Understanding the Situational Appeal of Local Brands in Emerging Economies: the Case of Turkey

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While the power and influence of global cultural forces in affecting consumer preference between global and local brands is studied quite well, that of local cultures is not understood as well. This research systematically explores the situational contingencies that influence the ways in which consumers balance and integrate these two forces. We use both qualitative data and multivariate analysis of survey data to identify and test the dimensions of (1) consumer perceptions of degree of localness/globalness, (2) perceived benefits of local/global brands and corresponding preferences, and (3) the situational variables affecting consumer preference between local and global brands.

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The Liberating Effect of Guilt-Sharing on Consumers’ Preference for Indulgence
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In choices between indulgent and non-indulgent options, the latter are often preferred because indulgence tends to be associated with guilt. However, we propose that the amount of guilt experienced, and hence preference for indulgence, depends on whether consumers are in a lone versus shared consumption situation. Specifically, relative to choice of fruit salad, we found that respondents were more likely to choose two pieces of chocolate cake to be shared with another consumer than one piece of chocolate cake to be consumed alone. Further analyses support the hypothesis that reductions in feelings of guilt appear to be driving this effect.

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Many multinational companies today are altering their brand portfolios in favor of global brands, out of a belief not only that this will yield various economies of scale but also that consumers around the world prefer such global brands to otherwise equivalent local brands. Previous research has in fact shown that consumers do often prefer such global brands, because of inferred higher quality, perceived prestige, and because owning and consuming such brands offers the consumer a chance to vicariously become a part of global consumer culture (e.g., Batra et al. 2000).

Despite these findings, there is also evidence from other research that in many countries consumers are not rushing headlong into purchases and lifestyles that symbolize global consumer culture, but instead are seeking to blend aspects of local consumer culture with that of including global consumer culture. There is by now a significant literature on the phenomenon of consumers’ “hybridizing” or “creolizing” their lifestyles and consumption patterns, including brand choices (e.g., Sandikci and Ger 2002). This suggests that consumers are pulled in two directions, not only by global cultural flows but also by their local cultures.

While the power and influence of these global cultural forces is understood quite well, that of local cultures is not understood as well. There is indeed work that suggests that local consumers might prefer local to foreign/global brands because of a “home country bias” (Papadopoulos, Heslop and Bemossy 1990) or because of an “ethnocentric” desire to boost local economies (Shimp and Sharma 1987). However, what is less well understood is the ways in which consumers balance and integrate these two forces, such as the situational contingencies that make them weight one over the other, and the reasons why these situational contingencies might occur. Hence, our first objective in this paper is to address this issue by simultaneously exploring the reasons behind local and global brand preference.

The definition of the global brand itself is a controversial issue. Different scholars have provided different definitions and operationalizations as to the degree of globalness a brand holds. However there is no consensus on the degree of standardization required (if any at all) for a brand to qualify as global and also about the extent of availability across different nations. This causes ambiguity in interpreting and comparing the findings of different studies, whose definitions of globalness may be different to start with. In line with this debate, our second objective in this paper is to clarify the distinction between local and global brands. We believe that the degree of brand globalness lies in the perceptions of consumers.

In addressing these objectives, we use two waves of data collection. The first wave consists of focus groups and in-depth interviews to provide insight into consumer perceptions and preferences. We utilize this insight from the qualitative wave to identify the dimensions of (1) consumer perceptions of degree of localness/globalness, (2) perceived benefits of local/global brands and corresponding preferences, and (3) the situational variables affecting consumer preference between local and global brands. This first wave is conducted in two different cities of Turkey, an emerging economy. The second wave, then, tests our proposed model (based on the dimensions we identify) using survey data from Turkey with multivariate analysis.

Based on the insight from our first wave of qualitative data (four focus groups and fifteen in-depth interviews), we identify three dimensions which affect the degree of localness/globalness for a brand as perceived by consumers. The first dimension relates to...
and company positioning’ and measures consumer familiarity with the brand across different countries, and how the product is designed to address the needs and wants of a local versus a global audience. The second dimension relates to ‘business behavior’ and measures the perceived availability of the brand across countries and the company’s ties and relationships with other local and global businesses and institutions, again as perceived by consumers. Finally, the third dimension relates to the brand’s ‘culture positioning’ and investigates how the brand uses associations from the local or the global consumer culture in its promotional activity.

In our proposed model, each brand is measured on the aforementioned three dimensions to arrive at degrees of perceived localness and perceived globalness separately. Next, we investigate how these perceptions translate into consumer benefits under four dimensions of quality, prestige, tradition/values, and price. Finally, perceived benefits feed into determining an overall degree of preference for localness and globalness. We should stress that in all facets of our model, consumers rate both the local and the global dimensions of a brand and report their corresponding preferences. Our simultaneous focus on consumers’ global and local brand preferences makes it possible to investigate the situational factors acting on such preferences. We find that the social signaling value of choice and perceived risk of choice are important moderators relating to product category. Furthermore, susceptibility to external influence, cosmopolitanism, and nostalgia proneness come up as individual difference moderators.

Accordingly, we are able to integrate findings from two streams of research discussed earlier, advocating a dominant consumer preference for global brands versus a dominant consumer preference for local brands, by shedding light into some of the situational contingencies determining such preference. While studying consumer preference, our work also contributes to the literature by systematically measuring the degree of globalness and degree of localness as perceived by consumers. Such attempts to identify global versus local brands through direct measurements of consumer perceptions might clarify some of the confusion about the definition of the global brand itself. Further, the dimensions we use to measure perceptions might guide companies trying to move their brand towards a more global (or local) positioning through signaling globalness (or localness).

Selected References

Prototype or Exemplar? Effects of Self Construal on Brand Extension Evaluation in a Multi-Product Brand Context
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Increasing attention has been paid to the stretchability of a brand (Ahluwalia 2008). The traditional view is that consumers will evaluate a brand extension in a favorable manner if the brand extension fits with the parent brand and the parent brand has a positive evaluation. Recent research (Mao and Krishnan 2006) extends this view by specifying two-dimensional fit construct that are often used by consumers to assess an extension—prototype fit (congruency with the beliefs associated with the brand) and exemplar fit (similarity with the existing product of a brand). For example, Nike kneepad, has a prototype fit, which shares the generalized imagery of Nike—“athletic”; Nike car audio, has an exemplar fit, which is analogous to an existing product—“car audio.” This research attempts to investigate how consumers with different self-construal (interdependence vs. independence) may vary in their evaluation of different types of brand extensions. Also, this research also examines how consumers’ self-construal moderates the dilution effect of extension failure and the enhancement effect on its success.

This research first argues that the evaluation of prototype-based and exemplar-based extensions may be influenced by consumers’ self-construal. Recent research in self-construal (e.g., Lee, Aaker and Gardner 2000; Monga and John 2007) provides robust evidence that the nature of self-construal affects the mode of cognition one adopts in their decision making process. Consumers with independent self-construal see themselves as distinct from others and are more likely to involve in a de-contextualized mode of processing. Thus, they focus on the overall brand beliefs derived from the abstraction of behaviors rather than the concrete examples of the brand. In contrast, consumers with interdependent self-construal see themselves as related to others and are more likely to involve in a contextualized mode of processing when evaluating an object. They are then more concerned about the context associations or exemplars of the brand. Therefore, the abstract concept of a brand (stylish for Sony) will be more assessable to consumers with independent self-construal compared to a concrete exemplar of a brand (Sony TV). The reverse will hold true for the interdependent.

Based on this idea, this research also proposes how the brand extension success (failure) may enhance (dilute) consumers’ evaluation of the parent brand and the flagship product of the same brand. We argue that for individuals with independent self-construal (“independents”), brand extension outcome may impact their attitude at the brand level, but not attitude at the flagship product level. More specifically, the success (failure) of prototype-based extension will enhance (dilute) independents’ attitude toward the brand, but not their...