

Drivers of Local Relative to Global Brand Purchases: A Contingency Approach

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ABSTRACT

Consumers around the world are choosing between local versus global brands in the marketplace. The authors draw on the dual-drivers theory of consumer choice and global consumer culture theory to offer a sociocultural-historical perspective on purchases of local (relative to global) brands. Their framework focuses on two local–global consumer values (ethnocentrism and global connectedness) and the identity- and quality-signaling functions of local (relative to global) brands. The authors argue for a contingency approach such that the effects of these local–global consumer values are moderated by country level of economic development and product category symbolism. This research uses consumer-level data ($n = 2,197$) and country-level data (from Euromonitor's Global Market Information Database) from seven countries (Australia, Brazil, China, India, Russia, the United Kingdom, and the United States). They find that purchases of local (relative to global) brands are predicated on local–global consumer values, mediated by perceptions of the identity function of local (relative to global) brands, and moderated by the country's level of economic development and product category symbolism.

Keywords: globalization, ethnocentrism, brand quality, identity, emerging markets

As globalization has progressed, consumers around the world increasingly make choices between global brands (sold under the same name in multiple countries around the world; Steenkamp, Batra, and Alden 2003) and local brands (sold under a given name in one country or local region; Schuiling and Kapferer 2004). Historically, local brands were viewed as low quality and unappealing (Ger 1999), but with the

increased prevalence of global brands, local brands have become more-competitive alternatives that signal originality, local cultural connections, pride, and even prestige (Dimofte, Johansson, and Ronkainen 2008; Özsomer 2012). Research focused on globalization has argued that it fuels localization in dialectical ways (Akaka and Alden 2010); other work has highlighted the relationship between local and global brands but often framed them as competing choices rather than acknowledging their interdependence (Varman and Belk 2009). Notably, local brands are steadily gaining market share in the less economically developed markets of India, China, Russia, and Brazil (Guo 2013); thus, both local and multinational companies need a clear understanding of the drivers behind consumers' local versus global brand choices.

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Prior work has suggested that two streams of research are key to the study of consumer choice between local and global brands. First, consumer perceptions of brands' quality- and identity-signaling abilities have been well established as important determinants of brand choice (Erdem, Swait, and Valenzuela 2006; Reed et al. 2012). As the marketplace and contemporary consumer culture have evolved, consumers have become increasingly attuned to the quality and identity cues of both local and global brands (Özsomer 2012; Strizhakova, Coulter, and Price 2011) when they choose between such brands (Zhou, Yang, and Hui 2010). Second, research has documented that consumers' values affect their brand choices. Among the values particularly relevant to choices between local and global brands are those associated with localization and globalization, including consumer ethnocentrism (Shimp and Sharma 1987) and global connectedness (Russell and Russell 2010; Strizhakova and Coulter 2013). These literature streams provide important insights into the predictors of global (Özsomer and Altaras 2008; Steenkamp, Batra, and Alden 2003) or local (Douglas and Craig 2011; Fong, Lee, and Du 2014; Schuiling and Kapferer 2004) brand preferences. Notably, a significant segment of consumers across emerging and developed markets buys both local and global brands; however, research has yet to address the factors that affect consumer choice of local versus global brands.

In this research, we offer an integrative model of consumer choice of local brand purchases relative to total local and global brand purchases (hereinafter referred to as "local [relative to global] brand purchases"). We argue for a contingency approach such that the effects of the local–global values of consumer ethnocentrism and global connectedness are moderated by the country's level of economic development and the degree of symbolism of specific product categories (Berger and Heath 2007). We draw on the dual-drivers theory of consumer choice (Gardner and Levy 1955) and global consumer culture theory (Steenkamp and De Jong 2010) to articulate a sociocultural perspective that focuses on consumer-level variables and a cultural-historical perspective that focuses on country-level variables.

We test our model of consumer choice of local relative to global brands in seven countries that range in level of economic development (Australia, Brazil, China, India, Russia, the United Kingdom, and the United States). Our consumer survey ($n = 2,197$; approximately 300 respondents per country) assesses consumers' purchases of local versus global brands in five low-cost consumer

product categories that vary in degrees of symbolism, perceptions of local and global brand quality and identity functions, local–global consumer values, and demographic characteristics. At the country level, we consider level of economic development, per capita sales volume, and local brand market share across the five consumer product categories (derived from Euromonitor's Global Market Information Database [GMID]; <https://www.portal.euromonitor.com>). We use hierarchical linear modeling (HLM) to analyze our consumer- and country-level data.

Our work makes important theoretical and managerial contributions to the literature streams on branding and globalization. First, we address and integrate sociocultural and cultural-historical perspectives to consider consumer purchase of local relative to global brands, thereby examining consumer brand choices similar to those that consumers face in the marketplace. Second, our research is the first to consider and test how consumers' perspectives on the quality and identity functions of local (relative to global) brands affect their purchases of local (relative to global) brands. Third, we examine consumer purchases in five product categories that vary in their degree of symbolism; thus, this article extends prior research that has examined brand attitudes, preferences, and willingness to pay typically for a set of predetermined (rather than consumer-generated) brands. Fourth, we find that leveraging identity signaling has clear advantages in driving local (relative to global) brand purchases and that the effects of consumer ethnocentrism and global connectedness are contingent on product category symbolism and country level of economic development. Overall, our work advances the increasing body of research on fledgling local brands and provides guidance for consumer products brand managers around the world.

CONCEPTUAL FRAMEWORK

Over the past two decades, branding around the world has significantly evolved at both global and local levels. In this section, we provide sociocultural and cultural-historical perspectives related to purchases of local (relative to global) brands. Specifically, from a sociocultural perspective, our integrative model considers the quality and identity functions of local (relative to global) brands, two local–global consumer values (ethnocentrism and global connectedness), and product category symbolism. From a cultural-historical perspective, we contrast these effects in countries with higher versus

lower levels of economic development. Figure 1 illustrates our model.

A Sociocultural Approach to the Purchase of Local (Relative to Global) Brands

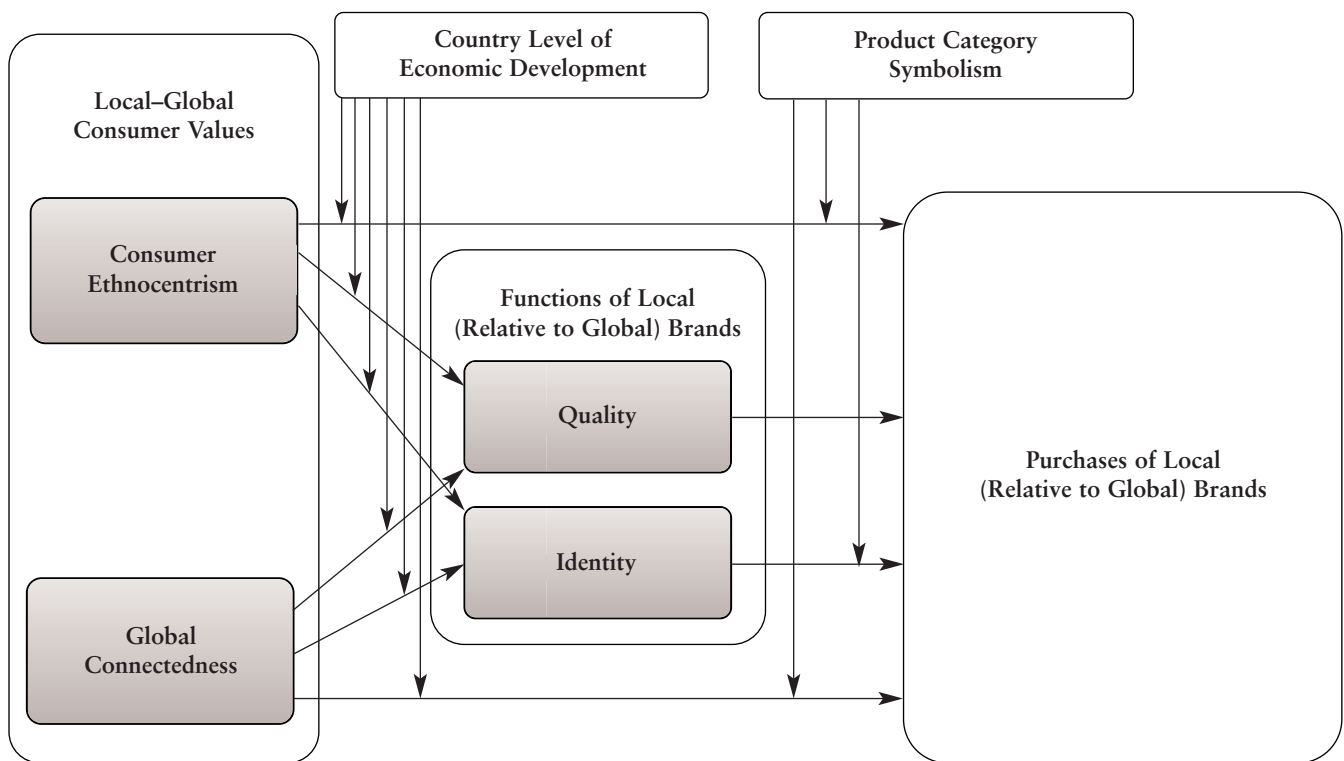
The Effects of Quality- and Identity-Signaling Brand Functions. More than half a century ago, Gardner and Levy (1955) articulated the dual-drivers theory of consumer choice, arguing that consumer choice is grounded in utilitarian and symbolic motives. Research has linked utilitarian motives to the functionality and quality of brands and symbolic motives to a brand’s identity-signaling abilities. Notably, a body of research has documented that both quality and identity are key functions of brands around the world (Erdem, Swait, and Valenzuela 2006; Madden, Roth and Dillon 2012; Reed et al. 2012).

Brand quality, performance, and dependability are salient criteria in consumer choice among brands (Özsomer 2012; Strizhakova, Coulter, and Price 2008b), and

higher-quality brands are associated with higher sales, market shares, and profits (Erdem, Swait, and Valenzuela 2006). In the context of global brands, quality has been associated with global brand preferences (Holt, Quelch, and Taylor 2004; Özsomer and Altaras 2008) and global brand purchases (Strizhakova, Coulter, and Price 2011). In contrast, local brands generally have been viewed as lower-quality alternatives to global brands (Dimofte, Johansson, and Ronkainen 2008; Ger 1999; Guo 2013). Research directly assessing associations between local brand iconicity and quality perceptions has established no association between the two (Steenkamp, Batra, and Alden 2003). Yet, more recently, Özsomer (2012) reports that local brands in culturally grounded categories (e.g., food) have strong quality associations. In contrasting local versus global brand purchases, we posit the following:

H₁: The more favorable the consumer’s perceptions of the quality function of local (relative to global) brands, the greater the local (relative to global) brand purchases.

Figure 1. Sociocultural and Cultural-Historical Framework for Purchasing Local (Relative to Global) Brands



Researchers have argued that people buy brands not only for what they do but also for how they reflect consumers' own or desired identity, and identity theory predicts that consumers make brand choices to communicate desired aspects of their identity (Berger and Heath 2007; Guzmán and Paswan 2009; Reed et al. 2012). Global brands, in particular, have been associated with a range of identity meanings, including global consumer culture (Steenkamp and De Jong 2010), providing a passport to global citizenship (Strizhakova, Coulter, and Price 2008a), and global human values (Torelli et al. 2012; Torres et al. 2012). Local brands reflect local heritage and a deeper understanding of local identities and traditions (Ger 1999). Indeed, adaptation to local culture and preferences is a key signaling characteristic of local brands (Dimofte, Johansson, and Ronkainen 2008), and these local associations create greater local brand iconicity and prestige (Özsomer 2012). Thus,

H₂: The more favorable the consumer's perceptions of the identity function of local (relative to global) brands, the greater the local (relative to global) brand purchases.

As we hypothesized, we expect the quality- and identity-signaling functions of local (relative to global) brands to have direct effects on local (relative to global) brand choice. The relative importance of these brand functions in predicting local (relative to global) brand purchases is important, particularly to managers interested in promoting specific aspects of their brands. Research in both emerging and developed markets has provided evidence that, in general, quality is perceived as a more important consideration than personal identity (Özsomer 2012; Strizhakova, Coulter, and Price 2008b). Yet when comparing the relative importance of the quality function versus the identity function of local (relative to global) brands, we note that people have historically perceived local (relative to global) brands as having lower quality, and their prestige as alternatives to global brands lies in their local identity associations with culture and traditions. Thus, we expect that the identity (vs. quality) function will play a greater role in driving purchases of local (relative to global) brands. Formally,

H₃: The local (relative to global) brand identity function is a stronger predictor of local (relative to global) brand purchases than the local (relative to global) quality function of brands.

In further contemplating the effects of the identity signaling of brands on local (relative to global) brand pur-

chases, we speculate that product category symbolism is an important consideration. Consistent with theorizing about symbolic motives and identity signaling, Berger and Heath (2007) find that identity expressions are stronger in product categories that are more (vs. less) symbolic. Özsomer (2012) documents that across emerging (Turkey) and developed (Singapore and Denmark) markets, the identity-signaling effect is more pronounced in low-involvement (food) versus higher-involvement (personal care and durable) categories. With a focus on product symbolism and its ties to identity signaling, we predict that effects of local (relative to global) brands as expressions of identity on purchases of local (relative to global) brands will be stronger in product categories characterized by high symbolism, which better communicate a person's identity to others. We posit the following:

H₄: The effect of the identity-signaling function of brands on local (relative to global) brand purchases is stronger (weaker) for product categories with a higher (lower) degree of symbolism.

The Effects of Local–Global Consumer Values. With the evolution of globalization, consumer values have received increased attention (Steenkamp and De Jong 2010; Torelli et al. 2012). Because of our interest in local relative to global brand purchases, we focus on two local–global consumer values that are particularly relevant in this consumption context: consumer ethnocentrism (Shimp and Sharma 1987) and global connectedness (Russell and Russell 2010; Strizhakova and Coulter 2013). Consumer ethnocentrism reflects values associated with consumption of local brands and support of local products more generally, and global connectedness reflects a consumer's broader engagement in and affinity with the global world.

Consumer ethnocentrism is a central construct in the discussion of consumer purchase of local brands, and theory has suggested that a strong nationalistic sentiment related to the morality of purchasing foreign versus locally made products will result in increased preferences for domestic brands (Shimp and Sharma 1987). Indeed, a rich body of evidence has documented this positive effect of consumer ethnocentrism on domestic brand preferences (Balabanis and Diamantopoulos 2011; Cleveland, Laroche, and Papadopoulos 2009), preference for local products (Alden, Steenkamp, and Batra 2006; Steenkamp and De Jong 2010), and rejection of foreign brands (Nijssen and Douglas 2004) or brands originating in animosity-evoking countries

(Funk et al. 2010). Consistent with this local orientation, Verlegh (2007) finds that ethnocentric consumers (in the United States and the Netherlands) believe that local domestic brands are of higher quality than foreign brands, and similarly, Kumar, Lee, and Kim (2009) report that ethnocentric consumers (in India) have more favorable perceptions of both the quality and emotional value of a local apparel brand. The extrapolation of the theoretical underpinnings of consumer ethnocentrism leads us to expect that the importance of local (relative to global) brand functions related to quality and identity will be stronger for more ethnocentric consumers, and similarly, consumers with stronger ethnocentric tendencies will be more likely to purchase local (relative to global) brands. Thus,

H₅: Consumer ethnocentrism has a positive effect on (a) the quality function, (b) the identity function, and (c) the purchase of local (relative to global) brands.

With globalization, consumers have begun to negotiate their local and global identities, and researchers have offered nuanced views of consumers' local and global orientations. Some have identified dimensions of consumer global cultural identity, such as global, glocal, local, and alienated (Alden, Steenkamp, and Batra 2006; Steenkamp and De Jong 2010; Strizhakova, Coulter, and Price 2012); others have drawn attention to global connectedness and global identity (Russell and Russell 2010; Strizhakova and Coulter 2013; Tu, Khare, and Zhang 2012). Two findings are relevant. First, these works document a clear preference for global concerns and products among consumers who express a stronger global identity (Steenkamp and De Jong 2010; Strizhakova and Coulter 2013). Second, across these works is the acknowledgment that local and global affinities can occur concurrently. Thus, whereas the association between consumer ethnocentrism and local (relative to global) brand functions and purchases is straightforward because it causes people to favor domestic and reject foreign brands, the relationships between global connectedness and these variables are complicated by the possibility that consumers may have both strong local and global connections. In a comparative context, Russell and Russell (2010) report that a consumer's global connectedness (i.e., the importance a consumer places on global citizenship) moderates responses to corporate social responsibility such that more globally connected consumers are more responsive to foreign than to domestic corporate social responsibility activities. While we acknowledge the co-occurrence

of global and local connectedness, we speculate that consumers with a stronger global connection will have more favorable associations related to the quality and identity signals of global (relative to local) brands and will be more interested in purchasing global (relative to local) brands. Thus, with a focus on local (relative to global) brands, we predict the following

H₆: Global connectedness has a negative effect on (a) the quality function, (b) the identity function, and (c) purchases of local (relative to global) brands.

In further considering the effects of the local–global consumer values on purchases of local (relative to global) brands, we argue that product category symbolism is a relevant concern. The theorizing about the importance of symbolic motives and identity signaling for both local (Özsomer 2012) and global (Steenkamp and De Jong 2010; Strizhakova, Coulter, and Price 2008b; Torelli et al. 2012) brands raises the question of whether the relationship between the local–global consumer values and the local (relative to global) brand purchases might differ by product category. Consumer ethnocentrism is grounded in a consumer's interest in local brands, with a moral component suggesting that consumers would buy more local (relative to global) brands across product categories. In contrast, global connectedness for consumers around the world has linkages to global, status-focused consumption (Steenkamp and De Jong 2010; Strizhakova, Coulter, and Price 2012; Üstüner and Holt 2007), and thus, we expect that product symbolism is a very relevant factor in the effect of global connectedness. Consequently, we contend the following:

H₇: The negative relationship between global connectedness and purchases of local (relative to global brands) is stronger for product categories with a higher degree of symbolism.

A Cultural-Historical Approach to the Purchase of Local (Relative to Global) Brands

From the cultural-historical perspective, a country's level of economic development is directly related to its history of branding and consumer culture. The United States and other countries with higher levels of economic development have had a long history of global and local brands, whereas global brands only became a force to be considered in less-developed markets beginning in the 1990s. Thus, global and local brands in countries with lower versus higher levels of economic development hold unique meanings. Specifically, in

countries with higher levels of economic development, both global domestic brands (e.g., McDonald's [United States], Burberry [United Kingdom], UGG [Australia]) and local brands (e.g., Dairy Queen [United States], Republic [United Kingdom], Darrell Lea [Australia]) signal local cultural meanings. Alternatively, notwithstanding historical differences in local branding across countries (Eckhardt and Bengtsson 2010), local brands in less-developed countries signal local connections to consumers, whereas global brands signal foreign cultural connections.

Because of the differences in brand signaling of local cultural connections, we expect that the country level of economic development will moderate the effects of signaling functions and local–global consumer values on purchases of local (relative to global) brands. As related to consumer ethnocentrism, because the local brand meanings are uniquely local in less-developed markets but vary between local and global in more-developed markets, we expect that the positive effect of consumer ethnocentrism on functions and purchase of local (relative to global) brands will be stronger in countries with a lower (vs. higher) level of economic development. As related to global connectedness, we contend that the allure of global (relative to local) brands will be more impactful in countries with lower levels of economic development because of the glamor and status appeal of global brands (Alden, Steenkamp, and Batra 2006; Han, Nunes, and Drèze 2010; Üstüner and Holt 2007). Thus, we expect the negative effect of global connectedness on functions and purchase of local (relative to global) brands to be stronger in markets with lower (vs. higher) levels of economic development. We posit the following:

H₈: Positive effects of consumer ethnocentrism on (a) the quality function, (b) the identity function, and (c) purchases of local (relative to global) brands are stronger in countries with a lower (vs. higher) level of economic development.

H₉: Negative effects of global connectedness on (a) the quality function, (b) the identity function, and (c) purchases of local (relative to global) brands are stronger in countries with a lower (vs. higher) level of economic development.

METHOD

To test our model (Figure 1), we used HLM that included both consumer-level survey data and country-level data derived from Euromonitor's GMID. We first

provide details of our product category identification, as pertinent to our dependent measure of local (relative to global) brands, and follow with information about our consumer- and country-level data.

Product Category Identification and Pretest

To identify consumer product categories to include in our dependent variable of purchases of local (relative to global) brands, we used the following criteria: (1) availability of local and global brands in our seven countries of interest; (2) reasonable cost, and thus financial accessibility to a broad range of people; and (3) a range of product symbolism (LeBoeuf and Simmons 2010). Using a review of the country-level Euromonitor GMID data and previous research, we identified five product categories: bottled water, soda, chocolates, jeans, and shoes.

To assess the symbolic qualities of the five product categories, we conducted a pretest ($n = 304$ Amazon Mechanical Turk respondents from the United States, 18 years of age or older). Our results are based on 296 participants (we excluded 8 due to incomplete surveys and attention-check failure). The survey included two questions using a 0–100 sliding scale (Berger and Heath 2007): (1) "Please consider the extent to which people form opinions about other people's identity based on the others' use of the product," and (2) "Please consider the extent to which you use the product category to express your identity." The product categories were randomized, and the correlations between these two questions ranged from .46 (shoes) to .62 (chocolate); we averaged these two items for each product category as our first measure of product symbolism. Our second measure included four seven-point Likert items (1 = "strongly disagree," and 7 = "strongly agree") that were randomized in the survey and for which the product categories were randomized ("This product is part of my self-image," "People use this product to communicate who they are to other people," "This product portrays an image of me to others," and "People use this product to convey who they are to others"). The Cronbach's alpha ranged from .73 (shoes) to .89 (chocolate); we averaged these four items for each product category as our second measure of product symbolism. The correlations between the sliding scale measure and the Likert measure ranged from .58 (shoes) to .64 (jeans).

We conducted two repeated-measures analyses of variance, one with the product symbolism score for each of the five categories on a sliding scale measure and the

other on the Likert scale measure. The results indicate a significant difference in the mean level of product symbolism across the five product categories for the sliding scale (Wilks's $\lambda = .22$, $F(292) = 258$, $p < .001$, partial $\eta^2 = .78$) and the Likert scale (Wilks's $\lambda = .31$, $F(292) = 148$, $p < .001$, partial $\eta^2 = .67$). Furthermore, paired sample t-test results document a significant difference between higher (jeans, shoes) versus lower (bottled water, soda, chocolate) symbolic products for the sliding scale ($M_{\text{high}} = 48.47$, $M_{\text{low}} = 23.37$; $t(295) = 22.64$, $p < .001$) as well as for the Likert scale ($M_{\text{high}} = 4.98$, $M_{\text{low}} = 2.69$; $t(295) = 30.17$, $p < .001$).

Consumer-Level Cross-National Data

Sample. We contracted with a market research firm to recruit 300 participants from its online panel in each of seven countries representing a range of country level of economic development: Australia, Brazil, China, India, Russia, the United Kingdom, and the United States. Our quota sampling approach included two key criteria: (1) residence in the country for a minimum of seven years (to provide for a historical awareness of the marketplace and brandscape) and (2) age, a key factor in consumer interest in globalization and global brands, particularly in less-developed markets (Özsomer 2012; Strizhakova, Coulter, and Price 2012). Specifically, we recruited 50 male and 50 female participants in each of three age groups: 18–30 years, 31–45 years, and 46–60 years; we used 60 years of age as the upper limit because of the lower average lifespan in some markets. In total, 2,197 people participated. Table 1 presents demographic information by country.

Questionnaire Development and Preliminary Analyses. The questionnaire was developed in English; translated into Portuguese, Russian, and Mandarin; and then back-translated into English. The focal measures and constructs (in order of presentation) are (1) most recent brand purchase in each of the five product categories (used to derive local [relative to global] brand purchases), (2) the quality and identity functions of global and local brands (used to derive the quality and identity functions of local [relative to global] brands), (3) local–global consumer values (consumer ethnocentrism and global connectedness), and (4) demographic characteristics. The questions used to assess each construct were randomized within the set to minimize common method biases (Podsakoff et al. 2003). The overall response rate [(completed surveys – eliminated cases)/invitations to participate] across countries was 45% (ranging from 31% to 70%) because of difficulties in recruiting older

consumers, particularly in emerging markets, and because we eliminated participants who did not answer all five product purchase questions, did not purchase any of the five products, and/or failed to correctly answer one or both quality-control questions. To assess response bias, we included two thematically unrelated questions; correlations between these questions and our variables of interest across the seven countries were non-significant. Furthermore, results from Lindell and Whitney's (2001) marker variable test indicate minor ($\sim .02$) fluctuation between bivariate versus partial correlations, providing no evidence of common method bias.

Measurement of Consumer-Level Variables

Local (Relative to Global) Brand Purchases. We derived our dependent variable from the participant's answers to the questions, "Have you purchased (bottled water/soda/chocolates/jeans/shoes) within the last six months?" Participants who answered yes recorded the brand name they had most recently purchased. Two coders, using Euromonitor's GMID country-level brand data, independently coded brand name responses as local (i.e., sold under a given name in one country or local region) or global (i.e., sold under the same name in multiple countries around the world). Thus, our dependent measure was an objective measure of the brand as local or global based on Euromonitor brand market share data of geographically close versus distant countries. The coders initially reached 95%–98% agreement (on classifying brands within a country); disagreements were resolved by additional search of company or other websites and Euromonitor's GMID. Two other responses, "unbranded" products and "do not remember" (17% of responses across categories and countries), were excluded from further analysis.

With an interest in understanding the local (relative to global) brand purchases, we first summed the number of local and global brands purchased across the five product categories and calculated the proportion of local brands to total brands. Then, to normalize the score, we computed our dependent variable, local (relative to global) brand purchases, using the log-transformed probability, as follows:

$$(1a) \text{ logit}(p) = \log \frac{p}{1-p} = \log \frac{L/T}{1-L/T} \\ = \log \frac{L}{T-L} = \log \frac{L}{G},$$

where p = probability of purchasing local (relative to global) brands, L = reported number of local brands pur-

Table 1. Consumer-Level Data and Country-Level Data by Country

Country (N)	Consumer-Level Variables										Country-Level Variables		
	% Female	Mean Age (SD)	Mean Number of Trips Abroad in Past Five Years (SD)	% Born in the Country	% Middle Class	% Employed Full- or Part-Time	% College-Educated	% Residing in City and Suburbs	Per Capita GDP ^a (in USD)	Per Capita Sales Volume ^a (in USD)	Market Share of Local Brands ^a		
Australia (323)	51.7	39.7 (12.7)	1.33 (2.40)	81.7	61.0	69.6	42.1	65.9	39,692	735	41		
Brazil (319)	48.6	37.2 (11.8)	1.53 (3.41)	99.4	56.4	78.4	46.1	83.2	11,289	377	31		
China (295)	41.0	33.7 (10.5)	2.22 (5.59)	99.0	49.2	92.7	72.3	90.1	7,518	161	40		
India (305)	48.9	37.6 (11.6)	1.86 (4.23)	99.3	49.5	83.7	75.6	88.2	15,807	12	33		
Russia (328)	49.4	37.4 (11.0)	2.19 (4.04)	91.8	68.0	82.3	62.5	89.4	3,290	456	43		
United Kingdom (325)	59.4	27.5 (10.0)	3.48 (4.19)	97.4	55.9	64.8	58.7	68.6	35,053	1,380	26		
United States (302)	50.7	38.7 (12.3)	1.36 (4.40)	95.4	54.6	65.9	62.2	63.9	47,123	1,350	35		

^aSource: Euromonitor 2011.

Notes: Combined market share for local brands of bottled water, soda, confectionery, and clothing (see "Method" section).

chased across five products, G = reported number of global brands purchased across five products, and T = a sum of local and global brands purchased across five products. We applied add-one smoothing to the reported local and global purchases to avoid singularity (Jurafsky and Martin 2008). Thus, the final calculation was

$$(1b) \text{logit}(p) = \log \frac{L+1}{G+1}$$

To illustrate, consider a participant who reported purchasing local brands of bottled water, chocolates, and shoes but global brands of soda and jeans. This person's local (relative to global) brands-purchased score is $\log[(3+1)/(2+1)] = .12$, indicating a slight preference for local (relative to global) brands. We then categorized purchases as high (jeans and shoes) versus low (bottled water, soda, and chocolates) on product symbolism. In the same example, the consumer's purchasing score for the high-symbolic category is $\log[(1+1)/(1+1)] = 0$, indicating an equal preference for local and global brands, and the score for the low-symbolic category is $\log[(2+1)/(1+1)] = .09$, indicating a slight preference for local brands.

Local-Global Consumer Values. We measured our consumer-level predictors, consumer ethnocentrism (Shimp and Sharma 1987) and global connectedness (Strizhakova and Coulter 2013), using existing scales. Table 2 provides the scale items and statistics by country for the consumer-level predictors.

Quality and Identity Functions of Local (Relative to Global) Brands. Our objective was to assess consumers' perspectives of the quality- and identity-signaling functions of both local and global brands. Thus, so that participants would have a shared understanding of global and local brands, we provided the following definitions: "Please think about global brands as brands that are distributed and promoted in multiple countries under the same name, for example, Coca-Cola, Nivea, Sony, and KitKat. Please think about local brands as brands that are distributed and promoted in just one country or region under the same name, for example, [local brand names from each country for soda, personal care, electronics, and candy]." We used Coca-Cola, Nivea, Sony, and KitKat because of their high within-product category market share across our seven countries, and we used local brand names that had the highest within-product category market share for each country (drawing on Euromonitor's GMID).

After reading the definitions of global and local brands, participants reported their level of agreement (seven-

point Likert scale) with three items each assessing the quality function of local brands and global brands and three items each assessing the identity function of local brands and global brands (Table 2; Strizhakova, Coulter, and Price 2008b). To establish the relative weighting of local (relative to global) brands for quality and identity, we calculated a local-global ratio for quality and identity. To illustrate, for the quality function, we used a participant's scores for local brand quality function items (6, 5, and 6) and global brand quality items (4, 2, and 4) to calculate the participant's local-global quality ratios (6/4, 5/2, and 6/4). Then, to normalize our data, we applied a natural log-transformation to each ratio and averaged the three log-transformed ratios. Continuing with our example, we calculated the quality function of local (relative to global) brands rating as $[\log(6/4) + \log(5/2) + \log(6/4)]/3$. We used the same procedure to calculate the participant's rating for the identity function of local (relative to global) brands. The range in the participant's quality and identity ratings was -1.90 to 1.95 across countries and functions. A positive score reflects a stronger local (relative to global) score, whereas a negative score reflects a stronger global (relative to local) score.

Invariance Testing. To ensure measurement invariance of our consumer-level measures, we conducted a multi-group confirmatory factor analysis (Steenkamp and Baumgartner 1998). The fit of the measurement model was acceptable for complex large-sample models ($\chi^2(1,191) = 2,176.89$, $p < .001$; comparative fit index [CFI] = .93; Tucker-Lewis index [TLI] = .91; root mean square error of approximation [RMSEA] < .03), and all factor loadings were significant, indicating configural invariance. Partial metric ($\Delta\chi^2(58) = 254.94$; CFI, TLI, and RMSEA remained the same) and scalar ($\Delta\chi^2(31) = 106.56$; CFI, TLI, and RMSEA remained the same) invariance were evident for all measures. Across the seven countries, our measures yielded convergent and discriminant validity (details are available from the authors).

Measurement of Country-Level Variables

Our empirical model includes three country-level variables (Table 1). First, we used country per capita gross domestic product (GDP) as a measure of country level of economic development (Euromonitor's GMID). Second, we used data from Euromonitor's GMID to calculate each country's product category per capita sales volume in fixed-to-year U.S. dollar conversion rate in four categories: bottled water, soda, confectionery (proxy for

Table 2. Scale Items, Reliabilities, and Results of Confirmatory Factor Analysis

Scale Items	Standardized Factor Loadings by Country (n)						
	Australia (323)	Brazil (319)	China (295)	India (305)	Russia (328)	United Kingdom (325)	United States (302)
Consumer Ethnocentrism^a							
I believe that Americans should buy American products first, last and foremost. ^b	.51	.78	.63	.82	.56	.57	.79
American consumers who purchase products made in other countries are responsible for putting their fellow Americans out of work. ^c	.80	.88	.86	.86	.83	.57	.87
We should purchase products manufactured in the U.S. instead of letting other countries get rich off us. ^c	.77	.72	.64	.75	.78	.86	.87
Purchasing foreign-made products is un-American. ^c	.78	.82	.85	.75	.87	.60	.89
It is not right to purchase foreign products because it puts Americans out of jobs. ^c	.81	.76	.81	.76	.80	.83	.85
Reliability	.82	.89	.87	.89	.88	.82	.93
Global Connectedness							
I have a strong attachment to the global world. ^b	.77	.75	.67	.69	.75	.78	.80
I feel connected to the global world. ^c	.76	.73	.66	.69	.79	.77	.77
I think of myself as a global citizen. ^c	.91	.86	.80	.89	.88	.89	.88
It is important to me to feel a part of the global world. ^c	.88	.82	.75	.80	.88	.87	.87
Thinking about my identity, I view myself as a global citizen. ^c	.91	.87	.87	.88	.79	.94	.93
Feeling like a citizen of the world is important to me. ^c	.90	.86	.85	.78	.90	.89	.92
I would describe myself as a global citizen. ^c	.93	.89	.90	.88	.81	.90	.95
Reliability	.96	.94	.91	.93	.94	.96	.96
Quality Function of Local (Relative to Global) Brands^d							
I use local/global brands names as a sign of quality for purchasing products. ^b	.88	.76	.64	.50	.56	.84	.79
I choose local/global brands because of the quality they represent. ^c	.94	.67	.63	.67	.85	.67	.87
A local/global brand name tells me a great deal about the quality of a product. ^c	.96	.76	.68	.67	.62	.57	.88
Reliability	.88	.70	.79	.70	.76	.87	.81
Identity Function of Local (Relative to Global) Brands^d							
I use local/global brands to express different aspects of my personality. ^b	.85	.56	.68	.80	.57	.64	.81
My choice of a local/global brand says something about me as a person. ^c	.86	.64	.80	.93	.88	.59	.80
I choose local/global brands that bring out my personality. ^c	.94	.76	.63	.80	.68	.77	.75
Reliability	.82	.70	.70	.79	.71	.80	.76

^aReferences to "American(s)" were changed to references of the specific country of data collection.

^bItem is a marker variable.

^cItem is metrically invariant.

^dFor calculations of quality and identity functions of local (relative to global) brands, see the "Method" section.

chocolates), and clothing (proxy for jeans and shoes). Third, to determine each country's local brand market share across these four categories, two coders independently coded the brands in the Euromonitor's GMID as local or global (per our definitions), and we summed market share across local brands in the product categories.

RESULTS

Preliminary Findings Across Countries

Our preliminary analyses indicate significant differences across countries on local–global consumer values, quality and identity local (relative to global) brand functions, and local (relative to global) brand purchases (for means, F-test results, and contrasts, see Table 3). Regarding consumer values, participants from Australia, China, India, the United Kingdom, and the United States were more ethnocentric than those from Brazil and Russia, and participants from India, Brazil, and China expressed higher levels of global connectedness than participants from Australia, Russia, the United Kingdom, and the United States. As a general pattern, participants from countries with a higher level of economic development reported stronger quality

and identity perceptions of local (relative to global) brands. Regarding local (relative to global) brand purchases, in general we observed purchases of more global than local brands (perhaps not surprisingly, given that global brands dominated these product categories with at least a 57% market share; see Table 1). That said, we observed variability in local (relative to global) brand purchases both across countries and by level of product symbolism (Table 3). In the low-symbolic (food-related) product category, participants from the less-developed countries of Brazil, Russia, India, and China reported more local (relative to global) brand purchases than participants from the United States, the United Kingdom, and Australia. In the high-symbolic category, Brazilian and Australian participants indicated significantly more local (relative to global) brand purchases than participants from Russia and the United Kingdom, followed by those from the United States, China, and India.

HLM Base and Control-Only Model Analyses

We used HLM on our nested data, in which micro-level observations (i.e., responses to our consumer survey; $n = 2,197$) are nested within macro-level observations

Table 3. Consumer-Level Variables: Means and Mean Differences for Model Constructs by Country

Model Constructs	Australia (323)	Brazil (319)	China (295)	India (305)	Russia (328)	United Kingdom (302)	United States (325)	F-Statistic
Local–Global Consumer Values¹								
Consumer ethnocentrism	3.97 ^a	3.38 ^b	3.72 ^a	3.82 ^a	3.32 ^b	4.04 ^a	4.01 ^a	14.35*
Global connectedness	4.45 ^a	5.39 ^b	5.24 ^b	5.93 ^c	4.65 ^a	4.40 ^a	4.35 ^a	86.61*
Local (Relative to Global) Brand Functions²								
Quality function	.13 ^a	-.01 ^{ab}	-.17 ^b	-.11 ^b	-.14 ^b	.14 ^a	.13 ^a	47.55*
Identity function	.09 ^a	.02 ^{ab}	-.05 ^b	-.05 ^b	-.05 ^b	.10 ^a	.12 ^a	14.95*
Purchase of Local (Relative to Global) Brands³								
All (five) products	-.57 ^a	-.07 ^{bc}	-.37 ^{ab}	-.51 ^{ab}	.00 ^{bc}	-.59 ^a	-.68 ^a	52.21*
Low-symbolic products	-.70 ^a	-.15 ^c	-.29 ^{bc}	-.36 ^b	.09 ^d	-.68 ^a	-.67 ^a	75.42*
High-symbolic products	.01 ^{ab}	.08 ^a	-.25 ^c	-.37 ^d	-.14 ^b	-.13 ^{bc}	-.22 ^c	23.57*

* $p < .001$.

¹Means are based on a 1 (“strongly disagree”) to 7 (“strongly agree”) Likert scale. Table 2 provides the items.

²Means refer to an average of log-transformed ratios of quality and identity functions of local (relative to global) brands. For calculations of quality and identity functions of local (relative to global) brands, see the “Method” section. Positive numbers indicate that the quality/identity function is more favorable for local (relative to global) brands; negative numbers indicate that the quality/identity function is more favorable for global (relative to local) brands. Table 2 provides the items.

³Means refer to log-transformation of the probability of purchasing local (relative to global) brands. For calculations of local (relative to global) brand purchases, see the “Method” section. Positive numbers indicate the purchase of more local (relative to global) brands; negative numbers indicate the purchase of more global (relative) to local brands.

Notes: Same-letter superscripts indicate no significant difference between means at $p < .05$; different superscripts indicate significant difference between means at $p < .05$.

(i.e., countries of Australia, Brazil, China, India, Russia, the United Kingdom, and the United States; $n = 7$). As suggested by Raudenbush and Bryk (2002, pp. 31–35), we centered continuous Level 1 consumer-level predictors within countries, and we grand-mean-centered Level 2 country predictors. Centering frequently results in more meaningful intercepts and is useful for comparing consumers nested in different countries. We allowed the effects of our demographic control covariates and predictor variables to vary across countries (i.e., random error terms were included at Level 2). We report unstandardized beta estimates.

To assess the extent to which country- versus consumer-level explanations account for local (relative to global) brand purchases and the importance of the quality and identity functions of local (relative to global) brands, we calculated the interclass correlation coefficient (ICC) for the unconstrained base models (i.e., no predictors) (Raudenbush and Bryk 2002, p. 74).

$$(2) \text{ ICC} = \frac{\tau}{\tau + \sigma^2},$$

where τ refers to country-level variance and σ^2 refers to consumer-level variance. Then, to assess the variance explained by the specific country-level and demographic consumer-level (Table 1) covariates, we calculated the amount of variance accounted for as follows:

$$(3) \text{ Country level: } \Delta\tau = \frac{\tau_{\text{base}} - \tau_{\text{control only}}}{\tau_{\text{base}}}, \text{ and}$$

$$(4) \text{ Consumer level: } \Delta\sigma^2 = \frac{\sigma_{\text{base}}^2 - \sigma_{\text{control only}}^2}{\sigma_{\text{base}}^2}$$

In the base model, country-level variance accounted for 11%, and consumer-level variance accounted for 89% of the variation in local (relative to global) brand purchases across the five product categories. In the subsequent control-only model, which included our three country-level and eight consumer-level covariates, the country-level variance decreased to 4%. Thus, our country-level covariates explain 67% of the country-level variance in purchases of local (relative to global) brands. Local brand market share accounts for the most variance: the larger the local brand market share, the more likely consumers are to purchase local (relative to global) brands ($\beta = .02, p < .10$). Per capita GDP and per capita product category sales volume have negligible effects. Our consumer-level covariates explain 2% of the consumer-level variance in the purchases of local (relative to global) brands. Only age and travel abroad had effects; older participants reported more purchases of local (relative to

global) brands ($\beta = .01, p < .001$), and those who travel abroad frequently reported fewer purchases of local (relative to global) brands ($\beta = -.01, p < .01$).

Next, we contrasted the country-level and consumer-level effects on the local (relative to global) brand purchases in the low- (vs. high-) symbolic category. Country-level differences accounted for more variance in the low- (18%) versus high- (7%) symbolic category; however, the country-level covariates are not significant predictors of local (relative to global) brand purchases in either category. Consumer-level differences accounted for 82% (low symbolic) and 93% (high symbolic) of local (relative to global) brand purchases. In the low-symbolic category, older participants report more purchases of local (relative to global) brands ($\beta = .008, p < .001$). In the high-symbolic category, female participants ($\beta = .12, p < .001$) and those who travel abroad less frequently ($\beta = -.01, p < .01$) report more purchases of local (relative to global) brands.

We ran similar estimates for the quality and identity functions of local (relative to global) brands. In our base models, country-level (consumer-level) variance was 12% (88%) related to the quality function and 4% (96%) related to the identity function. In subsequent control models, per capita GDP was a significant predictor of the quality ($\beta = .11, p < .001$) and identity ($\beta = .07, p < .001$) functions of local (relative to global) brands. Consistent with our preliminary findings, these results indicate that participants from countries with higher (vs. lower) levels of economic development report greater relevance of the quality and identity functions of local (relative to global) brands. Regarding demographic covariates, women ($\beta_{\text{quality}} = .04, p < .05$; $\beta_{\text{identity}} = .04, p < .05$) and older participants ($\beta_{\text{quality}} = .01, p < .001$; $\beta_{\text{identity}} = .01, p < .001$) reported more favorable perceptions of both quality and identity functions. High socioeconomic status participants ($\beta = -.03, p < .05$) reported less-favorable perceptions of the quality function of local (relative to global) brands, and participants who frequently travel abroad ($\beta = -.01, p < .05$) reported less-favorable perceptions of the identity function of local (relative to global) brands.

Estimation of Proposed Model

To test our hypotheses, we ran multiple HLM models. Tables 4, 5, and 6 present the results. For a summary of the hypothesis test results, see Table 7. Our results indicate that the identity function (H_2), but not the quality function (H_1), of local (relative to global) brands is a sig-

Table 4. Overall Model Estimation Results: Combined Local (Relative to Global) Brand Purchases^a

	HLM Model		HLM Model with Mediators	
	β^b	t-Value	β^b	t-Value
Intercept	-.19	1.41	-.19	.88
Ethnocentrism	.03	2.13*	.02	1.60†
Ethnocentrism × per capita GDP ^c	-.02	1.67*	-.02	1.68*
Global connectedness	-.03	2.27*	-.03	1.94*
Global connectedness × per capita GDP ^c	.03	1.58	.02	1.47
Quality function ^d			-.01	.13
Identity function ^d			.18	2.99**
Quality × identity function ^d			.03	.47
Consumer-Level Controls				
Female	.02	.69	.02	.50
Age	.01	4.59***	.01	4.26***
Travel abroad	-.01	3.02**	-.01	2.87**
Education	.02	1.20	.02	1.16
Employed	-.02	1.00	-.02	1.03
Born citizen	-.01	.13	.00	.01
Social status	-.04	1.76†	-.04	1.78†
Urban resident	-.01	.24	-.01	.33
Country-Level Controls				
Per capita GDP ^e	.08	.50	.08	.50
Per capita sales volume ^e	.21	1.78	.21	1.78
Local brand market share	.02	2.98†	.02	2.98†
-2 log-likelihood		3,602.32		3,412.74
σ^2		.46		.44
tau		.02		.02
Reduction in σ^2 over control-only model		2%		5%

† $p < .10$.* $p < .05$.** $p < .01$.*** $p < .001$.^aWe used the logit probability of local brand purchases to estimate local (relative to global) brand purchases (see the “Method” section). One-tailed t-tests were used for testing directional hypotheses; two-tailed t-tests were used for testing the significance of covariates.^bUnstandardized betas are reported.^cEthnocentrism (global connectedness) × per capita GDP refers to the effect of log-transformed per capita GDP on the ethnocentrism (global connectedness) slope.^dQuality (identity) function refers to quality (identity) function of local (relative to global) brands. We used log-transformed ratios of local (relative to global) brand functions in these analyses (see the “Method” section).^ePer capita GDP and per capita sales volume were log-transformed.

nificant predictor of local (relative to global) brand purchases (Table 4). We find that the stronger the identity function of local (relative to global) brands, the greater the purchases of local (relative to global) brands across all five product categories ($\beta = .18, p < .01$; Table 4), as

well as for both low-symbolic ($\beta = .12, p < .05$; Table 5) and high-symbolic ($\beta = .12, p < .05$; Table 5) products. We find no difference between the low- and high-symbolic categories. In summary, we find support for H_2 and H_3 but not for H_1 and H_4 .

Table 5. Overall Model Estimation Results: Low- and High-Symbolic Local (Relative to Global) Brand Purchases^a

	Low-Symbolic Products				High-Symbolic Products			
	HLM Model		HLM with Mediators		HLM Model		HLM with Mediators	
	β^b	t-Value	β^b	t-Value	β^b	t-Value	β^b	t-Value
Intercept	-.35	6.69***	-.35	6.69***	-.13	2.06	-.13	2.06
Ethnocentrism	.02	1.64*	.01	1.09	.01	.43	.01	.35
Ethnocentrism \times per capita GDP ^c	-.04	2.88**	-.04	2.87**	.01	.69	.01	.65
Global connectedness	-.02	1.63†	-.02	1.36	-.03	2.49**	-.03	2.30*
Global connectedness \times per capita GDP ^c	.00	.04	.00	.12	.03	2.17*	.03	2.09*
Quality function ^d			.02	.44			-.05	.97
Identity function ^d			.12	2.09*			.12	2.17*
Quality \times identity function ^d			-.01	.21			.06	1.21
Consumer-Level Controls								
Female	-.05	1.71†	-.06	1.87†	.12	4.06***	.12	3.98***
Age	.008	5.76***	.007	5.49***	.00	.39	.00	.20
Travel abroad	-.01	1.38	.004	1.25	-.01	3.25**	-.01	3.17**
Education	.01	.37	.00	.31	.02	1.47	.02	1.48
Employed	-.01	.34	-.01	.34	-.01	.50	-.01	.53
Born citizen	.06	.82	.07	.92	-.03	.39	-.02	.31
Social status	-.02	.77	-.02	.81	-.04	1.68†	-.04	1.65†
Urban resident	.00	.01	.00	.05	-.02	1.18	-.03	1.28
Country-Level Controls								
Per capita GDP ^c	-.29	1.07	-.29	1.07	.12	.58	.12	.58
Per capita sales volume ^c	.13	.84	.13	.84	.01	.09	.01	.09
Local brand market share	.01	1.85	.01	1.85	.01	.71	.01	.71
-2 log-likelihood		3,365.34		3,171.69		3,256.11		3,064.00
σ^2		.37		.36		.38		.37
tau		.02		.01		.02		.02
Reduction in σ^2 over control-only model		3%		5%		2%		6%

† $p < .10$.* $p < .05$.** $p < .01$.*** $p < .001$.^aWe used the logit probability of local brand purchases to estimate local (relative to global) brand purchases (see the “Method” section). One-tailed t-tests were used for testing directional hypotheses; two-tailed t-tests were used for testing significance of covariates.^bUnstandardized betas are reported.^cEthnocentrism (global connectedness) \times per capita GDP refers to the effect of log-transformed per capita GDP on the ethnocentrism (global connectedness) slope.^dQuality (identity) function refers to quality (identity) function of local (relative to global) brands. We used log-transformed ratios of local (relative to global) brand functions in these analyses (see the “Method” section).^ePer capita GDP and per capita sales volume were log-transformed.

Consistent with our predictions, more-ethnocentric consumers reported stronger perceptions of quality (H_{5a} : $\beta = .06$, $p < .001$) and identity (H_{5b} : $\beta = .04$, $p < .001$) functions of local (relative to global) brands (Table 6) as well as greater local (relative to global) brand purchases

across the five product categories (H_{5c} : $\beta = .03$, $p < .05$; Table 4). The direct effect of ethnocentrism was decreased ($\beta = .02$, $p < .10$) when we included quality and identity functions of local (relative to global) brands as mediators. In addition, consistent with our predic-

Table 6. Overall Model Estimation Results: Quality and Identity Functions of Local (Relative to Global) Brands^a

	Quality Function of Local (Relative to Global) Brands		Identity Function of Local (Relative to Global) Brands	
	β^b	t-Value	β^b	t-Value
Intercept	-.03	1.54	.02	1.13
Ethnocentrism	.06	10.19**	.04	6.25**
Ethnocentrism \times per capita GDP ^c	-.01	.75	.00	.04
Global connectedness	-.03	3.64**	-.03	3.66**
Global connectedness \times per capita GDP ^c	.00	.31	.01	1.26
Consumer-Level Controls				
Female	.04	2.16*	.04	2.31*
Age	.01	3.72**	.01	3.45**
Travel abroad	.00	1.15	-.01	1.92*
Education	.01	1.28	.01	.64
Employed	.00	.09	.00	.09
Born citizen	-.01	.39	-.06	1.54
Urban resident	-.01	.90	.01	1.01
Social status	.03	2.11*	.00	.28
Country-Level Controls				
Per capita GDP ^d	.11	7.94**	.07	6.84**
Per capita sales volume ^d	-.03	2.13	-.01	.92
Local brand market share	-.10	3.97	-.01	3.30
-2 log-likelihood		1,148.12		1,195.77
σ^2		.11		.11
tau		.002		.00

* $p < .05$.** $p < .001$.^aWe used log-transformed ratios of local (relative to global) brand functions in these analyses (see the "Method" section). One-tailed t-tests were used for testing directional hypotheses; two-tailed t-tests were used for testing significance of covariates.^bUnstandardized betas are reported.^cEthnocentrism (global connectedness) \times per capita GDP refers to the effect of log-transformed per capita GDP on the ethnocentrism (global connectedness) slope.^dPer capita GDP and per capita sales volume were log-transformed.

tions, the more globally connected the person, the weaker her perceptions of the quality (H_{6a} : $\beta = -.03$, $p < .001$) and identity (H_{6b} : $\beta = -.03$, $p < .001$) functions of local (relative to global) brands (Table 6). Moreover, global connectedness had a negative effect on the local (relative to global) brand purchases across the five products (H_{6c} : $\beta = -.03$, $p < .05$), and that finding remained significant even after we included local (relative to global) quality and identity functions as mediators (Table 4). Furthermore, and consistent with H_7 , we observed a stronger effect of global connectedness on local (relative to global) brand purchases for higher-

($\beta = -.03$, $p < .05$; Table 5) than lower-symbolic products ($\beta = -.02$, $p > .10$; Table 5).

We find no significant moderating effect of country level of economic development on the relationship between consumer ethnocentrism or global connectedness on consumer perceptions of either the quality (H_{8a} and H_{9a}) or identity (H_{8b} and H_{9b}) functions of local (relative to global) brands (Table 6). Consistent with H_{8c} , the positive effect of ethnocentrism on local (relative to global) brand purchases was attenuated by the level of economic development across five product categories

Table 7. Summary of Hypothesis-Testing Results

Hypothesis	Hypothesized Relationships	Findings
H ₁	Local (relative to global) brand quality (+) → Local (relative to global) brand purchases	Not supported
H ₂	Local (relative to global) brand identity (+) → Local (relative to global) brand purchases	Supported
H ₃	Local (relative to global) brand identity (+) → Local (relative to global) brand purchases > Local (relative to global) brand quality (+) → Local (relative to global) brand purchases	Supported
H ₄	Local (relative to global) brand identity (+) → Local (relative to global) brand purchases, is greater for higher versus lower symbolic products.	Not supported
H _{5a}	Consumer ethnocentrism (+) → Local (relative to global) brand quality	Supported
H _{5b}	Consumer ethnocentrism (+) → Local (relative to global) brand identity	Supported
H _{5c}	Consumer ethnocentrism (+) → Local (relative to global) brand purchases	Supported
H _{6a}	Global connectedness (–) → Local (relative to global) brand quality	Supported
H _{6b}	Global connectedness (–) → Local (relative to global) brand identity	Supported
H _{6c}	Global connectedness (–) → Local (relative to global) brand purchases	Supported
H ₇	Global connectedness (–) → Local (relative to global) brand purchases, is greater for higher versus lower symbolic products.	Supported
H ₈	Countries with lower levels of economic development > Countries with higher levels of economic development, and	
H _{8a}	Consumer ethnocentrism (+) → Local (relative to global) brand quality	Not supported
H _{8b}	Consumer ethnocentrism (+) → Local (relative to global) brand identity	Not supported
H _{8c}	Consumer ethnocentrism (+) → Local (relative to global) brand purchases	Supported in low- (vs. high-) symbolic product categories
H ₉	Countries with lower levels of economic development > Countries with higher levels of economic development, and	
H _{9a}	Global connectedness (–) → Local (relative to global) brand quality	Not supported
H _{9b}	Global connectedness (–) → Local (relative to global) brand identity	Not supported
H _{9c}	Global connectedness (–) → Local (relative to global) brand purchases	Supported in high- (vs. low-) symbolic product categories

($\beta = -.02, p < .05$; Table 4) and in low-symbolic product categories ($\beta = -.04, p < .01$; see Table 5 and Figure 2, Panel A). In contrast to H_{9c}, we find no significant moderating effect of level of economic development on the direct relationship between global connectedness and local (relative to global) brand purchases (Table 4). Country level of economic development, however, does attenuate the negative effect of global connectedness on local (relative to global) brand purchases of highly symbolic products such that this negative effect is stronger in countries with lower levels of economic development ($\beta = .03, p < .05$; see Table 5 and Figure 2, Panel B). In

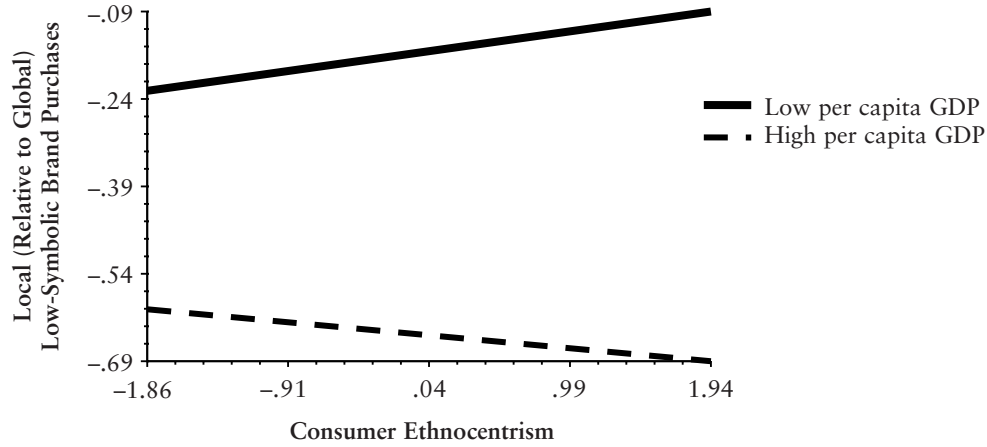
such countries, stronger consumer ethnocentrism results in greater local (relative to global) brand purchases of low-symbolic products, whereas stronger global connectedness results in fewer local (relative to global) brand purchases of high-symbolic products.

DISCUSSION

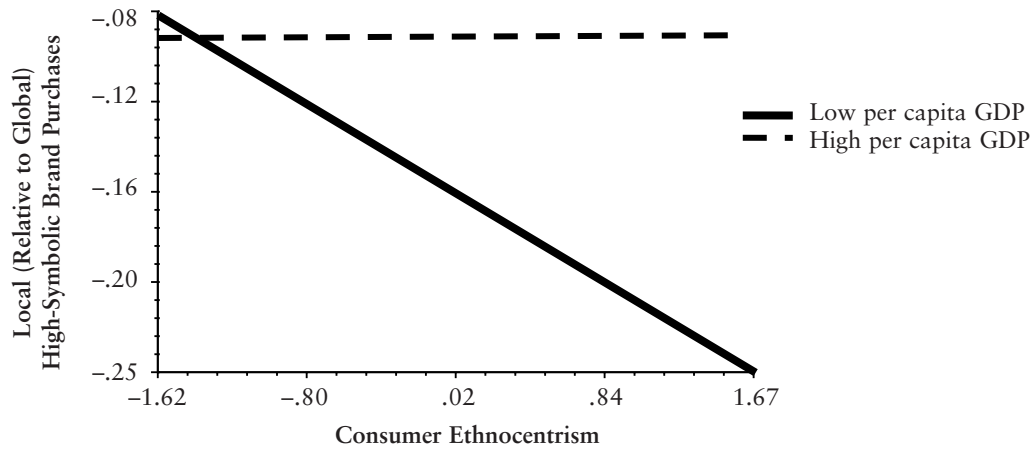
Given the evolving nature and increasing significance of local brands in the global marketplace, our work draws attention to sociocultural and cultural-historical per-

Figure 2. Local (Relative to Global) Brand Purchases in Low- and High-Symbolic Product Categories

A: The Interaction of Ethnocentrism and Per Capita GDP on Local (Relative to Global) Brand Purchases in Low-Symbolic Product Categories



B: The Interaction of Global Connectedness and Per Capita GDP on Local (Relative to Global) Brand Purchases in the High-Symbolic Product Categories



Notes: We used log-transformed values of local (relative to global) brand purchases and log-transformed per capita GDP in the analyses.

spectives to shed light on the factors that affect consumer choice between local and global brands. Next, we elaborate on the theoretical contributions and managerial implications of our research.

Theoretical Contributions

From a theoretical perspective, our research offers a contingency framework (Figure 1) and builds on previ-

ous work that examined predictors of local or global brands but did not consider how consumers choose between local and global brands. Thus, our focus on local (relative to global) brands as our dependent variable is a unique contribution that helps us understand the trade-offs that consumers make. Furthermore, although prior research has investigated individual constructs in our model, our work articulates a nuanced picture of the local and global brandscapes as well as the

product category and country level of economic development effects on consumer purchase of local (relative to global) brands. We unfold our theoretical contributions by first discussing the direct effects in our framework and then proceeding with the mediating effects (brand quality and identity signaling) and moderating effects (level of economic development and product category symbolism).

In our context of considering local and global brands, we proposed effects of the well-studied local consumer value of ethnocentrism and the more recently identified global value of global connectedness as predictors of local (relative to global) brand purchases and their direct effects on the salience of quality- and identity-signaling abilities of local (relative to global) brands. Consistent with our hypotheses, we find that consumer local–global values have strong effects; respectively, consumer ethnocentrism and global connectedness have direct positive and negative effects on the quality and identity functions of local (relative to global) brands and local (relative to global) brand purchases. These direct relationships derived from Gardner and Levy (1955) provide the base structure for our sociocultural perspective; that is, linking the consumer local–global values to signaling functions and purchases of local (relative to global) purchases.

Building on this research, our model considers the relative importance of brand quality and identity signaling as mediating the relationships between consumer ethnocentrism and global connectedness and purchases of local (relative to global) brands. Although prior work has documented the importance of brand quality and identity signaling (Lam, Ahearne, and Schillewaert 2012; Strizhakova, Coulter, and Price 2012), our article is the first to point to the greater significance of the identity-signaling (relative to the quality) function of brands. Herein, we provide additional evidence supportive of the stronger cultural iconicity of local brands (Özsomer 2012) relative to the lower-quality perceptions of local brands found in previous research (Ger 1999). We find that the identity-signaling function of local (relative to global) brands is critical to the purchase of local (relative to global) brands of lower-priced consumer products, regardless of level of product symbolism.

Our contingency framework further contributes to a more nuanced understanding of effects of consumer local–global values on purchases of local (relative to global) brands in less- versus more-developed countries; we found no significant moderating effect of country

level of economic development on the brand signaling functions. Our findings do reveal that the positive effects of consumer ethnocentrism and the negative effects of global connectedness on purchases of local (relative to global) brands are stronger (weaker) in countries with lower (higher) levels of economic development. Moreover, the positive effect of consumer ethnocentrism on local (relative to global) brand purchases is stronger in less symbolic product categories, whereas the negative effect of global connectedness is stronger in more symbolic product categories.

The inclusion of both individual- and country-level variables in our framework provides for a more comprehensive understanding of the factors that affect the purchase of local (relative to global) brands. Our research suggests that inconsistent results pertaining to ethnocentrism in recent research (Guo 2013; Sharma 2011) might be a consequence of the lack of inclusion of boundary condition variables (e.g., level of economic development, product category characteristics).

Managerial Implications

Marketing managers of local and global brands that participate in the global marketplace will find our research useful in understanding consumer purchases of local (relative to global) brands. With a focus on seven countries with varying levels of economic development, we found that the majority of variance in consumer purchases of local (relative to global) brands (between 82% and 93% across product categories) and in local (relative to global) brand signaling functions (88% for quality and 96% for identity) is attributed to individual differences. Contributing to prior research on global consumer culture (Steenkamp and De Jong 2010, Tu, Khare, and Zhang 2012), our findings emphasize that the consumer-level characteristics of age, gender, and consumer frequency of traveling abroad are important predictors of both quality and identity functions as well as purchases of local (relative to global) brands.

Regarding individual differences, marketing managers would do well to understand consumer sentiment related to the local–global consumer values of ethnocentrism and global connectedness in their markets of interest. In general, we find lower levels of consumer ethnocentrism and higher levels of global connectedness in the less- (Brazil, Russia, India, and China) versus more-developed countries, suggesting that consumers in these countries should be interested in global brands. Indeed, this is the case in India and China (despite having a larger share of

local brands—43% and 40%, respectively), but not in Brazil and Russia, where consumers report approximately an equal preference for both local and global brands (despite having a comparatively smaller share of local brands—31% and 33%, respectively).

The direct effects of consumer ethnocentrism and global connectedness on purchases may seem straightforward. However, both consumer values are linked to purchase through the identity-signaling (not quality) function of local (relative to global) brands. Douglas and Craig (2011) suggest that a resurgence of nationalistic sentiment is a driver of the growth of local brands. Our findings indicate that local companies in emerging markets that sell local brands of low-symbolic products (e.g., food) are likely to benefit significantly from the nationalistic sentiment present in consumer ethnocentrism and should leverage the local cultural associations that local brands offer to consumers. Furthermore, multinational firms in the food products business may be best served by purchasing local brands and continuing to market them under their local brand names, leveraging their local associations. Coca-Cola has followed this strategy and has been very successful in the bottled water category around the world. Identity expressions, however, encompass more than nationalism because they stem from local cultural associations deeply rooted in local culture and authentic expressions, and they may appeal to both ethnocentric and cosmopolitan consumers (Özsomer 2012; Riefler and Diamantopolous 2009). Multinational companies promoting global brands must think globally but act locally to create more associations with their brands, such as social responsibility and innovative leadership, while establishing local linkages to compete on the identity function with local brands.

Marketing managers of local brands in higher-symbolic categories (e.g., clothing) should be wary of the negative effects of global connectedness and the nonsignificant effects of ethnocentrism on purchases in such categories. Young consumers who travel abroad frequently and have strong ties to the global world favor global brands with high symbolism, which enable them to project these global ties to others. Local brand managers in these categories might consider linking their brands to global discourses. For example, consistent with its Australian brand image, Brian Smith launched UGG in southern California because of its relaxed and active lifestyle, ultimately making the brand a part of the global culture (see <http://www.uggaustralia.com/world-of-ugg-story.html>). This case study illustrates how high symbolic local brands can transition to

embody the tastes and image-related meanings of consumers worldwide.

Over time, as more local brands from less-developed markets venture into the global arena, the effect of ethnocentrism on local brand purchases may weaken, and the effect of global connectedness may become more favorable across product categories. Marketing managers are well advised to be vigilant of the constantly changing brandscapes across markets and resist the temptation of standardization at the expense of localization. Local brands in countries with higher levels of economic development may appeal to patriotic segments but are likely to benefit more from other identity-related meanings. Indeed, local American brands often use different identity-related meanings—for example, a green commitment (e.g., Stonyfield Farms) or diverse multicultural food experiences (e.g., Trader Joe's).

Directions for Future Research

Our research suggests several avenues for future studies on local and global branding. First, as related to consumer values, opportunities exist to further understand consumer ethnocentrism and global connectedness, particularly because consumers have limited knowledge of the production site—local or foreign—of brands (Fong, Lee, and Du 2014; Sharma 2011). Future studies might explore the complex relationships between consumer ethnocentrism, global connectedness, patriotism, and nationalism and their effects on local (relative to global) brand choices. We observed a significant effect of ethnocentrism on local (relative to global) brand purchases in the low-symbolic product categories, which reflect local tastes and benefit from perceptions of high local competition and production (Özsomer 2012). Further research might investigate the effects of ethnocentrism and global connectedness across a wider range of products and cause-related activities. We did not observe a difference in importance of identity signaling across low- and high-symbolic categories. Consideration of purely utilitarian categories would likely result in the quality function being a significant mediator in the relationship between the consumer values and consumer choices of local relative to global brands.

Much branding research has focused on consumer preferences for and purchase intention of specific brands (e.g., Starbucks, Coca-Cola). Alternatively, we focused on recent brand purchases identified by participants in five low-priced product categories available in all seven countries. Not surprisingly, given our focus on purchase

behavior, use of survey research, and scope of a multi-country study, the effect sizes in our study are smaller than those associated with attitudes or purchase intention or from studies in controlled lab experiments (see Bagozzi, Baumgartner, and Yi 1989). In addition, as related to our dependent variable, we classified self-reported brands as “local” or “global” in line with the brand’s geographic range in the GMID database, which did not take into account consumer perceptions of the brand as domestic or foreign. We also focused on product categories available globally. Eckhardt and Bengtsson (2005) consider local branding in a foreign category (pizza) in the emerging market of India. Thus, opportunities exist to explore local (relative to global) branding in exclusively local product categories (e.g., saris and mango lassi in India).

Our country-level variables included per capita GDP as a measure of economic development as well as local brand market share and per capita sales volume across a set of consumer products. As we have noted, country-level variables accounted for little variance in our findings. Although we accounted for local brand market share as a covariate in our analyses, this share might be driven by local/regional consumer preferences, market structure, legal regulations, and import and export policies. Also worthy of pursuit are event studies that track how specific shocks to the economic structure (e.g., Russia’s recent ban of foreign food imports) might affect local versus global brand market shares and consumer choices over time and change consumer local–global values and perceptions of brand functions.

With the goal of theory testing our model, we purposively sampled from an online market research panel with quota sampling by age categories to access consumers who are connected to a broader global community through the Internet. We acknowledge that our high-economic-development country sample included all English-speaking countries, and our sample for all countries overrepresented more educated consumers. Using a random sampling plan and including non-English-speaking developed countries would afford the opportunity to generalize across a broader set of developed countries and emerging markets.

CONCLUSION

Our research draws attention to the complex brand-scape across product categories in more- versus less-developed countries, considering both consumer-level

and country-level variables. Our work is the first to examine consumers’ local–global brand portfolio and consider the consumer-level and country-level predictors of purchases of local relative to global brands across markets and products with varying degrees of symbolism. With ongoing globalization, building on sociocultural and cultural-historical perspectives will provide further insights about the consumption similarities and cultural differences across the global marketplace.

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