

# Beyond reach: an extended model of global brand effects

Beyond reach

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Received 26 January 2018  
Revised 18 July 2018  
19 October 2018  
Accepted 26 November 2018

## Abstract

**Purpose** – Despite considerable investigations of the various outcomes of perceived brand globalness (PBG), the concept itself remains ambiguous, demanding further conceptual refinement. The purpose of this paper is to contribute to global branding literature by suggesting an extended conceptualization of PBG, and empirically testing a corresponding extended model of global brand effects, relative to the conventional operationalization.

**Design/methodology/approach** – An empirical study ( $n = 907$ ) involving 63 brands across eight different product categories provides new insights into the composition of global brand effects by explicitly discriminating between different facets of consumers' brand globalness perceptions (i.e. perceived market reach (PMR), perceived standardization (PST) and global consumer culture positioning (GCCP)).

**Findings** – The results clearly show that effects associated with global brands are not exclusively positive. While PMR and GCCP have positive effects on consumers' brand evaluations and attitudes, PST has a strong negative effect on the same outcomes. These effects apply to both domestic and foreign global brands and occur irrespective of the perceived level of risk associated with a given product category.

**Originality/value** – The results provide managers a clearer picture of the up- and downsides of brand globalness perceptions and urge future studies on global brands to incorporate constructs that account for facets beyond a brand's market reach to capture the phenomenon holistically.

**Keywords** Perceived brand globalness, Extended conceptualization, Global consumer culture positioning, Perceived market reach, Perceived standardization

**Paper type** Research paper

## Introduction

The globalization of markets has led many multinational corporations to restructure their brand portfolios, favoring fewer brands that offer global business potential (Özsomer *et al.*, 2012; Schuiling and Kapferer, 2004). As a consequence, questions related to the development, measurement and strategic management of such global brands have become an increasing focus of attention among marketing practitioners and researchers alike (Özsomer *et al.*, 2012). Against this background, a wealth of research has addressed the influence of (perceived) brand globalness on relevant outcome variables, such as brand evaluations, attitudes and purchase intentions (e.g. Davvetas *et al.*, 2015; Johansson and Ronkainen, 2005; Özsomer, 2012; Steenkamp *et al.*, 2003; Winit *et al.*, 2014). Overall, extant findings suggest that consumers view globally distributed and recognized brands as higher in quality, prestige and esteem (e.g. Johansson and Ronkainen, 2005; Steenkamp *et al.*, 2003) than local counterparts, which tend to be considered more traditional, authentic, down-to-earth and responsive to local needs (Ger, 1999; Schuiling and Kapferer, 2004).

Despite the research advances that have been made with regard to potential outcomes of brand globalness and the moderating role of certain consumer characteristics (e.g. global consumption orientation, Alden *et al.*, 2006; globalization attitude, Riefler, 2012; consumer ethnocentrism, Steenkamp *et al.*, 2003), the underlying concept of brand globalness itself has



The author would like to thank Ayşegül Özsomer, Adamantios Diamantopoulos, Fabian Bartsch, Vasileios Davvetas and the anonymous reviewers for their valuable feedback on previous versions of this paper. Also, the author thanks MW Research, Niklas Aichinger and Laura Fischer for their support in data collection.

received little attention. As a result, fundamental questions involving what the global brand construct comprises (i.e. its conceptualization) and how it can be measured (i.e. its operationalization) remain far from resolved (Özsomer, 2012; Özsomer and Altaras, 2008). Instead, defining what “global” means continues to challenge efforts to examine global brands and their related phenomena (Johansson and Ronkainen, 2005).

Researchers commonly conceptualize and operationalize brand globalness according to Steenkamp *et al.*'s (2003) definition of perceived brand globalness (PBG) – that is, as consumers' beliefs that a brand “is marketed in multiple countries and is generally recognized as global in these countries” (p. 54). Their PBG scale has gained considerable popularity as it is easy to administer due to its brevity (i.e. three items) and is reliable across various countries. This widely used scale primarily emphasizes a brand's market reach, which is a key characteristic of global brands. The contributions of Steenkamp *et al.*'s seminal work to global branding research cannot be overstated, as it sparked important advances in the understanding of consumers' perceptions, beliefs and behavioral intentions with regard to global brands. The remarkable impact of their article “How perceived brand globalness creates brand value” on the field is evidenced by more than 900 citations to date (Google Scholar, 2018).

However, researchers have argued that the PBG construct remains ambiguous and is unlikely to be a unidimensional concept (Özsomer, 2012). Indeed, literature provides a plethora of global brand definitions that extend beyond a brand's mere market reach and explicitly incorporate aspects related to a brand's similarities across markets due to standardized marketing strategies and programs (Aaker and Joachimsthaler, 1999; Hsieh, 2002; Schuiling and Kapferer, 2004) or a brand's recognition as “global” (Akaka and Alden, 2010; Steenkamp *et al.*, 2003) due to the embodiment of global cultural meanings (also referred to as the “global myth,” Holt *et al.*, 2004). This conceptual diversity implies the existence of multiple, distinct facets of brand globalness and creates doubts about whether the conventional PBG captures the conceptual domain of interest sufficiently. Despite a first attempt to isolate the effect of a brand's market reach from the effect of its foreign ownership (Winit *et al.*, 2014), research still lacks an empirical juxtaposition of the effects of different facets of consumers' brand globalness perceptions.

This issue has great importance because an overly narrow conceptualization (and operationalization) bears the risk of neglecting meaningful facets of consumers' brand globalness perceptions that may affect related outcomes as well. This implies the potential for an over- or under-estimation of global brand effects with important implications for theory and practice. Research may paint a biased picture of the benefits and drawbacks of global branding strategies, leading brand managers to subpar decisions in favor of global brand strategies when they are disadvantageous (e.g. if gains due to perceptions of being widely accepted are offset by losses due to perceptions of being less responsive to local needs and wants) or in disfavor of global brand strategies when they are advantageous (e.g. if losses due to perceptions of being highly standardized/mass-produced are offset by the gains due to the “allure” of a global brand image).

Against this background, this study contributes to extant literature in several ways. From a theoretical standpoint, I derive an extended conceptualization of PBG from extant literature. Specifically, I re-conceptualize PBG as a consumer's belief that a brand has wide availability, recognition and acceptance in many countries around the world (i.e. perceived market reach (PMR)); has a similar positioning, image, personality, look and feel across markets (enabled by standardization of marketing activities, i.e. perceived standardization (PST)); and is associated with a given global consumer culture (i.e. global consumer cultural positioning). Drawing from signaling theory (Erdem and Swait, 1998), I also theorize an extended model of global brand effects that reflects how each facet relates to commonly investigated outcome variables (i.e. brand evaluations and attitudes). I then test this extended model against the conventional model specification (incorporating the original

PBG scale) to investigate the role of these facets in a consumer's brand evaluation process. The consideration of multiple facets of consumers' brand globalness perceptions allows me to gain novel insights into the composition of global brand effects by disentangling the individual sources of well-documented outcomes. I further explore variations in these effects depending on brand origin and perceived category risk (PCR).

Contrary to conventional wisdom in the field of global branding, I find that the effects associated with brand globalness are not exclusively positive. Although PMR and global consumer culture positioning (GCCP) have positive downstream effects, PST exerts a substantial negative effect that may offset the potential gains arising from the other facets. These effects apply to both domestic and foreign global brands and occur irrespective of the perceived level of risk associated with a given product category. From a managerial standpoint, my research insights indicate that brand managers must take multiple facets of brand globalness into account and carefully consider both positive and negative effects associated with each facet, to manage their brand's positioning more effectively. As the results suggest that the relative impact of certain facets is contingent on a brand's origin, I provide guidance on managing consumer perceptions at home and abroad.

In the following sections, I present the theoretical underpinnings of the study, after which I review extant literature on global brands to delineate the corresponding conceptual domain. Drawing on current conceptualizations and operationalizations, I propose an extended conceptualization of PBG that captures the construct's conceptual domain to a greater extent. Next, I theorize and empirically test an extended model of global brand effects (relative to the conventional model specification) and discuss the theoretical and managerial implications of my findings.

## Conceptual background

### *Brand globalness as a signaling phenomenon*

The conceptual framework of this study is grounded in signaling theory (Erdem and Swait, 1998, 2004). Rooted in information economics, signaling theory explicitly considers the imperfect and asymmetrical information structure in marketplaces that creates consumer uncertainty about market offerings (Erdem and Swait, 1998). According to this theory, firms can employ manipulable attributes or activities (i.e. signals) to convey indirect information about the characteristics of their products (Erdem and Swait, 2004; Spence, 1974). For example, high prices due to increased production costs may reflect high quality (Tirole, 1990), high advertising spending may demonstrate a firm's commitment to a brand (Kihlstrom and Riordan, 1984), and warranties may signal a firm's confidence in the quality of its products (Boulding and Kirmani, 1993).

Recent literature has highlighted the importance of brands as signals in modern marketplaces (e.g. Erdem and Swait, 1998, 2004; Erdem *et al.*, 2006). In general, brands serve as signals of product positions (Erdem and Swait, 2004) and shape "how consumers learn, encode and evaluate brand information" (Erdem *et al.*, 2002, p. 1). In other words, brands can reduce consumers' uncertainty about product attributes, thereby reducing perceived risk and information costs (Erdem and Swait, 1998). Ultimately, such brand signals are supposed to shift consumers' evaluations and choices in favor of a given brand. In line with this rationale and prior literature on global brands, I propose that brand globalness can be understood as a signal that is indicative of the level of a brand's attributes and, as a consequence, affects consumers' evaluative and attitudinal judgments of that brand.

### *Delineating the conceptual domain of brand globalness*

To explore and delineate the conceptual domain of the global brand construct, I conducted a review of prior conceptualizations. Following Özsomer *et al.*'s (2012) typology, I distinguish

three schools of thought that differ primarily in their dominant perspective. Table I provides a summary of original global brand definitions, classified according to their dominant perspective and key aspects (see the last column).

First, brand globalness can be conceptualized from the company's standpoint. Definitions from this supply-side perspective generally stress the standardization of marketing activities across markets as a key characteristic of global brands. For example, Aaker and Joachimsthaler (1999, p. 137) define global brands as "brands whose positioning, advertising strategy, personality, look and feel are in most respects the same from one country to another." Other definitions explicitly incorporate a basic requirement of (geographic) multi-market reach, without necessarily specifying any lower limit of countries or continents (Van Gelder, 2004). The operationalizations that apply this rationale are common in marketing practice,

Reference	Definition	Classification
Tse and Gorn (1993)	[A]brand well known internationally (p. 57)	DP/MR
Aaker and Joachimsthaler (1999)	[B]rands whose positioning, advertising strategy, personality, look, and feel are in most respects the same from one country to another (p. 137)	SP/S
Hsieh (2002)	[Brand globalization is indicated by] the extent to which a brand image is perceived similarly across nations (p. 47)	DP/S
Steenkamp <i>et al.</i> (2003)	[A]brand [that] is marketed in multiple countries and is generally recognized as global in these countries (p. 54)	DP/MR
Schuiling and Kapferer (2004)	[...] brands that have globalized elements of the marketing strategy or mix. In a more radical sense, global brands are defined as brands that use the same marketing strategy and mix in all target markets (p. 98)	SP/S
Van Gelder (2004)	[B]rands that are available across multiple geographies, without setting any specific lower limit or any continental requirements. The revenue these brands generate [...] does not matter, nor the manner in which they present themselves in each society (p. 40)	SP/MR
Johansson and Ronkainen (2005)	["Global"] is defined as the multi-market reach of products that are perceived as the same brand worldwide both by consumers and internal constituents (p. 340)	IP/MR&S
Özsomer and Altaras (2008)	[...] global brands [are] those that have widespread regional/global awareness, availability, acceptance, and demand and are often found under the same name with consistent positioning, personality, look and feel in major markets enabled by centrally coordinated marketing strategies and programs (p. 1)	IP/MR&S
Akaka and Alden (2010)	[A brand] that standardizes aspects of its brand communication program (e.g. brand name, logo, brand positioning statement, brand image, brand positioning, brand packaging), and that consumers in multiple countries view as global (p. 42)	IP/MR&S
Dimofte <i>et al.</i> (2010)	[B]rands that are widely available across international markets and enjoy high levels of recognition across the world (p. 81)	DP/MR
Özsomer <i>et al.</i> (2012)	Global brands are those that have global awareness, availability, acceptance, and desirability and are often found under the same name with consistent positioning, image, personality, look, and feel in major markets enabled by standardized and centrally coordinated marketing strategies and programs (p. 2)	IP/MR&S
Strizhakova <i>et al.</i> (2012)	[T]hose brands [that are] distributed and promoted under the same brand name in more than one country (p. 46)	SP/MR
Steenkamp (2014)	[A] brand that uses the same name and logo, has awareness, availability, and acceptance in multiple regions of the world, derives at least 5 percent of its sales from outside the home region, and is managed in an internationally coordinated manner (p. 7)	SP/MR

**Table I.**  
Global brand definitions

**Notes:** DP, demand-side perspective; SP, supply-side perspective; IP, integrative perspective; MR, market reach (primary focus); S, standardization (primary focus)

such as Interbrand's (2017) Best Global Brands ranking, which loosely classifies a brand as "global" if it generates at least 30 percent of its revenue in markets other than its home region and is distributed in not just Asia, Europe and North America but also various emerging markets. Johansson and Ronkainen (2005, p. 343) use a similar approach to operationalize a brand's degree of globalness as "the number of countries in which the brand is marketed."

Second, brand globalness can be defined from the consumer's standpoint. Definitions from this demand-side perspective ascribe more importance to whether consumers perceive a brand as marketed and recognized in multiple countries (e.g. Steenkamp *et al.*, 2003), regardless of the brand's actual state of affairs. Certain definitions emphasize a market reach that spans multiple countries as a key characteristic (Dimofte *et al.*, 2010; Tse and Gorn, 1993); others implicitly incorporate standardized marketing activities as well, claiming that a brand's degree of globalness depends on how consistently its image is perceived across markets (Hsieh, 2002).

The corresponding measurement approaches thus far have focused only on a single aspect. For example, in adopting a marketing standardization point of view, Hsieh (2002) measures a brand's degree of globalness (i.e. brand globalization) according to its image cohesiveness across nations, by calculating differences (Euclidean distances) in brand image perceptions between consumers from each brand's home country (point of reference) and multiple other countries. The higher the perceptual similarity, the greater a brand's degree of globalness might be. A more common operationalization related to the demand-side rationale is Steenkamp *et al.*'s (2003) PBG scale. This scale is closely based on Batra *et al.*'s (2000) perceived brand local/non-local scale, which measures a respondent's belief about whether a brand has a domestic or foreign origin[1]. It consists of three items, two of which refer to a respondent's belief that consumers around the world buy (I do not/do think consumers overseas buy this brand) or know (this brand is sold only in country/all over the world) that particular brand. That is, this (quasi-standard) operationalization highlights a brand's market reach, in terms of distribution and awareness, as a defining characteristic of brand globalness.

The supply- and demand-side perspectives might be viewed as complements, rather than conflicting perspectives (Steenkamp, 2014), so a third school of thought reconciles them by incorporating strategy-related with consumer-related factors. Proponents of this integrative perspective define global brands as those "that have global awareness, availability, acceptance, and desirability and are often found under the same name with consistent positioning, image, personality, look and feel in major markets enabled by standardized and centrally coordinated marketing strategies and programs" (Özsomer *et al.*, 2012, p. 2).

In summary, the conceptual domain of brand globalness seems best described by aspects related to the multi-market reach of a brand (e.g. Dimofte *et al.*, 2010; Steenkamp *et al.*, 2003; Strizhakova *et al.*, 2012; Van Gelder, 2004), similarities across markets as a consequence of standardized marketing programs (e.g. Aaker and Joachimsthaler, 1999; Hsieh, 2002; Schuiling and Kapferer, 2004) and a somewhat undefined recognition of "being global" (Steenkamp *et al.*, 2003, p. 54) that has not been addressed explicitly in existing measurement approaches.

### *Consequences of brand globalness*

With this conceptual diversity, prior literature lacks any commonly accepted measurement approach to brand globalness (Chabowski *et al.*, 2013). In recent years, many studies of global brands have adopted Steenkamp *et al.*'s (2003) PBG scale and thereby amassed considerable evidence of positive consumer responses, both cognitive and affective, to global brands[2]. Table II presents an overview of relevant studies that have investigated the outcomes of PBG in various contexts.

Steenkamp *et al.* (2003) establish that PBG has a positive effect on consumers' brand evaluations, including increased quality and prestige perceptions, which lead to higher levels of purchase intentions. Later studies substantiated the effects of PBG on relevant

**Table II.**  
Selected empirical  
studies on global  
brand effects

Reference	Topic	Dependent variables	Sample	Key findings
Steenkamp <i>et al.</i> (2003)	Introduction of PBG and empirical test of its direct and indirect effects on purchase likelihood	Perceived quality <sup>a</sup> (+) Perceived prestige <sup>a</sup> (+) Purchase likelihood <sup>b</sup> (+)	Overall <i>n</i> = 2,357 Countries: USA, South Korea Product categories: Cola, TV sets, facial cream (USA only), refrigerators (South Korea only)	Positive indirect effect of PBG on purchase likelihood through perceived quality and prestige; no direct effect of PBG on purchase likelihood
Johansson and Ronkainen (2005)	Impact of brand globalness (i.e. market reach) on brand esteem	Brand esteem (+)	Overall <i>n</i> = 25,619 Countries: France, Germany, Italy, Spain, Sweden, UK, USA, Japan Product categories: 12	Positive effect of a brand's market reach on brand esteem (controlling for brand familiarity and quality)
Dimofte <i>et al.</i> (2008)	Investigation of consumers' cognitive and affect reactions to global brands	Brand beliefs (various) Brand attitude (+)	Overall <i>n</i> = 1,512 (two studies) Country: USA Product categories: not specified (Study 1), beer (Study 2)	Brand globalness is associated with positive affect, even among consumers who hold unfavorable beliefs about global brands
Özsomer (2012)	Interplay between PBG and local iconicity in shaping purchase intentions	Perceived quality <sup>a</sup> (+) Perceived prestige <sup>a</sup> (+) Global brand purchase likelihood (+)	Overall <i>n</i> = 846 Countries: Turkey, Singapore, Denmark Product categories: 14 <i>n</i> = 1,188 Country: China Product categories: grocery, fashion, service	In developing (developed) countries, increased levels of PBG are beneficial (detrimental) because it elevates (harms) the domestic brand's local iconicity
Swoboda <i>et al.</i> (2012)	Indirect effects of PBG (and local iconicity) through functional and psychological values on retail patronage	Functional values <sup>a</sup> (+) Psychological values <sup>a</sup> (+) Retail patronage (+)	Country: China Overall <i>n</i> = 591 (two studies) Countries: Austria, Bulgaria Product categories: mineral water, beer, coffee, online auctions, airlines, banking services	Positive indirect effects of PBG on retail patronage through functional and psychological values; for local (global) retailers, functional (and psychological) values mediate the effect of PBG
Sichtmann and Diamantopoulos (2013)	Impact of PBG, brand-origin image, and brand origin-extension fit on extension perceptions	Perceived quality of the parent brand <sup>a</sup> (+) Perceived quality of the extension <sup>a</sup> (+) Purchase intention <sup>b</sup> (+)		Positive direct effect of PBG on perceived quality of the parent brand, which, in turn, increases consumers' intentions to purchase the extension

(continued)

Reference	Topic	Dependent variables	Sample	Key findings
Wimit <i>et al.</i> (2014)	Effect of a brand's geographic reach and ownership on consumers' brand attitudes and purchase intentions (and moderating factors)	Brand attitude (+) Purchase intention (+)	Overall $n = 801$ (two studies) Country: Thailand Product categories: Fruit juice, jeans, coffee shops, airlines	Regardless of brand ownership (local vs foreign), consumers evaluate global brands more favorably than local brands. The relevance of geographic reach and ownership varies depending on category involvement, price level and consumer ethnocentrism
Davvetas <i>et al.</i> (2015)	Replication of Steenkamp <i>et al.</i> 's (2003) study on PBG	Perceived quality <sup>a</sup> (+) Perceived prestige <sup>a</sup> (+) Purchase intentions <sup>b</sup> (+)	Overall $n = 418$ (4 studies) Country: Austria Product categories: laptop bags, shower gel, USB sticks, soft drink, headsets	Consumers not only report higher purchase intentions for global brands but also exhibit a higher willingness to pay (due to favorable brand attitudes)
Xie <i>et al.</i> (2015)	Extended model of consumers' preference formation for global vs local brands	Willingness to pay <sup>b</sup> (+) Brand identity expressiveness <sup>a</sup> (+) Brand quality <sup>a</sup> (+) Brand prestige <sup>a</sup> (+) Brand trust <sup>a</sup> (+) Brand affect <sup>a</sup> (+) Behavioral intentions (+)	$n = 287$ Country: China Product categories: electronics (e.g. cell phones, computers, televisions)	Positive direct effects of PBG on brand quality, prestige, and identity expressiveness, which jointly increase brand trust and affect and, ultimately, lead to favorable behavioral intentions (e.g. purchase intentions)
Haikias <i>et al.</i> (2016)	Interplay between country stereotypes and PBG/PBL in driving consumers' brand preference	Brand attitude <sup>a</sup> (+) Purchase intention <sup>b</sup> (+)	$n = 253$ Country: Austria Product categories: soft drinks, laptops, shampoos, clothing, chocolate bars, cars	Country stereotypes interact with PBG in determining brand attitude (and, ultimately, purchase intention). Effect of PBG is stronger for brands from countries that are perceived as "warm"
Swoboda and Hirschmann (2016)	Direct and indirect effects of PBG (and local iconicity) through functional and psychological values on loyalty	Functional value (+) Psychological value (+) Loyalty <sup>b</sup> (+)	Overall $n = 2,160$ Countries: India, Japan, USA Product category: chemicals and pharmaceuticals	Positive indirect effects of PBG on loyalty through functional and psychological value (no direct effect). For domestic (foreign) brands, psychological (and functional) values mediate the effect

**Notes:** <sup>a</sup>Mediating variable; <sup>b</sup>direct and indirect effects. PBL, perceived brand localness. This table only includes studies that primarily examine global brand effects; it excludes studies primarily investigating the moderating role of certain consumer characteristics (e.g. Alden *et al.*, 2006; Davvetas and Diamantopoulos, 2018; Dimofte *et al.*, 2010; Riefler, 2012; Steenkamp and de Jong, 2010; Strizhakova *et al.*, 2008; Zhang and Khare, 2009) or related constructs such as GCCP and LCCP (e.g. Nijssen and Douglas, 2011; Okazaki *et al.*, 2010; Westjohn *et al.*, 2016)

Table II.

outcome variables, such as brand evaluation, brand attitude, behavioral intentions and actual willingness to pay and further explored potential boundary conditions (e.g. Davvetas *et al.*, 2015; Özsoyner, 2012; Sichtmann and Diamantopoulos, 2013; Swoboda *et al.*, 2012; Swoboda and Hirschmann, 2016; Winit *et al.*, 2014; Xie *et al.*, 2015). In a stringent replication of the originally documented effects, Davvetas *et al.* (2015) examine the impact of PBG on consumers' willingness to pay by experimentally manipulating brand globalness. Their results, obtained from an incentive-aligned BDM lottery (Becker *et al.*, 1964), suggest that consumers not only report higher purchase intentions but also are willing to pay more for global brands than local brands. The positive effects of PBG appear to hold for both foreign and domestic brands in a developed country setting (Winit *et al.*, 2014), for locally iconic brands in a developing country setting (Özsoyner, 2012), for corporate brands (Swoboda and Hirschmann, 2016), for brand extensions (Sichtmann and Diamantopoulos, 2013) and for retail brands (Swoboda *et al.*, 2012).

Beyond its positive effects on cognitive outcome variables, brand globalness can shape consumer preferences through an affective pathway (Dimofte *et al.*, 2008; Swoboda *et al.*, 2012; Xie *et al.*, 2015). Swoboda *et al.* (2012) explicitly distinguish different types of perceived value (i.e. functional, emotional and social) and find that both cognitive and affective responses mediate the effect of PBG. Xie *et al.* (2015) thus propose an extended model of consumers' preference formation for global brands that accounts for the affective pathway of global brand effects, by incorporating brand affect and brand trust as additional, meaningful mediators. This affective component of global brands is likely rooted in their ability to serve as vehicles for consumers' identity projects. The symbolic value associated with many global brands enables consumers to participate in a given consumer culture that spans national borders, which represents the so-called global consumer culture (Alden *et al.*, 1999). This function of global brands also has been called the "global myth" (Holt *et al.*, 2004), the "belongingness pathway" (Steenkamp *et al.*, 2003), the "aspiration component" (Dimofte *et al.*, 2008) and the "passport to global citizenship" (Strizhakova *et al.*, 2008).

Importantly, these beneficial cognitive and affective responses do not necessarily apply to all consumers. Not only does literature suggest the existence of "anti-global" consumer segments who oppose multinational corporations and global brands as symbols of predatory capitalism (e.g. exploitation, human rights abuses; Klein, 2009) and cultural homogenization (e.g. "McDonaldization," Ritzer, 2007), but it also reveals consumers' re-orientation toward traditional (national) values, particularly in western countries (*The Economist*, 2016; Ghemawat, 2017), which likely helps local brands restore their competitiveness relative to global brands.

### **Conceptual extension and hypotheses**

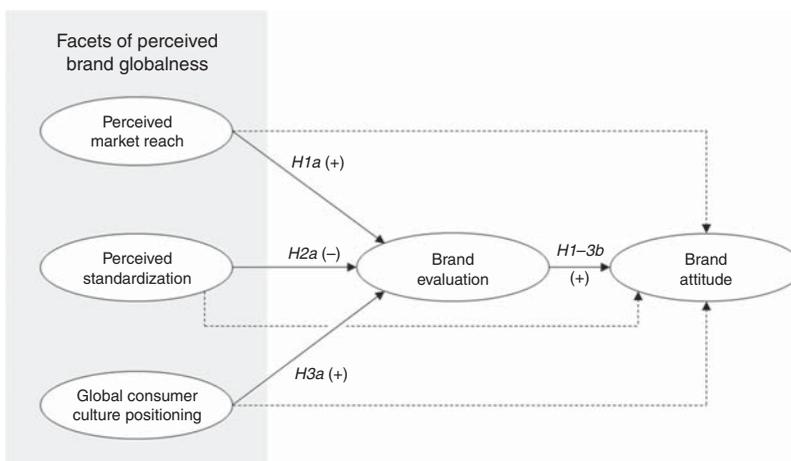
Despite considerable research advances with respect to the outcomes of consumers' brand globalness perceptions, the conceptualization and operationalization that underlie most studies fall short in at least two ways. First, from a conceptual standpoint, the conventional definition (Steenkamp *et al.*, 2003) emphasizes a brand's market reach in terms of availability and acceptance. Although wide market reach is a widely agreed-on characteristic of global brands, this criterion captures the conceptual domain of interest only partly, as the review of extant conceptualizations suggests the existence of (at least) three facets of brand globalness. Notably, Steenkamp *et al.*'s (2003) original definition includes the requirement of being recognized as "global" but does not specify explicitly what being global entails, leaving this question open to interpretation. This ambiguity is best reflected by the first (tautological) item of the original PBG scale (To me, this is a global/local brand; Steenkamp *et al.*, 2003, p. 64). Because an overly narrow conceptualization bears the risk of overlooking meaningful facets that potentially enhance or mitigate global brand effects, I posit that the conceptualization should extend beyond a brand's market reach and incorporate additional,

explicitly defined facets of consumers' brand globalness perceptions to capture the conceptual domain to a greater extent. The relevant perceptions are different from other (universal) brand perceptions, such as quality or value-for-money, in that they are commonly viewed as distinguishing features of global brands.

Second, from a methodological standpoint, most models of global brand effects incorporate the original (unidimensional) PBG scale as the only predictor of consumers' brand evaluations and brand attitudes (or purchase intentions), examining both direct and mediating effects. However, this conventional model fails to account for the complex, multifaceted nature of the concept. Although researchers have shed first light on the interplay between a brand's PMR and its (domestic or foreign) ownership (Winit *et al.*, 2014), no research has juxtaposed the individual effects of different facets of brand globalness itself. By considering additional measures that capture such facets of consumers' brand globalness perceptions, associated effects are likely to be explained to a greater extent (in terms of increased variance explained) and in greater detail (by revealing the individual sources of the effects).

To address these shortcomings, I theorize an extended model of global brand effects that is based on a refined conceptualization of PBG and test it against the conventional model. With an integrative perspective, I define PBG as a consumer's belief that a brand has wide availability, recognition, and acceptance in many countries around the world; has a similar positioning, image, personality, look, and feel across markets (enabled by standardization of marketing activities); and is associated with a given global consumer culture. This multifaceted conceptualization is reflected by the conceptual model in Figure 1. It involves three distinct facets of brand globalness perceptions, paired with brand evaluation and brand attitude as two commonly examined outcome variables (hereinafter, extended model). Adopting the basic notion of signaling theory (Erdem and Swait, 1998), I view these three facets of brand globalness as signals that convey information about a brand's attribute levels to consumers and, as a consequence, affect their brand evaluations and attitudes positively or negatively.

The first widely accepted key characteristic of global brands is wide market reach, in terms of availability and recognition (Dimofte *et al.*, 2010; Özsomer, 2012; Steenkamp *et al.*, 2003). Accordingly, I define PMR as consumers' belief that a brand is marketed and recognized in multiple countries (which closely conforms to the conventional definition of PBG). This belief forms from learning about a brand's actual market reach, through travel experience, word of



**Notes:** Controls: Brand familiarity, category familiarity, product category (dummy variables)

**Figure 1.**  
Conceptual model

mouth, general media exposure, or a brand's marketing communications (Steenkamp *et al.*, 2003). According to signaling theory (Erdem and Swait, 1998), acceptance of a brand in many markets worldwide may reduce consumers' uncertainty about brand attribute levels (i.e. brand evaluation), because consumers infer superior levels of quality and expertise from a brand's worldwide availability and acceptance (Özsomer, 2012; Steenkamp *et al.*, 2003). Thus, in line with previous findings, I expect the following:

- H1. PMR positively affects consumers' (a) global brand evaluation (EVA) and, ultimately, (b) global brand attitude (ATT).

Another characteristic that underlies many definitions of global brands is the extent to which a brand's marketing activities are standardized across markets (i.e. perceived standardization, or PST). According to this notion, the brand's degree of globalness depends on the consistency of its positioning, personality, look and feel across multiple markets (Aaker and Joachimsthaler, 1999), which results from "the pursuit of similar marketing programs across different countries or regions with regard to product offering, promotional mix, and price and distribution structure" (i.e. marketing standardization; Özsomer and Simonin, 2004, p. 397)[3]. Such uniformity establishes a major point of difference relative to local brands, which instead tend to be perceived as more adaptive to the specific needs and wants of local consumers (Dimofte *et al.*, 2008; Özsomer, 2012; Schuilng and Kapferer, 2004). Although consumers' ability to judge a brand's actual degree of standardization across markets may be limited, their subjective beliefs nonetheless are likely to affect their evaluations.

Regarding the effect of perceptions of standardization, I recognize two opposing theoretical arguments. On the one hand, signaling theory suggests that the consistency of marketing activities decreases consumers' information costs and risk perceptions, which should increase the brand's perceived value (Özsomer and Altaras, 2008). On the other hand, international marketing literature suggests that standardization across markets creates a potential lack of adaptation to local market requirements (Cavusgil and Zou, 1994; Katsikeas *et al.*, 2006), thereby increasing the risk of catering poorly to local consumers' needs and wants (Özsomer and Simonin, 2004). This latter rationale is supported by anecdotal evidence and consumer reports that imply negative connotations of standardization (e.g. Bauer *et al.*, 2007; Thompson *et al.*, 2006). For example, consumers interviewed by Bauer *et al.* (2007) characterized global brands as "mass produced" and "overstandardized," (p. 307) which implies a lack of authenticity. Similarly, consumer reports blame global brands, which employ standardized marketing strategies and programs, for the homogenization of local cultures (Thompson *et al.*, 2006). Therefore, I expect the following:

- H2. Perceived standardization (PST) negatively affects consumers' (a) global brand evaluation (EVA) and, ultimately, (b) global brand attitude (ATT).

Regardless of a brand's actual market reach, it might be positioned intentionally as a global brand, in terms of its image, suggesting a GCCP. Consumer culture theory suggests the presence of distinct global consumer cultures, which are defined as "cultural entit[ies] not associated with a single country, but rather a larger group generally recognized as international and transcending individual national cultures" (Alden *et al.*, 1999, p. 80). The emergence of such deterritorialized, global consumer cultures has been facilitated by the dissolution of boundaries across national cultures and economies in the wake of globalization (Cleveland and Laroche, 2007).

Similar to national cultures, global consumer cultures are comprised of sets of cultural symbols that may become visible in branded products, their advertising, their packaging and so on (Slater, 1997). By incorporating such cultural cues (e.g. language, esthetic style, story themes) in brand communications, the brand can effectively become associated with a given global consumer culture (Alden *et al.*, 1999). For example, a global positioning might

be cultivated through the use of visual brand elements (e.g. brand logo incorporating iconic symbols), internationally known spokespeople (e.g. popular movie stars, musicians, athletes) or certain story themes (e.g. cosmopolitan lifestyle) (Alden *et al.*, 1999). In other words, a brand can be charged with global cultural meanings that are internationally recognized and understood (also referred to as the global myth), leading consumers to think of the brand as global (Holt *et al.*, 2004). This symbolic value associated with globally positioned brands enables consumers to acquire and signal their membership in a worldwide consumer segment. As noted, this function of global brands also has been coined the “belongingness pathway” (Steenkamp *et al.*, 2003); it is a crucial attribute that differentiates global brands (Strizhakova *et al.*, 2012).

Previous research indicates that many consumers prefer the cultural imagery and symbolism attached to global brands (Alden *et al.*, 2006; Xie *et al.*, 2015). Specifically, a global (consumer culture) positioning can increase a brand’s prestige by conveying values that consumers around the world favorably perceive, such as modernity, cosmopolitanism or sophistication. Accordingly, I expect the following:

*H3.* GCCP positively affects consumers’ (a) global brand evaluation (EVA) and, ultimately, (b) global brand attitude (ATT).

## Methodology

### *General procedure*

To test the conceptual model, I analyzed survey data from Germany using (multi-group) structural equation modeling (Mplus 7.4; Muthén and Muthén, 1998–2015). First, I estimated a model that specifies the original PBG measure as the only predictor of consumers’ brand evaluations and attitudes (conventional model). In line with previous research (Steenkamp *et al.*, 2003), I presume an indirect relationship between PBG and brand attitude, mediated through brand evaluation, but also allow for potential direct effects. Second, I predicted the same outcomes, using the extended set of brand globalness facets as explanatory variables (extended model). By comparing these two competing models, I can examine the relative impact of each facet, such that I decompose global brand effects into their constituent elements and also assess the models’ explanatory power. In both steps, I control for differences in respondents’ age, gender, and familiarity with a given product category and brand and also account for potential product category effects with corresponding dummy variables.

Importantly, I estimated both models in a multi-group setting. That is, I explicitly distinguished between domestic and foreign brands because prior research suggests that global brand effects differ in strength, depending on the brand’s origin (e.g. Riefler, 2012; Swoboda and Hirschmann, 2016; Westjohn *et al.*, 2015). Specifically, recent findings suggest that the well-established domestic-country bias (for reviews, see Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999) – that is, consumers’ “bias against foreign products and in favor of domestic ones” (Balabanis and Diamantopoulos, 2004, p. 80) – is also pertinent to the context of global brands (Riefler, 2012). I further explore potential variations in the effects depending on the perceived risk associated with a product category, given that the reduction of consumers’ risk perceptions plays a prominent role in signaling theory (Erdem and Swait, 1998).

### *Country and brand selection*

I selected Germany as a suitable setting for the research purpose because Germany is highly integrated in the world economy (Gygli *et al.*, 2018), evidenced by high volumes of imports and exports of goods and services (accounting for 38.1 and 46.1 percent of the gross domestic product in 2016, respectively; World Bank, 2018). As such, German consumers have a wide range of global and local consumption alternatives in numerous product categories. Importantly, Germany is also home to major global brands from myriad product

categories, including Volkswagen (cars), Siemens (home appliances and more), Hugo Boss (fashion), Nivea (body care), Beck's (beer) and Ritter Sport (chocolate).

In collaboration with a professional panel provider, I collected the required data among a large sample of German consumers ( $n = 907$ ), which consisted of 453 women (49.9 percent) and 454 men (50.1 percent) aged between 18 and 86 years ( $M_{age} = 49.2$ ,  $SD_{age} = 13.4$ ). Table III summarizes key characteristics of the sample. The sample's heterogeneous nature maximizes the external validity of the results and allows me to make valid inferences for the larger population of German consumers (Heiman, 1998).

Overall, the respondents rated 63 brands across eight diverse product categories (chocolate, soft drinks, beer, fast food restaurants, body care, fashion, home appliances and cars) on all variables of interest[4]. Similar to Steenkamp *et al.*'s (2003) brand sampling approach, I compiled a set of product categories that ensures sufficient variance across the non-durable-durable continuum as well as the price continuum to increase the generalizability of the findings; the categories ranged from cheap, non-durable goods such as chocolate and soft drinks to expensive, durable goods such as home appliances and cars (see Table IV for an overview). For each product category, I selected eight top-of-mind brands that I expected to vary in terms of the key constructs (i.e. PMR, PST and GCCP) while balancing the number of domestic and foreign brands within each category to reduce origin-induced biases. Descriptive statistics indicate high levels of familiarity with all brands, regardless of consumers' age and gender[5].

#### *Survey sequence*

I asked each respondent to indicate his or her level of familiarity with all eight product categories. Next, I randomly assigned each respondent to a single product category, given at least a moderate level of familiarity with that category (i.e. equal to or above the scale mid-point). I then asked the respondents to indicate the perceived level of risk involved in the product category of interest, before exposing them to four random brand stimuli from that category in a stepwise manner. By asking each respondent to rate only a subset of brands, I follow a common approach in global branding research (e.g. Batra *et al.*, 2000;

Variable	
Sample size	907
Age (M/R)	49.2/18–86 years
18–39 years	25.1%
40–59 years	49.8%
60+ years	25.1%
<i>Gender (%)</i>	
Female	50.1
Male	49.9
<i>Educational level (%)</i>	
Secondary school	50.5
High school diploma	20.9
University degree	28.6
<i>Income (after taxes) (%)</i>	
< €1,000	9.8
€1,000–€2,000	24.9
€2,000–€3,000	26.2
> €3,000	25.8
Not specified	13.2

**Table III.**  
Sample characteristics

**Notes:** M, mean value; R, range of values

Product category	Brand name
Chocolate	F: Toblerone, Ferrero Rocher, Lindt, Kinder, Milka D: Hachez, Ritter Sport, Schogetten <sup>a</sup>
Soft drinks	F: Coca-Cola, Red Bull, Fanta, Schweppes D: Schwip Schwap, Sinalco, Bionade <sup>a</sup> , fritz-kola <sup>a</sup>
Beer	F: Corona, Heineken, Carlsberg D: Beck's, Bitburger, Krombacher, Radeberger, Franziskaner
Body care	F: Head & Shoulders, Axe, Dove, Rexona D: Nivea, Schwarzkopf, schaum, Balea <sup>a</sup>
Fast food restaurants	F: McDonald's, KFC, Subway, Pizza Hut D: Joey's Pizza, Vapiano, NORDSEE <sup>a</sup>
Fashion	F: Levi's, Tommy Hilfiger, H&M, Esprit, Zara D: Hugo Boss, Jack Wolfskin, s.Oliver
Home appliances	F: Samsung, LG, dyson, Philips D: Siemens, Braun, AEG, Miele
Automobiles	F: Toyota, Ford, Kia, Peugeot D: Audi, Volkswagen, BMW, Opel

**Notes:** <sup>a</sup>Mean PBG score below the scale mid-point (i.e. non-global in conventional terms/perceived geographic reach). F, foreign brands (33 brands); D, domestic brands (30 brands). Because additional analyses excluding these five brands led to the same results, I retained the brands in the sample

**Table IV.**  
Product categories  
and brand stimuli

Steenkamp *et al.*, 2003; Zhou *et al.*, 2010) to reduce respondent fatigue “without sacrificing the amount of data needed” (Zhou *et al.*, 2010, p. 209). In the main section of the survey, each respondent rated each of the four (randomly rotated) brands in terms of all constructs of interests, with the measurement of the dependent variables preceding the measurement of the independent variables (following common suggestions to reduce common method variance; Podsakoff *et al.*, 2003). Finally, I asked each respondent to answer a set of questions regarding common socio-demographic and socio-economic characteristics (i.e. age, gender, level of education and monthly household income).

### Measurement scales

I measured all focal constructs with seven-point Likert or bipolar scales, using items from established scales or new items derived from the corresponding definitions in the literature. Table V presents the conceptualization and operationalization of each construct, grouped into independent and dependent variables.

With respect to the independent variables, I measured PBG using Steenkamp *et al.*'s (2003) original three-item scale (i.e. To me, this brand is a local/global brand, I do not/do think consumers overseas buy this brand and this brand is sold only in Germany/all over the world). The measure of PMR is directly derived from the former scale by exclusively considering the items that refer to a brand's market reach (I do not/do think consumers overseas buy this brand and this brand is sold only in Germany/all over the world) while excluding the first item. This excluded item (To me, this is a global/local brand) is ambiguous, in that respondents might interpret it in manifold ways. In turn, it could capture variance components that are attributable to other facets of PBG than market reach. As a consequence of this derivation, the PMR measure naturally conforms to the PBG measure but unambiguously captures a brand's PMR.

To measure consumers' perceptions of brand standardization (PST), I used two items, partly derived from Dimofte *et al.* (2008): “This brand adapts very well/not at all to local needs and wants” and “This brand cares very much/does not care at all about the needs and wants of local consumers”[6]. The dearth of established (reflective) scales for measuring a brand's GCCP prompted me to develop three items, closely reflecting the construct's original

Constructs Independent variables	Measurement items	Results from MG-CFA			
		$\lambda$	$\alpha$	CR	AVE
Perceived market reach (PMR), i.e. consumers' belief that a brand is marketed and recognized in multiple countries (Steenkamp <i>et al.</i> , 2003)	1. I do not (do) think consumers overseas buy this brand	0.83	0.86 <sup>d</sup> / 0.80 <sup>f</sup>	0.86 <sup>d</sup> / 0.80 <sup>f</sup>	0.76 <sup>d</sup> / 0.66 <sup>f</sup>
	2. This brand is available only in Germany (all over the world). (drawn from Steenkamp <i>et al.</i> , 2003; seven-point bipolar scale)	0.85			
Perceived standardization (PST), i.e. extent to which a brand is viewed as basically the same everywhere, with no particular adaptation to local markets. (Dimofte <i>et al.</i> , 2008)	1. This brand adapts very well (not at all) to the needs and wants of local consumers	0.85	0.85 <sup>d</sup> / 0.86 <sup>f</sup>	0.85 <sup>d</sup> / 0.86 <sup>f</sup>	0.74 <sup>d</sup> / 0.76 <sup>f</sup>
	2. This brand cares very much (does not care at all) about the needs and wants of local consumers. (based on Dimofte <i>et al.</i> , 2008; seven-point bipolar scale)	0.88			
Global consumer culture positioning (GCCP), i.e. degree to which a brand is identified as a symbol of a given global culture (Alden <i>et al.</i> , 1999)	1. To me, the style of this brand's logo gives an impression of being local (international)	0.75	0.73 <sup>d</sup> / 0.75 <sup>f</sup>	0.73 <sup>d</sup> / 0.75 <sup>f</sup>	0.48 <sup>d</sup> / 0.50 <sup>f</sup>
	2. I associate this brand with themes and motives that stand for something local (international)	0.69			
	3. The people I associate with this brand (e.g. testimonials) are German (foreign) (based on Alden <i>et al.</i> , 1999; seven-point bipolar scale)	0.66			
<i>Dependent variables</i>					
Brand evaluation (EVA), i.e. consumers' beliefs regarding the subjective values of certain brand attributes (Ajzen, 2001)	1. Quality (high quality, well manufactured, reliable/durable)	0.94	0.85 <sup>d</sup> / 0.83 <sup>f</sup>	0.86 <sup>d</sup> / 0.81 <sup>f</sup>	0.76 <sup>d</sup> / 0.68 <sup>f</sup>
	2. Prestige (renowned, can serve as a status symbol) (based on Riefler, 2012; seven-point scale anchored with 1 = "Poor" and 7 = "Excellent")	0.78			
Brand attitude (ATT), a brand's overall degree of favorability from a consumer perspective (Ajzen, 2001)	1. I do not (do) like this brand	0.94	0.93 <sup>d</sup> / 0.94 <sup>f</sup>	0.93 <sup>d</sup> / 0.94 <sup>f</sup>	0.87 <sup>d</sup> / 0.89 <sup>f</sup>
	2. I have a negative (positive) opinion about this brand. (based on Batra <i>et al.</i> , 2000; seven-point bipolar scale)	0.94			
<i>Control variables</i>					
Brand familiarity (BFAM), i.e. extent of consumers' experience with a brand (Campbell and Keller, 2003)	1. This brand is very unfamiliar (familiar) to me	0.93	0.91 <sup>d</sup> / 0.91 <sup>f</sup>	0.91 <sup>d</sup> / 0.91 <sup>f</sup>	0.83 <sup>d</sup> / 0.83 <sup>f</sup>
	2. I am not at all (very knowledgeable) about this brand. (drawn from Steenkamp <i>et al.</i> , 2003; seven-point bipolar scale)	0.89			
Category familiarity (CFAM), i.e. extent of consumers' experience with a product category.	1. How familiar are you with [category]? (own item; seven-point scale anchored with 1 = "Not at all" and 7 = "Very much")	-	-	-	-

**Table V.** Conceptualization and operationalization of key constructs

**Notes:**  $\lambda$  = Standardized factor loading (averaged across groups);  $\alpha$ , Cronbach's alpha; CR, composite reliability; AVE, average variance extracted. Parameters denoted by "d" or "f" in superscript correspond to domestic brands or foreign brands, respectively

conceptualization by Alden *et al.* (1999). The operationalization captures two major dimensions of a brand's consumer culture positioning: esthetic styles (to me, the style of this brand's logo gives an impression of being local/international) and story themes (I associate this brand with themes and motives that stand for something local/international). However, I did not explicitly address the third dimension of the GCCP construct, language, because global brands commonly adopt local languages in their marketing communications (Harris and Attour, 2003; Nelson and Paek, 2007), such that language cannot function as a defining dimension.

I captured the dependent variable, global brand evaluation (EVA), with two items that reflect a respondent's beliefs about the two most commonly examined global brand attributes: quality (high quality, well manufactured, reliable/durable) and prestige (renowned, can serve as a status symbol; extended items based on Riefler, 2012). I also measured respondents' attitudes toward the brand (ATT) with two items used in previous research (I do not/do like this brand and I have a negative/positive opinion about this brand; Batra *et al.*, 2000). As control variables, I further captured each respondent's familiarity with the presented product category (how familiar are you with product category? own item) and brands (e.g. this brand is very unfamiliar/familiar to me; Steenkamp *et al.*, 2003). Finally, I measured each respondent's (individually) PCR using a single item (a poor choice of product category would be upsetting; Batra *et al.*, 2000) to explore potential cross-category variations in the effects of interests.

#### *Confirmatory factor analysis*

To assess the validity and reliability of the measures, I performed a confirmatory factor analysis (CFA) in a two-group setting (i.e. domestic and foreign global brands). For both models, the results indicate an excellent fit (conventional model:  $\chi^2(52) = 360.753$ , RMSEA = 0.058, CFI = 0.985, TLI = 0.980, SRMR = 0.045; extended model:  $\chi^2(114) = 650.575$ , RMSEA = 0.051, CFI = 0.981, TLI = 0.974, SRMR = 0.045) and sufficient levels of convergent and discriminant validity for all measures. The convergent validity was indicated by the statistically significant factor loadings ( $p < 0.001$ ), which mostly exceeded the recommended threshold of 0.70 and average variance extracted (AVE) indices that were greater than the common cutoff point of 0.50 (Bagozzi and Yi, 1988). Exceptions are two items measuring GCCP, which partly missed the recommended thresholds by a narrow margin. However, I decided to retain these items because each item exhibited sufficiently large factor loadings in one of the two groups. The composite reliability values for all constructs ranged from 0.73 to 0.94. To assess discriminant validity, I applied Fornell and Larcker's (1981) criterion, which was met by all pairs of constructs, in both groups and across models. I also tested for measurement invariance to ensure that all measures operate in the same way across both groups. Stepwise comparisons between unconstrained and constrained (factor loadings and item intercepts) versions of each model showed only marginal changes in model fit (i.e.  $\Delta\text{CFI} < 0.01$ ,  $\Delta\text{RMSEA} < 0.015$ ,  $\Delta\text{SRMR} < 0.030$ ), which suggests measurement invariance (Chen, 2007; Cheung and Rensvold, 2002), thus allowing me to draw valid comparisons between groups. In addition to summarizing the psychometric properties of all measures in Table V, in Table VI, I provide details about the squared correlations between the constructs, along with each construct's mean values and standard deviations.

#### *Common method bias*

Beyond conventional measures to reduce the likelihood of potential common method bias in advance (Chang *et al.*, 2010; Podsakoff *et al.*, 2003), I conducted a partial correlation analysis following Lindell and Whitney (2001). For this purpose, the questionnaire included a marker variable that is theoretically unrelated to the constructs of interests (i.e. "No matter who I'm talking to, I'm always a good listener," measured on a seven-point

**Table VI.**  
Descriptive statistics  
and correlation matrix

Constructs		1 <sup>a</sup>	2	3	4	5	6	7	8
	<i>M</i>	6.17	6.18	3.57	5.04	4.61	4.86	4.85	6.05
	<i>SD</i>	0.95	0.98	1.33	1.17	1.37	1.60	1.62	0.96
1. PBG		0.79 <sup>d</sup> /0.75 <sup>f</sup>							
2. PMR			0.87 <sup>d</sup> /0.82 <sup>f</sup>						
3. PST				-0.13	0.35	0.20	0.19	0.27	0.05
4. GCCP				0.86 <sup>d</sup> /0.87 <sup>f</sup>	0.23	-0.31	-0.37	-0.23	-0.13
5. EVA				0.47	0.69 <sup>d</sup> /0.71 <sup>f</sup>	0.07	0.02	0.08	0.03
6. ATT				-0.52	-0.15	0.87 <sup>d</sup> /0.82 <sup>f</sup>	0.71	0.42	0.20
7. BFAM				-0.53	-0.17	0.68	0.93 <sup>d</sup> /0.94 <sup>f</sup>	0.58	0.15
8. CFAM				-0.46	-0.22	0.52	0.65	0.91 <sup>d</sup> /0.91 <sup>f</sup>	0.23
				0.18	-0.12	0.18	0.13	0.20	-

**Notes:** *M*, mean value; *PBG*, perceived brand globalness; *PMR*, perceived market reach; *PST*, perceived standardization; *GCCP*, global consumer culture positioning; *EVA*, brand evaluation; *ATT*, brand attitude; *BFAM*, brand familiarity; *CFAM*, category familiarity. <sup>a</sup>Fewer parameters due to the model specification (conventional model). Values below/above the diagonal correspond to the correlations among the constructs for domestic/foreign brands. Values on the diagonal in italics correspond to the square root of the average variance extracted (AVE) for domestic brands (d in superscript) and foreign brands (f in superscript)

Likert scale). Using the smallest correlation between the marker variable and any other variable as an estimate of common method variance, I corrected the remaining correlations for inflation (Lindell and Whitney, 2001). Neither the first-order partial correlations nor the attenuated partial correlations (i.e. corrected for measurement error) caused any concern; I observed no changes in the statistical significance of any correlation. Additional sensitivity tests using the second-, third- and fourth-largest correlations (0.01–0.07) produced similar results.

## Results

### Results from the model estimations

Table VII summarizes the results from the model estimations. Both models fit the data well (conventional model:  $\chi^2(192) = 1,425.767$ , RMSEA = 0.060, CFI = 0.944, TLI = 0.927, SRMR = 0.064; extended model:  $\chi^2(334) = 2,154.196$ , RMSEA = 0.055, CFI = 0.938, TLI = 0.923, SRMR = 0.063) and explain substantial shares of variance (brand evaluation: 30.2–57.5 percent, brand attitude: 72.0–74.6 percent). With respect to the conventional model, the results show a

Relationships	<i>H</i>	Conventional model			Extended Model		
		Domestic origin	Foreign origin	<i>p</i> (W)	Domestic origin	Foreign origin	<i>p</i> (W)
<i>Direct effects</i>							
PBG → EVA		0.283***	0.142***	0.347	–	–	
PMR → EVA	<i>H1</i> (+)	–	–		0.202***	0.078*	0.245
PST → EVA	<i>H2</i> (+)	–	–		–0.488***	–0.291***	< 0.001
GCCP → EVA	<i>H3</i> (+)	–	–		0.136***	0.090*	0.363
EVA → ATT		0.539***	0.669***	< 0.001	0.466***	0.640***	< 0.001
PBG → ATT		0.001	–0.051**	0.023	–	–	
PMR → ATT		–	–		–0.019	–0.067**	0.044
PST → ATT		–	–		–0.178***	–0.089***	0.013
GCCP → ATT		–	–		0.094**	0.020	0.059
<i>Indirect effect</i>							
PBG → EVA → ATT		0.153***	0.095***	0.835	–	–	
PMR → EVA → ATT		–	–		0.094***	0.050*	0.801
PST → EVA → ATT		–	–		–0.227***	–0.186***	0.040
GCCP → EVA → ATT		–	–		0.063***	0.058*	0.869
<i>Controls<sup>a</sup></i>							
BFAM → EVA		0.491***	0.395***		0.308***	0.342***	
BFAM → ATT		0.397***	0.333***		0.385***	0.327***	
CFAM → EVA		0.072***	0.080**		0.037	0.050*	
CFAM → ATT		–0.051**	–0.039*		–0.057***	–0.044**	
<i>Variance explained (R<sup>2</sup>)</i>							
EVA		45.2%	30.2%		57.5%	36.3%	
ATT		72.0%	74.2%		73.1%	74.6%	
<i>n</i>		1,974	1,595		1,974	1,595	

**Notes:** *H*, Hypothesis; PBG, perceived brand globalness; PMR, perceived market reach; PST, perceived standardization; GCCP, global consumer culture positioning; EVA, brand evaluation; ATT, brand attitude; BFAM, brand familiarity; CFAM, category familiarity. Parameters shown are standardized coefficients. Parameters shown in the column *p*(W) represent the *p*-values from the corresponding Wald tests. Model fit (conventional model):  $\chi^2(192) = 1,425.767$ , RMSEA = 0.060, CFI = 0.944, TLI = 0.927, SRMR = 0.064. Model fit (extended model):  $\chi^2(334) = 2,154.196$ , RMSEA = 0.055, CFI = 0.938, TLI = 0.923, SRMR = 0.063. <sup>a</sup>Both models further include age, gender, and product category dummies as controls. \**p* < 0.05; \*\**p* < 0.01; \*\*\**p* < 0.001

**Table VII.**  
Disentangling global brand effects

positive direct effect of PBG on consumers' brand evaluations ( $\beta_{\text{domestic}} = 0.283, p < 0.001$ ;  $\beta_{\text{foreign}} = 0.142, p < 0.001$ ) and a positive indirect effect on brand attitudes ( $\beta_{\text{domestic}} = 0.153, p < 0.001$ ;  $\beta_{\text{foreign}} = 0.095, p < 0.001$ ). Both pathways are comparably strong for domestic and foreign brands, as the formal comparisons of the corresponding coefficients indicate (i.e. Wald  $\chi^2$  tests ( $W$  denotes the corresponding test statistic): PBG  $\rightarrow$  EVA:  $p(W) = 0.347$ ; PBG  $\rightarrow$  EVA  $\rightarrow$  ATT:  $p(W) = 0.835$ ). The direct relationship between PBG and brand attitude remained statistically non-significant for domestic brands ( $\beta_{\text{domestic}} = 0.001, p = 0.953$ ) but turned significant and negative for foreign brands ( $\beta_{\text{foreign}} = -0.051, p = 0.009$ ). Overall, these results corroborate the well-established indirect effect of PBG on brand attitude through enhanced brand evaluation (e.g. Steenkamp *et al.*, 2003).

With respect to the extended model, the results reveal a pattern of varying, mutually opposing effects of different facets of brand globalness perceptions. Similar to the conventional model, a brand's market reach has a moderately positive effect on consumers' brand evaluations ( $\beta_{\text{domestic}} = 0.202, p < 0.001$ ;  $\beta_{\text{foreign}} = 0.078, p = 0.023$ ) and, ultimately, brand attitudes ( $\beta_{\text{domestic}} = 0.094, p < 0.001$ ;  $\beta_{\text{foreign}} = 0.050, p = 0.025$ ) in both groups, yielding empirical support for *H1a* and *H1b*. In the case of foreign brands, this positive indirect effect of PMR on brand attitudes through brand evaluations is counterbalanced to some extent by a negative direct effect of PMR on brand attitudes ( $\beta_{\text{foreign}} = -0.067, p < 0.01$ ). In other words, in general consumers appreciate a brand's market reach from a cognitive standpoint but seem to have affective reservations about global brands that originate from foreign countries.

In contrast with the positive effect of PMR, I find that PST has a strong negative influence on consumers' brand evaluations and attitudes, as I predicted in *H2a* and *H2b*. PST has a remarkably strong negative effect on brand evaluations ( $\beta_{\text{domestic}} = -0.488, p < 0.001$ ;  $\beta_{\text{foreign}} = -0.291, p < 0.001$ ) and further affects brand attitudes not only indirectly through brand evaluations ( $\beta_{\text{domestic}} = -0.227, p < 0.001$ ;  $\beta_{\text{foreign}} = -0.186, p < 0.001$ ) but also directly ( $\beta_{\text{domestic}} = -0.178, p < 0.001$ ;  $\beta_{\text{foreign}} = -0.089, p < 0.001$ ). These negative effects are approximately twice as strong as the effects due to any of the other brand globalness facets, and they are particularly strong for domestic brands, as the comparisons of coefficients between groups indicate (PST  $\rightarrow$  EVA:  $p(W) < 0.001$ ; PST  $\rightarrow$  ATT:  $p(W) = 0.013$ ; PST  $\rightarrow$  EVA  $\rightarrow$  ATT:  $p(W) = 0.040$ ).

I also expected that a brand's global positioning would be positively related to consumers' brand evaluations and attitudes. In support of *H3a* and *H3b*, I find a positive effect of GCCP on brand evaluations ( $\beta_{\text{domestic}} = 0.136, p < 0.001$ ;  $\beta_{\text{foreign}} = 0.090, p = 0.011$ ) and attitudes ( $\beta_{\text{domestic}} = 0.063, p < 0.001$ ;  $\beta_{\text{foreign}} = 0.058, p = 0.011$ ) in both groups. These pathways are of comparable size for domestic and foreign brands (GCCP  $\rightarrow$  EVA:  $p(W) = 0.363$ ; GCCP  $\rightarrow$  EVA  $\rightarrow$  ATT:  $p(W) = 0.869$ ). In the case of domestic brands, GCCP has an additional positive direct effect on brand attitudes ( $\beta_{\text{domestic}} = 0.094, p = 0.002$ ), which implies that consumers value a domestic brand's global image beyond mere cognitive reasons[7].

With regard to the extent of variance explained, I observe that the extended model is able to explain substantially more variance in brand evaluation (relative increase of 23.7 percent across both groups). Conversely, the inclusion of additional predictors barely increases the explained variance in brand attitude (relative increase of 2.6 percent across both groups).

#### *Test of rival model specification*

To assess the appropriateness of the model specification, I further examined the model fit in comparison with a rival model (Bagozzi and Yi, 1988). On theoretical grounds, an alternative specification of the extended model also may be conceivable. That is, I could argue that GCCP should be specified as a driver, not a facet, of consumers' brand globalness perceptions.

In this case, GCCP would precede consumers' perceptions of market reach and standardization. When I tested this alternative specification of the extended model, I obtained a significantly worse model fit ( $\chi^2(344)=3,187.853$ ,  $RMSEA=0.068$ ,  $CFI=0.903$ ,  $TLI=0.883$ ,  $SRMR=0.089$ ;  $\Delta\chi^2(\Delta 10)=1,033.657$ ,  $p < 0.001$ ). Thus, the extended model appears appropriately specified.

#### *Moderating role of product category risk*

As the reduction of consumers' risk perceptions plays a prominent role in signaling theory (Erdem and Swait, 1998), I treat the perceived risk associated with a product category as a potential moderator of global brand effects. In other words, PCR may render specific facets more or less important for consumers' brand-related judgments. To empirically examine such possible variations in the effects associated with each facet of brand globalness, I employed the latent moderated structural (LMS; Klein and Moosbrugger, 2000)[8] equations approach. Following the procedure outlined by Muthén (2012), I first estimated a baseline model (M0) without any interaction terms, followed by a nested version of the same model (M1) including the interaction terms of interest (i.e.  $PMR \times PCR$ ,  $PST \times PCR$  and  $GCCP \times PCR$ ). The significance of these interactions was assessed based on the log likelihood difference between M0 and M1 (i.e. likelihood-ratio  $\chi^2$  difference test; Klein and Moosbrugger, 2000; Muthén, 2012). The model comparison showed no substantial improvement in model fit ( $\chi^2(6)=8.834$ ,  $p=0.059$ ); all interactions were statistically non-significant (merely  $GCCP \times PCR$  approached statistical significance in the case of foreign global brands;  $\beta_{foreign}=0.089$ ,  $p=0.062$ ). As a robustness check, I estimated a series of models that included each interaction term individually (instead of estimating all interactions simultaneously), which led to the same (non-significant) results. Overall, these results suggest that the magnitude of each facet's impact on brand evaluation is not contingent on the perceived level of risk associated with a particular product category.

#### **Discussion**

This study extends extant knowledge in the field of global branding by addressing an important research gap related to the conceptualization and operationalization of PBG. Informed by a review of existing global brand definitions, I propose an extended conceptualization of PBG that incorporates multiple facets of brand globalness perceptions (i.e. PMR, PST and GCCP). I theorize an extended model of global brand effects that pairs these facets with brand evaluation and brand attitude, two outcome variables commonly investigated in this field. By empirically testing this extended model against the conventional model specification incorporating the original PBG scale, I gain new insights into the role of these different facets in the formation of consumers' brand evaluations and attitudes.

Contrary to conventional wisdom in the field of global branding, the results show that the effects associated with brand globalness are not exclusively positive. That is, I replicate the well-established PBG effect in the conventional model and find a comparable effect of PMR in the extended model, suggesting an excessive overlap between these concepts ( $r=0.93$ , or 86 percent shared variance). In addition, the extended model includes a brand's GCCP – the presumed key to being recognized as global – which has positive downstream effects as well. Moreover, I find that a brand's perceived degree of standardization has a remarkably strong negative effect on brand evaluations that even exceeds the positive impact of a brand's market reach, which is commonly presented as the main conduit for global brand effects. This detrimental effect is particularly pronounced for domestic brands. Contrary to expectations, the magnitude of these effects does not vary depending on the perceived category risk.

*Theoretical implications*

Overall, my findings highlight the need to incorporate multiple measures when investigating global brand effects, to capture the complex, partially conflicting nature of brand globalness adequately. By ignoring the conflicting effects, previous studies that relied on the conventional PBG scale thus may have over-estimated the effect of brand globalness. Omitting PST – as a meaningful facet of brand globalness – increases the likelihood of obtaining upward-biased estimates. Such a potential over-estimation of global brand effects occurs regardless of global brand origin but is more pronounced for domestic than foreign global brands. Apparently, consumers take greater offense if domestic brands fail to adapt to the specifics of the local market, presumably because they expect these brands (vs foreign brands) to be more familiar with and caring about their home market. For example, a domestic global brand such as Nivea ( $M_{PST} = 2.74$ ) would suffer greater losses in terms of brand evaluation than a comparable foreign counterpart such as Dove ( $M_{PST} = 2.89$ ), given an identical increase in PST (e.g. through consumers learning of a brand's marketing activities abroad through travels, media exposure or word of mouth).

Conversely, omitting GCCP – another key facet of brand globalness – bears the potential of obtaining downward-biased estimates. Such a potential under-estimation of global brand effects is particularly likely to occur if examining brands with a strong global image. Interestingly, exploratory findings (see footnote 7) suggest that a pronounced GCCP can be especially beneficial for two reasons. On the one hand, the convex relationship between GCCP and brand evaluation implies that brands with a strong global image, such as Red Bull ( $M_{GCCP} = 5.38$ ), benefit even more from further increases in GCCP than brands with a less distinctive global positioning, such as Milka ( $M_{GCCP} = 2.76$ ). On the other hand, the interaction between GCCP and PST implies that a strong global image could lessen the detrimental effect of standardization perceptions. Presumably, consumers view a certain degree of standardization as justified if brands pursue a GCCP.

*Managerial implications*

The finding of conflicting effects associated with the different facets of brand globalness perceptions is critical to managerial practice. In particular, the results suggest that the potential gains arising from perceptions of wide availability and a global image not only are diminished but are entirely at stake if brands are perceived as overly standardized. Globalness perceptions can harm a brand. Thus, brand managers must pay close attention to consumers' perceptions of standardization, particularly in their home markets. They would be well advised to consider methods that can signal sufficient adaptation to local requirements, such as tailored marketing communications that feature localized elements or product adaptations to meet local standards. Many multinational corporations already expend considerable effort to increase local relevance or connectedness while maintaining their global identity, as exemplified by Coca-Cola's locally executed advertisements (Wind *et al.*, 2013), Audi's use of local partnerships and ambassadors (Williams, 2015) or Dove's cross-cultural campaign adaptations (McMains, 2008).

Furthermore, brand managers should stress their brands' market reach and use global positioning cues in their marketing communications to enhance consumers' perceptions of brand quality and prestige, irrespective of the (perceived) level of risk that a product category involves. The data suggest an untapped potential in that respect. For example, brands such as Schogetten ( $M_{PMR} = 3.86$ ) or Schauma ( $M_{PMR} = 4.34$ ) score below average on PMR ( $M = 5.42$ ), despite being distributed in more than 50 countries (Schogetten, 2018; Sinalco, 2018). Managers need to tap into this potential by educating their target audience about their brands' international success. Furthermore, managers should focus on establishing and cultivating a global image, linking a brand to a global consumer culture

by means of language, visual esthetics, spokespeople and themes (Alden *et al.*, 1999). A GCCP may offer some potential to further enhance brand evaluations of and attitudes toward global brands that are known to be widely distributed and recognized but are not yet viewed as having a strong global image (in terms of GCCP), such as Philips ( $M_{PMR} = 6.04$ ;  $M_{GCCP} = 4.29$ ) and Siemens ( $M_{PMR} = 5.84$ ;  $M_{GCCP} = 3.43$ ). Implementing a global image can pose a challenge though, because the use of, for example, globally known testimonials or themes reflecting a global culture may drive consumers' standardization perceptions. Overall, the tradeoff between standardization and adaptation, as identified in the traditional international business literature, thus appears highly topical in the context of global brands.

#### *Limitations and research directions*

This study represents a first attempt to empirically juxtapose the effects of different facets of brand globalness to better account for the complex nature of brand globalness, though more conceptual groundwork and empirical testing are required. From a conceptual standpoint, despite having reviewed the relevant literature with rigor, the existence of other yet-to-be-identified facets of brand globalness cannot be ruled out. Insights into how consumers form brand globalness beliefs may serve as a good starting point for exposing new, potentially more subtle facets of this construct. For example, little is known about what role brand esthetics, including style (e.g. modern, cosmopolitan) and design features (certain shapes, forms, and colors), play in shaping consumers' globalness perceptions. Similarly, the role of (physical and digital) touchpoints between consumers and global brands have received little attention, although it is conceivable that encountering a brand at deterritorialized points-of-sale (e.g. airports) or on global media (e.g. through product placement in globally disseminated movies or TV shows) affects consumers' view of that brand. Such explorative efforts require research designs that are less restricted in terms of the set of associations which may (or may not) be linked to globalness (i.e. quantitative approaches using a large pool of perceptual items or qualitative approaches without pre-specified response formats).

Furthermore, in the dawnning era of digitalization (Kannan and Li, 2017), the concept of brand globalness may undergo substantial changes as a consequence of new marketplace realities. Specifically, vanishing spatial and temporal limits and the increasing use of personalized marketing activities may challenge the role of market reach and standardization as definitional characteristics of global brands altogether. Likewise, the ongoing localization trend in many Western societies poses new challenges for global brands (Vishwanath and Rigby, 2006). Thus, this study should only be viewed as a starting point of a continuing debate about the conceptualization and operationalization of brand globalness.

From an empirical standpoint, this study has several shortcomings that should be addressed by future studies. First, I derived a set of measures from literature to represent different facets of consumers' brand globalness perceptions. Although the psychometric properties of these measures were acceptable, I encourage researchers to replicate my findings using more comprehensive and, if possible, thoroughly validated scales that may even span multiple sub-dimensions for each facet. For example, the measure used to capture PST may be criticized for tapping the perceived success of standardization rather than its mere extent. An improved, alternative measure of the perceived extent of standardization could further comprise multiple sub-dimensions, such as standardization in terms of a brand's name, product positioning, packaging, advertising theme or pricing. Such fine-grained study would make it possible to identify which brand elements may or may not be standardized/adapted without suffering the detrimental effects observed in the current study. Relatedly, it would be useful to investigate the interplay of PST (and potential sub-dimensions) and related constructs, such as brand authenticity and brand

credibility. Similarly, researchers could investigate the individual role of each global positioning cue (e.g. spokesperson, theme) in eliciting favorable brand evaluations. Although Alden *et al.*'s (1999) article on consumer culture positioning strategies is one of the most cited articles in recent global branding literature (Chabowski *et al.*, 2013), little remains known about how such positioning cues successfully translate into consumers' globalness perceptions (for an exception, see De Meulenaer *et al.*, 2015).

Overall, more work is necessary with respect to the concept of GCCP. One important issue that deserves more attention is the discrimination between GCCP and foreign consumer culture positioning. Despite being clearly defined and considered distinct concepts, empirically, these two constructs often overlap because of ambiguities in certain positioning cues. For example, Nescafé's spokesperson George Clooney may be perceived as a global and foreign celebrity at the same time (and potentially to different degrees). Likewise, the use of English language in ad copy may be viewed as a sign of internationalism by one consumer but merely as a foreign language (like any other language) by another consumer. These ambiguities are inherently difficult to address with quantitative methods that rely on standardized measures. Thus, future studies should consider qualitative research approaches to glean deeper insights into the way consumers process global, foreign and local positioning cues.

Interestingly, little is known about the accuracy of consumers' beliefs that a brand is global. In light of consumers' limited ability to classify brands to their correct origins (Balabanis and Diamantopoulos, 2008; Mandler *et al.*, 2017; Samiee *et al.*, 2005), it is reasonable to assume that consumers' beliefs about how widely distributed or standardized certain brands tend to be inaccurate as well. For example, it would be interesting to study if and to what extent consumers adjust their brand-related beliefs when becoming aware of the actual (smaller or greater) market reach of a brand (i.e. global success of a brand that was initially perceived to be local; exclusive local distribution of a brand that was initially perceived to be global).

Finally, future studies could identify additional boundary conditions, according to which certain facets of brand globalness matter more (or less). Recent research has identified several other product category characteristics (e.g. utilitarian value, social signaling value) that affect consumers' preference for global brands (Davvetas and Diamantopoulos, 2016) and thus may also play a moderating role in the impact of individual facets of brand globalness. Likewise, future studies could also investigate the moderating role of prominent consumer dispositions, such as consumer ethnocentrism (Shimp and Sharma, 1987), global/local identity (Zhang and Khare, 2009) or globalization attitude (Riefler, 2012). Moreover, it would be interesting to assess the extent to which my findings also apply to emerging markets, given significant differences in consumer behavior (e.g. Batra *et al.*, 2000) and the increasing importance of such markets for MNCs (Burgess and Steenkamp, 2006). Such insights would provide a clearer picture of the advantages and drawbacks of global branding strategies under different circumstances.

## Notes

1. Steenkamp *et al.* (2003) rephrased the first item to read, "To me, this brand is a local/global brand," but retained the other two items as is.
2. Depending on a global brand's domestic or foreign origin, it can be further subject to normative effects, which inherently involve cognitive and affective responses (Verlegh and Steenkamp, 1999). However, few studies have explicitly focused on normative aspects related to brand globalness as such. Only recently has research (i.e. Davvetas and Diamantopoulos, 2018) shed first light on the perceived decision justifiability of global vs local brand purchases and its impact on post-purchase regret.

3. Standardization and adaptation are commonly viewed as “two extremes of the same continuum” (Sousa and Bradley, 2008, p. 308). Thus, high levels of standardization imply low levels of adaptation and vice versa.
4. The uneven number of brand ratings is due to the *ex post* exclusion of a brand (Burger King), applied because a contemporary hygiene scandal might have distorted these results (Reuters, 2014).
5. Details are available on request from the author.
6. Due to the fact that the latter item could be criticized for being evaluative, I tested all models excluding this item. The findings have not changed substantively.
7. Using the latent moderation structural (LMS; Klein and Moosbrugger, 2000; see also next endnote) equations approach, I further explored potential non-linear and interactive effects. The results indicated a convex relationship between GCCP and EVA (linear term:  $\beta_{\text{domestic}} = 0.294$ ,  $p < 0.001$ ,  $\beta_{\text{foreign}} = 0.218$ ,  $p = 0.001$ ; squared term:  $\beta_{\text{domestic}} = 0.061$ ,  $p = 0.001$ ;  $\beta_{\text{foreign}} = 0.083$ ,  $p = 0.005$ ), i.e. the effect of GCCP becomes stronger as it increases. Furthermore, GCCP appears to interact with PST ( $\beta_{\text{domestic}} = 0.112$ ,  $p < 0.001$ ;  $\beta_{\text{foreign}} = 0.125$ ,  $p = 0.001$ ) in a way that the detrimental effect of PST on EVA becomes weaker with increasing levels of GCCP or, reversely, the favorable effect of GCCP on EVA becomes stronger with increasing levels of PST. Finally, there is a significant three-way interaction among all three facets of brand globalness, however, only in the case of domestic brands ( $\beta_{\text{domestic}} = -0.050$ ,  $p = 0.014$ ;  $\beta_{\text{foreign}} = -0.073$ ,  $p = 0.129$ ). Without a guiding theory, the nature of this three-way interaction (in the sense of causal order) cannot be unambiguously deciphered. Nonetheless, it exemplifies that the proposed facets of brand globalness shape consumers’ brand evaluations (and attitudes) jointly rather than independent from one another. I thank the co-editors for suggesting these valuable *post hoc* analyses.
8. In contrast to approaches using product indicators, LMS “is based on an analysis of the multivariate distribution of the joint indicator vector and takes the specific type of nonnormality implied by latent interaction effects explicitly into account” (Klein and Moosbrugger, 2000, p. 459). Because LMS does not violate the normality assumptions, it provides more accurate and precise estimates than approaches using (non-normally distributed) product indicators (Klein and Moosbrugger, 2000; Schermelleh-Engel *et al.*, 1998; Marsh *et al.*, 2004).

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