempts to provide a conceptual framework for global brand purchase likelihood.

It integrates theories of Signaling and Consumer Culture Theory into the global brand purchase likelihood framework. Further, it identifies consumer characteristics of Ethnocentrism and Cosmopolitanism as moderators into the framework. What makes a brand global? What makes customers purchase global brands? Are all customers equally likely to purchase global brands? These are the research questions that lays the foundation of this study. The paper is organized in a logical sequence. It first goes on to define and describe global brands. Further it speaks of Consumer Culture theory in the light of global brand purchase likelihood. It goes on to identify signaling theory in the light of global brand purchase likelihood. Further the consumer characteristics of ethnocentrism is explained and the model is proposed.

Global Brand (What makes a Brand Global)

Global Brands are defined in different ways in different literature. Two different schools of thought can be traced in the definition of global brands (Ozsomer & Altaras). Taking cue from Levitt (1988), the first school of thought identifies global brands as those that achieve huge economies of scale and scope through the shared marketing programs. The standardized marketing programmes offer economies for global brands and this forms the major motivation for brands to go global. Thus, they would benefit from the unique perceived image that transcends cultural and regional boundaries (Porter(1986), Yip (1995), Craig and Douglas (2000)). They describe branding as a global strategic issue rather than a local one. Thus, standardization literature looks at global brands as those that share similar brand names, positioning strategies and marketing mixes in most of their target market. However, this definition itself is ambiguous as it does not define how standardized the marketing efforts need to be. While some studies advocate complete standardization of marketing elements (Levitt 1988), some others look at partial standardization (Kapferer(2005), Aaker & Joachimsthaler (1999), Schuling and Lambin (2003)). Hence, this in itself provide definitional inconsistencies.

Recently, there is another school of thought that looks at global brands from the consumer perception perspective. In this perspective, global brands are those that are looked upon by consumers as global brands. This also looks into whether the brand is available in markets other than its local market. Thus, consumer perspective literature looks at both the multi market reach of the brand and the consumer perception of the brand. Thus as the multi market reach increases, the consumer perception of the brand globalness also increases. (Steenkamp, Batra and Alden 2003)

Further, with the advance of globalization and global brands taking the centre stage, there is a practical need to define global brands. Research firms like AC Nielson and Interbrand uses more practical definitions to define global brands. Every year, these firms come out with the top most global brands. Often, their definition of global brands are linked to more practical elements like market share and sales. AC Nielson (2001) defines global brands are those that have made their presence known in four major regions of the world – North America, Latin America, Asia Pacific and Europe, Middle East and Africa, with at least 5% of the sales coming from non home region with a total revenue of at least \$1 Billion. The importance of global branding in the practical scenario is more evident in the Interbrand rankings that consider market leadership, stability and global reach in calculating brand strength. The global strength is inclusive of the geographical and cultural reach of the brand.

Thus, although existing literature identifies the importance of global brands, there is a definitional inconsistency. The study accepts and identifies global brand as

defined by Ozsomer and Altaras (2008). Global brands are those that have widespread regional or global awareness, availability, acceptance and demand and are often found under the same name with consistent positioning, personality, and look and feel in major markets enabled by centrally coordinated marketing programs and strategies. While this definition lacks a cultural perspective, the same is adopted for the context in which the current study is made.

Theoretical Approaches to Global Branding

Customer preference for global brands have been studied in various lights. The most sought out question in global branding is the customer preference for global brands. Several studies have linked various variables to global brand preference and purchase likelihood. Perceived brand globalness has been found to positively influence global brand preference and brand quality. (Batra et al.2000; Steenkamp, Batra and Alden 2003). Prestige has also been associated with global brands. Steenkamp, Batra and Alden 2003 found that brand globalness increased the brand prestige which results in purchase of global brands.

Researchers have also looked at consumer characteristics like consumer animosity (Kilen et al 1998, Loeng et al 2008) and ethnocentrism (Shimp and Sharma 1987) to affect the global brand preference. Several studies have identified Consumer ethnocentrism to negatively affect the purchase of foreign brands.

The current study, in an attempt to integrate different streams of study in global branding, identifies two major theories on which global branding studies have been done – Consumer Culture theory and Brand Signaling Theory. The literature pertaining to the framework is largely based on the global brand purchase likelihood model of Ozsomer and Altaras (2005). Further the moderating role of Consumer ethnocentrism is also introduced in the framework.

Consumer Culture theory is an interdisciplinary area of inquiry that draws from several related theoretical streams (Arnould and Thompson 2005). It deals with the process by which customer appropriate and recontextualize the symbolic meanings encoded in marketer generated goods to construct individual and collective identities (Ozsomer and Altaras 2005). Ozsomer and Altaras, in a similar attempt to conceptualize global branding has included Consumer Culture Theory in their framework of global brand purchase likelihood. The constructs used by them are identified and used in the proposed framework of the present study. The market place provides a plethora of opportunities to the reflexive and empowered identity seeker – the customer. The customer reflects over the market mediated message that embraces him/her to enact and personalize cultural scripts that align their identities with the structural imperatives of a consumer driven global economy.

The most important element of the Consumer Culture theory that could be used in the global branding study is the Global Brand Cultural Capital. Bourdieu (1984) studied the theory of cultural capital in relation to taste. Alden, Steenkamp and Batra (2003) studied consumer cultural positioning in the light of cultural capital. Cultural capital can be conceptualized as a set of socially rare and distinctive tastes and skills, knowledge and practices that are possessed by people to varying degrees. From the individual level, the concept of cultural capital can be extended to that of global brands. The perceived global cultural capital can influence the brand purchase intention of customers. The perception of a brand as an icon of global cultural capital positively influences purchase decision (Alden, Steenkamp and Batra 2003). With the interconnectedness of various local cultures, the world culture is evolving without a clear anchorage on any one territory (Hannerz 1990). Thus, the global culture capital identifies the brand with the world culture and not

the local culture. Holt, Quelch and Taylor (2004) identify global brands as symbols of cultural ideals that deliver cultural myths with global appeal.

Alongside cultural capital comes the construct of Perceived Brand Globalness. A global brand helps to create in the consumer a global identity. He feels one with the global culture that he embraces. Global brands stand for widely understood symbols and meanings. Perceived globalness is the extent to which the consumers perceive the brand as global. Several researchers have suggested that the brand globalness can be a value added for the customers (Kapferer 1997, Shocker et al 1994). Steenkamp et al (2003) tested the effect of perceived brand globalness on the purchase likelihood. Their findings show that the brand globalness is positively related to perceived brand quality and brand prestige.

Another major construct derived from Consumer Culture Theory is the Global Brand Authenticity. Considered as one of the cornerstone of marketing (Grayson and Martinec 2004), authenticity is gaining importance in consumer research. Despite being an area that has received immense attention, it lacks a complete definition and is often associated with the concepts of “genuineness”, “truth” and “reality” (Ranfagni and Curvoisier 2014) However, authenticity is a very subjective concept. What is true for one consumer need not be true for another. Hence, it is not inherent in an object, rather an assessment made by an evaluator, at a particular context. (Grayson and Martinec 2004). Grayson and Martinec discusses two types of Authenticity – Indexical Authenticity (the original or the real thing) and Iconic Authenticity (An accurate imitation of the original). Having identified the relevance of authenticity in global branding, the constructs of indexical and iconic authenticity is also incorporated into the framework. Indexical authenticity capture the essence of the brand in its cultural authenticity. An Italian brand of Pizza can be indexical authenticity while a pizza brand that replicates the Italian taste could be iconic authenticity.

Thus, the current study identifies the following constructs as global brand associations from the consumer culture theory – Perceived Global Cultural Capital, Perceived Brand Globalness, Global Brand Authenticity.

Another significant research in the direction of global branding has been on the foundation of the Signaling Theory. Erdem and Swait (1998) presents brands as credible and consistent signals of product quality and thus reduces perceived risk. Central to the theory of signaling is the concept of brand credibility. For consumers brand credibility means they will actually realize the benefits that have been promised. For the brand owners, credibility ensures greater likelihood that their marketing strategies would be successful. Brand credibility is the extent to which the product position information contained in a brand is perceived as believable. According to signaling theory, with more credibility the brands become effective signals of product positions than individual marketing mix. (Klein and Leffler 1981). Owing to the higher investments in brands, global brands are likely to garner high brand credibility.

Two major components of credibility has been identified – Trustworthiness and Expertise. While trustworthiness implies the desire of a brand’s owner to fulfil brand promises, expertise is the actual ability of the brand to carry through with the brand’s promise (Erdem and Swait 1998).

Thus, the current study accepts the construct of brand credibility into the research framework. The strongest way to build credibility is through consistent mix of marketing strategies and investments in brand activities. Thus global brands have to spend on brands in order to demonstrate long term brand commitment and to assure the customers that brand promises will be kept. (Baek et al. 2010).

Thus, through an understanding of the existing literature, the following global brand associations are identified as important in the study of global brand purchase likelihood – Global Brand Cultural Capital, Global Brand Authenticity, Perceived Brand Globalness and Global Brand Credibility.

Consumer Ethnocentrism

While globalization was considered as an important element in expanding the market of a product worldwide, the present customers are not all equally in favour of global or, foreign products. There is a growing number of customers who are ethnocentric and favors only the brands manufactured by their own country.

The term ethnocentrism is defined by Sumner (1906) as “the view of things in which ones own group is the center of everything, and all others scaled and rated with reference to it. Ethnocentrism can be found in all groups and results in “us against them” mentality. Derived from the original idea of ethnocentrism, consumer ethnocentrism has received scholarly attention. Shimp and Sharma (1987) identify the potential reduction of domestic jobs and economic damage as the reason for customers engaging in ethnocentric behavior. They also argue that the concept of ethnocentrism is a pattern socialized during the early childhood days and is inelastic to other product attributes like price and quality. Literature abounds with studies on Consumer Ethnocentrism. Consumer ethnocentrism has been found to negatively affect consumer evaluations of a foreign product and their evaluation of a foreign product (Shimp and Sharma 1987, Klien 2002). Consumer ethnocentrism is regarded as a unique economic form of ethnocentrism that captures the beliefs held by the consumers about the appropriateness and indeed morality of purchasing foreign made products. (Shimp and Sharma, 1987). Country of origin evaluations are often associated with consumer ethnocentrism. Gurhan-Canli and Maheswaran (2000) contend that high levels of consumer ethnocentrism reduce the ability of consumers to objectively process country of origin information.

Hence, it is argued that Consumer Ethnocentrism has a negative moderating role in the global brand purchase intention framework. This is especially important because other elements like price and quality becomes unimportant in the context.

Thus, this article builds a conceptual foundation based on the literature review pertaining to global brand purchase intention. The constructs of Global Brand Cultural Capital, Global Brand Authenticity and Perceived Brand Globalness are derived from the Consumer Culture theory. The construct of Global Brand Credibility is derived from Signaling theory. The Belief – Attitude – Behavior Model in Consumer Behavior is the basic foundation of the present study. The consumer characteristic of Ethnocentrism is studied as a negative moderator.

The Conceptual Framework

Based on the literature review pertaining to global brand purchase studies, the following model is proposed.

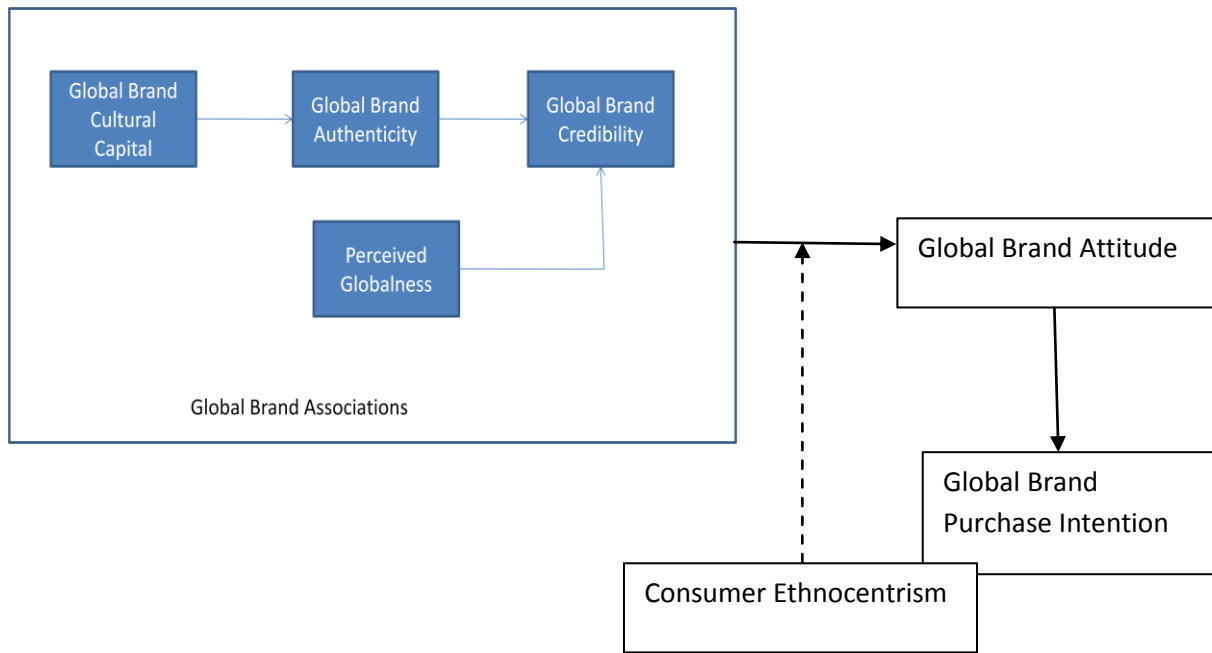


Figure 1. A conceptual Model of Global brand Purchase Intention

The degree to which a brand associates itself with cultural values prevalent among the members of a society explains the brand cultural capital. The society can be defined in terms of geographical boundaries or in terms of common interests that transcends all boundaries. In essence, the brand cultural capital is the “story behind the brand”. This story is from within the perceptions of the consumer as a result of the user’s interaction, media and marketing efforts of the company. Thus, the cultural capital can be built through advertisements and other dedicated marketing efforts. With the advent of the internet, building up of cultural capital now involves active discussions by consumer forums on the web. Further, the marketplace mythologies also help in the formation of global cultural capital.

Global brand Authenticity is included as a mediator between Global Brand Cultural Capital. Global Cultural capital increases the authenticity of the global brand, thereby increasing the credibility of the brand. A case in point could be Nike, with its global cultural capital of ‘Just Do it’, transcends geographical boundaries. This creates a better authenticity for the brand and results in better credibility. Thus, the model proposes that Global brand Cultural Capital is positively associated with global brand authenticity.

Global Brand Authenticity is treated as an antecedent to global brand credibility. Authenticity helps create unique perceptions about the brand. Global brands signal credibility. Authenticity helps create credibility in the minds of the customers. Thus, it is proposed that global brand authenticity is positively associated with global brand credibility.

Perceived brand globalness is the degree to which the brand is perceived as having multimarket reach and thus is believed to be globally available, desirable and demanded (Steenkamp, Alden and Batra 2003). Thus, when the brand is viewed as globally available, consumers perceive it as more credible than local brands. Thus, perceived brand globalness is positively associated with global brand credibility

However, the negative influence of consumer ethnocentrism is also discussed in the model. It is proposed that global brand associations are negatively associated to global brand attitude in ethnocentric consumers.

Discussions and Conclusions

Global branding has become an important issue in the past decade. The conceptual framework developed is an integration of the past literature. The study contributes to theory in the development of an integrated framework. While consumer characteristics have been studied in isolation, there have been no previous attempt to integrate the same into the framework of global brand purchase likelihood.

The study is not without managerial implications. The proposed model helps practitioners to look at global brand from the perspective of both the brand owner and the consumer. The construct of global cultural capital is of great importance to the brand owners. The positive cultural capital created through mythologies and stories gain importance in the practical realm.

However, the research has its own limitations. While providing a conceptual model, this has not been empirically tested. This offers scope for further research in the area. The consumer characteristic of ethnocentrism is discussed and incorporated. But, literature shows the constructs of cosmopolitanism and animosity as constructs related to global brands. The model is also a general one. Further research could look at it from the nation perspective as well.

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