Global Consumer Culture: Consumers’ Global Brand Attitudes in Brazil and Germany

James Kelley, Ph.D. (Candidate), MMR, MBA
Saint Joseph’s University
5600 City Line Ave
Philadelphia, PA, 19131
Email: jkelley@sju.edu
Phone: 0011-610-660-2266
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EXTENDED ABSTRACT

Introduction and Literature Review:

Due to aspects of ethnoscapes, mediascapes and technoscapes (Appadurai, 1990), consumers around the world have been exposed to a greater number of global goods and services than ever before. This has lead to a new kind of consumer who may desire to partake in the global consumer culture (GCC). GCC is a “cultural entity not associated with a single country, but rather a larger group generally recognized as international and transcending individual national cultures” (Alden, Steenkamp & Batra, 1999, p. 80). The growth of the GCC has blurred cultural patterns, creating consumer or market interconnectedness across geographic areas.

This has prompted research into a number of aspects of the GCC, but of specific interest for this study was global brand attitudes (e.g., Alden, Steenkamp & Batra, 2006; Dimofte, Johansson & Ronkainen, 2008), cosmopolitanism (Cleveland, Laroche & Papadopoulos, 2009) and materialism (e.g., Alden et al., 2006). Perceived quality has also been found to impact global brands (e.g. Steenkamp, Batra & Alden, 2003), however this study investigates the more robust perceived value. Generally, it has been found consumers who participate in the GCC are more cosmopolitan and more materialistic and perceive global brands to have better quality (e.g., Alden et al., 2006; Steenkamp et al., 2003).

Steenkamp et al. (2003, p. 37) defined global brands as “brands that consumers can find under the same name in multiple countries with generally similar and centrally coordinated marketing strategies.” Fishbein and Ajzen (1975, p. 6), defined attitudes as “a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object.” Consequently, this study defined global brand attitudes (GBA) as a consumer’s predisposition to respond in a favorable or an unfavorable manner towards global brands.

In reviewing the global brand attitude (GBA) literature, two overarching findings were discovered. First, there have been few quantitative studies with varying definitions and the findings have been inconsistent (e.g., Alden et al., 2006; Dimofte et al., 2008). Second, qualitative studies have discussed potential antecedents of GBA, several of which have often not been examined quantitatively (e.g., cosmopolitanism and materialism), and this study introduces a new potential antecedent (i.e., perceived global brand value).

Previous research suggested perceived quality was a positive antecedent to GBA (e.g., Batra, Ramaswany, Alden et al., 2000; Dimofte et al., 2008). However, perceived quality has been found to be one dimension of perceived value (e.g., Dodds & Monroe, 1985). Perceived quality was defined as “consumer’s judgment about a product’s overall excellence or superiority” (Zeithaml, 1988, p. 3), whereas for this research perceived value was defined as “consumer’s overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given” (Zeithaml, 1988, p. 14). Huang and Tai (2003, p. 45) argue that “value is more important than quality, since value was
immediately considered by consumers.” This leads to the notion that consumers are able to evaluate the tradeoffs between quality and price and that perceived overall value might be a better predictor of a consumers’ experiences.

Sheth, Newman and Gross (1991) used consumption-value theory to suggest a multi-dimensional perceived value construct that was comprised of five independent quality dimensions (functional, which was comprised of perceived quality and value for money, social, emotional, conditional and situational). Sweeney and Soutar (2001, p. 217-218) argued, “conditional value is derived from the moderating effect of a situation on perceptions of functional and social value on outcomes. Situational aspects, by themselves, may moderate the effect of emotional value on outcomes,” consequently, these two dimensions were not explored in this study.

Perceived value was used to explore Chinese consumers’ perceived value of foreign goods (Zhou & Wong 2008). Consumers’ use of conspicuous and inconspicuous products was evaluated through the use of several global brands that were listed on Business Weeks Interbrands Top 100 list (i.e., Colgate toothpaste, Nike athletic, Nokia cell phones). Zhou and Wong (2008) found respondents that demonstrated high social compliance for either conspicuous or inconspicuous brands used perceived prestige to determine their intention to purchase global brands. However, respondents low in social compliance for either category used perceived value to determine their intention to purchase global brands.

Though Zhou and Wong’s (2008) findings provided initial support for the use of perceived value as a potential predictor of global brand attitude, there was a limitation. They used single items to measure perceived value. Consequently, consumers who perceive global brands to have greater value than local brands will have a more positive GBA (H1).

In the current study, cosmopolitanism (COS) was defined as people who often travel, engage with people from other cultures and want consumption experiences that come from being a part of the global culture (e.g., Cleveland, Laroche & Papadopoulos, 2009). Two recent studies investigated the consequences of COS. Cleveland et al. (2009) found COS was a significant antecedent to several consumption categories (e.g., consumer electronics, luxury items) in the eight countries they studied. While they did not state whether the consumption categories included global or local brands, consumer electronics and luxury goods may be seen as global. In addition, Alden et al. (2006) found COS, as measured by two proxies (i.e., mass media exposure and mass migration), was positively related to global consumption orientation, which was related to GBA in South Korea.

This study explored GBA and argued that cosmopolitan consumers have a desire to take part in a global community (e.g., Alden et al., 1999; Cleveland et al., 2009), and it can be assumed they would be positively predisposed to global positioning (Alden et al., 1999). Further, modern mediascapes and technoscapes (Appadurai, 1990) mean people can be cosmopolitan without leaving their own country and still enjoy extensive exposure to global brands. Belk (2000, p. 13) noted the “rise of global consumption ideals, potentially makes the elite among Third World consumers into cosmopolitans who are more concerned with how they compare to the world’s privileged consumers than they are too compare themselves locally.” It is likely COS in developed and developing countries alike will be positively related to GBA. Consequently, consumers who are more cosmopolitan will have a more positive GBA (H2).
Özsomer and Altaras (2008) suggested COS plays a role in people’s perceptions of the quality of global brands. Further, Steenkamp et al. (2003) suggested consumers who are part of the global community will perceive global brands as better quality alternatives than their local equivalents. Since perceived quality has been found to be a dimension of perceived value, it is expected that cosmopolitan consumers would perceive global brands to have higher value. Consequently, consumers who are more cosmopolitan will perceive the value of global brands to be higher (H3).

Materialism (MAT) has been extensively researched and Richins and Dawson (1992, p. 308) defined MAT as “a value that guides people’s choices and conduct in a variety of situations, including, but not limited to, consumption arenas.” Prior research has suggested consumers in developing and developed countries can be a part of a GCC and, as such, have an increased desire to consume global brands (e.g., Alden et al., 2006; Steenkamp et al. 2003). Belk, Ger and Askegaard (2003) found that MAT was common in the U.S., Denmark and Turkey, providing some evidence of the reach of a materialist global culture (Cleveland et al., 2009). Further, Alden et al. (2006) found materialistic South Korean consumers had a more positive global consumption orientation.

It is likely that materialistic consumers will perceive global brands to have greater value than local equivalent brands. Further, it was found that, materialistic people are persuaded by important others to consume products that are public and prestigious (Rindfleisch, Burroughs & Wong, 2008). Since global brands are generally thought to be part of the global community, more prestigious and of higher quality than local brands, it could be inferred materialism will be positively related to perceived global brand value (PGBV). Hence, consumers who are more materialistic will perceive the value of global brands to be higher (H4).

Methodology:

This study examined the impact that PGBV had on consumers global brand attitude in two dissimilar countries; Germany (N=203) and Brazil (N=202). These countries were chosen due to their differences based on Hofstede’s (1980) individualism (Germany) and collectivism (Brazil) scores. The data were collected through a professional market research firm using online consumer panel members in 2007. The samples were chosen to reflect the age and gender characteristics of each country’s residents and were limited to include only people aged from 18 to 60 years who were permanent residents of the country. Each country’s sample was similar in age (m = 39) and the gender composition was similar across the two countries (Male=48%).

Figure 1: The Suggested GBA Model
GBA was measured by six global brands that were listed on Business Week Interbrand’s top 100 global brands survey (2007) (e.g., Nike running shoes, Sony color televisions, Nestle Quick chocolate milk drink). PGBV was measured by 14-items, nine items were adapted from Sweeny and Soutar’s (2001) PERVAL scale (perceived social value, perceived emotional value and value for money), three items were adapted from Dodd, Monroe and Grewal’s (1991) perceived quality items, and two overall value items were based on Lin, Sher and Shih (2005) recommendations for a first-order reflective, second-order formative perceived value. COS was measured by Cleveland et al.’s (2009) eleven-item COS which was found to have good reliability across eight countries (α= 0.90). MAT was measured by Richins and Dawson’s (1992) 18-item three-factor scale. Seven-point scales were used in each case, although attitudes were measured using a semantic differential scale, whereas the other constructs used an agree-disagree scale.

Analysis:

An exploratory factor analysis (EFA) was conducted in Germany to assess the multi-dimensionality of the PGBV and MAT constructs. Principal component analysis was used and items exhibiting poor psychometric properties were dropped from further analysis and all retained factors had eigenvalues >1 and Cronbach’s alpha coefficient exceeding 0.70. The final EFA solution for the PGBV items resulted in a one-dimensional construct with 14-items that explained 60% of the variance. The final EFA solution for the MAT items resulted in a one-dimensional construct with 15-items that explained 45% of the variance.

The study tested the basic meaning of the structure of the various scales across two culturally different countries; consequently the invariance of each scale was examined (Steenkamp & Baumgartner 1998). Initially, the constructs were explored in Germany and, as a result of the CFA analysis, a number of items were removed from the various constructs before the multiple-group analysis was conducted. The results of the multiple-group CFA found that all constructs had acceptable goodness-of-fit indices (χ²/df < 3.0; RMSEA< 0.08; SRMR< 0.08; GFI> 0.90; CFI> 0.90; TLI> 0.90), suggesting configural invariance (M1). Full metric invariance (M2) was examined and the change in the chi-square statistic between M1 and M2 was not significant at the 5% level and the goodness-of-fit indices were acceptable (RMSEA< 0.08; SRMR< 0.08; GFI> 0.90; CFI> 0.90; TLI> 0.90) across all constructs, suggesting full metric invariance. Consequently, a multiple-group structural equation model (SEM) could be explored.

The unconstrained multiple-group structural model had a significant chi-square statistic (χ² (170) = 270.60; p < 0.00), which was not surprising given the sample size (405). However, the normed chi-square statistic was 1.37, which was well below the suggested maximum 3.0 level, and the other goodness of fit indices were also acceptable (RMSEA= 0.03; SRMR= 0.05; GFI= 0.93; CFI= 0.98; TLI= 0.98), suggesting had configural invariance (M1). Consequently, the measurement weights (M2) were constrained to be equal across the two countries. The change in the chi-square statistic between M1 and M2 when these constraints were imposed was not significant (Δχ² (11) = 18.95; p > 0.05) and the model’s other goodness of fit indices were also acceptable (RMSEA= 0.03; SRMR= 0.05; GFI= 0.93; CFI= 0.98; TLI= 0.98), suggesting full metric invariance.

Results:

Hypothesis 1, suggested consumers who perceive global brands to have greater value than local brands will have a more positive GBA. The results suggested that PGBV had a significant impact on GBA in
Germany and Brazil ($\beta = 0.42, p < 0.001; \beta = 0.57, p < 0.001$, respectively). Hypothesis 2 suggested that more cosmopolitan consumers would have a more positive GBA. This was found in Brazil ($\beta = 0.22, p < 0.01$), but not in Germany ($\beta = 0.08$, n.s.), providing partial support for hypothesis 2. Hypothesis 3 suggested that more cosmopolitan consumers would perceive global brands to have greater value. This was found in Brazil ($\beta = 0.16, p < 0.01$), but not in Germany ($\beta = 0.08$, n.s.), providing partial support for hypothesis 3. Hypothesis 4 suggested that more materialistic consumers would perceive global brands to have greater value and this was found in Germany and Brazil ($\beta = 0.51, p < 0.001; \beta = 0.58, p < 0.001$, respectively), supporting hypothesis 4. Finally, the investigated model was found to be a better predictor of GBA in Brazil, where 42% of the variance was explained, than it was in Germany, where 18% of the variance was explained.

**Conclusion:**

The present study provides further evidence for continued growth of GCC and its impact on consumers GBA in Brazil and Germany. A key finding of this study suggested that consumers PGBV was significant antecedent of their GBA, implying that consumers who are partaking in the GCC use overall PGBV as a key indicator of their GBA. Another key finding was COS impact in Brazil, but not in Germany.

Cosmopolitans have been found to have a diversity of tastes which results in a desire to consume exotic foods, art, music and fashion (Thompson and Tambyah, 1999) whereas typically trivialising the local. Cleveland (2007) argued that cosmopolitans have the ability to be competent and comfortable in steering their way through different cultures. They can play both the role of the world citizen as well as be comfortable with their local culture, consequently becoming more bi-cultural with their consumption. Perhaps Cleveland’s definition of COS is more reflective of the global consumer in Germany. German consumers have easy access to Europe resulting in exposure to various cultures and consumption experiences are readily available to them. In Brazil, consumers may perceive being cosmopolitan as partaking socially in the global community. This may cause Brazilian consumers to have a strong desire for global brands, resulting in a type of normative COS and a more intense attitude toward the PGBV and consequently a more positive global brand attitude.

Finally, materialistic consumers in both countries held significant positive attitudes toward PGBV. Further, this strong relationship was a significant indirect influence on consumers’ global brand attitude. In Brazil, the global brands selected for this study could be perceived as prestigious and luxurious, leading the consumer to hold a stronger PGBV of global brands within the local community. In Germany, highly materialistic consumers may have felt social pressure to consume public and prestigious brands because of their PGBV over local brands (Rindfleish et al., 2008), leading to a strong PGBV.

The growth of globalization and GCC has led to important implications for marketing researchers and practitioners. While prior research has explored factors of global brands there has been minimal research on GCC impact on consumers’ GBA. This study provides empirical support for the growth GCC in Brazil. Further, the findings support initial evidence of the GBA model’s use in a cross-cultural setting, providing practitioners a tool to assess how their global brands may perform in a new market. Future research should use a general GBA measure (i.e., I have a positive/negative opinion of global brands) as to avoid any potential halo affect or country of origin bias.
References


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