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„Global and Local Brand Positioning: A Company
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Ich versichere in der vorliegenden Diplomarbeit nur die angeführten Quellen verwendet und die Arbeit an keiner anderen Universität als Prüfungsarbeit eingereicht zu haben.

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For my Parents

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Abstract

The continuing globalization of markets and growth of competition on a global scale is confronting international marketers with an ever increasing myriad of problems and opportunities. One of the focal points of the ensuing globalization debate has long been the discussion between those in favour of global standardization and those advocating the adaptation to local cultures. In the context of branding, this has resulted in a large body of literature discussing the benefits and drawbacks of global and local brands. Especially in up and coming markets such as China and India, the question of when globalizing and localizing is most appropriate, has been a topic of heavy discussion. However in addition to the structural advantages and disadvantages of global and local brands, recent literature has also proposed a variety of factors influenced by a brand's local or global image. As such brands perceived to be global are said to benefit from increased prestige and quality, while local brands are seen as more down to earth and trustworthy. This inclusion of consumer perceptions and brand image into the debate between proponents of standardization and adaptation in international marketing is relatively new, and in need of further research

This thesis seeks to address the issue by investigating both perspectives of successful branding; the processes under the control of management (e.g. developing a vision and brand values) and those controlled by consumers (e.g. forming associations, images and perceiving usage situations). It seeks to build upon extant concepts such as perceived brand globalness and consumer culture positioning strategies, while tying together existing theories in a broad review of recent branding literature. It accomplishes this by means of two empirical studies. The first study investigates the company perspective of branding through executive interviews with brand managers of internationally operating firms and addresses the extent to which they employ global, local or foreign brand image associations in their positioning strategy. The second study investigates the consumer perceptions caused by such positioning strategies by questioning consumers about their perceptions of eight different Austrian and foreign brands.

Analyses of the two studies reveal that the use of specific cultural positioning strategies among firms is highly dependent on the product category the brand is operating in, and that these can have a powerful influence on consumers' brand perceptions. As a result

of positioning strategies, certain local brands included in the study were perceived as more global than their global counterparts and some global brands seen as more local than local brands. The findings also reveal insights into the concepts of perceived brand localness and globalness, such as their drivers, outcomes, and the role that affective and cognitive dimensions play in the constructs.

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List of Abbreviations

| | |
|----------------------|--------------------------------------|
| PBG | Perceived Brand Globalness |
| PBL | Perceived Brand Localness |
| CCP | Consumer Culture Positioning |
| GCCP | Global Consumer Culture Positioning |
| FCCP | Foreign Consumer Culture Positioning |
| LCCP | Local Consumer Culture Positioning |
| CE | Consumer Ethnocentrism |
| M. | male |
| F. | female |
| RQ | Research Question |
| FMCG | Fast Moving Consumer Goods |
| MTV | Music Television |
| VIF | Variance Inflation Factor |
| USA | United States of America |
| H_x | Hypothesis X |

1. Introduction

The continuing globalization of markets and growth of competition on a global scale has driven many multinational firms to alter their portfolio in favour of global brands (Douglas and Craig 2001; Schuiling and Kapferer 2004; Steenkamp, Batra, and Alden 2003). Endowed with images of superior quality and prestige global brands are said to be the source of significant savings due to economies of scale (Holt, Quelch, and Taylor 2004; Kapferer 2003) and provide new opportunities such as the targeting global consumer segments (Alden, Steenkamp, and Batra 1999). This leads to the question what are “global brands” and how global are they really? According to Peter Stringham, head of group marketing at HSBC Holding PLC and ex chairman of Young & Rubicam North America, *“the really successful brands such as Coca-Cola, Disney or Nike, are brands that don’t change at all, they’re exactly the same everywhere in the world”* (cited in Lewis 2004, p.46).

Yet is this actually the case? Tessa Moore, vice president at Walt Disney International, claims that her brand not only localises itself by translating its films into local languages but also adapts the way consumers see it in each region. Each Disney TV channel is locally managed and independently produces its own programming alongside the US content (Mortimer 2005a). Simon Pestridge, brand marketing director of Nike states that *“While it is a necessity to operate at a global level due to the ubiquity of the brand and the reach of our product, we also recognise the need for localising strategies, campaigns and messages”* (cited in Mortimer 2005b, p.28). Nike spends much of its advertising budget sponsoring local teams and events to plant itself into local soil wherever it is (Mortimer 2005b). Coca-Cola, faced with heavy competition from local competitors, and new age rivals such as Mecca, Inca and Quibla Cola, has moved to a more localized advertisement strategy which adapts to individual markets. In a comment to the Financial Times in May 2003, Douglas Daft, CEO of Coca-Cola, advocates: *“The next big evolutionary step of ‘going global’ now has to be ‘going local’. We have to rediscover our own multi-local heritage”* (cited in Hayward and Kasriel 2004, p.59). Even a well-defined segment such as the MTV generation is very different from country to country. The UK, Northern Europe, Asia, the USA and Argentina all needed their own version of

MTV if the brand was to communicate effectively and have consumers worldwide buy into the MTV product and philosophy (Lindstrom 2001).

A global brand is therefore not necessarily one that looks and operates the same way around the globe, as Theodore Levitt proposed in his seminal HBR article in 1983 (Levitt, 1983). Even large global brands adapt and change from country to country, sometimes even integrating themselves to such an extent that they are perceived to be local brands by domestic consumers (Frost 2005, Kapferer 2003). They are neither necessarily ‘global looking’ nor do they need to be standardized around the world - quite to the contrary, there seems to be a variety of different types of global brands, using a variety of different strategies (Baker, Sterenberg, and Taylor 2003; Kapferer 2005). Some global players appear quite local, and even adapt brand names from country to country (Kapferer 2003) while others emphasize their global heritage in a bid for additional quality and prestige perceptions (Holt et al. 2004; Steenkamp et al. 2003). Yet despite their highly different nature, global brands, as well as their respective advantages and disadvantages have long been investigated without regard of their often highly distinct forms or the differences between supply side related advantages (such as their structure) and those advantages won by simply appearing global (Chernatony, Halliburton, and Bernath 1995). This use of brand image strategies, aimed at creating perceptions about the globalness or localness of the brand, constitutes a promising field of research (Zhou, Belk 2004), and builds one of the cornerstones of research for this thesis.

1.1 Research objectives

This thesis seeks to address several key issues of the branding debate, by giving an overview of the current problems in branding literature while working out opportunities for future research and building on extant constructs. The goal is not only the critical analysis of current literature, but also its extension by means of empirical investigations. The main focus is on the exploration of how firms strategically use perceptions of global and localness and what kind of influence this exerts on consumers. Additional objectives of research include the attaining of insights into how perceived brand globalness (Steenkamp et al. 2003) and perceived brand localness influence consumer attitudes toward a given brand and how the two constructs influence one another.

1.2 Structure of the Thesis

The thesis is structured into three main sections with a total of eight subchapters as illustrated in Figure 1.

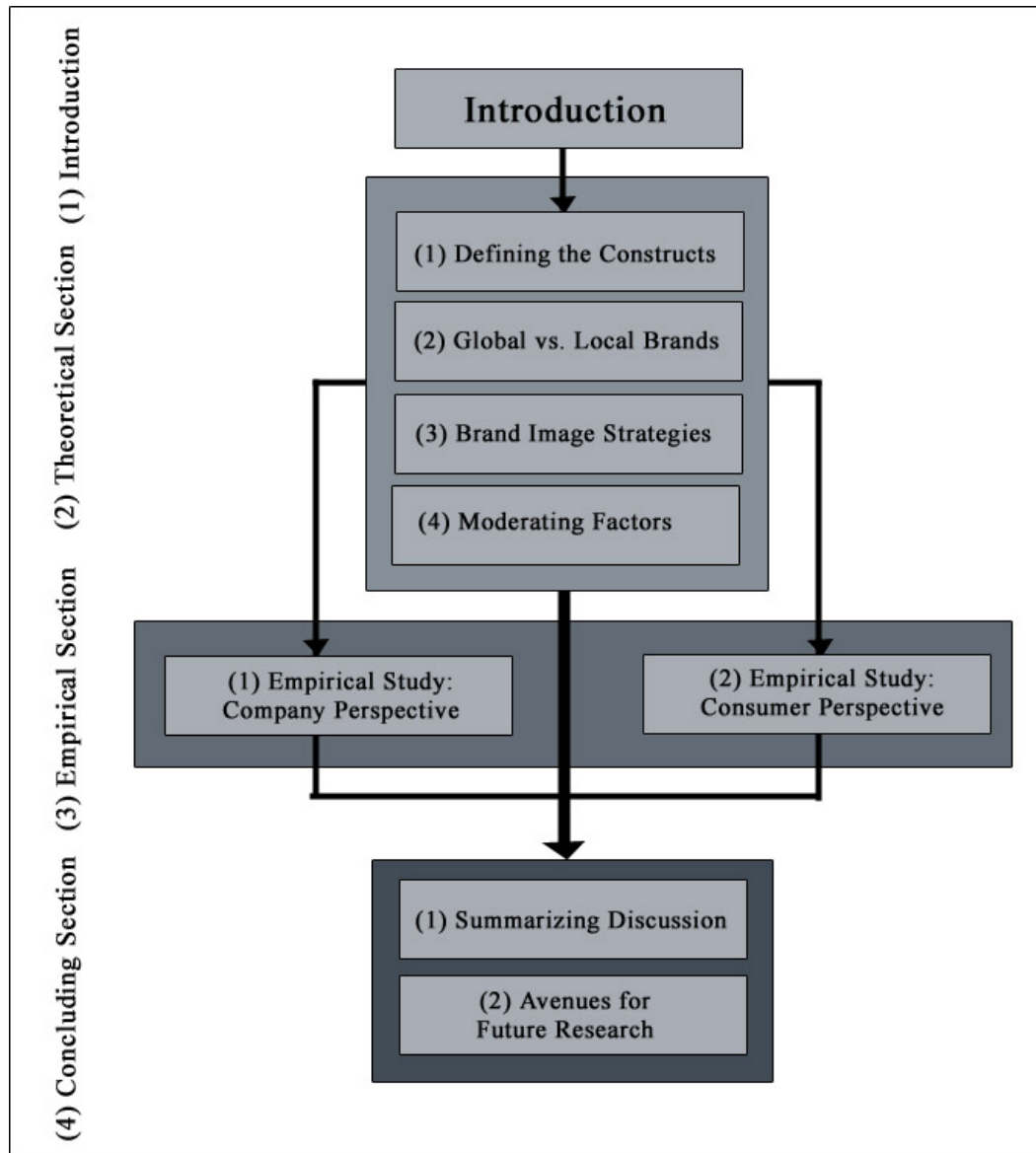


Figure 1: Structure of the Thesis

The **first section** provides an overview and critical analysis of extant branding literature;

In **chapter 2.1** the problems encountered in brand definitions and the conceptualization of what “branding” entails are addressed. These include a variety inconsistencies and overlaps in the way literature defines and brands and branding.

Chapter 2.2 analyses and discusses the advantages and disadvantages of using local and global brands.

In **chapter 2.3** the pros and cons of *appearing* as either a global or local brand are discussed. In contrast to chapter 1.2 where the actual size related issues are addressed, this chapter deals with the brand image.

The **chapter 2.4** addresses moderating factors influencing the success of global and local image strategies and concludes the theoretical section of the thesis.

The **second section** entails the two empirical studies of the thesis which aim to analyse and build upon the previously introduced literature. In **chapter 3.1** research questions, methodology, data analysis and findings of Study 1 are presented. The study, conducted among brand managers, investigates positioning strategies from a company perspective. The findings of this study form the foundation for **chapter 3.2** of which, Study 2, seeks to investigate the effect of such positioning strategies on consumer perceptions and behaviour. This is done by combination of quantitative survey, and qualitative interviews, about perceptions of global and localness.

The **third section** concludes the thesis and contains a conclusive discussion and summary of the two studies and literature in **chapter 4.1**. In a final step the limitations of the thesis along with avenues for future research are presented in **chapter 4.2**.

2. Theoretical Background and Literature Review

To facilitate a better flow of information, the literature review and theoretical building blocks of this thesis are integrated into one section. The section itself is divided into four parts, which combine existing literature, with critical assessments, aiming not only to introduce the reader to the concepts and ideas that are then investigated in the empirical part of the thesis, but also providing a comprehensive overview of the current state of branding literature.

2.1 Defining the Constructs

Over time the role of brands has evolved from a simple signal of ownership to a sign of quality and consistency, becoming a “maker’s mark” in the world of artisans and later manufactured goods (Martin 2006). In light of this evolution, it is not surprising that in the past the terms “Brand” and “Brand name” were used as simple colloquialisms for “trademark” (Onkvisit and Shaw 1989), and international branding decisions were defined as those decisions that solely related to the international use of a brand name (Whitelock and Fastoso 2007). In more recent times branding has grown to apply to the whole system of decisions involved in the development of a brand at an international level (Chernatony et al. 1995; Whitelock and Fastoso 2007). Despite the importance of the concepts, only little effort has been made to clearly position the concepts of branding and international branding within the marketing and international marketing domains. There has been confusion and unclearness in relation to what the terms “branding” or “international branding” refer to, and the terms are seldomly explicitly defined (Whitelock and Fastoso 2007). The result is a body of literature that suffers from absence of clear structure, exhibits large discrepancies and overlaps in definitions, and lacks proper borders differentiating it from the rest of marketing literature. It is therefore essential to provide a proper overview of branding literature, including its various problematics before attempting to build upon it.

2.1.1 Brands and Branding

Branding is the art and cornerstone of marketing (Kotler 2003). As defined by the American Marketing Association, the term ‘brand’ is: a name, term, sign, symbol, design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Thus it is more than just a name, logo, colours, tagline, or symbol, it is essentially a marketer’s promise to deliver a specific set of features, benefits, and services consistently to the buyers (Kotler 2003). Strong brands help the firm to establish an identity in the marketplace and develop a solid customer franchise (Aaker 1996; Kapferer 1997; Keller 2003b). Once established, brands become known and trusted by consumers helping them make choices faster and more easily (Gillespie, Jeannet, and Hennessy 2004). Their true power lies not only in their information content, but also in their ability of evoking emotions (Martin 2006) and forming bonds with consumers (Gobé 2001; Schmitt 1999). This can be achieved when strong brand concepts are presented and communicated to well targeted segments resulting in favourable brand images reflecting the brand’s identity¹ (Gardner, Burleigh, and Levy 1955; Kapferer 1997; McEnally and Chernatony 1999; Reynolds and Gutman 1984).

Branding involves the process of endowing products and services with the advantages that accrue to building a strong brand (e.g., enhanced loyalty, price premiums, etc) (Keller 2003a). However the processes and decisions that are affected by international or global brand strategies, are not clearly defined in literature (Whitelock and Fastoso 2007). Rather there are two different schools of thought, those who look at international branding in a narrow way and those who view it in a broader scope. According to the narrow understanding, which is advocated by scholars such as Sorenson and Wiechmann (1975) or more recently Leclerc et al. (1994) or Alashban et al. (2002), international branding simply refers to brand name decisions at an international level. In contrast to this the broader understanding refers to it as *“the process of developing a firm’s brand equity that appeals to overseas target customer’s positive attitudes about*

¹ “Brand identity specifies that facets of a brand’s uniqueness and value” (Kapferer 2003 p. 95). “It is the common element sending a single message amid the wide variety of its products, actions and communications” (Kapferer 2003 p. 96).

the brand” (Cheng et al. 2005, p.505). Chernatony et al. (1995) further define international branding as the process that affects decisions related to the two core elements of a brand; decisions representing the brand’s “core essence”, which capture its positioning and brand personality, and decisions referring to the brand’s “execution” in form of media and advertisement. Holt et al. (2004) go even further and relate global branding strategy to the standardisation of products, packaging and communications. Such an encompassing view of branding leaves the question as to what elements of the marketing mix are actually affected by branding decisions, and where the differences between branding and marketing lie (Whitelock and Fastoso 2007). This differentiation between what is, and what is not a part of “branding” is especially important when considering the pro’s and con’s of global branding strategies.

2.1.2 Types of Brands

A much more obvious problem in investigating different types of brands is the lack of common definitions. While the terms “local brand”, “national brand”, “international brand”, “trans-national brand”, “multinational brand”, and “global brand” enjoy widespread usage, there are no commonly accepted definitions, and next to none of the authors using the terms, sufficiently define them. This leads to the terms being used interchangeably and seemingly at discretion of individual authors. The same brand can be referred to as an international brand in one paper, multinational in another, and global in the third. Aside from the seemingly common acceptance of global brands being larger than local brands in terms of geographic spread, there are no clear criteria that enable a distinction between the different types of brands.

2.1.2.1 Global Brand Definition

What is a global brand? There is no real agreement on the answer to this question (Johansson and Ronkainen 2004). The problem stems perhaps from the different interpretations of the word “global” and the perspectives from which marketing academics, practitioners and the general public approach the question, and the lack of proper discussion that has been devoted to answering it.

In a recent article Whitelock and Fastoso (2007) examined 40 articles from 1975 to 2005 that dealt with the concept of international branding. Of these 40 articles only 9 offered an explicit definition what a “global brand” actually is. I have gathered some of these definitions in Table 1 and as can be seen some definitions have strong commonalities, and simply differ in scale and detail, while others approach the term from completely different points of view. This is especially true for marketing definitions, where no formal definition of global brands exists (Steenkamp et al. 2003). Instead they can be classified into two categories; those who define global brands mainly in terms of rigid marketing mix standardization (Levitt 1983; Schuiling and Kapferer 2004) and those who use less narrow definitions (Aaker and Joachimsthaler 1999; Keegan and Green 2004; Steenkamp et al. 2003). These more lenient definitions, which define global brands as *“brands that are marketed under the same name in multiple countries with similar and centrally coordinated marketing strategies”* (Steenkamp et al. 2003, p. 37) are very similar in nature to what (Schuiling and Kapferer 2004) refer to as ‘international brands’ (Appendix A).

One element that all marketing definitions share is that they are either based on or include elements of the company’s branding strategy such as brand name, or positioning as defining variables. Such restrictions can lead to problems since some selected global brands do not have the same name, but share other marketing program elements (e.g. Mr. Clean also sells under the Mr. Proper and Maestro Limpio names among others (Johansson and Ronkainen 2004)). Leading practitioners such as Jim Stengel of Procter and Gamble have even stated standardized brand names as one of the less important cost factors in the enrolment of global brand strategies (Neff 2002). The academic guidelines of defining what is and is not a global brand is therefore not necessarily reflective of what truly happens in practice. Smaller internet brands could be considered global due to using generally identical marketing strategies across different countries while only operating on one continent, while large brands which are available all over the world might not make the cut due to sometimes extensive adaptation to local needs.

This might be the reason practitioners and market research firms use size- and performance- related measures, such as brand value and geographic availability, as the most important criteria for defining what a global brand is (AcNielsen 2001; Interbrand 2006). Such approaches allow for a clear cut differentiation in what qualifies as a

global brand and what does not, and remove the necessity of subjective evaluation that is needed in deciding what “*similar marketing strategies*” or “*multiple countries*” exactly entail.

Performance and size related evaluation not only allows for a less subjective assessment of defining what a global brand is, it also makes the term comparable to other constructs such as local or international brands. This comparison is not possible when using brand image and positioning strategies as defining variables as illustrated in the following section about local brands and the ensuing discussion part.

| Definitions of Global Brands | | |
|-------------------------------------|------|---|
| Marketing Literature | | |
| Author | Year | Definition |
| Levitt | 1983 | The global corporation operates as if the entire world (or major regions of it) were a single entity; it sells the same things in the same way everywhere (p.92) |
| Chevron | 1995 | A global brand is one that is perceived to reflect the same set of values around the World. The same set of values or brand character forms the key in global brand strategy (p.24) |
| Aaker and Joachimsthaler | 1999 | Brands whose positioning, advertising strategy, personality, look, and feel are in most respects the same from one country to another (p.137) |
| Ghose and Lowengart | 2001 | Global brands – international brands that have been big marketing successes in many countries (p.46) |
| Steenkamp, Batra and Alden | 2003 | Brands that consumers can find under the same name in multiple countries with generally similar and centrally coordinated marketing strategies (p. 37) |
| Keegan and Green | 2004 | A brand that has the same name and a similar image and positioning throughout the world (p.333) |
| Schuiling and Kapferer | 2004 | Global brands are defined as brands that use the same marketing strategy mix in all markets (p.98) |
| Johansson and Ronkainen | 2005 | Global brand is defined as the multi-market reach of products that are perceived as the same brand worldwide both by consumers and internal constituents (p.340) |
| Kapferer | 2005 | For most managers a brand is global when it is sold everywhere in the world (p.322) |
| Inkpen and Ramaswamy | 2006 | Global brands are based on an organization’s ability to tailor messages at the local level while keeping the brand image intact on the global level |

| | | (p. 49) |
|----------------------------|------|---|
| Practitioner's Definitions | | |
| ACNielsen | 2001 | Global brands are those which are present in the four major regions of the world – North America, Latin America, Europe/Middle East/Africa and Asia – with at least 5 per cent of sales coming from outside the home region, and total revenues of at least 1 bn. (p.1) |
| Interbrand | 2006 | A global must achieve more than a third of its sales outside of its home country and have a visible external market presence. It is available in many nations and, though it may differ from country to country, the localized versions have a common goal and a similar identity. The brand's positioning, advertising strategy, personality, look and feel are, in most respects the same but allow for regional customization. What remains consistent from market-to-market are the values communicated and delivered by the brand. (p.4) |

Table 1: List of Definitions of Global Brands in Literature and Practice

1.1.2.2 Local Brand Definition

With most of the attention being focused on the development of global brands, marketing scholars and practitioners have paid little attention to the construct of local brands (Schuiling and Kapferer 2004). This is particularly interesting as they not only numerically outnumber international brands, but are also dominant players in various markets and product categories around the world (Johansson and Ronkainen 2004; Schuiling and Kapferer 2004). (For example the whiskey market in France is dominated by local brands (Schuiling and Kapferer 2004), and the world's third best selling beer in the world is a Brazilian local brand (InBev 2006, p.18). In contrast to global brand literature, where there is no mutual agreement on what a global brand refers to, there is a widely accepted definition for what a local brand is. According to Wolfe (1991) local brands are brands that exist (i.e. are marketed) in one country or in a limited geographical area. Interestingly, this definition is based on a brand's geographic spread and size and not on the extent to which the brand standardizes marketing mix elements as is done in the definitions of global brands. This is very appropriate since as Kapferer (2002, p.165) states “*local brands do not need to look provincial, nor local at all*”. It also means that one can hardly compare local and global brands according to their current definitions, considering they stem from two completely different schools of thought

(size vs. strategy), and do not fit on opposite sides of a continuum as they are sometimes placed in literature (e.g. Steenkamp et al. 2003). This line of thought will be further explored in the following discussion part.

Local vs. National Brand

Although there seems to be a clear definition of what a local brand is, the term faces an inherent problem through the subjective nature of the word ‘local’. Since the term is defined through the lens of the user, it can be applied to brands of a variety of geographic sizes depending on the context it is used in. A paper looking at the entire world would define a brand restricted to a single country as local, while a paper looking at a single country might refer to a brand operating only in a single city as local. The definition by Wolfe (1991) does not do much to alleviate this problem since “a limited geographical area” is also subjective. It is perhaps due to these reasons that some authors (Bronnenberg, Dhar, and Dubé 2007; Douglas and Craig 2001), instead use the term “national brand” in order to define brands limited to a single country. This term is probably more appropriate, although as can be seen in Appendix A, it is also ambiguous in nature, since in academic literature the term is typically used to differentiate private labels from branded goods (e.g., Blattberg and Wisniewski 1998; Dhar and Hoch 1997), and only sometimes as an indicator of geographical spread. Despite these issues I will be using the term local brand as defined by Wolfe (1991) in the remainder of this manuscript.

2.1.3 Discussion of Local and Global Brand Definitions

As the above discussion demonstrated, there is no clear structure defining the different types of brand whose scopes exceeds a single market, and even the term “local brand” is not always used to mean the same thing by different authors. While some authors (e.g., Schuiling and Kapferer 2004) use antiquated definitions of what “global brands” are, and instead use own terms such as “glocal brands” (Kapferer 1992) or “post-global” brands (Kapferer 2005), other authors (Steenkamp et al. 2003) have tried to adapt the term to fit into the current context of how global marketing is understood. However, as can be seen from Table 2, a definition of a global brand which incorporates the element of *marketing strategy* does not fit into the current structure of brand definitions.

| Brand Type | Definition | Basis |
|----------------------------|--|--------------------------------|
| Local Brand | Brand that exist in one country or in a limited geographical area (Wolfe 1991, p.50) | Size / Availability |
| International Brand | A brand that is available throughout a particular world region (Keegan and Green 2004, p.333) | Size / Availability |
| Global Brand | Brands that consumers can find under the same name in multiple countries with generally similar and centrally coordinated marketing strategies (Steenkamp et al. 2003, p.37) | Name / Strategy / Availability |

Table 2: Brand Definitions

In order to compare the pros and cons of global brands with those of local brands, such a shared definition basis would need to be established. For this, image dimensions need to be removed from the concept of what we consider to be a global brand. Considering that many brands which are available across the globe integrate themselves into local cultures and do not appear global at all, such a distinction of strategy and availability makes perfect sense. Support of this necessity is given by Douglas and Craig (2001), who also separate a brand's geographic scope, as either a local, national or global brand from the brands organizational level within the organization, and the product scope (i.e. number of products on which the brand was used) (see Figure 2).

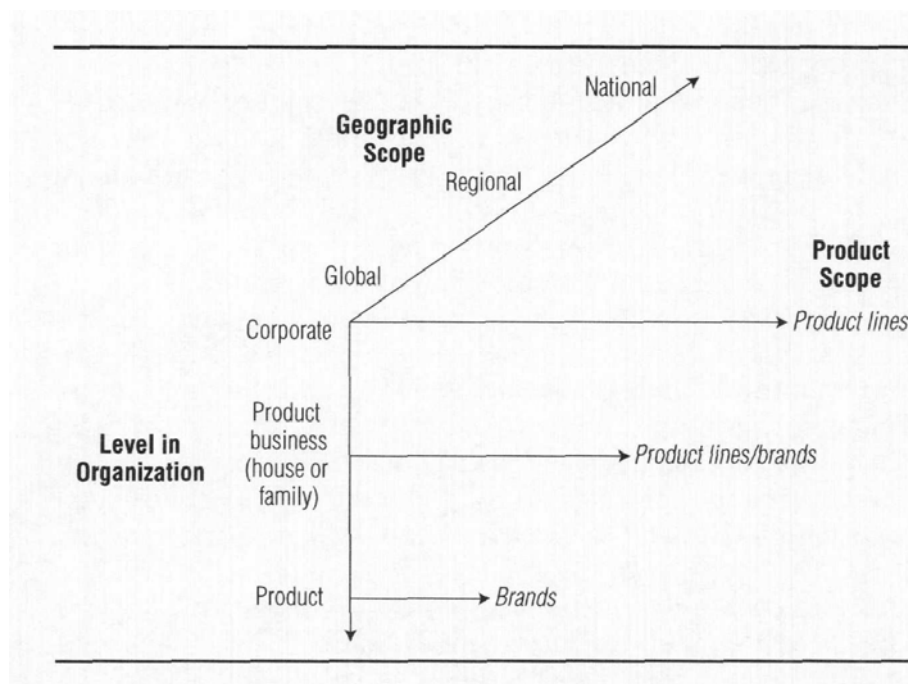


Figure 2: Levels of Brand Architecture (Douglas and Craig 2001, p.107)

Especially in today's 'age of glocalization'² where many powerful brands are moving away from standardization and trying to find an optimal mix of global efficiencies and local flavour, there are a variety of strategies available to both local and global players (Alden et al. 1999). More and more global brands such as Nike, Disney, Coca-Cola, or McDonalds are using so called 'glocal' strategies, where they combine global ideas with local execution and adaptation (Lewis 2004; Mortimer 2005b). So why refer to such brands which use glocalization strategies as 'international brands' or 'glocal brands' and not just as that what they are, namely global brands utilizing glocal strategies? The current lack of clear separation between brands and branding strategies, leads to unnecessary confusion. Whether a brand is considered as being local, multinational, regional, or global should not be dependent on branding strategy but actual geographic and economic size considerations. The problems caused by the incorporation of branding strategies into brand definitions become even more apparent when looking at the literature supporting global vs. local strategies.

2.2 Global versus Local Brands

Since the seminal articles by Buzzel (1968) and Levitt (1983), the issue of standardization versus adaptation in marketing activities has established itself as an important stream of research in international marketing literature (e.g., Aaker 1991; Barwise and Robertson 1992; Boddewyn et al. 1986; Douglas and Wind 1987; Guido 1991; Jain 1989; Kashani 1989; Onkvisit and Shaw 1989; Samiee and Roth 1992; Szymanski et al. 1993; Vandermerwe 1989; Wills et al. 1991). At the forefront of this body of research has long been the discussion of advantages and disadvantages of standardizations vs. adaptation of different elements of the marketing mix. In more recent articles the debate has been increasingly applied to a branding context (Aaker and Joachimsthaler 1999; Bauer, Exler, and Bronk 2006; Chernatony et al. 1995; Roth 1995b), which may partly be due to the high practical relevance of the topic.

² Glocalization is „the interpenetration of the global and the local resulting in unique outcomes in different geographic areas“ (Ritzer 2003, p.193)

2.2.1 Advantages of Global Brands

If we accept a broad understanding of what “branding” refers to, the advantages of a global branding strategy can be divided into supply-side and demand-side related factors (Chernatony et al. 1995). While early literature concentrates mostly on the supply-side (company) aspects of global branding (Chernatony et al. 1995), more recently academia has put a strong focus on demand side (consumer) issues, especially those concerning the image of global brands (Holt et al. 2004). The following section will address advantages attributed to global brands stemming from both the (1) supply and (2) demand side, in addition to a critical analysis of the proposed advantages.

2.2.1.1 Supply Side Factors of Global Brands Usage

For the supply-side, economies of scale leading to cost reductions in all areas of the business system, including research & development, manufacturing and logistics (Schuiling & Lambin, 2003; Keller 2003; Kapferer 2004), as well as the resulting competitive advantage through pricing effects (Chernatony et al. 1995) are among the most often expected reasons supporting a global brand strategy. Especially in early literature, economies of scale in packaging, distribution, and communication are of primary importance (Bartlett and Ghoshal 1986; Buzzell 1968; Levitt 1983; Porter 1986). A further important factor supporting the use of global brands is ability of utilizing a centralized structure (Chernatony et al. 1995), which in turn, can lead to uniformity in marketing practices, and the ability to leverage good ideas quickly and efficiently (Keller 2003a).

However, economies of scale might not always be realistic for all companies or products (Aaker and Joachimsthaler 1999). Aaker and Joachimsthaler note, that managers who charge blindly toward creating a global brand without considering whether such a move fits well with their company or their markets, risk harming their firm. They advocate that economies of scale are possibly elusive, and that global brands are incompatible with some markets. Not every brand is suitable for a global market, in some product

categories as is the case with food brands, the viability of creating a global brand is not as great as it is for other categories (Ramsay 2003).

More importantly, standardization of both the product and brand are neither the same thing nor necessarily consistent; a regional brand may have local features and a highly standardized brand may have local brand names (Kapferer 2005; Palumbo and Herbig 2000). Unilever for example, sells its Snuggles brand under the name of Cajoline in France, Kuschelweich in Germany, Mimosin in Spain and Yumos in Turkey in order to arouse the same notion of gentleness in every country (Kapferer 2005). The company thus retains economies of scale in production, yet benefits from a strong local brand, adapted to local culture, in each country. Similar perceptions are shared by Jim Stengel of Procter and Gamble who states; *“There are hard points you want to keep consistent across geographies like the kind of machine you use to make Bounty, but if you want to put different colours, patterns or brand names on the towels, that’s a soft point. It doesn’t cost us a lot extra. It meets local needs”* (cited in Neff 2002, p.53). It is therefore questionable to what extent economies of scale are truly generated by *brand strategy* (especially if one reduces the concept to branding to brand name decisions), as compared to product standardization. Even if we interpret branding as including the “brand execution” in form of media and advertisement, the most important sources of economies of scale remain manufacturing and research and development (Taylor 2003) which do not necessarily require a standardized brand strategy.

2.2.1.2 Demand Side Factors of Global Brand Usage

In addition to supply side related advantages, created via standardization and economies of scale, there are a variety of demand side related factors said to support the use of global brands. These include the (1) alleged convergence of customer demand (Hassan and Katsanis 1994), the creation of a (2) unique worldwide brand image (Schuiling and Lambin 2003), (3) power and scope (Keller 2003b), as well as the standardization of international product standards, and deregulation of markets (Chernatony et al. 1995). However some of these proposed advantages are subject to controversy and object of much discussion.

(1) The notion that declining differences in culture and a continuous homogenization of the world is leading to a convergence in customer demand, favouring the use of standardized brands, is not a new one (Buzzell 1968; Elinder 1965; Roostal 1963). In 1983 Levitt stated that “*The world’s needs and desires have irrevocably homogenised*” (Levitt 1983, p.93) and called for marketing strategies that treated the world as one large market. Even though this article was followed by a large globalization trend, it builds upon theoretical arguments which have not been empirically confirmed (DeMooij 2000; Usunier 1997). Quite contrary to Levitt, several authors argue that core cultural values are not only stable (Chiarelli 2003; Schütte and Ciarlante 1998), and manifesting themselves stronger as incomes converge (DeMooij 2000; Fischer 1984), but that consumer behaviour in respect to product usage is actually diverging (DeMooij 2003). This is supported in part by Husted (2003) who argues that the adaptation of cultural *practices* is not the same as the adoption of culture. While American clothing styles and trends may spread to other countries, the people adopting them maintain their beliefs, tastes and culture.

(2) The establishment of a unique worldwide image that enables the company to develop global advertisement campaigns and leverage international media, is considered an important advantage of global brands by many managers (Schuiling and Lambin 2003). Especially for brands, whose customers have high exposure to international media and travel frequently, different brand images across national boundaries can potentially confuse consumers, and distort brand image. A good example for this is given by Dan Bilefsky who relates the story of a high class New York City lawyer who became embarrassed to drink the ‘premium’ positioned Stella Artois beer, which is served only in the most exclusive New Yorker clubs, after finding out it was the common man’s beer in its domestic market of Belgium, where it is even served in plastic cups inside fast food restaurants (Bilefsky 2002).

Even companies using global branding strategies do not necessarily have a unique worldwide brand image (Kamineni 2005). Global brands are not only seen distinctly different in their country of origin than in other countries (Schuiling and Lambin 2003) but also from country to country in general (Kamineni 2005). Further evidence and explanation is provided by Hsieh (2002) and Hsieh and Lindridge (2005) who investigated differences in perception of global brands across international markets. Due to

differences across cultures in the way emotional signals are interpreted and understood, a single non-adapted branding approach leads to highly different brand perceptions across different countries. Only through heavy adaptation to local sensitivities, preferences, and economic needs, is it possible to attain a similar interpretation of core values from culture to culture (Hsieh and Lindridge 2005). This, in turn, is in direct contradiction to the supply-side driven cost advantages of the classical ‘global brand’. If a global brand needs to be adapted to local culture in every market in order to communicate a similar brand image throughout the world, then a unique worldwide image achieved through leverage of international media can hardly be considered a “cost saving factor”.

(3) The power and scope created through a global brand image, which is associated with communication credibility and sending quality signals to consumers (Keller 2003; Steenkamp et al. 2003), is a strong argument for the creation of global brands. Potential contributions to brand equity that flow from associating a brand with global consumer culture have long been recognized (Aaker 1991; Kapferer 1997). The concept of global branding, and a global brand image has been seen as a powerful tool for increasing sales (Buzzell 1968), increasing brand power and value (Shocker, Srivastava, and Ruekert 1994), and granting special authority (Kapferer 1992). Even more recently, global brands have been shown as being more modern, sophisticated, exiting, and cosmopolitan than local brands (Bauer et al. 2006; Friedman 1990; Zhou and Belk 2004), as well as being considered to convey high levels of esteem (Johansson and Ronkainen 2005). Global brands give consumers the opportunity to reinforce their membership in specific global segments (Alden et al. 1999) and make themselves feel as part of something bigger (Holt et al. 2004). Brands perceived as being global also convey a high quality signal, which before prestige perception is one of their most important assets (Steenkamp et al. 2003), accounting for 44% of brand preference (Holt et al. 2004). In this respect, the question arises to what extent the advantages of a global brand image are restricted to global brands. Global, as well as local brands can apply global consumer culture positioning strategies to attain perceptions of brand globalness (Steenkamp et al. 2003; Alden et al. 1999). Hence advantages gained via a global image are not advantages of global brands per se, but rather of brands perceived as being global, regardless of their size or availability.

2.2.1.3 Advantages of Global Brands: Discussion

Considering that most of the empirically backed demand driven arguments supporting the use of global brands stem from recent literature, it is not surprising that the globalisation of brands has long been viewed as a supply-side related issue (Chernatony et al. 1995). In most cases, consumer preference has not been the primary reason for companies to decide to move to international or global brands (Chernatony et al. 1995; Kapferer 1997; Terpstra 1987). Palumbo and Herbig (2002) even go as far as to say (contradicting those authors advocating the use of global images) that consumers do not care if the brand is global, and that they increasingly prefer local brands or what they perceive as local brands. Even on the supply side, product standardization seems to be the most prominent driver of ‘global brands’ with other factors such as a standardized marketing strategy or even brand name, being less important (Taylor 2003). Considering that product standardization, depending on how one defines *branding*, is not necessarily part of the branding debate, the question arises as to what the true advantages of using a global brand strategy are. Before extending upon this, an overview of the advantages and disadvantages of local brands will be provided.

2.2.2 Advantages of Local Brands

The seemingly first and most obvious advantage of many local brands stems from the simple fact that they often share a long history with consumers and are endowed with high levels of trust and loyalty (Schuiling and Kapferer 2004). For large companies like Unilever who eliminated 800 of its 1200 brands, or Procter & Gamble who reduced their portfolio to 300 brands (Schuiling & Kapferer 2004), it has therefore not been the question whether to create new local brands, but whether to retain its old and proven ones. Often created under ‘antiquitated’ multi-domestic approaches (Schuiling and Lambin 2003), or acquired through acquisitions, many companies are faced with the decision of eliminating brands with high brand awareness, market share, and customer loyalty, in favour of economies of scale.

The importance of already existent brand awareness and loyalty are best illustrated by such examples as the re-introduction of the local “Dash” brand in Belgium after it had been replaced by the Pan-European Ariel brand (Schuiling & Kapferer 2004), or Unilever’s retention of the Coccolino brand in Italy in favour of replacing it with its Comfort brand and making the same mistake P&G had made (Taylor 2003).

“We got on a kick where we tried to go too far [on global standardization] with some of the brands even to the point of changing names. Such as Safeguard, a strong bar soap brand in Mexico under the Spanish name Escuda. As we were trying to standardize more, we changed it to Safeguard. Volume dropped precipitously, we changed it back to Escuda and volume went back up.” Jim Stengel - Global Marketing Officer Procter & Gamble (Neff 2002).

Yet it should be pointed out that “advantages” such as high loyalty and awareness are not so much characteristics of local brands, but rather of ‘established’ brands that have a long market history. A company seeking to replace an established global brand with new local brands would face the same predicament, of having to sacrifice existing brand loyalty and awareness, as companies replacing established local brands with global brands.

2.2.2.1 Structural Advantages of Local Brands

The inherent advantages of local brands can be best described through pointing to the disadvantages of global brands. Global marketing programs not only face problems due to differences in legal environment, marketing institutions and competitive environment from market to market, but also from potential variations in consumer needs, wants, and usage patterns for products, as well as from differences in how consumers respond to marketing mix elements (Keller 2003). Mesdag (2000, p.77) goes as far as to say “*almost without exception, everything does have to be done differently abroad*”. While global brands need to find an optimal mix of adaptation and standardization to deal with such differences, local brands can optimize their offerings to local needs to a full degree. One of their primary structural advantages is therefore their extreme flexibility. Not only can they better respond to local needs, such as those not covered by interna-

tional brands (which need to cover similar segments across markets), but they also enjoy a higher flexibility in pricing strategy (Schuiling and Kapferer 2004). While international brands are often bound to pricing corridors, local brands do not face the risk of parallel imports, giving them the ability to more easily respond to local or international competition, and even compete against retailer brands (Schuiling and Kapferer 2004). A portfolio of local and global brands is therefore not only more flexible than one solely based on global or international brands, but it is also in a better position to manage risk on a worldwide basis (Schuiling and Kapferer 2004). Finally, the acquisition of local brands represents a quick entry into new markets, without further large investment (Schuiling and Kapferer 2004).

2.2.2.2 Equity Advantages of Local Brands

In addition to these structural factors, local brands, if perceived as such, can capitalise on their image of localness (Kapferer 2002). A local image can create strong emotional ties, especially among consumers with high pride towards their country (Kapferer 2002). Through the use of patriotic campaigns (Kapferer 2002; Woodruff et al. 1998; Zhou and Hui 2003) local brands can score highly among consumers with high levels of patriotism or ethnocentrism. However a local image is not necessarily restricted to local brands per se. While it is easier for local brands to attain a local image through, for example, the use of local names with specific meanings (Kapferer 2002), there have been many international and global brands which have become local icons in countries from which they did not originate. Some of these brands have even on to being perceived as domestic brands (see Perceived brand localness section).

2.2.3 Local vs. Global Brand Discussion

In conclusion it must be noted that many advantages put forth in literature, which support the use of global brands, are under heavy scrutiny. While achievement of economies of scale plays an important role in the decision of standardizing products, they are not always viable alternatives to adaptation in other areas of brand execution (such as

advertising execution). As Jim Stengel, Global Marketing Officer of Procter & Gamble states: *“Developing global brands is not an end in itself, but a means to an end. Our goal is a global brand leadership in the categories in which we choose to compete. Sometimes we can do that with one brand name and brand positioning and sometimes it takes several brands with different positionings”* (cited in Neff 2002, p.53). Depending on the specific market, product category and other factors, the creation of global or local brands may be more or less appropriate. It is therefore difficult to make broad generalizations in regards to which of the two alternatives is superior. Both local and global brands have distinct advantages and disadvantages depending on the situation. The wisest course of action for a company seems to therefore lie in the creation of a varied portfolio of global and local brands, of which each brand is especially suited for its distinct environment.

Here it is also essential to reiterate the importance of differentiating between advantages inherent to global and local brands (structural or supply side driven advantages), and advantages of being seen as being a local or global brand (image driven advantages). While structural advantages can only be enjoyed by truly global brands, even local brands can be seen as being global and global brands as being local. This line of thought is mirrored by Zhou and Belk (2004, p.64) who in their study of local and global appeals in China stated; *“Because of confusion about what is or is not a foreign brand, we focus instead on global and local appeals. In doing so we acknowledge the importance of dealing with what consumers perceive as “global” or “local” regardless of whether the brand’s owner is Chinese, non-Chinese, or a combination of both.”* It is not always the question of whether a local or global brand may be more suitable, but also with what appeals the brand is marketed. With a properly devised marketing strategy even a local brand may succeed in appearing as global, while still benefiting from all the structural advantages that are inherent to local brands (Yu 2002).

2.3 Global and Local Brand Image

Since any type of brand, be it local or global, could theoretically be perceived³ as being global, the benefits of such a positioning need to be investigated and discussed separately from structural benefits of global and local brands. I will therefore address the matter in the context of a firm's brand image management, which in itself represent a critical part of a company's marketing program (Roth 1995a).

The brand image is an integral component of a brand's equity⁴, that is, the value of a brand in the minds' of consumers (Keller 1993). A well communicated brand image enables consumers to identify the needs satisfied by the brand (Park, Jaworski, and MacInnis 1986) and differentiates the brand from its competitors (DiMingo 1988; Reynolds and Gutman 1984). It can be defined as the meaning consumers' associate with the product (Roth 1992), with the meanings being derived by consumers from their perceptions of the marketing program, be it advertising or other brand related activities, with focus on the product's ability to satisfy their needs (Friedmann and Zimmer 1988; Park et al. 1986). The perceptions the consumer holds about a brands origin as well as its status and role in the global marketplace, can therefore be considered to be influential factors that may effect a brand's image.

The following section will focus solely on brand image associations, connected to perceptions of brand size in terms of global availability and origin, by discussing the concept of perceived brand globalness (Steenkamp et al. 2003) and proposing the concept of perceived brand localness.

2.3.1 Perceived Brand Globalness (PBG)

It has long been suggested that international or global brands are perceived as being superior in terms of quality and prestige. This is especially true in less developed coun-

³ The brand perception is defined as; "the total impression that consumers have of a brand, based on their exposure to the brand. This consists of both the image that consumers form of the brand and their experiences with the brand". (van Gelder 2004, p. 44)

⁴ Brand Equity as first defined by Farquhar (1989 p.24) is "the 'added value' with which a given brand endows a product". It is the reflection of the brand's value to a company as an intangible asset (Keegan 2004).

tries, where domestic products are often seen to be inferior (Batra et al. 2000; Ger 1993). Recently, these prestige and quality perceptions have been linked to the brands' perceived level of globalness (Steenkamp et al. 2003). Steenkamp et al. (2003) define PBG as consumers perception's of a brands globality in terms of in how many countries it is marketed, and whether it is generally recognized as global in these countries. PBG perceptions can be formed in two ways. On the one hand, they might be formed through factors which are out of the company's control; e.g., the consumer may learn that the same brand is available in other countries through media exposure, word-of-mouth, or own travel overseas. On the other hand, the company can actively influence perceptions of the brand, using marketing communications that imply its globalness (even if the brand is not in fact available worldwide), through the use of brand names, celebrity endorsers, global advertising themes, packaging, and other symbols that are widely associated with a "modern" urban lifestyle (Alden et al. 1999; Steenkamp et al. 2003). While there have been studies investigating potential moderators (e.g. consumer ethnocentrism, hyper-competition, personal development competition, cosmopolitanism) and outcomes (e.g. quality, prestige) of PBG (Jun, Lee, and Gentry 2005; Nguyen, Barrett, and Miller 2005) as well as its pathways for generating brand equity (Steenkamp et al. 2003), and antecedents (Alden et al. 1999), the construct is relatively new and in need of further research.

2.3.2 Perceived Brand Localness (PBL)

As touched upon earlier, local brands can benefit from their image of localness via the creation of emotional ties with consumers (Kapferer 2002). Equity won through such bonds has moved global companies such as Coca-Cola to rediscover their local roots (Lewis 2004). By 'glocalising' their offerings and adding local flavour to the global offering, consumers can feel as if they are consuming one of their own (Hayward and Kasriel 2004). More and more global firms are employing hybrid and local positioning strategies (Alden, Steenkamp, and Batra 2006) and the most common type of consumer culture positioning strategy is local consumer culture positioning⁵ (Alden et al. 1999). It is therefore not surprising that many brands, regardless of whether they are local or not,

⁵ The concept of consumer culture positioning is defined and expanded upon in section 2.3.3 of the literature review

are still perceived as such. However, no scales known to the author test for a brand's perceived localness, nor has the construct of perceived brand localness been proposed or defined in literature. In the frame of the following literature review we therefore attempt to establish the concept of perceived brand localness (PBL) and include it along with PBG as one of the key topics of investigation for our empirical study. The aim of the latter is not only to further investigate PBL's antecedents, and outcomes, but also its connection to brand image positioning strategies.

2.3.2.1 Theoretical Background to PBL

With regard to the perceived image advantages of local brands Kapferer and Schuiling (2004) found that local brands outscored global brands on equity attributes such as trust and reliability. This coincides with the findings of Schuiling and Lambin (2003) revealing that global brands scored significantly higher on image attributes such as "trustworthy", "down to earth", and "high quality", in their home markets as compared to foreign markets. According to the authors, this difference might be linked to the fact that these global brands have first been strong local brands in their home country, resulting in consumers having known them for a long time and having a strong relationship with them. Although their conclusion from these findings was that the brand image of global brands are in no way unique or even similar in home and foreign markets, an even more important insight can be gained; namely that even global brands can gain from the image of being local, which is strongly supported by a variety of examples in practice (Frost 2005).

For instance the now defunct sewing machine company Singer, which although an international brand, was perceived as being local in nearly all of the markets it operated in. Essentially, the company was American, however most of the countries in which it had subsidiaries presumed it to be a local company (Frost 2005). This perception of locality went so far that it actually produced uniforms for the German army, and in World War 2 German bombers purposely spared Singer factories, due to thinking it was a German company. Similar perceptions of the company were held in England and Russia (Frost 2005). The company was therefore not only seen to be large and international by its customers, but it was also thought to be one of them. Similar examples can be found all over literature and practice. Parker Pens, was French in France, British in

the UK and American in the US just as McCain is thought of as an Australian company in Australia, English in England and Canadian in Canada (Frost 2005). In Hong Kong, the locals swear on their “local beer” San Miguel, which is actually from the Philippines (Tiu 2006), and in the book “Golden Arches East”, Emiko Ohnuki-Tierney relates a story of Japanese Boy Scouts who were surprised when travelling abroad, to encounter a McDonald’s in Chicago (Frost 2005; Ohnuki-Tierney 1997). In India PepsiCo has nurtured a home-grown image by sponsoring the hugely popular sport of cricket, using local celebrities in ads and filling its senior management slots with Indian talent. Pepsi’s local slogan, *Yeh dil Maange More!* (This Heart Wants More!), is so popular that an Indian army major famously shouted it into the snowy Himalayan valleys after a key victory against the Pakistanis in the 1998 Kargil war (Kharmouch and Brady 2003). Yet another excellent example of successful localization is Nestle. Even though Switzerland has good connotations about chocolate quality, the brand does not emphasise its Swiss origins, which has led many US consumers to believe it is American (Mortimer 2005a). Yet not only American consumers believe Nestlé to be a domestic firm. The company has done such an excellent job of integrating itself into American lifestyles that it found itself on some Arab boycott lists of American products during the Iraq war (Kharmouch and Brady 2003).

“In Nigeria for example we brew Guinness locally and it’s an enormous market. They believe this is a Nigerian brand. Even though on the pack it says originally brewed in London, as far as they are concerned it’s a Nigerian brand.” Michael Harvey - Director for Global Consumer Planning and research at Diaego (Lewis 2004)

It becomes apparent that even large global players like McDonald’s who have long been on the forefront of localizing not only their menus but also highlighting in their localness via media and communication, have become more than just a foreign brand in many countries (Martin 2006; Ohnuki-Tierney 1997). In Austria, nearly all of McDonald’s advertising material focuses on the Austrian origin of its food products, and on the ‘Austrianness’ of the McDonalds experience. For young people growing up with McDonald’s the firm is almost part of the local culture and for many a regular part of their everyday life. This is mirrored in other countries around the globe where McDonald’s consistently adapts to local wants, by using local marketing and thus emphasising

its connection with the local people. A similar case was Nike, which launched internationally as a visibly US brand pedalling American values, before realising that it was better for sales to appear basically rooted in the domestic marketplace. Now it spends a large portion of its marketing budget sponsoring local teams and events to plant itself into local soil wherever it is (Mortimer 2005b).

2.3.2.2 PBL Proposal

In a 1999 study of local and global brands using Young & Rubicam's BrandAsset Valuator (BAV), the top-ranked brands in terms of esteem were often local but with a twist: they were also global players. Volvo in Sweden, Ferrari in Italy, and Danone in France were all able to reap the benefits that local brands have for their fit, as well as profiting from the perceived quality and prestige of being global (Johansson and Ronkainen 2004). While the latter advantages are captured in the construct of "perceived brand globalness" local perceptions and its associated benefits have not been sufficiently addressed in research.

I therefore propose the concept of Perceived Brand Localness and define it as "*The degree to which a consumer feels a brand is connected to his or her own culture and region*". This does not mean that a consumer believes the brand to be solely available in his country or region, nor does it mean that he believes it to be manufactured domestically. PBL is neither the opposite of PBG nor the same as the belief of a brand's domestic origin. It is a consumer's perception of how much a brand has become a part of his or her culture, or region's way of life, and therefore of how "local" it has become. While perceptions of brand localness may be positively influenced by a consumer's belief of a brand's non-globalness, or his or her belief that the brand is domestically produced, they are distinctive constructs, and should be viewed as such.

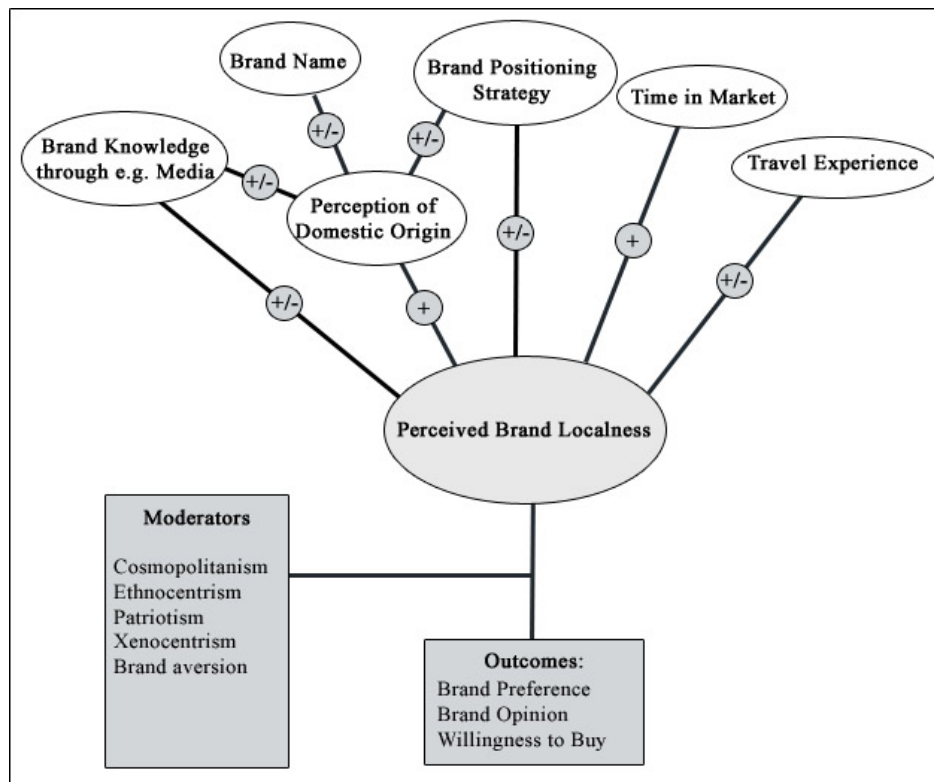


Figure 3: Nomological Network: Perceived Brand Localness

Normative literature suggests a variety of drivers that support the creation of localness perceptions (see Figure 3). These include the choice of the brand name (Kapferer 2002), and positioning strategy (Alden et al. 1999). I also advocate that, similarly to perceived brand globalness (Steenkamp et al. 2003), travel experience, brand knowledge as well as how long the brand has been available in the market, will have an influence on perceptions of localness. Depending on whether the brand is local or global, travel experience and knowledge will have either a positive or negative influence, just as brand name and positioning strategy can influence perceptions in both directions. The only factors which should have a consistently positive influence on perceived brand localness are the time a brand has been available in a market (which in turn influences brand familiarity) and a consumer's perception that a brand is of domestic origin. Brand knowledge and positioning can exhibit either a direct influence on perceived brand localness, or do so via the creation of perceptions of domestic origin.

Perception of Domestic Origin

Samiee et al. (2005) found in their analysis of brand origin recognition accuracy, that on average, consumers are only able to correctly determine brand origin for 25-35% of

well-known brand names. This is caused in part due to incorrect perception of brand origin caused either by successful branding and positioning strategies that include association with a desirable country (Samiee, Shimp, and Sharma 2005), or due to a variety of unplanned activities or cues. These results are supported by Balabanis and Diamantopoulos (2008) who, during their investigation of the English microwave market, found that consumers are rarely able to identify the true country of origin of products, and easily influenced by misleading brand names. Using names such as LeSueur or Matsui to indicate French and Japanese origin (Balabanis and Diamantopoulos 2008; Samiee et al. 2005), seems an effective method of masking true brand origin (Leclerc, Schmitt, and Dube 1994). In a study by Mueller et al. (2001) the rate of incorrectly evaluated country of origin was found to be as high as 87%, when captious cues such as misleading brand names were involved. If consumers are led to perceive a brand to be domestic, either because they know it is, or through the brand's name and/or positioning, this belief is likely to have a positive influence on the brand's localness perceptions.

As an example one can consider Whirlpool (USA), the world's leading manufacturer of major home appliances. Although the latter is not on the list of the world's 100 most valuable brands (Interbrand 2006), the company is with annual sales of \$18 billion, and over 60 manufacturing sites in various countries, certainly a global player. In the study by Balabanis and Diamantopoulos (2008) which measured perceived origin, only 19.7% of the respondents correctly indicated the USA as the brand's country of origin, while 39.4% of the UK respondents assumed it to be from the UK. According to the findings of Johansson and Ronkainen (2004) and Schuiling and Kapferer (2004), which indicate that global brands are rated differently in their domestic markets, the respondents who thought of Whirlpool as UK-brand, should theoretically also rate the brand higher on esteem, reliability and high quality and even consider it more down to earth, than those who indicated Whirlpool to be a foreign brand. The extent to which the factor of being perceived to be domestic alters consumer attitude towards a brand will in part be addressed in the second study of this thesis.

2.3.3 Consumer Culture Positioning Strategies

As a potential tool for generating perceptions of globalness, Alden, Steenkamp, and Batra (1999) proposed the concept of Global Consumer Culture Positioning (GCCP) and thus added a new facet to the debate of local and global branding. GCCP identifies the brand as a symbol of a given global culture – for example the post-World War II cosmopolitan segment, creating quality and prestige perceptions by means of PBG. Using GCCP, a local brand could try to position itself in a global fashion in order to leverage the gains brought forth by perceived brand globalness, without actually being a ‘global’ brand, while a global brand could underline its status as a global leader. Further research into the subject, and its relationship to cosmopolitanism and self-concept congruity was undertaken by Jun et al. (2005) who found that congruency between consumers’ relevant personality traits and the brand personality portrayed in global consumer positioning advertisements, influences brand attitudes.

The positioning strategy was differentiated from Foreign Consumer Culture Positioning (FCCP) and Local Consumer Culture Positioning (LCCP). LCCP is defined as a strategy that associates the brand with local cultural meanings, reflects the local culture’s norms and identities, is portrayed as consumed by local people in the national culture, and/or is depicted as locally produced for local people. FCCP is defined as a strategy that positions the brand as symbolic of a specific foreign consumer culture; that is the brand whose personality, use occasion, and/or user group are associated with a foreign culture (Alden et al. 1999). The usage of such brand positioning strategies was investigated in several countries, by analysing television advertisements and coding these according to; (a) the pronunciation of brand name, (b) symbols used and/or spelling of visually displayed brand name, (c) the symbol used for brand logo, (d) the central themes and (e) the appearance of spokespersons. Alden et al. (1999) found that LCCP was the most commonly employed form of positioning (59% of the advertisements) followed by GCCP (22,4%) and FCCP (3,8%), supplementing these results with individual scores for different product types and countries.

While Alden’s (1999) study investigated the application of the three strategies in different product categories and countries, it only investigated the potential consumer’s point of view, via content analysis of advertisements. This approach leaves several key ques-

tions unanswered. First, since none of the companies involved were actually interviewed, the extent to which managers consciously used strategies aimed at positioning themselves according to local, foreign or global culture was not investigated. It is therefore possible that many of the brands were coded to fit into one of the CCP strategies without managers actively intending their brands to be positioned in such a fashion, or even being aware of it. Additionally, the question of why managers use certain strategies in certain product categories or markets, and why they might adapt them was left unaddressed. Due to these reasons it was decided to attend to this issue in the following study via interviews with marketing executives regarding their use of local and global brand image positioning strategies. Another important factor that has not been clarified in existing literature is the actual extent of influence of CCP strategies on the perceptions of consumers. Are brands actually perceived to be more global due to such GCCP positioning, and how does this influence attitude toward the brand? These research questions are further investigated in the second study.

2.4 Moderating Factors Influencing Perception of Local / Global Brands

The appropriateness of using a global or local brand image approach is dependent on a wide array of factors. Consumer characteristics, country characteristics, and the product category heavily influence the effectiveness of both approaches, and need to be evaluated when making branding decisions. The following section therefore provides an overview of the factors that influence effectiveness and their relevance to brand positioning in different markets.

2.4.1 Consumer Characteristics

The effectiveness of portraying oneself as a global or local brand can fluctuate, depending on which groups of consumers are targeted. While consumers aspiring for a western lifestyle might look positively upon foreign or global branded goods (Zhou and Hui 2003), highly ethnocentric consumers, or consumers living in developed countries might regard them differently. I will therefore present the most often discussed consumer characteristics influencing the effectiveness of global and local strategies.

2.4.1.1 Consumer Ethnocentrism

One of the best documented factors influencing consumer decision making based on the origin of the brand or product is consumer ethnocentrism (CE) (Shimp and Sharma 1987). The latter represents “*the beliefs held by consumers about the appropriateness, indeed morality of purchasing foreign-made products*” (Shimp and Sharma 1987, p.280). Validated in numerous studies around the world (e.g., Netemeyer et al. 1991; Sharma et al. 1995), the concept has been shown to not only affect consumer evaluation of product quality, but also their willingness to buy. In times where lots of transitioning economies are regaining their national pride, CE can help explain the resurgence of local brands and companies, in countries where being ‘western’ previously sufficed for being attractive. The Chinese market, for example, is being re-taken by domestic players sporting patriotic campaigns (Wattanavitukul 2003; Wattanavitukul 2002; Zhou and Hui 2003), and in countries such as Poland, the novelty of western products is beginning to wane and being replaced by the belief that domestic products are equal or superior in quality to many international brands (Huddelston, Good, and Stoel 2001). This supports the notion that local positioning strategies can be extremely effective in countries with high levels of CE and national pride. Wang and Chen (2003), quite to the contrary, argue that in developing countries, the impact of ethnocentrism is mitigated by quality perception and conspicuous consumption values, allowing foreign marketers that use foreign brand positioning strategies (Alden et al. 1999) to offset CE, and charge premium prices. The real answer is highly dependent on a variety of situational factors and probably lies somewhere in the middle.

Reason for the high level of situational dependency is, that the construct of CE does not affect purchase intentions in a uniform way (Kwak, Jaju, and Larsen 2006). Instead, it varies greatly among cultures and countries (Durvasula, Andrews, and Netemeyer 1997; Good and Huddleston 1995; Pereira, Hsu, and Kundu 2002), as well as between the people living in those countries (e.g. younger consumers exhibit lower levels of consumer ethnocentrism and national identity than older consumers (Keillor, D'Amico, and Horton 2001)). Moreover, effects of CE differ not only across consumers but also product categories (Balabanis and Diamantopoulos 2004; Brodowsky 1998; Piron 2002) and also countries of origin (Balabanis and Diamantopoulos 2004; Kaynak and Kara 2002; Watson and Wright 2000). In certain product categories, high levels of CE will have

stronger effects on purchase likelihood and quality perceptions than in others. While Austrian consumers might have a strong aversion against buying non-local food products, the added quality perceptions brought forth by perceived globalness of foreign technology goods, might cancel out these aversions. Similarly, a high level of CE does not necessarily imply an equal rejection of goods from all countries. This is especially true for products manufactured in countries with a high quality reputation in this category; such as French wine, Swiss chocolate, or Japanese electronics.

2.4.1.2 Consumer Cosmopolitanism, Animosity, and Affinity

In addition to CE, there are several related constructs stemming from reference group theory that can influence effectiveness of either a global or local brand image. These include consumer animosity (Klein, Ettenson, and Morris 1998), cosmopolitanism (Cannon and Yaprak 2002), world mindedness (Sampson and Smith 1957), internationalism (Kosterman and Feshbach 1989), xenocentrism (Blaha 2007) and consumer affinity (Oberecker 2007). An overview of the type and direction of bias is given in Table 3, and while they will not be discussed in further detail, consumers exhibiting high levels of any of the constructs might react differently to brands using a local, global or certain foreign image. As such a global image might be more appealing to cosmopolitan or world minded consumers, while specific foreign positioning strategies could be detrimental in areas with high levels of consumer animosity toward that specific country or area.

| Construct | Bias toward | Direction of bias |
|----------------------------------|--|-------------------|
| Consumer Xenocentrism | All foreign countries/products | + |
| Consumer Ethnocentrism | All foreign countries/products | - |
| Consumer Affinity | Specific foreign country/ countries | + |
| Consumer Animosity | Specific foreign country/ countries | - |
| Worldmindedness/ Cosmopolitanism | Perceive no difference between foreign and domestic products → search for the best from everywhere | |

Table 3: Constructs with Potential Influence on Glocal, Local or Foreign Branding Strategies from Blaha (2007)

2.4.1.3 Brand Antagonism

“The only battle worth fighting and winning, the only one that can set us free, is The People versus the Corporate Cool Machine. We will strike by unswooshing AmericaTM by organizing resistance against the power trust that owns and manages the brand” - Kalle Lasn (Lasn 2000)

While the power and size of global brands represents a quality signal for many people, an increasing amount of consumers are antagonised by the growing power of global brands. Inspired by such books as “No Logo: Taking Aim at the Branding Bullies” (Klein 1999), the global anti-branding movement is linking branding efforts to the central concerns such as environmental issues, human rights and cultural degradation, of those opposed to unchecked globalization (Holt 2002). The movement spawns a new type of consumer that tries to escape the market and shun the new consumer culture (Kozinets 2002; Kozinets and Handelman 2004). While this new group of anti-consumers, is likely to respond critically to local as well as global image positioning (Thompson, Rindfleisch, and Arsel 2006; Walker 2003; Wipperfurth 2005), it is the overall trend which globally operating companies need to be aware of. Especially for certain consumer segments and markets, global players have already adjusted their strategies. Mecca Cola with its tagline “No more drinking stupid, drink with commitment” issued a clear challenge to the world’s number one brand (Tischler 2004), and along with brands such Quibla Cola, used Coca Cola’s global image, and lack of local commitment against it (MarketingNews 2004). Coca-Cola, in turn, has increased its local advertisement, employs stealth marketing campaigns designed to give the brand a more authentic persona (Frank 1997), and highlights the brand’s local roots on its website (See Appendix B).

2.4.2 Country Characteristics

On a macro level, various country characteristics such as culture or economic development represent strong influential factors in deciding which type of positioning strategy is best suited. The next section is a brief overview of how country characteristics may influence brand image strategy decisions.

2.4.2.1 Culture

Depending on the country culture, the acceptance of foreign products, especially from certain regions, can differ strongly. Baker et al. (2003) divided countries into four distinct categories according to their orientation towards brands. Countries can be either individualistic or collectivistic, and on the other axis, oriented toward their own culture and values (local focus) and/or more receptive to global influences (global focus). The results of their qualitative study across 41 countries revealed four consumer categories;

- **Cultural Individualists:** Consumers in such countries have high pride in their own culture and possess strong individualistic values. This requires both localization and an individual connection with local consumers.
- **Global Individualists:** Consumers in these countries have a weaker interest or pride in their own culture and greater openness to the world. There is thus a lower need for localization, yet consumers in these cultures still have a high need to connect with brands at an individual level.
- **Global Sensitives:** These are collectivist societies that are open to the world. There is only a medium need for localization, and the process is more a matter of translation than adaptation.
- **Cultural Sensitives:** Consumers take high pride in local culture. They expect global brands to understand and respect their culture, and when possible, adapt to local situations both in terms of communication and product features.

According to Baker et al. (2003) the decision on whether to pursue a global or local focus should be made with consideration of the specific countries' culture. However, not all differences in culture and countries are generalizable. Often the most important differences are small and unique to their respective countries and impossible to fit into broad categories. In this context Mesdag (2000) notes that irrespective of whether a global or any other approach to international marketing is contemplated, it is prudent to assume that everything in the foreign market has to be done differently from the way it is done in the home market, unless hard proof to the contrary has been obtained. This is not only due to obvious factors such as language, skin colour, and/or stage in the evolu-

tion of the retail trade or climate, but due to subtler things, which could lead to failure if ignored. According to McCann-Erickson Worldwide for example; “*to Brazilians, beer is a soft drink; to Germans, good beer is the one that’s locally brewed; to the English, lager beer is a new product; to Americans beer is a boy-meets-girl drink; and to Austrians beer is a man’s drink*” (cited in Palumbo and Herbig 2000 p.126). In cases where the brand’s worldwide image is incompatible with local culture, not adapting the usual global approach to the local market, might lead to disaster.

2.4.2.2 Economic Development:

There is ample literature highlighting the fact that foreign products are received differently in developed countries as opposed to developing or transitioning economies. Consumers in developing countries often regard foreign products as status symbols (Alden et al. 1999; Ger 1993; Marcoux, Filiatrault, and Chéron 1997; Wang and Chen 2004) and evaluate these as higher in quality (Batra et al. 2000). According to a new study from Synovate Inc. (Chicago) over 70% of consumers from developing countries ranging from Argentina to the Arab Emirates felt local products were not as good as products from international brands (Hein 2007). As such, the economic development of a market seems to represent an important factor in deciding how a firm wants their brand to be perceived.

2.4.3 Product Category

Finally, whether a local or global positioning or branding strategy is most suitable for the company or product strongly depends on the focal product category and industry the brand (company) is operating in (Baker et al. 2003; Mesdag 2000). As already noted earlier, consumer ethnocentrism and country of origin effects are highly product category specific, which in turn, leads to indirect effects on brand positioning effectiveness. Yet aside from these effects there is a variety of existing studies on the topic of how local and global positioning strategies are affected by the nature of the underlying product category.

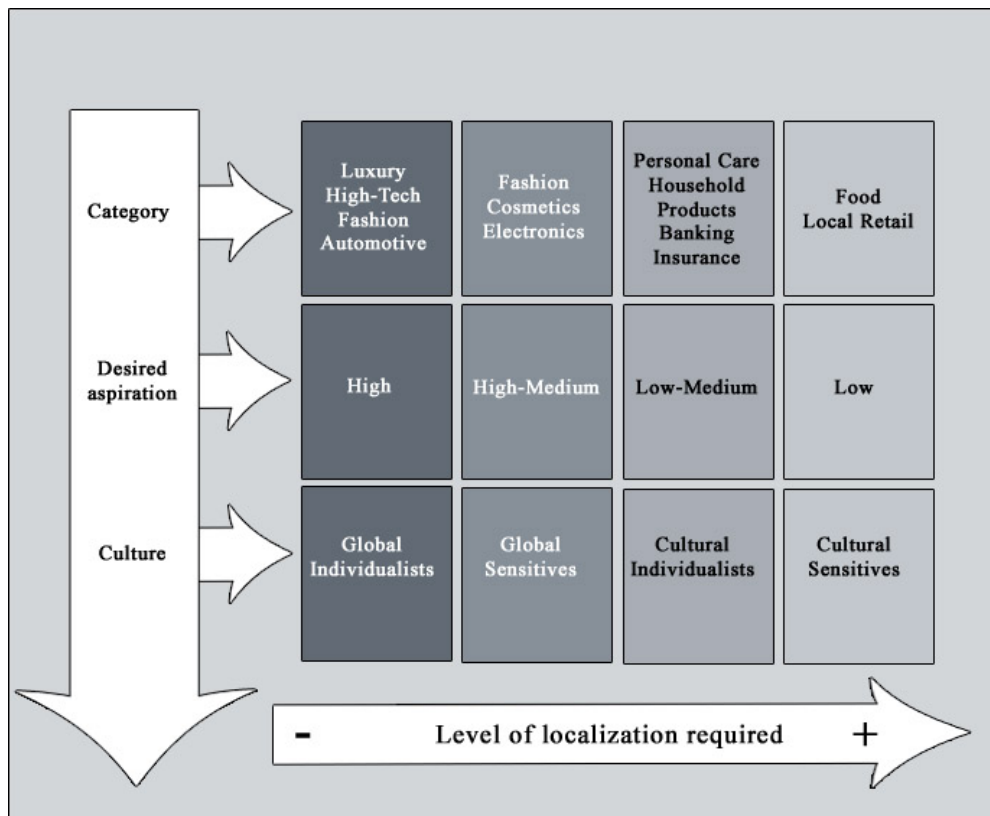


Figure 4: Factors Determining Viability of Global or Local branding adapted from (Baker et al. 2003)

Baker et al. (2003) suggest that different levels of localization are required, depending on the characteristics of the product category, as well as the desired aspiration level⁶ a brand is trying to achieve (see Figure 4). While luxury brands can benefit from using global appeals, brands that require consumer's trust such as brands in banking, insurance, or food sectors, gain more from showing their local sides. Mesdag (2000) even argues that due to the enormous differences in globalizability between product or service categories, studies that ignore the nature of the product or service are of little use. The large differences between the effects of brand perceptions on different product categories can be partly explained through the way that such perceptions are formed. Brand perception is the total impression that consumers have of a brand, based on their exposure to it (van Gelder 2004). This consists both of the image that consumers form of the brand and their experience with the brand (van Gelder 2004). However the level of exposure will of course vary across product categories. While luxury brands will have a strong mental image among consumers without much experience, the perception of other brands such as household cleaners or food items will be more based on experi-

⁶ An aspirational brand is one, which has a large segment of its exposure audience that wishes to own the brand, but cannot due to economical reasons. The aspirational level can therefore be considered something akin to the level of exclusiveness that the brand wishes to represent.

ence than image (van Gelder 2004). The role and importance of image is therefore not homogenous across different types of products.

The different use of positioning strategies across product categories is also supported by examples from practice. A consistent international marketing mix is an integral part of the appeal of international prestige brands like Gucci (Taylor 2003). Moreover Baker et al. (2003) state that prestige brands such as BMW and Mercedes “actively reject localization”, avoiding the use of local icons in Japan and Singapore to stay sufficiently aspirational. According to Chandran (2003), patriotism plays an important role in the purchase decision in India, but when the consumer is in the marketplace for certain types of products – especially at the upper end – he is simply looking for international quality. In high value segments such as finance and insurance, on the other hand, many foreign companies have chosen to “talk Indian and look Indian” in order to be accepted by Indian consumers (Chandran 2003).

3. Empirical Part

The objective of the empirical part of this study was twofold, first to obtain a better understanding of the factors influencing the practical usage and effectiveness of consumer culture positioning strategies, and second to determine their outcomes and effects on consumers. For this purpose I selected a two pronged approach of investigating the research objective. First, an initial exploratory study consisting of qualitative in-depth interviews with executives and marketing managers of internationally operating companies from different industry sectors, in Austria and the United States, was conducted. Based on the insights gained from the initial study, I developed a questionnaire for Austrian consumers with both closed and open ended questions which were then administered in both Vienna and the Lower Austria. This enabled me to not only investigate the usage of consumer culture positioning strategies, but also of their impact on perceived brand localness and globalness. The empirical part of this paper is therefore structured into two parts. First, an in-depth look at the company perspective is taken, using the manager interviews as a catalyst for discussion, followed by an exploratory study into the consumer perspective. In conclusion, both viewpoints will be combined in a final summary.

3.1 *Company Perspective*

3.1.1 Research Questions

The extent to which companies use single positioning strategies (e.g., use a GCCP strategy in all markets) or mixed positioning strategies (e.g., use an LCCP strategy in one market, yet an FCCP strategy in another), and the effectiveness of the individual strategies in different cultural settings poses a promising field for research (Alden et al. 1999) which has received scant attention in literature. Seeking to address this issue, I conducted a qualitative investigation among executives and marketing managers from internationally operating companies located in the United States and Austria. The study was designed to (a) gain a better understanding whether and why managers choose to utilize different CCP strategies, and (b) to investigate if and why they modify these from country to country and to what extent the latter are quantifiable. Answering these questions was deemed necessary before attempting to move on to more complex issues such as measuring the effectiveness of the individual CCP strategies in the light of different cultural and socioeconomics conditions.

3.1.1.1 Practical Usage of CCP

Alden et al. (1999) established the construct of CCP by using content analysis of advertisements. The results revealed that companies apply the categories of CCP, namely global, local and foreign. Nevertheless it is not clear, whether managers actually intended to employ the latter strategies in order to create specific perceptions of localness or globalness. Thus I aimed at exploring whether managers are aware of CCP strategies and consciously applying them.

RQ1: Are CCP strategies used consciously?

RQ2: What are the drivers behind employing specific CCP strategies?

If conscious use of the concepts of FCCP, GCCP and LCCP can be established, building on the works of Roth (1992; 1995a), managerial reports could help determine whether the effectiveness of depth versus breadth strategies for CCP also varies by target market or other macro level factors (Alden et al. 1999). Yet, in order to determine

whether specific strategies are more effective in certain country or culture settings, the extent to which they are used would need to be quantified. It was therefore important to determine whether it was possible to quantify managerial CCP usage, on both a general as well as country level.

RQ3: Can CCP usage be quantified from a managerial point of view?

3.1.1.2 Adaptation of CCP Strategies

Literature shows that a global, local or foreign brand image might be more effective in certain country settings and among different consumers groups than others (Alden et al. 1999; Roth 1995b). Especially in developing countries, foreign products enjoy high perceptions of quality and prestige (Batra et al. 2000). Investigating the extent to which companies adjust their brand image strategies to better suit different market conditions was the second area of interest of the study.

RQ4: Do brands use different CCP strategies from market to market?

Upon finding cases of CCP adaptation, the next goal was to identify the drivers leading to adjustments (what socio-economic or cultural factors could drive a company to adapt its positioning). Although literature presents a variety of theoretical suggestions under which conditions adaptations could be beneficial, these do not necessarily need to reflect managerial reasoning for employing different brand image programs.

RQ5: What are the drivers behind adaptations to CCP strategies? What market characteristics warrant a change in CCP positioning?

2.1.2 Methodology

3.1.2.1 Research Design and Research Method

Due to the lack of extant research with respect to practical application of consumer culture positioning, especially in regard to its intentional usage and existence outside of an advertisement context, exploratory research was chosen. This type of marketing re-

search is said to be appropriate if a researcher is “new to the problem area” (Churchill and Iacobucci 2002), and useful for orienting oneself in a new field. Specifically, it was decided to use semi-structured in-depth interviews. The latter not only give a deeper understanding of consumer attitudes and the reasons behind specific behaviours (Wilson 2003), but also offer much needed flexibility in questioning. They allow the interviewer to choose which parts of the dialogue to explore further, which to ignore, and which to return to later, making them ideal for interviewing executives. The chosen research process was one which is not only flexible, but also evolutionary in nature (Wilson 2003). In this way I was able to explore issues which arose during the interviews (or in prior interviews), and could encourage respondents to elaborate and therefore enhance the richness of their answers (Diamantopoulos and Cadogan 1996; Macfarlane Smith 1972; Smith 1975).

The interviews with eight executives managing over sixteen brands were supplemented with information from secondary data such as company reports, journals and newspaper articles from other companies following Douglas and Craig (2002). Due to the preliminary nature of the investigation and the focus of the study not being generalizability but the explication of a literature-based framework (Diamantopoulos and Cadogan 1996), the sample was deemed sufficient in meeting the study’s purposes.

3.1.2.2 Sample Design

I drew a sample of executives and marketing managers of international firms with in-depth knowledge of their companies’ branding and advertisement strategies. The companies themselves were chosen in accordance to their suitability for questioning. The criteria to be included in the study were:

- The brand has to operate internationally across several countries
- According to advertisements, seemed to employ either FCCP, GCCP or LCCP
- Preferably branding approaches should vary from country to country

The above selection criteria were important since questioning of non-international companies, or companies that were not large enough to adapt their brand positioning strategy from country to country would not give sufficient insights into drivers and reasons for varying one’s consumer culture positioning from market to market. The sampling

frame was therefore extended to include all international and suitable companies, operating in Austria or the United States of America. In addition to these factors, an even distribution of companies across the industry sectors of FMCG (fast moving consumer goods), durable consumer goods, and the service sector was aspired for.

The actual sample was chosen using judgement, convenience and snowball sampling. These methods are often applied in exploratory research, and were chosen as most appropriate since interviews with executives are not only hard to obtain but also to avoid interviewing unsuitable companies. According to Churchill & Iacobucci (2002) it is a waste of time to interview those who have little competence or little relevant experience.

3.1.2.3 Contacting the Companies

Due to the low response rate of fellow researchers conducting studies at the same point in time with the same population of interest (Gruber 2006) using cold calling techniques and similar problems of non-response among the first 15 companies contacted per phone, it was decided to use personal contacts instead. This raised the response rate and even allowed for several interviews in the United States.

3.1.2.4 General Characteristics of the Interviewed Companies

While some of the managers were only responsible for single brands (firms B, F, E) most firms maintained several brands over which the managers were able to give information (firms A,C,D,E,G). The brands stem from the FMCG sector (firms A, B, C, D), the service sector (firms E, F) and the B2B durable goods (firms G, E) sector. A slightly more detailed description about the individual brands and their marketed products is provided in table 4.

| Firm | Description | Products | Headquarters | Presence |
|------|---------------------------|---|--------------|------------------|
| A | Food / Snack Brands | Waffers, Chocolates, Dragees | Austria | Primarily Europe |
| B | Beverage Brand | Lifestyle Drinks, Energy Drinks | Austria | Global |
| C | Beauty / Cosmetics Brands | Cremes, Lotions, Shampoos, Soaps | USA | Global |
| D | Various FMCG Brands | Cereals, Snacks, Coffee, Diapers | USA | Global |
| E | Service / Hotel Brands | Hotels, Motels, Apartments | USA | Global |
| F | Fast Food Brand | Fast Food | USA | Global |
| G | B2B Electronics Brands | Analysis Instruments, Computers | USA | Global |
| E | B2B Industrial Goods | Fertilizer, Pest Control, Agricultural Products | Germany | Global |

Table 4: Interviewed Company Descriptions

3.1.3 Data Collection Procedure

3.1.3.1 Interview Guide

Essential for streamlined interviews was the creation of an interview guide. The interview guide is a topic list which “*outlines the broad agenda of the issues to be explored*” (Wilson 2003). This guide outlining the basic questions to be addressed in the interview was sent to the respondents per e-mail to allow them to generate ideas in advance and to better prepare themselves for the interview. Since the questions needed to be varied from sector to sector, and even from company to company, information on the guide was kept very minimal, and broad.

3.1.3.2 Conducting In-Depth Interviews

Due to the lack of international firms with headquarter presence in Austria, and the existence of personal contacts in the United States, interviews were held in both countries. The interviews were conducted either face to face (4) in the participants office or due to time and cost restrictions per telephone (4). The interviews lasted between 30 and 90 minutes depending on the amount of relevant information available, and the applicability of the positioning concepts to the firm. Interviews were audio taped (and later transcribed) to allow for a better flow of conversation, and conducted in either English or German, depending on the country in which they were administered.

The interviews started with a warm-up discussion about the company, its general branding strategy, and the special importance of culture to the firm, followed by detailed discussion of the firms positioning strategies. After explaining the concept of consumer culture positioning the participants were asked if they could class their brand positioning as falling into of the three positioning strategies, and if this choice in strategy was adapted from country to country, or was standardized across markets. Afterwards potential reasons for standardization or adaptation across markets were discussed, and if time permitted it, more specific aspects such as specific strategies in individual countries.

3.1.4 Data Analysis

Due to the explorative nature of the study, and its function as a preliminary work for further studies, data analysis was kept at a basic level. As a first step the interview tapes were transcribed, and used as a basis for further data reduction (Miles and Huberman 1994). The transcriptions were then summarized, and scanned for points of interests in relation to the posed research questions. After identifying the most important findings of the individual interviews, the summaries were compared in order to identify commonalities and patterns. The research questions themselves were then addressed by comparing the results to extant literature, and assessing the extent to which identified tendencies and findings of the interviews were either in line with existing theory, or posed eventual avenues for future investigation.

3.1.5 Findings

In the following section the most important findings of the study are presented, in the order of the posed research questions. They are augmented with examples from literature that were in-line or contradictory with the findings of the interviews. This allows for deeper insights, and greater generalizability of the results.

3.1.5.1 Results of Research Question One: Conscious use of CCP Strategies

Examples illustrating the existence and even conscious use of consumer culture positioning strategies, or foreign/global/local brand image strategies (Alden et al. 1999) can be found spread across literature. When entering the Indian market, Chevrolet, used distinct Indian imagery to introduce itself (Chandran 2003). This was in contrast to international competitor Ford, which introduced itself as a global brand, or the local brand Scorpio, produced in Mahinda, whose ads were shot in Melbourne with Australian models, international music and a global look and feel (Chandran 2003). In Hong Kong, local brands such as Giordano, Bossini and Baleno clothing stores, which cater to the local market, exclusively use models that appear outright Nordic Caucasian or as westernized Eurasians, set in locales quite divorced from the reality of the target consumer base (Yu 2002). A similar trend can be observed for Hong-Kongese ads ranging from luxury products such as jewellery and fine spirits to technology products (Yu 2002). In China, the local brand *Wahaha*, has been taking over market share from Coca-Cola with slogans such as “*Please Drink Chinese Cola – Our Own*” appealing to local heritage and featuring traditional Chinese folk themes (Wattanavitukul 2002).

Despite these examples taken from literature, none of our respondents were initially familiar with the construct of consumer culture positioning strategies, and the terms global and local consumer culture positioning were often confused with the concept of employing a standardized global brand or with the adaptation to local markets. This was not surprising, considering the concept is of academic nature. Upon being explained the concepts and their relationship to creating a global, local, or foreign brand image, the respondents had no problems attributing one or more of the strategies to their own brand(s). Still during later talks, respondents would often return to confusing GCCP to standardized branding, advertising and production.

The brands which were included in the study each fell into one of three categories;

- Pure LCCP Positioning
- Pure FCCP Positioning
- Hybrid GCCP – LCCP Positioning

Considering that no managers of luxury or technology brands were interviewed the lack of pure GCCP positioning is not that surprising, as most FMCG and food brands do not necessarily draw primary equity from a global image (even global players such as Coca-Cola do not employ pure GCCP strategies). Although several of the interviewed brands are largely considered to be global powerhouses, their brand images were locally adapted, and aimed at creating bonds with local consumers. One of the respondents managing such a global brand (firm B) surmised it well; *“Our global image, although certainly not a negative, is simply the side product of our other branding activities – I don’t really think that especially in our (FMCG) sector the gained equity of such an image can be large enough to have brand managers say ‘this is what we are aiming at, we want people to think we are available everywhere’”*.

3.1.5.2 Results of Research Question Two: Drivers for the Use of CCP Strategies

The lack of brands using pure GCCP in the primarily FMCG sample of brands, indicates that a major factor influencing the choice of positioning strategy might be the product category a brand is operating in. This is in line with extant literature on the importance of product category in regards to localization (Baker et al. 2003). Of the interviewed brands the highest degree of GCCP was employed by one of the B2B brands dealing with technology products (firm G), and the most local positioning was taken by one of the food brands (firm A). Further evidence supporting the model of Baker et al. (2003) in Figure 4, is given, with regard to its classification by desired aspiration, by a respondent whose corporate brand encompasses a large number of individual brands. Each of the brands is positioned according to the price category (and desired aspirational level) with the premium segment demonstrating a very global atmosphere and image, and the broad mass appeal brands using local imagery and appeals (firm E). Especially when deciding between a local and global image, the product category and price class seem to play an essential role in deciding which strategy is more suitable.

Foreign culture positioning strategy, on the other hand, seems to be motivated through factors such as the exploitation of country of origin effects. Examples of FCCP use are widely documented in country of origin literature, where they play prominent roles in highlighting the origin of countries which are well known for excellence in specific

product categories. Firm A for example, a Viennese confectionary company, uses Vienna's rich coffeehouse and confectionary tradition as a major selling point for selling its brand outside of Austria. The firm, which basically uses an LCCP strategy in its domestic market, utilizes the companies' history as a 100 year old family company operating out of Vienna as an integral part of its branding strategy. With a well known Viennese landmark as its logo, it presents itself as a real Viennese brand, where Vienna represents a city with a rich history for confections.

"We use the "Vienna effect" everywhere. The booming tourism is great for us. We won the Viennese Tourism award, for bringing Vienna into the world, which gives us a lot of credibility. In Austria, the people are emotionally attached to their small country, and for them we are one of the last true Austrian brands and an emblem for this country, which grants us great equity. This also helps us abroad in countries such as the USA where we are a lovely little European specialty. We can't compete directly with the big international brands, and present ourselves the same everywhere we go, not that we could afford to do it differently."

The brand's choice in FCCP positioning is largely determined by its company history, heritage, and financial restraints. With food being very culturally bound, appearing as a local brand in its home country and as a foreign speciality abroad, the brand which has upped its export to over 50% over the last 20 years, took the approach it deemed most logical. As another respondent stated; *"If you have the possibility of using your country of origin to give your brand more credibility or additional flair, why waste it?"* (firm D) In addition to its flagship brand, which shares the company name, firm A manufactures a second brand which encompasses products such as chocolate bananas and rum-coconut filled dragees. This brand is sold with an FCCP positioning strategy around the world, including in Austria. Few Austrians know of its local origins and the company consciously positions the brand as stemming from another country. The products which are exotic, and sometimes alcohol filled, are "hip" and marketed with girls on the beach. *"They do not fit with a 100 year old family company, and Austria has no special credibility for producing 'exotic' confections"* (firm A). It is therefore associated with a foreign brand image, even in its local market. One could therefore argue that the function of associating a brand with a specific foreign culture serves the purpose of adding additional credibility to the brand. Just as Mercedes' claim to superior quality is underlined by its German origin, firm A's primary brand is granted additional credibility by being

affiliated with a city which holds special connotations of expertise, and its second brand's claim to be a fun brand emanating esprit and vitality is made credible via association with the Caribbean.

Depending on the nature of the product category and the specific market situation, other strategies may hold more merit in creating additional credibility. This is demonstrated by the case of the Scorpio in India whose global positioning was chosen due to the inherent scepticism about an Indian company's ability to deliver a world class product and an Indian consumer's belief that anything foreign is superior (Chandran 2003). The situational need for credibility might also explain why firm F, one of the most well known global fast food brands, uses more Austrian imagery in its advertisements than nearly any other company in Austria. Stressing the local origin of products, its closeness to the Austrian farmers and regularly draping its restaurants in Austrian flags, the brand portrays itself as something very local and Austrian. When asked for the reason, the brand's marketing manager answered;

“Austria which has been part of the EU for 10 years is a small Alpine country, which structurally can't compete with the large flat countries in terms of food production. So every Austrian knows that especially for the last 10 years, our success in agriculture has been solely dependent on quality. We have bio- and alpine- farms which produce top quality, and have very unique structure compared to other countries. Therefore retailers have done a very smart job of highlighting the premium quality of Austrian products as a main selling point, since it's the only way of survival for the Austrian farmers. Due to this quality mindset now held by the population regarding food production, country of origin is very important for products such as milk and meat.” Elaborating he continues; *“With food products, “globalness” is very abstract, ominous and invokes suspicion. A global image with food products, especially in Austria is not associated with quality.”*

Once again, the importance of the product sector is shown. As a provider of food, and more specifically meat, the necessity of appearing local is not only advisable, but of utmost importance. While perceived brand globalness might invoke quality perceptions in other product categories, when it comes to meat, in Austria it is the exact opposite. *“Bad meat from Bavaria, bird flu, people are getting more sensitive and aware of the*

origin question when it comes to meat. As a company one needs to therefore position oneself and take a stance.” (firm F)

In other countries where domestically produced meat is not so important, such in Saudi Arabia and Malaysia, the advertising target is elsewhere. In these two countries the meat, while imported, is certified 100% Halal⁷, which is much more important to these consumers. Similarly, the brand adapts itself all around the world to key country characteristics that require it to adapt its image, offerings or both. So while in Austria it was the consumer demand of domestically produced food products that determined the brands advertising strategy, in other countries different factors might be more predominant. McDonald’s for example has localized 75% of its Indian menu to accommodate the fact that much of the population shuns beef or pork products, while in France wine and beer are included in the product palette (Martin 2006). In Argentina on the other hand, where appearance and stylishness is considered very important, the employees wear uniforms designed by a popular local fashion designer (McDonalds 2007).

3.1.5.3 Results of Research Question Three: Quantifiability of CCP Strategies

While investigating image strategies Roth (1992) asked managers to indicate their positioning strategy by distributing points on a constant sum scale across three types of strategies; functional, social and sensory for different regional markets in which the brand operated. A similar approach was attempted in which managers were asked to indicate which CCP strategy their brands employed, and then to quantify their positioning mix in a constant sum scale of the three possibilities. The question was first formulated on a general basis and then for individual country markets.

In cases where only one positioning strategy was employed such as a 100% LCCP or FCCP quantification was not a problem, yet in the cases of hybrid strategies it posed a much greater difficulty. None of the managers were able to give us accurate values, and even had problems with vague guesses. This inability of quantification was existent for both the managers’ primary market, and even more so for other countries. The most prevalent issues in preventing quantification can be ascribed to following factors:

⁷ Halal refers to refers to food that is permissible according to Islamic Law

- 1) Not every firm uses CCP Strategies - and even if a firm's branding strategy contains elements of CCP strategies, they are not necessarily being used consciously. This can make it next to impossible for managers whose brands simply show tendencies of certain global, local, or foreign brand image strategies to quantify these even somewhat accurately. One of the respondents stated: *"Our brand is trying to move away from a scientific healthy hair positioning to one of aspirational beauty using a Mediterranean spa. So is that global? Is it foreign? I would suggest its part of global culture, it isn't American, but we are targeting a global view of a certain spot. It appeals to woman around the world"* (firm D). Additionally remarking that the implementation of the general idea might be locally adapted to better suit specific cultures. In his example, the essence of the strategy lies not in a certain consumer culture positioning, but in aspirational beauty. While the ad could be interpreted to convey a certain CCP, the intent was elsewhere, which is why the manager noted that a quantification from his side would more or less represent arbitrary numbers.

- 2) It is hard to determine which elements of one's strategy belong to which CCP strategy and how they are weighted against one another. Current literature only provides guidelines on how to evaluate the positioning of advertisements, but not entire strategies. For a company such as firm F, which uses extremely local advertisement in Austria, and whose ads would certainly be regarded as LCCP, it would be very difficult to determine the quantitative make-up of its overall strategy. While the brand aligns itself strongly with local culture, it caters the typical "American lifestyle", regularly has "international offers" in form of international specialties, and through its corporate image of being enjoyed around the world is widely regarded as being global. *"As a company our brand is global. Our advertising decisions although made locally, use the same logo and brand name as everywhere else in the world"* (firm F). The overall difficulty of coding certain elements and quantifying the mix is well illustrated by taking into account the German and Austrian markets. Due to the necessity of highlighting local origin, the localization of firm F is much more extensive in Austria than it is in Germany, where a more global image strategy is followed. However when using advertisement coding following Alden et al. (1999), the Austrian adver-

tisements which use the English version of the motto, indicates a more global strategy than in Germany, which uses a literally translated German version. In reality the choice of using the English motto in Austria was not taken to appear more global, but out of structural reasons.

- 3) Strategies are constantly changing and evolving. A brand mixing local and global flair could be emphasising either side more or less, at one point or another. As one of the respondents remarked; *“World culture changes constantly. So if you’re in the business of building a brand or expanding a brand, the key is being in a constant dialogue. Even if I was able to provide you with current numbers, they could well be outdated before you could even start analysing them”* (firm D).
- 4) The biggest problem faced when trying to create a quantitative study measuring brand image strategies across markets is probably the difficulty of finding managers with sufficient knowledge about strategies across different countries. Although it might not pose a problem for companies that use single positioning strategies that are standardized across markets, there are few, if any, managers who are able to provide exact numbers for multiple countries. The difficulty of determining accurate numbers of values for a hybrid strategy is difficult enough for even one country. This complexity is potentiated when trying to quantify positioning over multiple countries, each using slightly different strategies. One respondent who had personally helped establish his brand in several countries stated; *“We have a global image, supported by local service and distribution. The distributors in our various markets are trained by us and sell our products, yet do so with their own regional tactics. They often advertise themselves very locally and patriotically as is the case in Poland, where the distributor name is probably more important than our own brand name. In other markets our name is more important. It depends a lot on how long we have been there and the size of the market”* He continues; *“One could therefore say our mix of global and local image is different from country to country. Depending on the market the reasons for needing more localness differs. I could probably try to put some of these differences into numbers, but for the most part I would have to guesstimate”* (firm G).

The unawareness of most managers as to what the concept of consumer culture positioning encompasses and the difficulty of providing easy to follow guidelines that allow them to quantify their choice of positioning strategy is further hampered by the general problem of few managers having such knowledge at their disposal for multiple countries. A scaling format akin to Roth (1992) is therefore seemingly ineffective for quantitative studies (across multiple countries) when applied to CCP.

3.1.5.4 Results of Research Question Four: Change of Positioning Strategies across Markets

While most of the investigated companies report that they standardize their positioning strategy (at least in regards to consumer culture positioning) across markets, there are some which adjust or even completely change their image from one country to another. With regard to the latter we differentiate between two types.

- **Radical Adapters:** These brands truly change their positioning from one strategy to another. For example, they highlight a specific foreign origin in one market, use local appeals in the next and global imagery in yet another market. They have no qualms about maintaining very different brand images from one market to the next.
- **Incremental Adjusters:** These brands, which usually employ hybrid positioning strategies, follow a typical ‘glocal’ strategy. Maintaining a global image, with added local flavour, they can choose to appear a little bit more global or local from one country to another either due to market characteristics or other factors.

This distinction is very important when looking at the driving factors of such adaptations. While incremental changes to strategy can be caused by a variety of factors, a complete change in image strategy requires much more pressing reasons. This will be discussed in the next section about CCP usage and drivers for adaptation.

3.1.5.5 Results of Research Question Five: Drivers behind CCP Adaptation

Incremental adjustments to image strategies are difficult to measure, and can stem from a variety of factors. As shown earlier, firm F uses highly localized advertisement, and in the case of Austria, highlights the brand's connection to the country, and the local origin of its products. *“While in Germany everything revolves around the price, in Austria, quality through origin is much more important. This is why we try to put a strong emphasis on the origin of our products since it is highly relevant in this market”* (firm F). The respondent explains that a more local approach is chosen in Austria as compared to Germany due to Austrian attachment to local farmers. In countries where aspiration to a western lifestyle plays a larger role than origin of the food, a more global brand image might be employed, resulting in a changed, yet not completely different strategy. Such slight adjustment to hybrid strategies, as also indicated in the example in the section about quantification, represent a common characteristic of glocal strategies. Specific country characteristics might necessitate an adaptation in strategy, or make the employment of specific image strategies more rewarding.

Transitioning economies

Finding examples where firms used an entirely different strategy from one market to another, was more difficult (aside from cases where brands producing specialty goods of a certain country used LCCP in their home market, and FCCP in all foreign markets to leverage country-of-origin effects). However this does not mean that such cases do not exist. One of the respondents' brands, which is a mass-market cosmetics brand in the USA and most of the Western world, adopted an aspirational image of globality when it entered the Russian market (firm C). This is an approach that many other western brands have taken when entering transitioning economies such as China, India, or Russia. In fact, transitioning economies seem to represent one of the few reasons that have (at least in the past) justified a change of brand image in order to better benefit from additional equity of foreign brands in developing countries (Batra et al. 2000). As discussed in the literature review, especially in developing markets a foreign or global image brings prestige and quality perceptions, and differentiates the products from local brands which are often seen to be inferior.

Recent literature, however, shows as these markets mature, firms might need to re-evaluate their strategies. *“In the early years after inception of the open-door policy, most PRC consumers associated foreign products with such concepts as sophistication, modernity, novelty and faddishness”* (Zhou and Hui 2003, p.37). Yet as the market, and its consumers matured, the novelty of being foreign was no longer sufficient as a sole selling point. Chu Ke-xiang from IBM Management Consulting, for example, states: *“Amidst this on-going globalization and WTO trend, Chinese consumers are moving away from “name brand” or “foreign brand” preferences... .. Where foreign named brands used to bring trust, reliability and brand loyalty, Chinese consumers seem to have grown out of that now”* (cited in Wattanavitukul 2003, p.8). Instead they are spending more time asking questions, and informing themselves. As one of the interview participants noted;

“When we first entered China, it was very different. When we asked Chinese women which type of packaging colour or design they preferred, they simply couldn’t answer because they didn’t see themselves fit as to deciding such thing, or didn’t see the importance of different packaging as long as content was the same. Now Chinese women are just as sophisticated, and make similar demands as women anywhere else in the world.”
(firm C)

The phenomenon is not isolated to China and can also be found in other transitioning economies with highly patriotic consumers such as Poland, where Huddelston, Good and Stoel (2001 p.236) note *“the novelty of western products is beginning to wane, consumers are buying products based on price and quality, and not just because the product is of Western origin”*. Many consumer markets are beginning to turn inwards to products with local flavours across a number of categories. This is especially evident in the countries of the former Communist Bloc, where East German-style ‘Ostalgie’ has brought popularity to once derided and defunct brands (Hayward and Kasriel 2004). In Hungary, for example, communist-era Tizsa shoes are giving Adidas and Puma a run for their money and Traubisoda, a revived brand of grape soda dating back to the 70s, now sells a close third behind Coke and Pepsi, leaving many global brands unable to ignore this call for the local and ‘authentic’ (Hayward and Kasriel 2004). In China this has led to a sort of local revolution, with previously small Chinese brands capturing large amounts of the market and sometimes overtaking their international competitors such as Henkel, Unilever and Procter & Gamble (Wattanavitukul 2003). Miles Young,

Chairman of Ogilvy & Mather Asia Pacific, cautioned that it is simply no longer enough for foreign-owned and foreign-managed brands to “think global, act local”, instead, they must be seen to be local by locals (People'sDaily 2001). Many international companies have decided in the face of the local revolution to keep a low profile. Whirlpool uses its Chinese brand Kelon, Maytag adopted its partner's name Rongshida, and Unilever, after taking over the largest jasmine tea producer in northern China is opting to continue operating under the traditional Chinese brand name (Zhou and Hui 2003). One of the most successful “local adapters” has been Danone which owns 92% of the “Chinese Cola” producer Wahaha. The latter has been, as previously mentioned, taking over market share from Coca-Cola with slogans such as “*Please Drink Chinese Cola – Our Own*”, appealing to local heritage and featuring traditional Chinese folk themes (Zhou and Hui 2003). Boasting a large share in many large Chinese Food companies, Danone is continuing to thrive and reinforce market appeals with a local colour (Wattanavitukul 2002).

But not only China has left global firms struggling to find solutions to an ever growing patriotic surge. In Russia, major brands from beer to banks to telecoms are espousing nationalistic messages and trying to capture the essence of the ‘*Big Russian Soul*’ (Shields 2007). MTS the largest telecom company, with more than 70 million subscribers, recently re-launched the brand and capitalised on the ‘*Big Russian Soul*’ in the process. It used authentic images of Russian people portraying daily life situations in a way that profiles Russian living and what it means to be Russian (Shields 2007). Swiss-based Nestle Corporation produces and markets Rossia chocolates and Choc candy bars, using very “a la Russ” styled advertising themes, and the RJR-Petro tobacco factory in St. Petersburg Russia, owned by RJR Nabisco Holdings, produces and markets Peter I cigarettes along with their Winstons and Camels (Kurpis, Stan, and Barb 2005). It is therefore not all too surprising that Chevrolet went from “Heartbeat of America” advertising in the USA, to distinct Indian imagery to introduce itself in India, with an approach which was all about people, emotions and Indian images, because it did not want to be known or associated with the typical “gas-guzzlers” like it sells in the United States (Chandran 2003).

3.1.6 Discussion and Review of the Company Perspective

This preliminary explorative study was aimed at investigating consumer culture positioning strategies from a company perspective, with the goal of not only analysing the feasibility of further quantitative studies, but also preparing for these. Through interviews with brand managers and marketing directors of internationally operating firms, as well as extensive review of literature, ample evidence for the use of specific consumer culture brand positioning strategies was found, even outside the context of pure content analysis of advertisements. Drivers that lead brands to employ CCP strategies were identified, in addition to reasons for how and why these strategies are changed and adapted across markets. While CCP strategies are sometimes radically adapted, such as when entering transitioning economies, most changes to the strategy are small and next to immeasurable. Even in the case of transitioning economies, recent literature has shown that a foreign image, while not necessarily negative, does not guarantee success. Patriotic backlash is making local adaptations and even the use of local brands a viable alternative to the use of global or foreign brand images as often pursued by many large firms.

The qualitative study supports the notion that one of the main deciding factors governing over the use of global or local images is the product category that the brand is operating in. For high technology, or luxury brands, the additional prestige and quality perceptions gained through a global image may represent an important equity factor. For brands where quality and prestige play lesser roles, or cultural acceptance is an important factor, a local approach may pay higher dividends. Foreign consumer culture positioning is likely to be only applicable for certain brands and poses a powerful tool to strengthen brand credibility via alignment with a specific country or culture. The interviews provided evidence that the decision to use a specific brand positioning strategy is therefore primarily determined through brand category and company culture, and not country specific factors (aside from the example of transitioning economies). This results in adaptations of CCP strategies being seldom, and usually not going further than incremental changes to the brand positioning mix of hybrid strategies.

Yet further quantitative studies to support these findings, as well as analysing effectiveness and usage of CCP strategies from a company perspective, are hampered by the

problem of quantification. Even in the in-depth interviews, where the concepts could be well explained and discussed with the respondents, quantification of positioning strategies posed a severe problem and was in many cases impossible. Even with well defined constructs, the problem of many companies not using CCP, and the difficulty of quantifying strategies across multiple markets, casts shadows about the utility of a further study in this direction. It is out of these reasons that it was chosen to take other insights gained during the interviews, and to investigate the results of positioning strategies on consumers.

3.2 Consumer Perspective

During the interviews pertaining to the company perspective, one of the respondents raised an interesting point. He related the incident of the night before where he had talked to a French acquaintance about the Olay brand; *“She grew up with the brand, and has very strong positive feelings about it. Interestingly she did not think about it as a global brand from America, but more as a good memory of her childhood”*. The point he made was that brands, regardless of global nature or origin, are under some conditions perceived as local, or even as a part of the regional culture. It was statements such as the above that moved us to design our second study and analyse brand image and positioning from the consumer perspective. Employing a questionnaire consisting of Austrian and international brands, we questioned Austrian consumers about their beliefs and attitudes towards different brands, as well as determining the drivers for these perceptions by means of personal interviews. The goal of the study was to determine how consumers perceived local and global brands in terms of their global- and localness, as well as their reasons for doing so.

3.2.1 Research Questions

3.2.1.1 Perceived Brand Localness

Having proposed the concept of PBL, one of the main goals of the study was to provide evidence of its existence, and through the gathering of qualitative data, a better understanding of its functionality. Investigating to what extent brands are viewed as local, and to what extent brand origin and size contribute to such perceptions was therefore a primary topic of investigation.

RQ1: Can brands, irrespective of their origin and true size, be perceived as being local?

Based on examples from practice (e.g. Kapferer 2003) we propose that it is in fact possible for international or global brands to achieve high levels of integration into local culture and even be considered local. Our first hypothesis is therefore;

Hypothesis 1: Even international brands of foreign origin can score highly on PBL given they attempt to integrate themselves into the culture

Based on the definition of the construct, local brands which use their localness as a marketing tool should achieve the highest levels of perceived localness. Our second hypothesis is therefore;

Hypothesis 2: Local brands which emphasise their connections with the local culture will score highly on perceived brand localness

RQ2: What are the primary causes of globalness and localness perceptions?

If brands, regardless of origin or size, can in fact be considered global or local, it is important to determine what factors cause such perceptions. Investigating what drives consumers to view brands the way they do, and how their perceptions of localness and globalness are created was another key question.

RQ3: What are the results of globalness and localness perceptions?

Given a brand to be perceived as local, what are the implications? Normative literature notes that better integration into local culture should have a positive impact on brand attitude and willingness to buy the brand, especially in the FMCG sector (Mesdag 2000; Palumbo and Herbig 2000). This leads us to propose:

Hypothesis 3: Perceived Brand Localness has a significant impact on willingness to buy the specific brand

Hypothesis 4: Perceived Brand Localness has a significant impact on global brand attitude

3.2.1.2 The Interplay of Localness and Globalness

Exploring the relationship between global and local brands in relation to PBL and PBG portrayed the second major area of research for our second study.

RQ4: In what relationship do the constructs of PBL and PBG stand to one another?

RQ5: Is it possible for global brands to be perceived as more local brands and vice versa?

Based on previous findings and our review of literature we propose:

Hypothesis 5: A local brand using global consumer culture positioning can be perceived as more global than a global brand using no such positioning

Hypothesis 6: A global brand with a long market history, which uses local positioning, can be seen as more local than a local brand which does not emphasise its local origin

3.2.2 Methodology

3.2.2.1 Study Design and Research Method

If “*relatively little is known about the nature of the problem*” (Churchill 1991, p.93) an exploratory approach is the adequate research methodology. The objective is to discover significant variables in the field situation, to discover relations among variables, and to lay the groundwork for later, more systematic and rigorous testing of hypotheses (Kerlinger 1964). It was out of these reasons that a combined approach of investigation was chosen. The questionnaire was divided into two parts; a first section of quantitative nature filled out by the interviewee, and a second qualitative section consisting out of several open ended questions administered in the form of a personal-in-depth interview (Wilson 2003). Such interviews are useful for generating propositions based on gathered insights (Wilson 2003), and allow us to probe attitudes in depth (Craig and Douglas 2005; Miles and Huberman 1994), explore details, and “*develop a deeper understanding on consumer attitudes and the reasons behind specific behaviours*” (Wilson 2003, p.95).

3.2.2.2 Nature of the Interviews

In total the perceptions of eight different Austrian and foreign brands were measured. In order to keep the questionnaire length at a minimum the brands were divided into two groups each consisting of four brands, with each group having a distinct questionnaire.

Apart from the stimuli (i.e. different brands), the two questionnaires were identical. Before completing the questionnaire respondents were shown a card with pictures of the four different brand logos and their products (Appendix D), in order to ensure they associated the correct brand with the name. Having filled out the questionnaire, the respondent was then asked about his or her perception of one of the brands, whether they perceived it as global or local, and why he felt this way. This process was then repeated for each of the brands contained in the questionnaire. This consequently led to a conversation about the consumers' experiences with the focal brand, and how their perceptions of it were formed. In the process of this discussion the respondents were also asked to describe their interpretations of what the terms "global" and "local" brand meant to them. This served to ensure that they understood the terminology, gave further insights into their feelings, and ascertained that the respondents had a generally similar interpretation of the constructs.

3.2.2.3 Data Collection and Sample Description

The data was collected in standardized fashion over the time period of 2 months with the questionnaires being administered to respondents to fill-out, followed by in-depth questioning through the interviewer. The answers were then recorded by the interviewer on the questionnaire itself, for later reference. Since all questionnaires were administered by me personally, consistency in format as well interpretation is ascertained.

The population of interest were Austrian consumers distinct in socio-demographic factors. Since the study consisted not only of quantitative but also qualitative data, it was considered important to interview a heterogeneous sample of consumers especially in terms of age, travel experience, and brand knowledge, in order to pick up a large variety of different drivers for brand perceptions. Due to the need of administering the questionnaire per personal interviews, a non-probability approach of convenience sampling was adopted. This method provides a low cost alternative to developing a sampling frame (Craig and Douglas 2000), and is particularly useful for exploratory research purposes (Wilson 2003). The locations selected for gathering data were the city of Vienna and the countryside of lower Austria. This ensured that we had a mixture of respondents living in the city as well as consumers from more rural regions of Austria.

| Sample Description | | |
|-------------------------------------|-----------|---------|
| Highest level of Achieved Education | Frequency | Percent |
| Compulsory School | 10 | 13% |
| Apprenticeship / Vocational School | 26 | 34% |
| High School | 30 | 39% |
| University / College | 12 | 16% |
| Total | 78 | 100% |

Table 5: Level of Education of Respondents

| Sample Description | | |
|-----------------------|-----------|---------|
| Age-groups | Frequency | Percent |
| Younger than 20 Years | 13 | 17% |
| 20-30 Years | 31 | 40% |
| 30-50 Years | 21 | 27% |
| Older than 50 Years | 13 | 17% |
| Total | 78 | 100% |

Table 6: Age-Groups of Respondents

The sample consisted of 78 Austrians, between the ages of 16 and 79 years of age. Respondents were 33,2 years of age on average, with 56% female and 44% male. 55% had completed high school (39%) or university (16%) with the rest completing either an apprenticeship (34%) or finishing primary school (13%) (see Tables 5 and 6).

Measures

The scales and items used in the quantitative section of the questionnaire are listed in the Measurement Index (Table 7), along with Cronbach α s and further details.

| | Measurement Index | |
|--|--------------------------------|--|
| Scale | Scores | Item |
| Perceived Brand Localness | $(\alpha=0.87$ M=4.60 SD=1.72) | Diese Marke ist meiner Ansicht nach fixer Bestandteil des österreichischen Alltags |
| | | Dies ist für mich eine sehr heimische Marke |
| | | Ich verbinde diese Marke mit Österreich |
| | | Der "typische" Österreicher kauft diese Marke |
| | | Diese Marke ist Teil unserer Kultur |
| Perceived Brand Globalness (Steenkamp et al. 2003) | $(\alpha=0.73$ M=4.86 SD=1.72) | Dies ist eine Globales / Lokale Marke |
| | | Diese Marke ist (nicht) überall in der Welt bekannt |
| | | Diese Marke wird (nicht) von Menschen in |

| | | |
|---|---------------------------------|---|
| | | aller Welt gekauft |
| Brand Local / Non-local origin Scale (Batra et al. 2000) | (M=3.67 SD=2.30) | Dies ist eine ausländische / Österreichische Marke |
| Willingness to buy specific brand (Klein, Ettenson & Morris 1998) | ($\alpha=0.80$ M=4.51 SD=1.94) | Ich kaufe gerne Produkte dieser Marke |
| | | Ich bevorzuge die Produkte der Marke gegenüber Produkten anderer Marken |
| Global Brand Attitude (Alden et al. 2006) | ($\alpha=0.92$ M=5.32 SD=1.48) | Ich denke die Marke ist schlecht / exzellent |
| | | Meine Meinung zu der Marke ist schlecht / exzellent |
| Brand Familiarity (Simonin & Ruth 1998) | (M =5.88 SD=1.59) | Wie gut kennen sie diese Marke? |

Table 7: Measurement Index

The perceived localness items were derived from an extant literature review. Alongside our own scale for testing perceived brand localness the perceived brand globalness was measured with 3 items adopted from Steenkamp, Batra, and Alden (2003) scale as well as one supplementing item from the Brand local / non-local origin scale from Batra et al. (2000). Considering the two scales are only distinguished by 1 different item, we essentially used both. This allowed us to analyse not only the global and local perceptions of the brand but also evaluate how the perceived local or foreign origin of the brand plays into the picture. Additionally we used items from the global brand attitude (Alden et al 2006) and willingness to buy specific brand⁸ (Klein, Ettenson & Morris 1998) scales which had previously been validated in literature. The variables were measured by 7-point scales ranging from 1 (Strongly Disagree) to 7 (Strongly Agree) except for the PBG and brand attitude scales which used 7 point semantic differential formats.

3.2.3 The Brands

The study encompassed a total of eight different brands of which four were of Austrian origin and four foreign owned. The brands chosen all stem from the FMCG sector, and enjoy high brand awareness in Austria. In the selection of the brands we deemed it important to choose brands that were all similarly well known, while covering the full spectrum of positioning strategies.

⁸ The willingness to buy specific brand scale questions whether the respondent is willing to buy the brand and whether he prefers it over other brands. We will therefore refer to it as brand preference for the remainder of the thesis.

We therefore included one Austrian brand which employed FCCP positioning (Casali), one using an LCCP strategy (Manner), one using a GCCP/LCCP hybrid (Red Bull) and another using an FCCP/GCCP hybrid (Kelly's). Manner and Casali were especially interesting choices due to their highly contrasting choice in CCP strategies, while belonging to the same company. Three of the brands had also been part of our initial interviews with brand managers, giving us a good insight into their true positioning intents and were therefore chosen for inclusion in the questionnaire. The contrasting foreign owned brands, all global in nature, were chosen also due to their high awareness in Austria, and differences in brand name and perception. Again we chose two brands belonging to the same company (Nutella and Kinder), with one of the brands having a slightly more local image due to the brand name association with Germany than the other. The other two brands (Nivea and Kelloggs) represent well known global brands, with Nivea having strong local roots and a connection to Germany, and Kelloggs being associated with the United States. Detailed descriptions of the brands, including further rationale for their choosing are included in Appendix C.

3.2.4 Data Analysis

3.2.4.1 Qualitative Data Analysis

Following Miles and Huberman (1994), a two level analysis strategy was utilized. First, a *within-case analysis* was undertaken, where the results of the individual interviews were analysed, followed by a cross-case analysis to detect contrasts, similarities and other illuminating issues. This cross-case analysis was divided into several steps due to the additional factor of quantitative data being available for each of the respondents.

During the *within-case analysis* the individual interviews were analysed and summarized, to include only information relevant for the research purpose. Following this, a general coding system was developed: Each interview received an identification number to allow for later comparison with qualitative answers (since comparisons to PBG or PBL scores might give valuable insights). The respondent's answers regarding perceptions and drivers of the individual brands were then summarized and listed. In this fashion key driving factors for perceptions such as (a) travel experience, (b) marketing, (c)

brand attributes, (d) knowledge were gathered, and coded into categories to which individual answers could then be attributed.

This allowed us to code the respondents' driving perceptions for each of the brands, and assemble qualitative data displays. This qualitative data was then enriched with quantitative data such as the respondents PBG & PBL scores, as well as their answers regarding foreign or local origin. We then evaluated which factors were mainly responsible for causing which kind of perceptions, and the effects it had on the brands. This procedure was first undertaken for the individual brands where we analysed the specific brand portraits in accordance to actual positioning strategies, and afterwards across brands where we looked at how different strategies resulted in varied perceptions for different brands.

3.2.4.2 Quantitative Data Analysis

Quantitative data was used primarily in conjunction with the qualitative data and to test for the relationships between the constructs (i.e. PBL & PBG) and outcome variables. Its role was therefore not to provide conclusive proof to our research questions, but to support and extend qualitative findings.

In order to measure the impact of PBG and PBL on outcome variables such as brand preference and brand attitude we conducted a series multiple regressions for each of the included brands. Due to the limited sample size for individual brands we used only two predictors, as recommended by Miles and Shevlin (2001). Multicollinearity between the predictors was not given, with both tolerance and VIF being within the ranges suggested by Myers (1990) and Bowerman & O'Connell (1990). Residual plots further indicated the data to meet assumptions of both homoscedasticity and linearity (Fields 2006). Two multiple regressions ($p < .05$) using the stepwise backwards method were taken per brand with dependent variables being willingness to buy the brand and global brand attitude respectively, and predictors being PBG and PBL. As can be seen in Tables 6 and 7, PBG was statistically insignificant and eliminated for all eight brands. For the case of Red Bull age was included as a third predictor, out of reasons that will be gone into further detail in the respective brand profile.

| Global Brand Attitude | | | | | | |
|-----------------------|------------------------|-------|-----------|-------------|----------------|------|
| Brand | Significant Predictors | B | Std. E. B | β | R ² | P < |
| Kinder | PBL | 0.34 | 0.09 | .53 | .28 | .001 |
| Nivea | PBL | 0.42 | 0.12 | .50 | .25 | .001 |
| Red Bull | PBL | 0.57 | 0.25 | .34 | .29 | .030 |
| | AGE | -0.04 | 0.02 | -.35 | .29 | .027 |
| Casali | PBL | 0.46 | 0.15 | .47 | .28 | .004 |
| Manner | PBL | 0.45 | 0.17 | .42 | .18 | .014 |
| Nutella | PBL | 0.58 | 0.12 | .66 | .43 | .001 |
| Kellys | PBL | 0.34 | 0.12 | .46 | .21 | .007 |
| Kelloggs | PBL | 0.52 | 0.16 | .50 | .25 | .003 |

Table 8: Results of Multiple Regression Analysis for Brand Attitude

| Brand Preference | | | | | | |
|------------------|------------------------|-------|----------|-------------|----------------|------|
| Brand | Significant Predictors | B | Std.E. B | β | R ² | P < |
| Kinder | PBL | 0.69 | 0.16 | .59 | .35 | .001 |
| Nivea | / | | | | | |
| Red Bull | AGE | -0.08 | .02 | -.52 | .27 | .001 |
| Casali | PBL | 0.61 | 0.22 | .44 | .19 | .008 |
| Manner | PBL | 0.70 | 0.23 | .49 | .24 | .004 |
| Nutella | PBL | 0.70 | 0.21 | .53 | .28 | .002 |
| Kellys | PBL | 0.46 | 0.19 | .37 | .16 | .023 |
| Kelloggs | PBL | 0.51 | 0.17 | .47 | .22 | .006 |

Table 9: Results of Multiple Regression Analysis for Brand Preference

The correlation between PBL and PBG differed among the brands, as can be seen from the results in Table 10. While for some brands such as Nivea, the constructs showed significant levels of correlation, they were completely uncorrelated for other brands.

| Brand | Korrelation (Pearson) | Significance (2-sided) |
|------------|-----------------------|------------------------|
| Kinder | .28 | .09 |
| Nivea | .47 | .01 |
| Red Bull | .08 | .60 |
| Casali | .17 | .30 |
| Manner | .38 | .03 |
| Nutella | .05 | .78 |
| Kelly | -.14 | .37 |
| Kelloggs | -.02 | .92 |
| All Brands | .17 | .01 |

Table 10: Correlation of PBL and PBG for the Individual Brands

3.2.5 Findings

We have structured the findings of the study into two parts. First we will present the analysis of individual brand profiles, in which the brands are analysed by comparing their actual strategy, size and origin to the consumer perceptions of the brands. How specific drivers influence brand perceptions and what role they played in the scenario of each individual brand is also investigated. Such a preliminary introduction of the brand profiles is important for achieving a better understanding of the results presented in the following section, where inter-brand comparison and analysis of quantitative data is used to address the research questions and hypotheses.

3.2.5.1 Brand Profile Overview

Using data from the qualitative interviews and quantitative data regarding origin and scope, this section presents individual portraits of the eight investigated brands. Goal is to provide a summary and analysis of all data related to the individual brands, such as how it is viewed in terms of global and localness, what drivers led to that perception, and what effect this has on consumer attitude toward the brand.

In order to investigate the drivers of brand perceptions we first determined how many people considered the brands to be domestic or foreign and how many with each respective view believed it to be local or global. This allowed us to classify the respondents into perceiving the brands to fall into one of the four categories as shown in Table 11⁹.

| Brand Categories | Perceived Origin | Perceived Class (size) |
|--------------------------|------------------|------------------------|
| 1. Foreign Global Brand | Foreign | Global |
| 2. Domestic Global Brand | Austrian | Global |
| 3. Foreign Local Brand | Foreign | Local |
| 4. Domestic Local Brand | Austrian | Local |

Table 11: Types of Brand Categories used in Brand Profile Analysis

⁹ The “class” category, where consumers indicated whether they considered the brand either global or local refers to the consumer’s perception of how large and widely distributed they considered the brand to be. Since the term’s global and local are subjective terms, not all respondents necessarily used, or understood them in the same fashion. It was no seldom occurrence that respondents knew the brands true global size, yet stated to consider the brand ‘local’ due to their interpretation of the word as describing something “close to home”. We therefore cross-checked all classifications with their respective interviews to insure that for the following tabulation all perceptions of local / globalness are strictly size related. This is inline with the way Steenkamp et al. (2003) conceptualize PBG as a construct based on consumers perceptions of how widely available and known the brand is.

Following this we identified which of drivers, that had been classified in the analysis of the qualitative interviews into 5 main categories (travel experience, marketing related activities, the brand's profile, knowledge and beliefs), led which respondents to have specific perceptions of the individual brands. This allowed us to determine that e.g., nearly 100% of the respondents that had indicated Red Bull to be a global Austrian brand, had done so due to brand related knowledge. A breakdown of the different driver categories as well as examples for each can be seen in Table 12.

| Summary Category | Reasons | Illustrations |
|------------------------------|--------------------------------------|---|
| Travel Experience | Seen/bought it abroad | „I've bought this brand in the USA“, „I've seen this brand in pretty much all countries I have visited“ |
| | Never seen it abroad | „I travel a lot but have only seen this brand in Austria“ |
| Marketing related activities | Brand name, Packaging | „The brand name is so typically Austrian“, „The packaging and are not Austrian at all“ |
| | Advertisement, Sponsoring activities | „This brand sponsors global events“, „The advertising is aimed at typical Austrians“ |
| Brand Profile | Age of the brand (time in market) | „This brand is so old, it has to be global by now“ |
| | Product assortment | „The brand has so many products, that it has to be global“ |
| | Product category | „TV-food - global American culture“, „One of the global energy drink brands of the new youth culture“ |
| | Size (Media presence) | „Never heard of the brand, so it can't be very large“, „Large company, with much advertisement“ |
| | Perceived Quality | „The brand is really bad, it can't be very big“, „Has always been a great qualitative brand that is bound to available everywhere“ |
| Knowledge | Concrete Brand Knowledge | „I know Beiersdorf which owns the brand operates around the globe“, „The brand is a regional Austrian brand, I read an article on it a while ago“ |
| Beliefs | Intuition & Assumptions | „It's a typical global brand, I don't know how else to put it“, „The brand is typically Austrian“, |
| | Guessing | „I think the brand is sold around the world, but I don't really know why, it is just my gut feeling“ |

Table 12: Drivers of Brand Perception

In addition to such qualitative analysis, the brand profiles also include quantitative data such as perceived brand globalness and perceived brand localness scores (as calculated through the mean scores attained by the brands) as well as analysis of the impact of PBG and PBL on brand attitude and preference for each of the brands. The impact of PBG and PBL is presented in terms of the multiple regression analyses reported in Ta-

bles 8 and 9. In terms of their perceptual scores, a broad classification of the eight brands can be seen in Figure 5, which depicts the eight brands according to mean globalness and localness scores (the separation lines forming the four quadrants are the average mean scores of all eight brands).

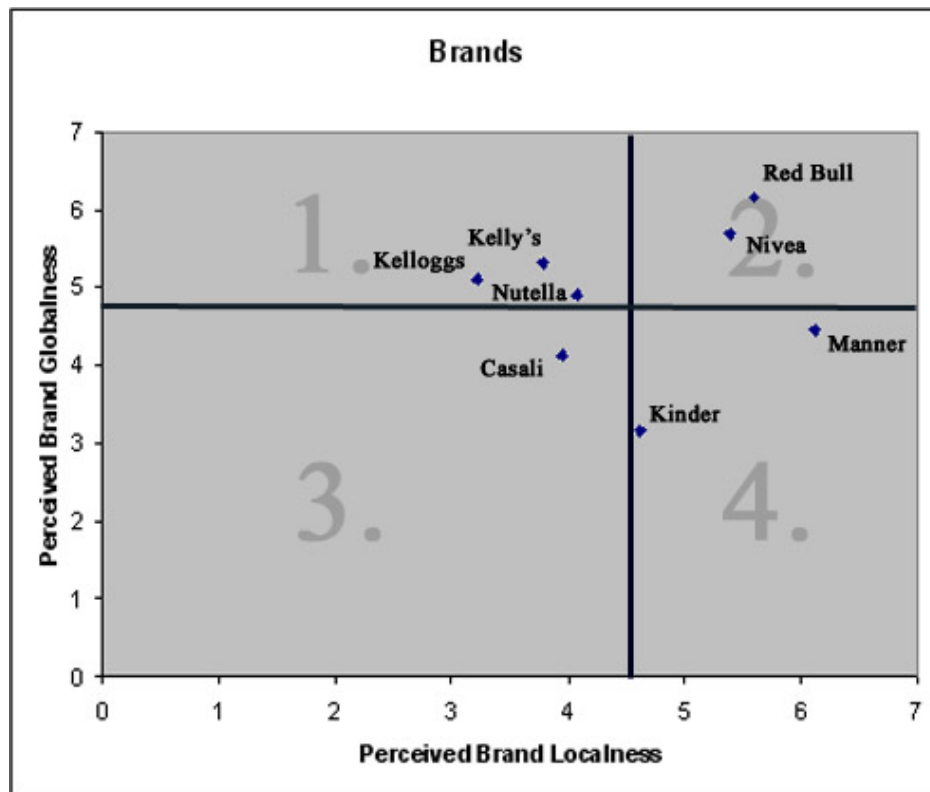


Figure 5: Mean PBL & PBG Score Mapping for all Brands

The first group of brands (Kelloggs, Kelly's and Nutella) is perceived as global, but has low scores on localness, while the second group consisting of Red Bull and Nivea, is perceived as being both part of the global and local culture. Casali, which is the only brand in the third group, is seen as neither local nor global, while the brands of the fourth group (Manner and Kinder) are perceived as geographically limited and culturally local. Interestingly this grouping is similar to the one attained when classifying the brands by origin and globalness perception as can be seen in Table 13, where the results for all brands are summarized.

| Brand | Perceived Austrian Origin | Perceived Foreign Origin | Unknown Origin | Local Brand | Global Brand | Resulting Categorization |
|----------|---------------------------|--------------------------|----------------|-------------|--------------|--------------------------|
| Manner | 96% | 4% | | 52% | 48% | Austrian Local |
| Kinder | 48% | 52% | | 73% | 23% | Local |
| Red Bull | 97% | 3% | | 0% | 100% | Austrian Global |
| Nivea | 50% | 35% | 15% | 15% | 85% | Global |
| Nutella | 38% | 62% | | 19% | 81% | Foreign Global |
| Kelly's | 37% | 63% | | 15% | 85% | Foreign Global |
| Kelloggs | 19% | 81% | | 7% | 93% | Foreign Global |
| Casali | 34% | 41% | 25% | 47% | 53% | - |

Table 13: Perceived Origin and Size of all Interviewed Brands

Slightly more detailed results are available at the individual brand level, where implications of the different scores in regard to the quantitative data are also presented.

3.2.5.1 Brand Portrait: Manner

| Brand | Perceived Origin | # Resp. | % Resp. | # Resp. with Local Perc. | In % | # Resp. with Global Perc. | In % |
|---------------|------------------|---------|---------|--------------------------|------|---------------------------|------|
| Manner | Austria | 26 | 96% | 14 | 54% | 12 | 46% |
| | Foreign | 1 | 4% | 0 | 0% | 1 | 100% |
| Totals | | 27 | | 14 | 52% | 13 | 48% |

Table 14: Qualitative Data Summary for Manner

The first brand generally seen to be an “*Austrian local brand*” is Manner. Manner employs a strong local image strategy, priding itself on its Viennese origin and heritage, and is therefore sometimes regarded as an iconic symbol of Viennese culture. It is consequently no surprise that it has the highest PBL scores of all brands ($\text{Mean}_{\text{PBL}} = 6.12$), with exceptional values on items such as “This brand is a typical part of our culture” and “I associate this brand with Austria”. This is partially explained by 96% of respondents believing that it originates from Austria (see Table 14). One respondent summed it up quite well stating; “*Manner embodies family tradition, and through its symbols such as the St. Stephan’s cathedral, local connectivity*” (F. 46¹⁰).

Opinion’s on whether the brand was ‘local’ or ‘global’ were varied, yet only to the degree of how large consumers perceived the brand to be. Nearly all respondents regarded Manner as “typically Austrian” and considered it part of the local culture (reflected in PBL scores), yet a large degree of the respondents also believed the brand to be available around the world. With a PBG score of ($\text{Mean}_{\text{PBG}} = 4.45$) the brand scores closely

¹⁰ The parentheses behind italic quotes throughout the brand profiles indicate the quoted respondent’s gender (F = Female, M = Male) and age.

behind foreign competition. Moreover an analysis of the qualitative interviews revealed that 44% of the respondents believe that Manner is available globally. These perceptions were driven partly due to the brands connection with tourism; *“It uses typical Austrian “Kitsch” such as the Manner cabs, and horse drawn carriages and the ferris wheel to sell itself to tourists and abroad (M. 28)”* with the resulting conclusion that the Brand *must* be known around the globe. Other respondents assigned Manner with high globalness scores due to travel experience, e.g.; *“It’s a local brand, which is available around the World – I speak from experience” (M. 31)*. Yet the largest driver of global perceptions was a recurring theme of brand age, brand quality and its position as a premium Austrian product.

“Originated in Vienna, but available everywhere – A good branded product from Austria!” (F. 50)

“It is a very old, good, brand, which should be known around the world. Those who know it, buy it (F. 49)”

“This is a one of a kind Austrian product loved by everyone! (M. 66)”

“Qualitative Austrian branded good, loved by tourists” (F. 76)

Nine out of twelve respondents stated a mixture of age, quality and its status as an Austrian premium product as the reason for their global perceptions. Those considering it a local brand either stated to have never seen it abroad, or associated to be a typical Austrian brand, and believed it be only locally available. Important to note is that although the cognitive beliefs about the brand’s size differed (due to travel experiences, or belief) that it was consistently seen as local in terms of emotional status by all respondents. It was also this perception of localness that had the strongest influence on brand preference ($\beta = .49$, $R^2 = .24$) and brand attitude ($\beta = .42$, $R^2 = .18$).

Insignificant in our multiple regression, which included both PBG and PBL, difference in perception of brand size (measured with the PBG scale) only had a significant influence on brand preference ($\beta = .35$, $R^2 = .13$) and brand attitude ($\beta = .38$, $R^2 = .14$) when used as the sole predictor variable in a simple regression. However the strength of this

relationship is much weaker than in the case of PBL. It still indicates that those who thought of the brand as not only local, but also large in size, had the highest regard and preference for it. Considering that most of the respondents who thought that the brand was global did so due to their high and positive opinion of it, the question arises whether perceived brand globalness led to higher brand preference, or vice versa. According to the qualitative interviews it was in fact high brand preference and positive attitude toward the brand that led consumers to believe the brand to be global, and not the other way around.

3.2.5.2 Brand Portrait: Kinder

| Brand | Perceived Origin | # Resp. | % Resp. | # Resp. with Local Perc. | In % | # Resp. with Global Perc. | In % |
|---------------|------------------|-----------|------------|--------------------------|------------|---------------------------|------------|
| Kinder | Austria | 16 | 48% | 13 | 81% | 3 | 19% |
| | Foreign | 17 | 52% | 11 | 65% | 6 | 35% |
| Totals | | 33 | | 24 | 73% | 9 | 27% |

Table 15: Qualitative Data Summary for Kinder

Ironically the second “*local brand*” is the global brand Kinder. Kinder was the brand with the lowest perceived brand globalness of all brands ($\text{Mean}_{\text{PBG}}=3.21$), with a moderately high perceived brand localness value ($\text{Mean}_{\text{PBL}}=4.62$). It could therefore be argued that Ferrero, which is the parent brand, has done a seemingly excellent job of integrating its Kinder brand into the Austrian culture. Even in the qualitative part of the study 48% of the respondents thought that Kinder was an Austrian brand (see Table 15); while 67% of those believing it to be foreign indicated that they thought it was of German origin. This resulted in 73% of the respondents considering Kinder a local brand, either for Austria or for the whole German speaking area including Germany, Austria and Switzerland. Respondents talking about the brand gave statements such as;

“Kinder is the typical local brand that you buy for those special occasions” (F. 59)

“This is a typical brand for the German speaking area, just look at the name and the face of the kid on the box” (F.40)

“Reminds me of my childhood, it’s a local brand, and well the name is very German”

(M. 27)

“This brand is typically Austrian” (F. 25)

“Well I’ve seen it sold in Germany, where I think it is from. Doubt it is sold anywhere outside the German speaking area (F. 18)”

“A German brand, although I always have to think of Austria when I see it (F. 20)”

“Only available in Europe, Americans don’t eat this kind of stuff (F. 23)”

As can be seen from the qualitative interviews local perceptions were strongly driven by the (1) *Brand Name*, (2) *the Packaging*, (3) *never having seen it abroad* and the (4) *locally perceived advertisement*. These local perceptions manifested themselves in the belief that the brand was marketed and sold only in a limited geographical area, and a certain sense of connectivity among many of the respondents who thought of the brand as something typically local. While the local perceptions were driven by an amalgam of factors, most of which (72%) were largely under the control of the company (i.e., brand name, packaging, advertisement as opposed to having never seen it abroad), global perceptions were influenced mainly by external factors (i.e., travel experience) out of the companies control. Of those people who indicated the brand to foreign owned and global in nature, all respondents indicated travel experience and having seen it in the USA as reasons for this perception. In fact the only people who thought it was global without giving travel experience as a reason were two elderly Austrians who guessed it to be a global Austrian brand, without being able to justify their decision.

It can therefore be summarized that in the case of Kinder - brand name and packaging played an important part in misleading consumers into believing the brand to be geographically limited. Only those with actual cognitive knowledge and experience of the brand being sold abroad indicated it to be a global brand. Interestingly, regardless of this cognitive knowledge, these respondents rated the brand higher on PBL (mean=5.16, SD=2.09) than those who indicated it to be a local brand (mean=4.32, SD=1.58). This

supports the notion that cognitive knowledge and (affective) feelings about the brand do not necessarily have to coincide.

Similarly to Manner, the high PBL values had a strong influence on brand preference ($\beta = .59$, $R^2 = .35$) and brand attitude ($\beta = .53$, $R^2 = .28$). Perceived brand globalness on the other hand had no significant influence on either of the outcome variables. It was therefore not the perceived size of the brand, but its perceived belongingness that was played the superior role in influencing opinion and preference.

3.2.5.3 Brand Portrait: Red Bull

| Brand | Perceived Origin | # Resp. | % Resp. | # Resp. with Local Perc. | In % | # Resp. with Global Perc. | In % |
|---------------|------------------|-----------|---------|--------------------------|-----------|---------------------------|-------------|
| Red Bull | Austria | 33 | 97% | 0 | 0% | 33 | 100% |
| | Foreign | 1 | 3% | 0 | 0% | 1 | 100% |
| Totals | | 34 | | 0 | 0% | 34 | 100% |

Table 16: Qualitative Data Summary for Red Bull

Red Bull scored the most consistent results of any of the brands surveyed. In qualitative interviews nearly all of the respondents classified the brand as Austrian and global, with the only exceptions being made by one elderly respondent who was not familiar with the brand (see Table 16). The results revealed very high PBG ($\text{Mean}_{\text{PBG}}=6.15$) and PBL values ($\text{Mean}_{\text{PBL}}=5.60$) which rank first and second respectively among the eight evaluated brands. The consistent nature of the results can be explained by analysing the interviews which investigated the drivers behind the perceptions. In contrast to the other brands where many of the drivers for classifying the brand in a certain manner were caused by assumptions or misleading marketing, for Red Bull every single respondent cited “knowledge” as the primary reason for his/her answer.

“Red Bull is an Austrian company operating around the globe. You can see this from the media, and from their sponsoring in movies and sport”

The above was a standard answer, with respondents citing a mix of media, sponsoring, and travel experience as the reason for considering the brand Austrian and global in nature. Considering that Red Bull represents one of Austria’s most famous success sto-

ries, with immense media presence and coverage, it is not all too surprising that it is also the brand about which consumers had the most actual knowledge.

The case of Red Bull in Austria (a brand about which average consumers exhibit a large amount of factual knowledge) does well to showcase potential shortcomings of both the perceived brand local/non-local origin scale¹¹ (Batra et al. 2000) as well as the PBG scale (Steenkamp et al. 2003). Since consumers all exhibit nearly uniform levels of knowledge, as measured by qualitative interviews, there is little meaningful variance in answers, making the constructs poor predictors of outcome variables. It was only in qualitative interviews that true differences in opinion truly crystallized themselves. While all consumers indicated the brand to be global and Austrian, there are two distinct opinions about the brand. On the one hand, there are those that see the success of Red Bull as a source of pride and feel that the brand, through its success and wide spread, has become a part of the Austrian culture (i.e., local). On the other hand, there are those that know Red Bull is of Austrian origin, but affectively consider the brand nothing more than a typical global brand which could stem from any country. It occupies a place in their mind in the same category as Coca-Cola or Pepsi. As such respondents with similar knowledge yet different affective dispositions toward the brand are giving identical answers on the PBG scale. Both know the brand's origin and size yet have completely different perceptions of it.

The strong influence of brand knowledge is reflected in the responses to items of both the PBG and PBL scales. While perceived brand localness has a statistically significant impact on brand attitude ($\beta = .34$, $R^2 = .29$) the effect on preference is negligible. PBG on the other hand has a slightly significant influence on preference with ($\beta = .36$, $R^2 = .13$) but no influence on brand attitude. Instead most of the variance in preference ($\beta = .46$, $R^2 = .21$) and attitude ($\beta = -.50$, $R^2 = .25$) is explained by respondent's age, which is negatively correlated with both. Since Red Bull is an energy drink promoting extreme sports and party going, aimed at targeting a younger generation, it is not surprising that

¹¹ The Batra et al. scale of perceived brand local/non-local origin from 2000, is identical to the Steenkamp et al. scale from 2003, bar the first item. Instead of differentiating between global and local as in the 2003 scale, it forces the respondent to choose whether the brand is domestic or foreign. The other two items, as in the PBG scale, measure the brand's perceived size and availability. Since brands such as Red Bull can score as domestic (low) on origin, yet high on size and availability, it becomes apparent that the first item is incompatible with the other two items in picking up a consistent construct. The PBG scale from 2003, where all three items correlate is a vast improvement.

older consumers, during whose youth days no such products existed, have no way of identifying themselves with the brand.

3.2.5.4 Brand Portrait: Nivea

| Brand | Perceived Origin | # Resp. | % Resp. | # Resp. with Local Perc. | In % | # Resp. with Global Perc. | In % |
|---------------|------------------|-----------|---------|--------------------------|------------|---------------------------|------------|
| Nivea | Austria | 17 | 50% | 2 | 12% | 15 | 88% |
| | Foreign | 12 | 35% | 1 | 8% | 11 | 92% |
| | Unknown | 5 | 15% | 2 | 40% | 3 | 60% |
| Totals | | 34 | | 5 | 15% | 29 | 85% |

Table 17: Qualitative Data Summary for Nivea

As the brand with the longest Austrian history, Nivea was also perceived as the most Austrian of the truly foreign global brands. It achieved the second highest score on perceived brand globalness ($\text{Mean}_{\text{PBG}} = 5.68$) and matched these with PBL values close to those of Red Bull ($\text{Mean}_{\text{PBL}} = 5.38$). In qualitative interviews half of the respondents actually believed it to be an Austrian brand (see Table 17). The mixture of global and domestic perceptions resulted in very few respondents perceiving it as a “local brand” (only 14% of the respondents believed it to be geographically local) but most considering it to be very “homely” and “local”. The reasons for its perception as a global brand were varying. Among those who class it as a foreign global brand the two most cited reasons were knowledge that it was a global brand (e.g. brand ownership through Beiersdorf) which accounted for 40% of perceptions and experience of having seen it abroad, which accounted for the remaining 60%.

The drivers for believing the brand to be Austrian global were slightly more varied. Of respondents indicating the latter, more than 45% stated either the brand’s long presence in the market (and therefore old age), or its large product assortment and general quality as reasons for perceptions of globalness (once more, quality perceptions are indicated as drivers for PBG and not vice versa).

“The brand is so old, like you always see with the old nostalgic tins and commercials, that I’m pretty sure that it’s widely available” (F.18)

“It has many different products and has good quality, it is bound to be global” (F. 23)

“The brand is clearly local for me.. but.. well I don’t know it’s so old though that it could probably be global as well though” (M. 39)

A further 33% of respondents indicated travel experience to be the reason for their perception of globalness;

“The company is global, because I have seen it available in many other countries around the world. It is like a part of home away from home” (M. 61)

“Has long been known around the world. Its one of the true “large brands”, no matter where I’ve been abroad, I’ve seen advertisements” (F. 61)

The remaining respondents indicated concrete knowledge, belief or advertising as the reasons for their perceptions. The interesting point is that, in contrast to Kinder, the respondents even when knowing the brand’s global nature, continued to believe it was an Austrian brand. Even those who classed the brand as ‘foreign-global’, due to their knowledge or experience with it, for the most part, still regarded it as very local or homely. Upon further questioning it became apparent that there was a clash between the cognitive knowledge that consumers had of the brand and their affective feelings toward it.

While growing up with the brand, respondents formed associations of the brand, linking it to family and home. As the respondents grew older, knowledge of the brand, its global distribution and the large German company operating it, added a cognitive aspect to their brand perception. Thus, when questioned on a scale of perceived brand globalness their answers were guided by their cognitive knowledge, resulting in a “very global perception”. Their feelings toward the brand and how they view the brand in terms of its position as a “culturally global” or “culturally local” brand remains unknown. Similarly to the case of Red Bull, the PBG scale is measuring the consumer’s cognitive knowledge, while the consumers’ affective feelings are not sufficiently captured. The result is that respondents with similar knowledge have identical scores, while in reality having very different views of the brand.

Our interviews also indicated that if consumers were asked to rank Nivea according to perceived globalness / localness on a scale with ten other global cosmetic brands, the same respondents who had previously rated the brand as very global on the PBG scale, tended to rank Nivea as much more local than the other global brands. For most respondents the brand was clearly the most local of any global cosmetic brand. A further investigation of how global or local brands are seen in relation to one another, in regards to localness and globalness, might therefore represent an interesting avenue for future research.

3.2.5.5 Brand Portrait: Kelly's

| Brand | Perceived Origin | # Resp. | % Resp. | # Resp. with Local Perc. | In % | # Resp. with Global Perc. | In % |
|---------------|------------------|-----------|---------|--------------------------|------------|---------------------------|------------|
| Kelly's | Austria | 10 | 37% | 4 | 40% | 6 | 60% |
| | Foreign | 17 | 63% | 0 | 0% | 17 | 100% |
| Totals | | 27 | | 4 | 15% | 23 | 85% |

Table 18: Qualitative Data Summary for Kelly's

Kelly's considers itself as an Austrian Company with American flavour (Kellys 2007) which is reflected in its advertisements and positioning, respectively. With heavy involvement in sponsoring and television advertisement for events such as the soccer world cup in 2006, Kelly's has long tried to create a global image for itself. The brand's leadership and dominance in the Austrian snack market, grants this positioning strategy strong credibility. With high globalness perceptions ($\text{Mean}_{\text{PBG}} = 5.32$), which are higher than those of Kelloggs and Nutella and nearly level with those of Nivea, the brand is perceived as something much bigger than it actually is. The low PBL score of ($\text{Mean}_{\text{PBL}} = 3.79$) which is the second lowest of the eight brands underlines how successfully the brand has managed to position itself away from its true origin, while culturally connecting itself with the USA.

A large majority of the respondents (85%) believed the company to be global (see Table 18), mostly in very confident tones, citing advertising and sponsoring as main reasons for knowing this.

“This is clearly the most global of the 3 Brands (Nutella, Kelly’s, Kelloggs) since it is sold and marketed all over the world – it even had Superbowl advertisements” (M. 21)

“It’s an American Brand, sold all over the World” (M. 61)

“It’s always advertised with sport around the world, so it would have to be a global brand” (M. 31)

“Certainly Global, I mean all those brands like Pringles that belong to them you can buy pretty much anywhere” (F. 22)

In fact, the only respondents that indicated the brand to be Austrian and local were those who actually knew detailed information about the company history, or who had spent considerable time travelling and living abroad.

“I have travelled a lot, and lived in the United States for a while, but only seen this Brand in Austria” (F. 25)

“Founded by an American G.I. – the production and sales is limited to Austria and the neighbouring area” (M. 50)

All respondents lacking actual knowledge (85% of the respondents fall under this category) were heavily influenced in their responses by marketing influenced factors, such as the companies association with sports, and the USA. A further influential factor was the brand’s product category (chips and snack foods) which automatically led many respondents to associate the brand with a global and American lifestyle. This influence of ‘foreign’ product category into brand perception was especially prevalent among elder consumers, and mirrors findings from Eckhardt (2005) who found that (in emerging markets) local brands operating in product categories regarded as foreign, are themselves seen as foreign (Eckhardt 2005).

In the case of Kelly’s, predominant driver of globalness perceptions stem from the mix of association with the United States (FCCP) and association with global culture (GCCP), making the brand an empirical example of how a local brand can attain a

global image, through use of a global positioning strategy. Although the brand is only sold in Austria and recently in surrounding countries, it scored much higher on PBG than true global brands such as Kinder, and on a slightly higher level than Kelloggs and Nutella. Questionable is only the extent to which this strategy is truly beneficial to the brand. On the one side, one can argue that as with the other companies, its choice in FCCP positioning grants it higher credibility through association with a culture which is known for its snack foods. On the other hand PBG had no significant influence on either outcome variables while PBL did exhibit significant influences on both preference ($\beta=.37$, $R^2 = .16$) and attitude ($\beta=.46$, $R^2 = .21$).

3.2.5.6 Brand Portrait: Nutella

| Brand | Perceived Origin | # Resp. | % Resp. | # Resp. with Local Perc. | In % | # Resp. with Global Perc. | In % |
|---------------|------------------|---------|---------|--------------------------|------|---------------------------|------|
| Nutella | Austria | 10 | 38% | 3 | 30% | 7 | 70% |
| | Foreign | 16 | 62% | 2 | 12% | 14 | 88% |
| Totals | | 26 | | 5 | 19% | 21 | 81% |

Table 19: Qualitative Data Summary for Nutella

Nutella is viewed considerably differently than the other Ferrero brand, Kinder, with PBL scores of ($\text{Mean}_{\text{PBL}} = 4.08$) and PBG scores of ($\text{Mean}_{\text{PBG}} = 4.89$). Even though some consumers believed Nutella to be a typical Austrian brand, available only in Austria;

“Product sold throughout Austria, very old brand, which kids just love” (F. 49)

“I highly doubt it is sold outside of Austria” (M. 24)

“Nutella is typically Austrian” (M. 40)

most consumers (80%) believed it to be sold worldwide (see Table 19). Travel experience and knowledge of the brand such as that it is sold in Germany were leading drivers of the perception of globalness.

“It is definitely a world product. I have seen the brand everywhere when travelling” (F. 18)

“Also advertised in German TV, with the German Soccer team, I imagine it to be quite a large brand” (F. 25)

“Globally available, it belongs to Ferrero which operates internationally” (F. 26)

Irrespective of this, many respondents stated to have a strong local attachment to the brand. This is reflected in the strong influence of PBL on both brand attitude ($\beta=.59$, $R^2 = .35$) and preference ($\beta=.47$, $R^2 = .22$). PBG on the other hand did not exhibit a significant influence on either attitude or preference.

3.2.5.7 Brand Portrait: Kelloggs

| Brand | Perceived Origin | # Resp. | % Resp. | # Resp. with Local Perc. | In % | # Resp. with Global Perc. | In % |
|---------------|------------------|-----------|---------|--------------------------|-----------|---------------------------|------------|
| Kelloggs | Austria | 5 | 19% | 1 | 20% | 4 | 80% |
| | Foreign | 22 | 81% | 1 | 5% | 21 | 95% |
| Totals | | 27 | | 2 | 7% | 25 | 93% |

Table 20: Qualitative Data Summary for Kelloggs

For most respondents there was no doubt that Kelloggs was a foreign global brand.

“The advertising feels very international, and there is product placement in very many big Hollywood movies” (F. 21)

“The typical breakfast substitute all over the world” (M. 66)

“You can always see it in the American movies” (F. 18)

“Available wherever you go on vacation” (M. 43)

Among the 92% of respondents who thought the brand to be global (see Table 20), travel experience, product placement in movies, and connections with the USA were the most often mentioned reasons. This is in line with the lowest PBL values of any brand

(Mean_{PBL} = 3.21) and moderately high PBG scores (Mean_{PBG} = 5.11). Yet once more the perception of brand size had no significant influence on brand attitude or preference. Instead it was the cultural acceptance and integration in the form of PBL that exhibited the stronger influence on both preference ($\beta = .47$, $R^2 = .22$) and attitude ($\beta = .50$, $R^2 = .25$).

3.2.5.8 Brand Portrait: Casali

| Brand | Perceived Origin | # Resp. | % Resp. | # Resp. with Local Perc. | In % | # Resp. with Global Perc. | In % |
|---------------|------------------|-----------|---------|--------------------------|------------|---------------------------|------------|
| Casali | Austria | 11 | 34% | 7 | 64% | 4 | 36% |
| | Foreign | 13 | 41% | 4 | 31% | 9 | 69% |
| | Unknown | 8 | 25% | 4 | 50% | 4 | 50% |
| Totals | | 32 | | 15 | 47% | 17 | 53% |

Table 21: Qualitative Data Summary for Casali

Casali, which is manufactured by the same company as Manner, but marketed in vastly different fashion, demonstrates the potential impact of branding on brand perception. While Manner is regarded as highly local, and thought to be internationally successful, the perceptions of Casali go in vastly different directions. This can partly be attributed to the highly different levels of brand knowledge and travel experience.

Those stating the brand to be Austrian and local did so out of brand knowledge or due to extensive travelling and having never seen the brand abroad.

“It belongs to Manner, and besides being exported I don’t think that it’s really sold much worldwide” (M. 39),

“I’ve been all over the world and never seen it anywhere else but in Austria, has to be local” (F. 24)

Those with little brand knowledge or travelling experience drew one of two conclusions. There were those which stated that the brand was definitely foreign, and most likely global, due to the packaging, name and advertising;

“This is a foreign and probably global brand, the name, packaging can’t have anything to do with Austria” (M. 16)

“It’s got to be a global brand; they have great quality and are really old. I mean everybody loves chocolate bananas” (M. 39)

“It’s definitely not Austrian, just look at the advertisements, global brand probably out of some Caribbean country.” (F. 23)

“I associate this brand with beaches and far away countries, due to the advertisements” (M. 27)

And those that had never heard much about the brand in the media, and thus considered it a most likely small and therefore local brand;

“I’ve never seen it anywhere else, and the products (Chocolate Bananas) are typically Austrian for me, but the company is definitely foreign” (F. 23)

“I’ve never really thought about it, but I’d assume it to be local simply because the brand is so inconspicuous” (M. 26)

The result of such mixed reception of the brand is its categorization as the only “foreign local brand”, meaning that it is seen as neither large nor truly domestic. Even though more consumers thought it to be global than local (53% vs. 47%) (see Table 21), the brand had the second lowest PBG score ($\text{Mean}_{\text{PBG}} = 4.12$), as well as the third lowest PBL score ($\text{Mean}_{\text{PBL}} = 3.94$). Once again, it is PBL that influences brand attitude ($\beta = .47$, $R^2 = .28$) and preference ($\beta = .44$, $R^2 = .19$) while PBG has no significant influence on either.

3.2.6 Data Analysis: Research Questions

This section builds on the analysis of the individual brand portraits, and assesses the posed research questions. Here all findings of qualitative and quantitative nature are brought together to build upon findings highlighted in the individual portraits.

3.2.6.1 Results of Research Question One: Local Perceptions

The first question addressed in this study was whether brands, irrespective of origin and true size can be perceived as local. We hypothesized that even international brands, can in fact be considered local, if a local positioning strategy is employed and the brand has had sufficient time to acclimatize itself to the market. This was substantiated by the case of Kinder, which was seen as a typical German brand, and perceived to be available in no more than 3 countries by a majority of the respondents. It scored highly on perceived brand localness, and had the lowest perceived brand globalness scores of all eight brands, while in reality the brand comes from Italy, and is available on five continents. It was therefore not only seen as local in terms of being a ‘homely’ brand, but even thought to be a unique brand to the German speaking part of the world, and not available elsewhere. Several respondents even indicated it to be “typically Austrian” and thought of it as a good example for local culture. Further support of the hypothesis was provided by Nivea, which as a large global brand had managed to securely integrate itself into the local culture. The perception of Nivea as being ‘local’ did not require the brand to be perceived as geographically limited, or even thought to be domestic. This was demonstrated by numerous respondents who knew of the Nivea’s foreign origin yet considered it an affectively local brand, to which they had a strong emotional attachment. Our hypothesis that foreign brands can successfully become part of local culture is therefore substantiated.

The second hypothesis stated that if perceived localness does in fact exist, the highest scores should be achieved by local brands, with strong ties to local culture. Since the highest level of localness was in fact attained by Manner, a local brand emphasising its connection with local culture, followed by Red Bull, another Austrian brand whose origin is well known and which symbolises a source of pride for many Austrians, there seems to be evidence that hypothesis 2 is also supported. As can be seen in Table 22, mean localness scores ranked local brands with strong cultural ties first (Manner, Red Bull), followed by international brands who integrate themselves into local culture (Nivea, Kinder, Nutella), and lastly local brands who distance themselves from local culture (Casali, Kellys). This supports the notion that the positioning strategy (in relation to culture) does, in fact, play a large role in how a brand is perceived in terms of

localness, and that true size and origin do not necessarily dictate how the brand is perceived by consumers.

| Brand | PBL |
|----------|------|
| Manner | 6.12 |
| Red Bull | 5.59 |
| Nivea | 5.38 |
| Kinder | 4.62 |
| Nutella | 4.08 |
| Casali | 3.94 |
| Kellys | 3.79 |
| Kelloggs | 3.22 |

Table 22: Mean Perceived Brand Localness Scores of the Brands

3.2.6.2 Results of Research Question Two: Drivers of Perceptions

Research question two pertained to how perceptions of globalness and localness are formed. The interviews revealed a large variety of factors influencing the creation of both perceptions of localness and globalness. As summarized in Table 12, we identified a variety of driving factors underlying size and origin perceptions of the brands. These can be summarized as travel experience, marketing efforts, the brand's profile, consumer knowledge, general beliefs, and those that do not fit into any of the categories. The identified drivers of size related perceptions are largely in line with the drivers suggested by Steenkamp et al. (2003). The most important distinction between the drivers is that some are under the direct influence of the company (e.g. marketing related activities), while others are out of their control (e.g. travel experience).

| Drivers of Perception | |
|-----------------------|-----|
| Travel | 26% |
| Marketing | 17% |
| Knowledge | 9% |
| Belief | 26% |
| Company Profile | 14% |
| Other | 8% |

Table 23: Frequency of Occurrence for Different Drivers of PBG Perceptions

The frequency with which different drivers were approximately indicated can be seen in Table 23. While travel experience and belief were among the most often mentioned factors, leading to specific perceptions, the role of the different drivers differed greatly from brand to brand, as can be seen in the brand profiles.

Since the above listed drivers are largely of cognitive nature, they are not necessarily indicative of the consumer's feelings towards the brands (in regards to how local the brand is perceived to be). For consumers who stated a brand as being local (which they knew to be globally available), factors such as having grown up with the brand, childhood memories, or identification of the brand as an icon of local culture, were all mentioned as reasons for why consumers saw the brand as a typical "local brand". This is in line with the drivers of PBL that we proposed in the nomological network based on normative literature (Figure 3). These "personal" factors are not only hard to measure, but also stand under the influence of marketing decisions (brand name, advertisement) as well as being dependent on how long the brand has been in the market. In the case of Nivea, it was the brand's long history in Austria, and the fact that the products were a "part of growing up" for many consumers, that moved respondents to say that the brand evoked feelings of home, and localness¹². For Manner, it was the brand's role as icon and flag-bearer of Austrian tradition (partly due to its 100 year history and status as an archetypical Viennese brand) that seemed the strongest indicator of why consumers considered it to be "local".

While personal factors that lead to perceptions of localness (or globalness) were similar for each of the brands, they were also manifestations of company-related activities such as company history with in market or marketing activity. To better categorize drivers of PBL and to differentiate them from cognitive factors, a more in depth analysis of the subject matter would be necessary.

3.2.6.3 Results of Research Question Three: Outcome of PBG/PBL Perceptions

RQ₃ was directed at identifying the results of being perceived as either local or global. We proposed that local integration in terms of a high PBL score would have a significant positive influence on both brand preference (H₃) and brand attitude (H₄). As already shown in the brand profiles this was the case for nearly all of the brands. Hence we conduct a simple linear regression with PBL as independent variable generalized

¹² In German, the word "Heimisch" ("dies ist eine sehr heimische Marke") can be translated to mean „homely“ and was often used synonymously with "local" even though it is much more emotional.

across all brands for the outcome variables of willingness to buy specific brand and brand attitude.

| Perceived Brand Localness | | | | | |
|-----------------------------------|------|----------|---------|----------------|-----|
| Outcome Variable | B | Std.E. B | β | R ² | P < |
| Willingness to Buy Specific Brand | 0.55 | 0.06 | .48 | .23 | .00 |
| Brand Attitude | 0.47 | 0.04 | .54 | .29 | .00 |

Table 24: Results for Regression Analysis of PBL on Outcome Variables across all Brands

As can be seen in Table 24, PBL has a significant effect on both attitude and willingness to buy the brand, supporting H₃ and H₄. Against common wisdom, PBG on the other hand, does not have an influence on brand attitude nor willingness to buy. Quite to the contrary, qualitative interviews indicate that in our sample it was perceptions of high quality which were driving perceptions of the brand being seen as widely available, and not the other way around. In the setting of FMCG and food products, perceived brand globalness therefore seemed to play a generally minor role, not only from a company perspective but also from a consumer perspective.

3.2.6.4 Results of Research Question Four: The PBG and PBL Relationship

Having investigated the proposed concept of PBL, it was then instrumental to explore its potential relationship to extant concepts such as PBG. It is here that the unfortunate choice of nomenclature for the individual concepts begins to truly manifest itself. Due to the use of a semantic differential format, and the wording of the items, the PBG scale¹³ places local and global brands on opposite sides of a continuum. The problem caused by this, in conjunction with the ambiguous nature of the term “local”, has already been discussed in our literature review (where it was demonstrated that current literature definitions do not place the two types of brands on opposite ends of a continuum), and in the context of RQ₂. For many consumers the term “local” means much more than just “this is a small brand”. Yet according to the PBG scale and its items, a

¹³ The first item of the PBG scale from Steenkamp et al. (2003) states “To me, this is a global brand / To me this is a local brand”

low PBG score indicates consumers to perceive the brand as being a “local brand” – while in reality it only indicates that they perceive it as a “small brand”.

This leads to confusion when trying to compare PBG results with our scale, which measures to what extent the brand is “perceived to be local” or “high in localness”, as well as bringing up the question of whether the concept of a brand being perceived as global incorporates more than just the size perceptions that consumers have of a brand. In our interviews, as well as in other studies (e.g. Holt et al. 2004, Baker et al. 2003) many other factors beyond just size were identified that contribute to brands being seen as global. Similarly our interviews showed that “local” perceptions of a brand were not only influenced by perceived size, but by a variety of factors, especially in concern to the brands compatibility with local culture. It could therefore be argued that while perceived size, and knowledge of the brand (a cognitive dimension) is important for categorizing a brand as either local or global, that there is also an emotional side (an affective dimension) which dictates whether the brand is associated with a local or global culture.

Eckhardt (2005), for example, found that in India a local pizza brand, due to its belonging to a foreign product category, was affectively regarded as foreign and global, even though it sold locally adapted products, was locally owned and geographically limited to that particular area. Global brands like Nivea, on the other hand, have done their best to be considered typically local brands by consumers around the world (Kapferer 2003). The interplay of cognitive factors and affective components of attitudes toward the brand, which came forth in our interviews, led to the proposal of a initial framework in which consumer perception of the brand consists of a cognitive dimension (size, origin, availability, etc) and an affective dimension (considering the brand part of a local or global culture, and thus culturally close or distant). These two dimensions of brand perception are in a state of reciprocal influence and determine to what extent the brand is either seen as local or global. As such cognitive knowledge may influence the affective dimensions and vice versa. The basic framework can be seen in Figure 6.

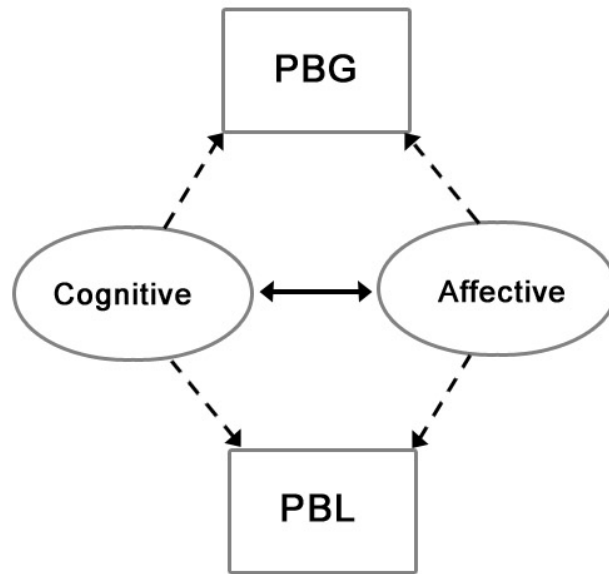


Figure 6: Cognitive and Affective Framework

Depending on the product category, and specific situation, either side may have a stronger influence on purchase related decisions, and general perceptions of the brand. These differences between knowing things (cognitive) about a brand and having specific feelings (affective) toward the brand are illustrated in the following interviews we conducted with consumers;

- 1) The first example is from an interview with a 28 year old male who has just graduated from University (Erwin). The brand about which we talked (Nivea) was as an everyday part of his childhood life, and he strongly associates it with his family, his home, and his country (affective). Of course in his childhood he never thought about its origin and simply assumed it to be domestic (his affective feelings dictate the cognitive). However as he grew up, attended university, read newspapers, and started travelling, he learned a lot about the brand, and found out pretty much all there is to know about it. Namely that it is a large foreign owned global brand, available in nearly every country of the world (cognitive). Filling out the PBG scale, he gives Nivea the highest possible globalness ratings the scale allows. He then tells us how he associates the brand with his home country (more than with the country he actually knows it to be from) and considers it to be a very local brand. Here his cognitive knowledge overrides the affective feelings towards the brand, while he is filling out the scale. Without

further questioning through qualitative interviews (or the inclusion of a PBL dimension in the questionnaire) this local attachment to the brand would have gone undetected. As paradox as it might sound, he does not just ‘perceive’ the brand to be global – he *knows* it is global – yet *perceives* it to be local. Furthermore, his attachment and goodwill toward the brand are caused by his perceptions of localness, and his cognitive knowledge of the brand’s true nature plays only a secondary role (see Figure 7). The increased willingness to buy, and high brand opinion, are therefore not a result of his high PBG score, but stem from the undetected affective localness perception.

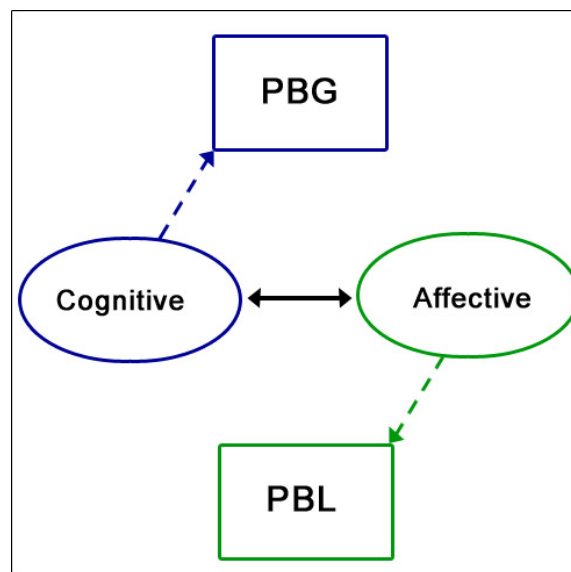


Figure 7: PBG & PBL Framework: Case of Nivea Interview

- 2) The next example, which is quite similar, illustrates how consumer perceptions are sometimes so powerful that they override even the strongest brand positioning strategies. The interview took place during the development stage of our questionnaire, where a diverse set of brands was addressed. The interview was held with a consumer who we will refer to as Paul about a brand that uses a distinct foreign positioning strategy in the market he lived in, namely VW in the United States. Partly due to VW’s strategy of associating itself with Germany and emphasising its origin in nearly all advertisements, Paul was completely aware that the brand was on the one side foreign and on the other side globally available. Irrespective of this cognitive knowledge, he indicated to associate the brand with the United States, and had always considered it as being very local. Since his childhood the brand had been an icon of the American “hippie” culture

to him, and now in his adulthood with the release of the ‘New Beetle’ a symbol of “yuppie” culture. It therefore represented a quintessential symbol of two enormous social movements within his country, and was therefore also a part of its overall culture. That the brand was not from the USA changed nothing about how he perceived it – even if the manufacturers made no attempt at hiding its origins. And while just as in the previous example the respondent had a very high opinion about the brand, in this example it was his knowledge about the German origin, and its global status, that were instrumental in generating his opinions and not his association with American culture. So while both cases exhibited a cognitive knowledge about globalness and an emotional bond with the local culture, brand opinions were generated via different pathways (see Figure 8).

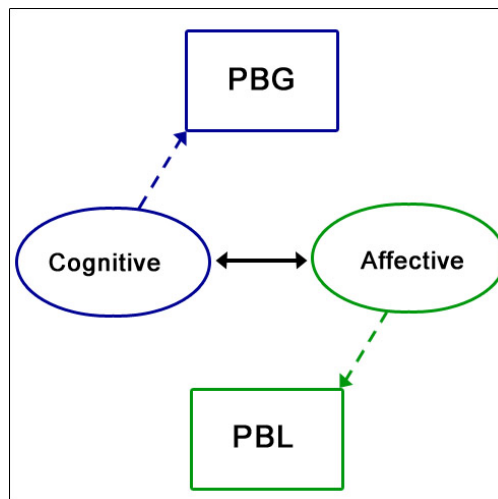


Figure 8: PBG & PBL Framework: Case of VW Interview

- 3) In the last example we have two consumers (Detlef and Maria) who were questioned about Red Bull. Both knew the brand well due to extensive media coverage and advertisement, and therefore knew that the brand was domestically produced and owned, as well as being available around the world. It is therefore not surprising that they rated it identically on the PBG scale (highest possible rating). However they have very different opinions about it. Detlef considers the brand as part of his culture, enjoys buying the product and has an excellent opinion of the brand. He is proud that it is produced domestically and prefers it over similar products. Affectively he indicates that the brand is very local to him. Maria, on the other hand, although knowing that the brand is domestic,

does not consider it part of her culture. For her it represents a global product, which has nothing to do with her country aside from being produced there. She does not buy the brand, and does not think very highly of it. For her there is no difference between this brand, and any of its international competitors (such as Coca Cola). As we can see in figures representing Detlef (10a) and Maria (10b) both share the same cognitive knowledge of the brand, yet maintain very different affective attitudes. While Detlef connects the brand with his local culture, Maria considers it part of a global culture. This time, like in the first example, brand preference and opinion are dictated by affective dimensions, and stem from localness and not globalness perceptions.

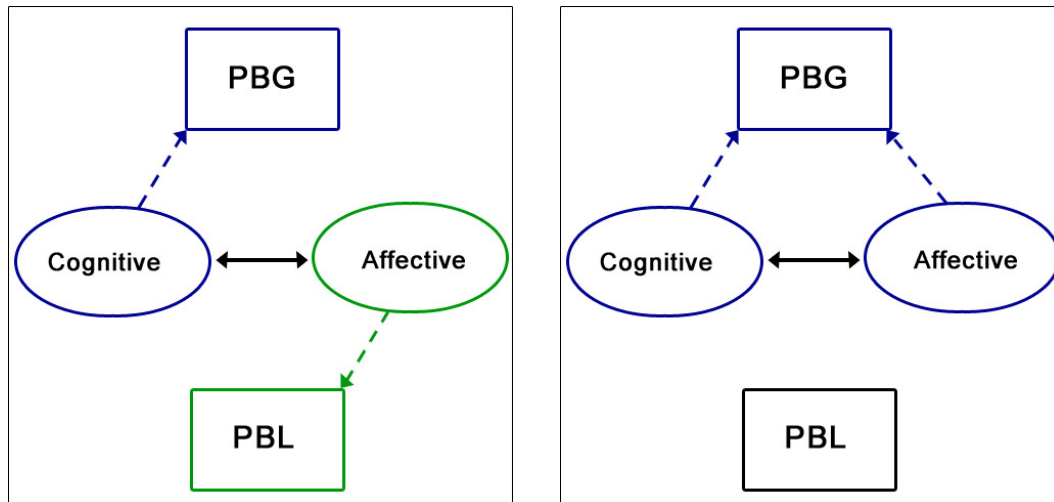


Figure 9a and 9b: PBG & PBL Frameworks: Case of Red Bull Interviews

As can be seen, cognitive knowledge of a brand's geographic size does not necessarily dictate brand globalness and localness perceptions. Both affective and cognitive dimensions need to be considered for a complete picture of how local or global a brand is perceived. In our study it was especially for brands whose true size is well known, that on the cognitive level the degree of perceived globalness was very homogenous, while the affective perceptions of the brands were highly varied. These variations in affective attitude caused by globalness or localness perceptions are not currently accounted for, but as Donald Calne states; *"the essential difference between emotion and reason is that while reason leads to conclusions, emotion leads to action"* (cited in Martin 2006, p.10), which indicates that the consequences of 'feeling' a brand to be local, can be an integral part of acting on that perception.

3.2.6.5 Results of Research Question Five: The global Image of Local Brands

Our final research question addressed the point of whether it was possible for global brands to be seen as local brands, and vice versa. While the first part of the question was already partly answered in RQ₁, the reverse case scenario of whether local brands can be seen as more global than global brands has not been investigated.

To investigate whether a local brand using global consumer culture positioning can be perceived as more global than a global brand using no such positioning (H₅) we look at the case of Kelly's and Kinder. While Kinder is a global brand, available around the world, Kelly's is a local brand, restricted to the Austrian market and some of the neighbouring countries. Yet unlike Kinder which uses a very neutral / local positioning strategy, Kelly's is positioned as an American / Global brand. Both brands operate in the snack/candy sector and a t-test between the brands did not reveal them to be significantly distinct in terms of familiarity (Mean_{Kinder}=5.87, Mean_{Kellys}=5.97, $t = -0.30$, $p < 0.77$). To test whether the differences in globalness perceptions are significant we conducted a univariate analysis of variance (ANOVA) with the brand name as factor and PBG as dependent variable. The results indicate that the brand has a significant effect on PBG with $F(1,68) = 31.77$, $p < .00$, $R^2 = .32$. Results also indicate an effect size in terms of partial Eta² of .32 and an observed power of 1.0. Kelly's is therefore associated with significantly higher PBG ratings than Kinder, even though it is a local brand.

| Brand | PBG |
|----------|------|
| Red Bull | 6.15 |
| Nivea | 5.68 |
| Kellys | 5.32 |
| Kelloggs | 5.11 |
| Nutella | 4.89 |
| Manner | 4.45 |
| Casali | 4.12 |
| Kinder | 3.17 |

Table 25: Mean PBG Scores for all Brands

As can be seen in Table 25, Kelly's also has slightly higher mean PBG score than global players such as Kelloggs and Nutella, even though these were generally regarded as global brands by most respondents. The general ability of local brands to achieve an

image of globalness through the use of foreign and global consumer culture positioning is therefore further substantiated.

To test for the opposite scenario, of a global brand being perceived as more local than a local brand we looked at Nivea. Through its local integration and long market history it is well accepted and frequently felt to be local by many consumers. The brand therefore appears not only significantly more local in comparison to its international counterparts (Table 22) but also compared to local brands such as Kelly's, which do not uphold a local image. As in the previous case, a t-test reveals no significant differences in familiarity ($\text{Mean}_{\text{Nivea}}=6.26$, $\text{Mean}_{\text{Kellys}}=5.97$, $t=0.90$, $p < 0.37$), that could potentially influence the results. A univariate analysis of variance (ANOVA) with PBL as dependent variable was therefore conducted. The results reveal significant differences between the two brands in terms of perceived brand localness $F(1,69) = 20.28$, $p < .00$, $R^2 = .21$ with a partial Eta^2 of .21 and observed power of 0.99, supporting H_6 which stated that global brands can in fact be seen as more local than local brands.

As a final test of the strength of positioning strategy we compare two brands belonging to the same company, but employing vastly different positioning strategies. While the brands do not exhibit much difference in terms of PBG ($\text{Mean}_{\text{Casali}}=4.12$ $\text{Mean}_{\text{Manner}}=4.45$), the qualitative interviews indicated large differences in reason for why the brands were perceived to be the size they are. While Manner was generally regarded to be global due to its perceived quality and status as an Austrian premium brand, Casali was thought to be global due to its foreign marketing and exotic appearance. These differences in how perceptions were formed might also be the cause of the vast differences in terms of the brands' perceived localness. Since a t-test revealed the levels of familiarity between the two brands to be significantly different ($\text{Mean}_{\text{Manner}}=6.47$, $\text{Mean}_{\text{Casali}}=5.56$, $t=-2.81$, $p < 0.01$), familiarity was included as a covariate in the ensuing univariate analysis of variance.

While the covariate familiarity played a role in explaining PBL perceptions, $F(1,69) = 3.28$, $p < .075$, the brand was the most significant factor in explaining differences in perceptions of localness with $F(1,69) = 40.89$, $p < 0.00$ and R^2 of .46. Effect size in terms indicated a partial Eta^2 was .37 with an observed power of 1.0. The vast differences in PBL among two brands sold by the same company and produced in the same

factory in Vienna, are a strong indicator of how positioning strategy can play an elemental role in building perceptions of local and globalness.

3.2.7 Discussion and Review of Consumer Perspective

The analysis of our findings, especially the qualitative interviews have led to valuable insights into the nature of PBG and PBL as well as how these two concepts are potentially related. The findings suggest that the concept of perceived brand globalness is, in fact, more complex and far reaching than previously assumed, since it most likely encompasses more than just the knowledge of a brand existing in multiple countries. While Alden et al. (1999) and Holt et al. (2004) attribute “global myths” and the ability for consumers to demonstrate belonging to global segments as powerful tools of a global brand image, additional elements of perceived brand globalness, such as emotional components, are completely ignored in current measuring formats. This can result in consumers with vastly different perceptions and attitudes toward the brand, scoring identically on the PBG scale.

Even so the construct of PBG did not seem to play a significant role in predicting brand favourability or preference in the context of the FMCG sector. Many consumers even had a generally averse attitude toward global brands, and generally used the term with a negative connotation. Results even indicated that in the context of a developed country, it is not the perception of globalness that leads to quality and prestige perceptions, but the other way around. This is contradictory to previous findings in literature which attribute PBG with causing said perceptions of quality (Holt et al. 2004, Alden et al. 2003). It also demonstrates the moderating effect of product category, and how the outcomes of PBG (and PBL) should not simply be generalized.

The Connection between PBG and PBL: Finding a Common Consensus

In our development of the concept of perceived brand localness we distinctly separated the construct from perceptions of size and global availability and instead proposed localness to be based on the consumer’s affective feelings towards a brand, and the degree to which they consider the brand to be a part of their culture. It is out of this reason that the concept can not be considered to be an opposite of PBG, but represents a comple-

menting construct, measuring a consumer's affective attitude toward a brand. In our qualitative interviews the notion that a mixture of cognitive and affective facets make up the way brands are perceived in terms of localness and globalness was supported. Yet the qualitative interviews also indicate that the premise of a brand being considered “global” or “local” is influenced by both knowledge of the brands size and the way in which it is perceived in regards to what type of culture it is associated with. If this is in fact the case, and both constructs have more complexity than previously assumed, adapting a new measuring format to accommodate for this might be necessary.

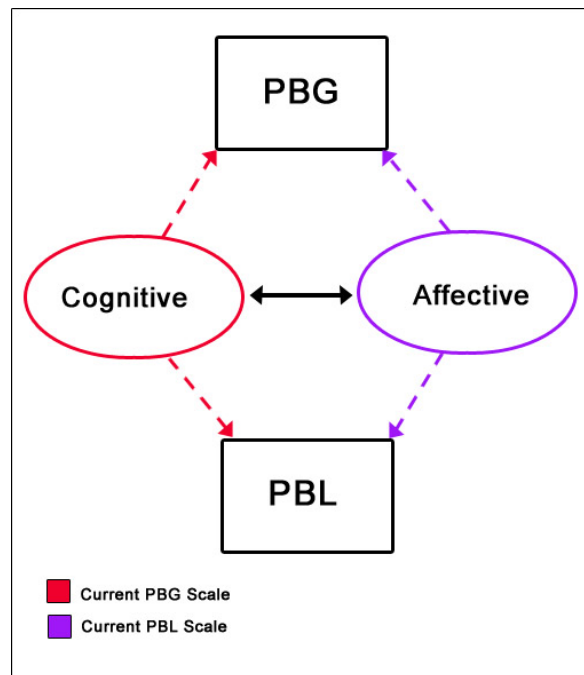


Figure 10: Cognitive and Affective Measurement Framework

An extension of the current PBG scale, differentiating between cognitive localness and globalness perceptions, paired with an adaptation of the PBL scale, measuring whether the brand is associated with global or local culture, represents a potential framework for how such perceptions could be analysed.

4. Concluding Discussion

4.1 Recap: Bringing together Literature and the Two Studies

This thesis aimed to critically analyse literature, and by means of empirical investigation, further the current understanding of brands and branding, while creating avenues for future research. In the theoretical analysis it was found that current branding literature is in dire need of conceptual clarity, and improved structure. The lack of consistent definitions for different types of brands, and the concept of branding in general, makes it difficult to properly address and investigate the subject. As such, global brands are defined according to abstract guidelines bound to brand name and positioning strategies, which do not necessarily mirror practical employment of the latter. In this regard, conceptual advantages and disadvantages attributed to global brands may or may not be appropriate due to the fact that global brands are much more varied in size and structure than previously assumed (Kapferer 2002; Baker et al. 2003). Based on our criticism that image related advantages of global brands do not necessarily require a brand to operate globally, we therefore explored the ability of brands, regardless of their actual size, to employ positioning strategies which either distort or strengthen their global or local images. This was accomplished by analysing the company and consumer perspectives of brand image strategies, such as CCP.

In our investigation of the company perspective we found that although companies do in fact use CCP, that it is often a by-product of other elements of brand positioning, and not necessarily intentional. In general the choice of CCP strategies seem to be heavily dependent on the product category the brand is operating in, and the profile of the brand employing it. Normative literature suggests GCCP to be highly effective in the technology and luxury goods sectors, or among brands trying to achieve an aspirational image (Alden et al. 2003; Baker et al. 2003), which is possibly the reason that none of the investigated brands in the FMCG sector employed pure global consumer culture positioning strategies. This decision of our interviewed managers to forgo GCCP positioning in the FMCG sector and instead strengthen brand credibility and consumer bonds through FCCP and LCCP respectively, was supported by the findings of our second empirical study. Here it was found that in the context of the FMCG sector, it was not the

perceived globalness that played a principal role in shaping brand attitude and preference but the extent to which brands were perceived as local.

The second study also supported our critical assessment of brand literature in regards to the importance of separating structural and image related factors supporting local and global brands. The findings indicated that brands can be perceived to be global or local (and even domestic or foreign), regardless of their true size and origin. This was not only the case with Kelly's, an Austrian local brand, which was thought to be a large global player by nearly all of the respondents, but also Nivea and Kinder, which were regarded as very local and domestic by a majority of the interviewed consumers. Another local brand which managed to manipulate consumer perceptions through positioning strategy was Casali. Even though it is owned by the same Firm as Manner, which was perceived as the most local of all eight brands, Casali was thought to be foreign and global by a large portion of the interviewed respondents. These results imply that a brand does not necessarily have to be global in order to sustain a global image, and that even local firms have the possibility to create brands that appear to be global. The extent to which this represents a promising strategy for local firms competing in the technology or luxury goods sectors (as shown in the example of Hong Kong by Yu (2005)) warrants further investigation.

In terms of theoretical implications, the thesis also contributed to literature by shedding further light onto the workings of the concept of PBG and formulating the construct of PBL. By means of qualitative interviews, potential drivers of both constructs were investigated, and the existence of feelings of localness among consumers towards both global and local brands confirmed. The second study also uncovered potential shortcomings of the current measuring format of PBG and of the construct in general. Due to the construct focusing solely on consumer perceptions of a brand's geographic size, many factors which might actually be responsible for its suggested outcomes (e.g., quality and prestige) are ignored. I therefore proposed an initial framework of how cognitive and affective dimensions of consumer attitude may play an underlying role in influencing perceptions of localness and globalness, which provides an interesting field for future research. This is further expanded upon in the following section, which addresses both the future avenues of research produced by the thesis as well as its limitations.

4.2 Limitations & Avenues for Future Research

The findings of this thesis need to be viewed in light of several key limitations which in turn represent opportunities for future research.

- 1) The studies were designed to investigate a broad topic of literature and identify promising areas of research, through *exploratory* investigation. The findings were aimed to act as guidelines for future studies which expand upon the gathered insights.
- 2) Furthermore the thesis is built upon two studies with a small sample size, which represents a significant limitation to the generalizability of the findings. Since the studies were of explorative nature, a limited approach was ideal for identifying problems and opportunities for research, yet actual verification of the findings would require studies with larger scope and size.
- 3) A further limitation can be seen in the studies' concentrating on the fast moving consumer goods and food markets. As illustrated in previous discussion parts and the literature review, response to images of globalness and localness is very specific to product category. For a truly encompassing analysis of the effect of localness and globalness perceptions these would need to be investigated in the context of different product categories such as luxury brands and/or technology brands.

Confirmatory research and further exploration of the insights gathered in this thesis therefore represent potentially fruitful avenues for future research. Further studies building on the insights provided in this paper, could explore a variety of different paths. In light of PBG being a much more complex construct than previously assumed, an extension of the consumer study into other product categories, coupled with a systematic search for concrete drivers of PBL, would provide valuable information and confirmatory data. Especially further research which incorporates the idea of affective and cognitive dimensions seems promising. With more founded data on the workings of both PBL and PBG analysis of how consumer characteristics such as consumer ethnocentrism or xenocentrism moderate the effects of globalness and localness perceptions on different outcome variables could also be investigated. Further points, brought forth in the study, that represent interesting

avenues for future research include the effect of perceived domestic origin on brand perceptions, and the viability of local firms employing GCCP in technology and luxury goods markets.

Perhaps most importantly, the literature review hopefully demonstrated the extent to which future studies need to address issues of clarity in current branding literature. Establishment of commonly accepted definitions and frameworks would allow for a better classification of brands, and thus their potential advantages and drawbacks. It is therefore not only promising from a theoretical but also managerial point of view.

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Appendices

Appendix A: Table of non-global brand definitions

Appendix B: Example of Multinational Firm's Website

Statement: Coca-Cola

Appendix C: Brands Used in Consumer Questionnaire

Appendix D: Brand Pictures used in Questionnaire

Appendix E: German Abstract

Appendix F: Curriculum Vitae

A: Table of non-global brand definitions

| Other Brand Definitions | | |
|---|------|--|
| Local Brand | | |
| Source | Year | Definition |
| Wolfe | 1991 | Brands that exist in one country or in a limited geographical area (p.51) |
| Keegan and Green | 2004 | A Brand that is available in a single country market (p.332) |
| National Brand | | |
| Marketing Power | 2006 | A brand that is marketed throughout a national market. It contrasts with regional brand and local brand. It usually is advertised and usually is owned by a manufacturer, though neither is necessary for the definition because Kmart's brands, for example, are obviously national, even international |
| http://www.answers.com/ | 2006 | A product distributed, sold, and known nationally, as contrasted with a Store Brand or generic product. Levi's is a national brand for jeans, whereas Gap does not manufacture jeans, but its stores sell jeans under their own private label. |
| http://marketing.about.com/ | 2006 | A nationally distributed product brand name. May also be distributed regionally or locally. |

| Transnational Brand | | |
|----------------------------|------|---|
| Holt, Quelch, and Taylor | 2003 | A trans-national brand is the corporate brand of firms that market globally in order to leverage economies of scale and scope (p.2) |
| International Brand | | |
| Keegan and Green | 2004 | A brand that is available throughout a particular world region (p.333) |
| Schuilng & Kapferer | 2003 | Brands that have globalized elements in the marketing strategy or mix (p.98) |
| Ghose & Lowengart | 2001 | International brands seem to be brands that exist in more than one country (p.46) |

B: Example of Multinational Firm's Website Statement: Coca-Cola

In order to combat its image as an archetypical American global brand seeking to simply maximize its profits, the Coca-Cola Corporation dedicated a large section of its global website to demonstrate the extent of its corporate responsibility and attachment to local cultures (see <http://www.thecoca-colacompany.com/citizenship/index.html> or also its corporate responsibility review at http://www.thecoca-colacompany.com/ourcompany/pdf/corporate_responsibility_review2006.pdf). From issues of workplace fairness, environmental issues, consumer health, or dedication to local communities the website covers the full spectrum of commitment to the single consumer.

The websites of the individual countries offer further information such as FAQ sections which seek to clarify its position in the global market place. The following is an example from its Website (http://www.thecoca-colacompany.com/contactus/myths_rumors/middle_east_boycotting.html)

Rumor: Boycotting Coca-Cola makes a statement against America and American (foreign) policies

Our Response: The Coca-Cola Company and our products are often regarded as American. But the fact is that The Coca-Cola Company is a truly international company, operating worldwide in more than 200 countries. *The Coca-Cola business in each country is a **local** business.* Coca-Cola beverages are produced, sold and distributed by authorized local bottling partners, who own and operate bottling plants and sales/distribution centers, employing one million local citizens - 90% outside the United States, and nearly all of them citizens of other countries.

For example, in the Palestinian Authority, The National Beverage Company, our Company's authorized local bottling partner, is an independent, privately held company, managed by local Palestinian businesspeople, who operate a Coca-Cola bottling facility located in Ramallah and distribution centers in Gaza, Hebron and Nablus. The National Beverage Company employs 200 local people and generates employment for hundreds of others in related industries. Throughout the Middle East we operate as a local busi-

ness, run by local people and employing more than 20,000 local people, with local shareowners.

The Coca-Cola business is one of the most diverse organizations in the world, operating across a wide spectrum of economic, political and religious environments. As a business, Coca-Cola has neither the mandate to support nor an interest in supporting individual countries, governments or political or religious causes.

As everybody else, we are deeply touched by the human side of the situation in the Middle East. Given the local nature of our business, we believe that calls for boycotts of our products are not the appropriate way to further any causes, as they primarily hurt the local economy, local businesses and local citizens. Spreading such allegations is an attempt to exploit a delicate situation in the Middle East.

C: Brands Used in Consumer Questionnaire

| The Brands | |
|---|---|
| Brand: Kinder (Chocolate / Surprise) | Status: Foreign owned global brand |
| <p>Owned by Ferrero SpA the, Kinder brand, which encompasses Kinder Surprise, Kinder Chocolate, Kinder Maxi, Kinder Bueno, Kinder Pinguí and Kinder Happy Hippo, is available in countries around the globe and enjoys a high popularity in Germany and Austria, where Kinder Surprise Eggs enjoy a cult following.</p> | |
| <p>Positioning: Neutral/LCCP: The brand does not convey foreign or global images, instead using very neutral imagery that could be understood to be local.</p> | |
| Brand: Nivea | Status: Foreign owned global brand |
| <p>Owned by the german company Beiersdorf, Nivea is a large global skin- and body-care brand. Dating back to 1911, the brand has been a household name in German and Austrian homes since its rise after WW2 with its trademark being the blue tin can with the white ‘Nivea’ writing. It is therefore a very well known and even local brand for many Austrians, who grew up with the ‘blue tin’ and have known it since their childhood. So while the brand is in fact very global, its long heritage and strategy to gain the consumers trust makes it a very personal and local brand for many. Its advertisings feature a mixture of LCCP and GCCP strategies.</p> | |
| <p>Positioning: Hybrid GCCP/LCCP: The brand has in the past aired advertisements in typical GCCP style, showing its usage around the world. Yet as stated on its homepage; “<i>Sold in some 150 countries, NIVEA products are trusted around the world. In fact, in many countries consumers are convinced that NIVEA is a local brand!</i>” (www.nivea.com) the positioning is also often very local.</p> | |
| Brand: Red Bull | Status: Austrian global brand |
| <p>Red Bull is the name of an energy drink brand founded by the Austrian entrepreneur Dietrich Mateschitz. Well known in Austria due to its creative viral marketing</p> | |

| | |
|---|-------------------------------------|
| <p>campaigns and sponsorship of various extreme sports, the brand is highly popular among Austrian youths and often proudly regarded as the ‘Austrian global brand’. Although 51% of the company is owned by Mateschitz’s Thai partner, he runs the company and it is therefore regarded as more Austrian than Thai.</p> | |
| <p>Positioning: Hybrid GCCP/LCCP; While the brand has a very global image, supported by sponsoring of international sport events, the brand also tries to integrate itself into all of the markets it operates in. Grassroots marketing events, sponsorship of local athletes, and the hosting of community events, work well to tie the brand into local cultures and communities.</p> | |
| Brand: Casali | Status: Austrian local brand |
| <p>The Casali brand which incorporates the Casali Chocolate Bananas and Rum-coconut dragees is owned by the Austrian confectionary company Manner. It is a predominately local brand, confined to being sold in specialty stores outside of Austria.</p> | |
| <p>Positioning: FCCP; Marketed on a completely different basis than the Manner brand, Casali advertisings employ beaches, girls, and tropical atmosphere.</p> | |
| Brand: Manner | Status: Austrian local Brand |
| <p>The Manner brand, most well known for its Hazelnut Cream filled Wafers in the pink rectangular packaging is nearly as much a Viennese symbol as the St. Stephan’s cathedral that decorates its cover. The company prides itself on being an Austrian confectionary company which after 100 years of family tradition still produces its wafers in its factory in the middle of Vienna. Although it is available outside of Austria, it is limited to specialty stores.</p> | |
| <p>Positioning: LCCP; Using its local heritage and history to convey an LCCP in Austria, and an FCCP abroad, Manner prides itself as being an Austrian Brand. Its local engagement has gone so far that it has even received a tourism award from the Austrian Ministry for being a Viennese Icon.</p> | |
| Brand: Nutella | Status: Foreign global Brand |
| <p>Owned by Ferrero SpA, the Italian producer of chocolate and confectionary products, Nutella is marketed worldwide. A cultural and social phenomenon in its home country of Italy it is also a common day item in most Austrian households.</p> | |

| | |
|--|-------------------------------------|
| Positioning: Neutral/LCCP : Similar to the other Ferrero brand, Kinder, the advertisement is local (currently using players from Austria's soccer national team) with no emphasis on global or foreign origin. | |
| Brand: Kelly's | Status: Austrian Local Brand |
| <p>Founded by an American Army Veteran in 1955, Kelly is an Austrian company with American flavour. It is the leader in the Austrian snack market, with revenues of €106.4 million (www.unitedsnacks.net) and an export share of 34% to a total of 8 neighbouring countries. It is therefore more of a local (regional) brand than international brand.</p> | |
| Positioning: GCCP/FCCP Through heavy marketing efforts in TV and Movies, it has a distinct American image can be said to follow a GCCP/FCCP strategy (with the foreign country being the USA). There are no direct associations that it draws to Austria and it tries consistently to gain a more global flair by associating itself with such events as the football world cup in 2006. | |
| Brand: Kelloggs | Status: Foreign Global Brand |
| <p>The Kelloggs brand of breakfast cereals owned by the Kellogg company, is an American multinational brand with worldwide distribution. Well known in Austria where Kelloggs is a popular choice for breakfast, it has much like the other global brands been around for a long time. With revenues of \$10.906 billion the brand can definitely be classed as one of the true global brands.</p> <p>Positioning: Hybrid GCCP/LCCP: Its positioning could be described as LCCP, since it does not necessarily stress a global image. Yet the high level of media coverage and product placement in international movies, support a global image.</p> | |

D: Brand Pictures used in Questionnaire

Kinder



Nivea



Red Bull



Casali



Manner



Nutella



Kelly's



Kellogg's



Appendix E: German Abstract

Durch die fortschreitende Globalisation der Märkte und den steigenden Konkurrenzdruck auf globaler Basis werden internationale Marketing-Experten vor eine immer größere werdende Anzahl an Problemen und Möglichkeiten gestellt. Die Diskussion zwischen jenen, die globale Standardisierung predigen und jenen, die Produkte an die Begebenheiten lokaler Märkte adaptieren wollen, ist ein Brennpunkt der Globalisierungsdebatte. Auch im Bezug auf internationales Branding, werden neuerdings den Vor- und Nachteilen globaler und lokaler Brands vermehrte Aufmerksamkeit geschenkt.

Zusätzlich zu den strukturellen Vor- und Nachteilen globaler und lokaler Brands behandelt neueste Literatur auch die Einflüsse des lokalen oder globalen Images auf die Brand Wahrnehmung durch Konsumenten. Beispielsweise werden Brands, die als globale Marken gesehen werden, als Prestigeträchtiger bzw. als höherer Qualität angesehen. Lokale Brands hingegen gelten als bodenständiger und ehrlicher. Die Zusammenführung von den Wahrnehmungen der Konsumenten auf der einen Seite und Brand-image auf der anderen in eine Debatte zwischen den Befürwortern einer Standardisierungsstrategie und die Adaptierung in internationales Marketing ist vergleichsweise neu und bedarf genauerer Forschung.

Diese Diplomarbeit versucht das Problemfeld zu untersuchen, indem beide Perspektiven erfolgreichen Brandings adressiert werden: Die Management-Kontrollieren Prozesse (z.B. die Entwicklung von Brand Vision und Werten) und jene, die vom Konsumenten kontrolliert werden (z.B. das Formen von Assoziationen und eines Brand Images). Dabei wird auf existierende Konzepte wie beispielsweise ‚Perceived Brand Globalness‘ und ‚Consumer Culture Positioning Strategies‘ aufgebaut, während bestehende Theorien in einem umfassenden Review zusammengeführt werden. Zu diesem Zweck wurden zwei empirische Studien unternommen. Die erste Studie untersucht die Unternehmensperspektive von Branding durch Interviews mit Brandmanagern international tätiger Unternehmen und erfasst dabei das Ausmaß der globalen, lokalen oder foreign Brandimage Assoziationen in deren Positionierungsstrategie. Die zweite Studie behandelt die Konsumentenwahrnehmung, die durch diese Positionierungsstrategien hervorgerufen werden. Hierbei wurden Verbraucher über ihre Wahrnehmung von acht verschiedenen österreichischen und ausländischen Marken befragt.

Die Analysen beider Studien verdeutlichen, dass die Verwendung von speziellen kulturellen Positionierungsstrategien innerhalb von Unternehmen stark abhängig von der Produktkategorie ist, und dass diese Strategien einen starken Einfluss auf die Wahrnehmungen der Konsumenten ausüben. Dies verdeutlicht sich unter anderem darin, dass manche lokale Brands als globaler angesehen werden, als deren globale Counterparts und manche globale Brands von den Konsumenten als lokal wahrgenommen wurden. Die Untersuchungen gewähren zudem Einblick in die Konzepte von Perceived Brand Localness und Globalness durch Analyse ihrer zugrundeliegenden Faktoren und Folgen. So wurde zum Beispiel die Rolle affektive und kognitive Dimensionen als elementare Komponenten beider Konzepte analysiert.

Appendix F: Curriculum Vitae

Important Dates:

Name: Johannes Schiefer
 Date of Birth: 22. October 1982
 Nationality: Germany
 Email: rico12341@hotmail.com



Education:

1993-1998 Mid and High School in Cincinnati, Ohio USA
 1998-1999 High School Winnipeg Manitoba, Canada
 1999-2001 High School in Neunkirchen, Austria

Currently Studying:

Since 2001 University of Vienna – Center for Business Studies: International Business administration with emphasis on International Marketing

Thesis *“Global and Local Brand Positioning: A Company and Consumer Perspective”*

Employment:

2003-2004 Campus Solutions – Studentische Unternehmensberatung, Vienna Austria
 2004-2006 Schülerhilfe; Mathematics Tutor, Vienna Austria
 2006-2007 University of Vienna - Chair of International Marketing; Student Assistant & Web Administrator

Languages:

German: native language
 English: second native language
 Spanish: basic everyday and business knowledge