LOCAL OR GLOBAL BRAND CHOICE:
DO TRAVELERS REALLY PREFER GLOBAL BRANDS?

Claudiu Dimofte
Katharina Zeugner-Roth
Johny Johansson

EXTENDED ABSTRACT

Introduction and Study Purpose

It has become an article of faith among practitioners and researchers alike that global brands have an advantage over local ones. Past research has consistently shown that global brands engender more positive affect, enjoy stronger associations with quality and social responsibility, and evoke a more appealing global myth (Dimofte, Johansson & Ronkainen, 2008; Holt, Quelch and Taylor, 2004; Steenkamp, Batra, & Alden, 2003). Furthermore, marketers have asserted that one big advantage for global over local brands is the increasing importance of the global traveler (Nijssen & Douglas, 2008). For the traveler, being able to find the same brands everywhere lessens the unavoidable pain of foreign travel, reduces uncertainty, and facilitates access to familiar and reliable products. It is therefore not surprising that literally all of the Top 100 brands in the Interbrand list are global brands.

Interestingly, despite the consensus in the literature on the supremacy of global brands, an increasing number of studies show that consumers prefer local brands. Not only are consumers more familiar with local brands, they also appreciate them for their cultural roots and greater uniqueness (Johansson and Ronkainen, 2005; Schuiling and Kapferer, 2004). If so, one might suspect that the global travelers rather than opting for the well known and comfortable global brand would attempt to try a local brand, especially in product categories where cultural identity is salient. That is, when would (and when wouldn’t) the global traveler choose the safe global brand when visiting a foreign country, the way global brand advocates argue?
This research addresses this question by investigating the choices made by global travelers where both global and local brands are available in a foreign location. The product category studied is beer, a product where both local and global brands are available in most markets, and for which cultural identity and country preferences are often quite firmly established. It is also a product where price is relatively uniform and comparable for both global and local brands, making brand name a dominant attribute. We introduce socio-psychological characteristics of travelers, namely cosmopolitanism and ethnocentrism, as possible drivers of product choice, while controlling for more traditional constructs such as loyalty, availability, and price. We also investigate the possible moderating role of product ethnicity (i.e., degree to which certain origins are known for producing a particular product) and consumption purpose on choice, distinguishing between a process versus an outcome oriented context.

**Key Choice Drivers**

Many global travelers are by definition cosmopolitan, a construct describing “an open-minded individual whose consumption orientation transcends any particular culture, locality or community and who appreciates diversity including trying products and services from a variety of countries” (Riefler & Diamantopoulos, 2009, p. 415). Cosmopolitan consumers are thus not necessarily as intimidated by foreign languages and cultures as the average traveler might be. They may in fact travel precisely to savor the peculiarities and idiosyncrasies of local cultures.

Research shows that some people display a strong home country bias in their product evaluations and purchase intentions. They might think that purchasing products from foreign countries hurts the domestic economy and puts local people out of jobs, or they may simply believe that their domestic products are better. Another key driver of brand choice in a foreign location might therefore be consumer ethnocentrism, which is defined as “beliefs held by […] consumers about the appropriateness, indeed morality, of purchasing foreign-made products” (Shimp & Sharma, 1987, p. 280).

Research as well as per capita consumption figures also show that some nations are “beer countries” (examples include Germany, Belgium and Japan), just as others are “wine countries” (France and Italy, for example). Consumers from a country with a renowned beer tradition are more likely to favor domestic brands and will likely be more ethnocentric in their beer choices than other consumers. Countering this tendency will be their level of expertise, which might
induce less risk aversion. Also, the level of cosmopolitanism in general will similarly induce more interest in experimentation with foreign beer brands.

Study Design and Hypotheses

The main purpose of our study is to analyze the extent to which cosmopolitanism and ethnocentrism will influence consumers’ choice of local versus global beers when traveling abroad. In what follows, the context is consumers’ intended beer choice in a foreign setting such as a nation without a strong beer culture (China). To account for differences in the beer cultures of consumers’ home country, consumer data will be collected in both a country with a rich beer tradition (Belgium) and one with no particular beer tradition (the United States).

A number of articles on consumer preferences and choice in a foreign country context has focused on socio-psychological characteristics of individual travelers (e.g., Samiee, 1994; Verlegh & Steenkamp, 1999). One such trait that is particularly important at a global level is cosmopolitanism (Cleveland, Laroche, & Papadopoulos, 2009; Riefler & Diamantopoulos, 2009). Cosmopolitan consumers are not intimidated by foreign languages and cultures but may in fact travel precisely to savor the peculiarities and idiosyncrasies of local cultures. Cosmopolitanism thus tends to induce a process-focused consumption process behavior wherein the experience of a novel activity produces satisfaction (Escalas & Luce, 2003, 2004; Zhao, Hoeffler, & Zauber, 2007). The sample of brands in their consideration set is large, as is quality variance. The search for something different and new is valued over reliability (Holt, 1997). These consumers are likely to try a local brand.

H1: Cosmopolitan consumers (Belgian or American), when traveling, will be likely to choose a local over a global beer brand.

Research shows that some people display a strong home country bias in their product evaluations and purchase intentions. They might think that purchasing products from foreign countries hurts the domestic economy and puts local people out of jobs, or they may simply believe that their domestic products are better. Another key driver of brand choice in a foreign location is therefore consumer ethnocentrism. Ethnocentric consumers are outcome focused, that is, they consider the impact of their choice more than the consumption process as such. They will favor their home global beer brands over a local beer or foreign global beer brands when abroad.
H2: Ethnocentric consumers (Belgian or American) will be likely to choose a home global over a local or foreign global beer brand when traveling.

These effects will be moderated by the degree to which travelers’ home country is known for beer production or not (also called “product ethnicity”, see Usunier & Cestre, 2007). Especially for consumers from a country with an acknowledged beer tradition, such preferences will moderate the tendency to which even cosmopolitan beer drinkers will look for a local brand when abroad. This will affect the choices made in a country such as China. The perceived superiority of their domestic beers may prevent those consumers from experimentation and risk taking. By contrast, cosmopolitan consumers from less renowned beer countries will be more willing to take risks.

H3: Cosmopolitan consumers from countries with a strong tradition (such as Belgium) traveling abroad are more likely to revert to a global beer from their own country than those from a country with weaker tradition (such as the United States).

H4: Ethnocentric consumers from a country with a weaker beer tradition are more likely to revert to a global brand that does not come from their home country than ethnocentric consumers from a country with a strong beer tradition.

One of the main benefits of global brand purchase for consumers (in particular in developing countries) involves their social signaling dimension (cf. Holt et al., 2004). To the extent that global brand choices are perceived to enhance the buyer's perception by others, the social context in which the choice takes place will be important. If others are present, global brands provide enhanced self-presentation benefits and will be favored over local brands, while this effect will not emerge if consumers make choices alone (i.e., without others present). The more cosmopolitan consumers, however, are less likely to be concerned with this issue (since their choices are driven by experiential reasons) and this effect will be tempered for them. We thus expect the following interaction:

H5: Consumers low on cosmopolitanism will favor global beer choices in social contexts that feature other individuals over situations when they choose alone. The effect will not emerge for consumers high on cosmopolitanism.
We already highlighted the fact that cosmopolitan consumers are proposed to be process-focused whereas ethnocentric consumers tend to be outcome focused. Research on process versus outcome focus further shows that by priming process-oriented consumers into an outcome orientation and vice-versa can also affect their choice (Escalas & Luce, 2003; Escalas & Luce, 2004; Zhao et al., 2007). In contrast to some of the extant literature on process versus outcome focus (e.g., Pham & Taylor, 1999; Zhao et al., 2007) in which this focus was seen as a momentary mental stimulation task that has an impact on subsequent dependent variables, in our study, the reasoning behind a consumer’s beer choice is seen as an underlying (i.e., chronic) individual trait. Thus, depending on the degree of cosmopolitanism, for example, consumers will start form a process or outcome focused perspective. In line with Zhao et al. (2007), who reversed temporal construal effects (i.e., preference inconsistencies over time were made constant), in our paper, we will try to reverse beer choice (or at least shift preference) by placing respondents from an outcome to a process based evaluation and vice-versa. This will be done by a mental simulation exercise where process-focused people will be put into an outcome focused information processing mode and vice-versa. We therefore expect that:

H6: Placing cosmopolitan consumers in an outcome-focused cognitive mode makes them more likely to choose a global beer brand. Placing ethnocentric consumers in a process-focused cognitive mode makes them more likely to choose a local beer brand.

Finally, marketplace observation suggests that from a marketing strategy perspective many global beers are positioned as premium brands that are supposed to be enjoyed in the company of special others (family or friends, see Heineken’s strategy). The social aspect of beer consumption is an important element to consider, since (as a vast literature on conspicuous consumption finds), there is signaling value associated with certain products or categories. It is therefore possible that adjusting the consumption scenario from a single-buyer to a group setting will produce adjustments in beer brand choice. In particular, we propose that consumers are more likely to choose global brands in the presence of others and that they are less likely to be consistent in their personal choices if a choice instance has a social component. Thus:

H7: The presence of others will produce (a) more preference for global brands and (b) less loyalty to a consumer’s personal preference.
Methodology

We propose a two stage empirical test: (1) a pre-study with an online scenario-based quasi-experiment among students to pre-test our assumptions and manipulations, and (2) a survey that will be conducted in the U.S. and in (the Dutch part of) Belgium.

Measures and Stimuli

The home countries are Belgium and the U.S., respectively. As foreign country, China is chosen—a nation that is neither perceived as a beer nor a wine country. This allows for both U.S. and Belgian consumers to be faced with an identical scenario that enables us to compare responses directly. As all scales have been originally developed in English, the Belgian questionnaire will be translated into Dutch using the translation back-translation procedure (Behling & Law, 2000; Brislin, 1986). The translated questionnaire will be subsequently pre-tested with 20 consumers using the protocol approach (Reynolds, Diamantopoulos, & Schlegelmilch, 1993) to ensure that all items are comprehensible and no difficulties in answering occurs.

The dependent variables involve a choice between global and local beers as well as measures of the process and anticipated outcomes (see items and scenarios in Appendix 1). As the main aim of the pre-test was to test our assumptions and manipulation checks, most constructs are measured using single-item measures in the pre-study. In the main study, full scales will be employed, in order to be able to assess the reliability and validity of the constructs in our study (for a discussion on advantages and disadvantages of single-item measurement, see Diamantopoulos, 2005; Rossiter, 2002). Consumer ethnocentrism is measured with the five-item version of the CETSCALE which has been previously validated in a survey of more than 3000 consumers across the EU (Steenkamp, Hofstede, & Wedel, 1999). Consumer cosmopolitanism is operationalized based on the three-dimensional structure proposed by Riefler and Diamantopoulos (2009). Each dimension was measured with 4 items. All items were rated on a Likert-type format ranging from 1 (strongly disagree) to 7 (strongly agree). To account for common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003), apart from procedural remedies (e.g., guarantee of anonymity, counter-balancing question order), a marker variable (e.g., social desirability) will be included in the questionnaire.
References


