

Global brand value in developed, emerging, and least developed country markets

Arilova A. Randrianasolo¹

© Macmillan Publishers Ltd 2017

Abstract This paper examines how a brand's perceived globalness creates value across three different market types: developed, emerging, and least developed country markets. The author proposes that differing normative institutional environments across these three market types induce differing consumer values with respect to global brands. Utilizing nonstudent samples from countries which represent each market type (USA, India, Madagascar), the results show that the relationship between perceived brand globalness and perceived brand quality is significant and positive in a least developed country market, only marginally significant in an emerging market, and not significant in a developed market. The relationship between perceived brand globalness and perceived brand prestige is significant and positive in an emerging and a least developed country market, and not significant in a developed market. Finally, the relationship between perceived brand prestige and perceived brand quality is positive and significant across all three markets. These findings advance international marketing theory and practice by providing further insight into how MNEs should promote their brands across different market types.

Keywords Perceived brand globalness · Normative institutional environments · Perceived brand quality · Perceived brand prestige

Introduction

Within the past two decades, international marketers have been faced with a globalizing world and the emergence of a global consumer culture (Alden et al. 1999; Cleveland and Laroche 2007; Akaka and Alden 2010). This emergence has increased the importance of understanding the value of global brands. Understanding this dynamic, Steenkamp et al. (2003) sought out to investigate the value of global brands and found that a consumer's perception of a brand's globalness (PBG) creates value for the brand by positively influencing perceptions of the brand's quality and prestige. These findings have undoubtedly advanced research and practice on global brands as Steenkamp et al.'s (2003) article has been cited over 650 times since its publication. However, most of the studies on global brands since Steenkamp et al.'s (2003) work have been conducted in developed or emerging markets. Consumers living in the world's least developed countries have not been considered with respect to global brand value creation. To address this issue, the research reported here examines global brand values across three different market types: developed, emerging, and least developed countries.

Why is this important? Leading researchers in international business and international marketing have heavily stressed the importance of understanding institutional differences between markets (e.g., Contractor et al. 2014; Zhang et al. 2011), and given the prominence of global brands, better understandings of global brand value creation across different institutional environments would prove valuable for international marketing theory and practice. Also, as the world's least developed countries become increasingly attractive for foreign direct investment (World Bank 2014); consumers in these countries should be given consideration in the discussion of global brand value.

✉ Arilova A. Randrianasolo
arandrianasolo@jcu.edu

¹ Department of Management, Marketing, and Logistics, Boler School of Business, John Carroll University, 1 John Carroll Blvd, SB 310, University Heights, OH 44118, USA



Furthermore, little research investigates the relationship between perceived prestige and quality across different market types. Thus, this paper not only investigates how a brand's globalness creates value within consumers from three different markets, but also seeks to gain a better understanding of the relationship between perceived prestige and perceived quality across these markets. The following research questions are thus proposed:

Research Question 1 How does PBG influence perceived brand quality in developed, emerging, and least developed countries?

Research Question 2 How does PBG influence perceived brand prestige in developed, emerging, and least developed countries?

Research Question 3 What is the relationship between perceived brand prestige and perceived brand quality in developed, emerging, and least developed countries?

The following sections review the relevant literature, develop hypotheses on global brand value creation across markets, empirically test the hypotheses, and finally discuss the implications of this research.

Global brands

Due to globalization, the world has continually seen increases in individuals identifying with the global community (Alden et al. 1999). This increase has prompted researchers to study globally oriented topics such as global markets (e.g., Kotler and Gertner 2002); global branding strategies (e.g., Schuiling and Moss 2004; Van Gelder 2004); consumer attitudes toward global products (e.g., Samiee 1994; Steenkamp and de Jong 2010); global identities (e.g., Ludlow 1997); and global brands (e.g., Matthiesen and Phau 2005). A pivotal article concerning the global orientation is Steenkamp et al.'s (2003) paper, which finds that a brand's globalness positively influences perceptions that the brand is of higher quality and more prestigious, and therefore is more likely to be purchased by consumers. These researchers, however, examine these constructs purely within consumers from the USA and Korea. At the time of Steenkamp et al.'s (2003) publication, Korea's GDP per capita was \$14,219 and the USA was at \$39,677 (World Bank 2016). Respondents from these two countries thus do not reflect consumers from the least developed countries in the world since the United Nations considered the world's least developed countries in 2003 to be those countries with GDP per capita lower than \$900 (Huq et al. 2004). The findings of Steenkamp et al.'s (2003) work thus may not accurately reflect the value of a brand's globalness within the world's least developed countries. In

fact, since Steenkamp et al.'s (2003) article, studies concerning global brands have been skewed toward countries categorized as either developed or emerging markets and have relatively ignored consumers in the least developed countries. As shown in Table 1, most studies since Steenkamp et al.'s (2003) article rely on developed and emerging market economies when examining the influences and effects of global brands. The research reported here therefore considers consumers from less developed countries with respect to global brand value creation.

In order to bring consideration to the least developed countries in the world, this current paper investigates global brand value across three market types: developed, emerging, and the least developed countries. The following sections discuss the distinctions between the three market types and then develop hypotheses on how the institutional differences between the market types influence global brand value.

Developed, emerging, and least developed countries

Generally, international business research suggests that there are three main classifications for countries in terms of economic development: developed, emerging, and least developed countries, sometimes termed bottom of the pyramid countries (e.g., Cuervo-Cazurra and Genc 2008; Dunning et al. 2008; Hitt et al. 2000). Developed countries are countries that have the highest level of development in the world, with GDP per capita higher than \$15,000 (World Factbook 2017). The term emerging market economy has been utilized in research to describe countries that experience rapid economic growth due to liberalization and widespread adoption of market-based policies (Hoskisson et al. 2000; Peng et al. 2008). These countries typically have GDP per capita lower than \$15,000, yet are experiencing rapid economic growth, and are not considered to be in the least developed countries list. The least developed countries classification stems from a United Nations list which includes 48 countries with the lowest levels of development in the world (UNCTAD 2016). The differences in these markets are reflected in the institutional realities faced by their consumers, as discussed below.

Institutional differences

Institutional theorists state that the institutional environment has three pillars: a country's governmental policies (regulative pillar), widely shared social knowledge (cognitive pillar), and value systems (normative pillar) (Miller



Table 1 Sample of empirical studies focusing on global brands since 2003

| Authors | Year | Journal | Countries analyzed | | |
|--|------|---|--|---|-------|
| | | | Developed | Emerging | LDC |
| Steenkamp, Batra, Alden | 2003 | Journal of International Business Studies | USA | Korea | |
| Hsieh | 2004 | Journal of International Marketing | Australia, Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Spain, UK, USA | Brazil, China, India, Mexico, Russia, Thailand, Turkey, Korea, Taiwan | |
| Matthiesen, Phau | 2005 | Journal of Brand Management | Australia | | |
| Cova, Pace, Park | 2007 | International Marketing Review | France, USA | | |
| Pecotich, Ward | 2007 | International Marketing Review | Australia | | |
| Dimofte, Johansson, Ronkainen | 2008 | Journal of International Marketing | USA | | |
| Strizhakova, Coulter, Price | 2008 | Journal of International Marketing | USA | Romania, Russia, Ukraine | |
| Park, Rabolt | 2009 | Psychology and Marketing | USA | Korea | |
| Rosenbloom, Haefner | 2009 | Journal of Global Marketing | USA | India, Poland, Czech Republic, Bulgaria | Nepal |
| Dimofte, Johansson, Bagozzi | 2010 | Journal of International Marketing | USA | | |
| Bengtsson, Bardhi, Venkatraman | 2010 | International Marketing Review | USA | | |
| Bhardwaj, Kumar, Kim | 2010 | Journal of Global Marketing | | India | |
| Bhardwaj, Kumar, Kim | 2010 | Journal of Global Marketing | | India | |
| Becker-Olsen, Taylor, Hill, Yalcinkaya | 2011 | Journal of International Marketing | USA | Mexico | |
| Iversen, Hem | 2011 | International Marketing Review | Norway | | |
| Özsomer | 2012 | Journal of International Marketing | Singapore, Denmark | Turkey | |
| Swoboda, Penneemann, Taube | 2012 | Journal of International Marketing | | China | |
| Torres, Bijmolt, Tribó, Verhoef | 2012 | International Journal of Research and Marketing | USA, Japan, South Korea, France, UK, Italy, Germany, Finland, Switzerland, Netherlands | | |
| Shrum, Lowrey, Luna, Lerman, Liu | 2012 | International Journal of Research and Marketing | France, USA | China | |
| Alden, Kelley, Riefler, Lee, Soutar | 2013 | Journal of International Marketing | Germany, South Korea | Brazil | |
| Guo | 2013 | Journal of International Marketing | | China, India | |
| Bauer, Heinrich, Schäfer | 2013 | Journal of Business Research | Germany | | |
| Lee | 2013 | International Review of Business | | China | |
| Sichtmann, Diamantopoulos | 2013 | Journal of the Academy of Marketing Science | Austria | Bulgaria | |
| Winit, Gregory, Cleveland, Verlegh | 2014 | International Marketing Review | | Thailand | |
| Bahadur, Bharadwaj, Srivastava | 2015 | Journal of International Business Studies | Australia, Canada, France, Germany, Spain, UK, USA | Argentina, Brazil, Chile, China, India, Mexico, Turkey | |
| Strizhakova, Coulter | 2015 | Journal of International Marketing | Australia, UK, USA | Brazil, China, India, Russia | |



Table 1 continued

| Authors | Year | Journal | Countries analyzed | | |
|--|------|---|--|---|-----|
| | | | Developed | Emerging | LDC |
| Lane, Fastoso | 2016 | International Marketing Review | USA | | |
| Bartsch, Diamantopoulos, Paparoidamis, Chumpitaz | 2016 | Journal of Business Research | France | | |
| Li | 2016 | International Review of Business | | China | |
| Srivastava | 2016 | Thunderbird International Business Review | USA | India | |
| Moon, Mishra, Mishra, Kang | 2016 | Journal of International Marketing | Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Israel, Japan, Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, UAE, UK, USA | Argentina, Brazil, Bulgaria, Chile, Czech, Colombia, Ecuador, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Peru, Philippines, Romania, Russia, Slovakia, South Africa, Taiwan, Thailand, Turkey, Venezuela | |

and Loess 2002; Trevino et al. 2008). Furthermore, institutionalization is a process of instilling value (Scott 1987). Thus, it can be proposed that consumers in less developed markets differ in instilled value systems from developed country consumers because of differences in the normative pillar of the institutional environment. The differences in the normative environment occur because less developed markets are affected by low consumption adequacy, low life satisfaction, and upward social comparison (Martin and Hill 2012; Hill et al. 2012).

Consumption adequacy is the point where the most essential goods and services must be acquired in order for a person to survive (Hill 2005). In order for a person to look past a short-term survival focus and devote attention to long-term needs, he or she must first meet consumption adequacy (Martin and Hill 2012). Less developed markets often lack proper consumption adequacy, as poverty depletes the human need and capacity to consume; reaching beyond the apparent lack of physical capital, while also depriving its victims of health and education (Chakravarti 2006; Martin and Hill 2012). These deprivations induce experiences of voicelessness, powerlessness, and vulnerability (Chakravarti 2006). Poverty thus not only deprives people from material resources, but also affects the psychological health of its victims (Bandura 2002). These realities of poverty have been shown to detrimentally affect life satisfaction (Kasser 2002).

Life satisfaction is an individual's global evaluation of his or her overall situation (Diener et al. 1995). Impoverished consumers experience low life satisfaction due to the reality of restrictions they face, and the inability to satisfy basic needs or higher-order desires (Hill et al. 2012). Furthermore, poverty causes feelings of alienation, depression, and anger, which also affect life satisfaction. Lower life satisfaction influences social comparison (Frieswijk et al. 2004).

Social comparison is a process where individuals relate their own characteristics with those of others (Hill et al. 2012). There are two types of social comparison: upward and downward. Social comparison is upward "when evaluations are with people whom we deem socially superior to ourselves in some way and downward when they involve socially inferior peers" (Hill et al. 2012, p. 734). Impoverished consumers participate in upward comparison due to their lower life satisfaction. Upward comparisons, however, have been theorized to lead to feelings of sadness and envy since individuals are reminded that they are lesser (Suls et al. 2002; Hill et al. 2012).

Since upward social comparison leads to envy, this paper posits that developing country consumers hold a level of envy toward lifestyles within more economically developed areas of the world. Consistent with this logic, Batra et al. (2000) find that consumers from less developed

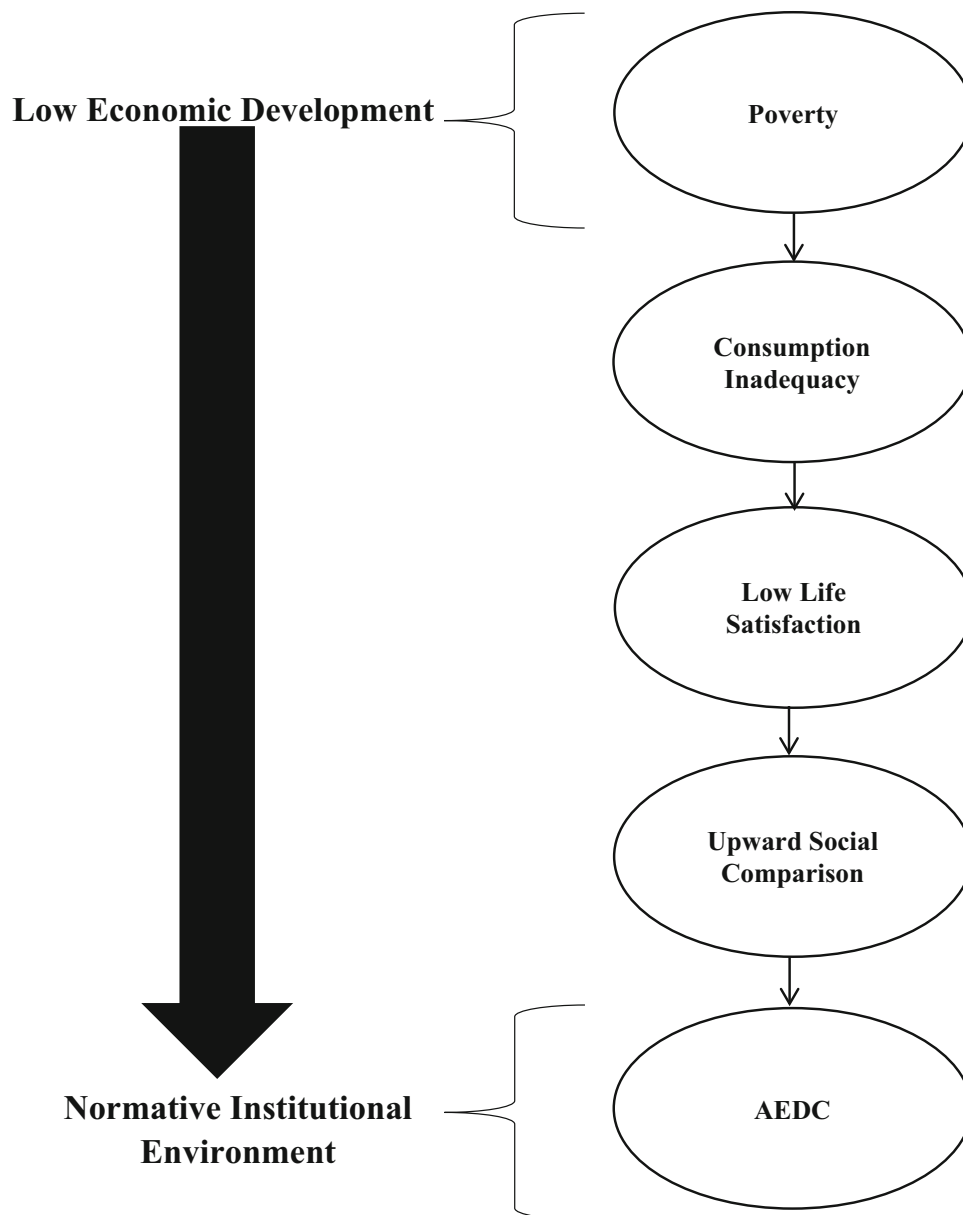


Fig. 1 Model of the effects of poverty on the normative institutional environment in less developed markets

markets have high levels of admiration for economically developed countries (AEDC). Thus, lower economic development leads to AEDC due to poverty, low levels of consumption adequacy, low levels of life satisfaction, and high levels of upward social comparison. Figure 1 displays these relationships.

Adopting this perspective, it can be stated that consumers from differing levels of economic development have different values in their normative environments, which may affect how PBG creates value to consumers. Specifically, the relationships between PBG and brand quality/prestige may differ due to economic development, as discussed below.

Perceived brand globalness, quality, and prestige

PBG and perceived brand quality

Employing institutional theory, it can be stated that AEDC is a part of the normative environment of less developed countries; and employing signaling theory, this current paper proposes that the relationship between PBG and perceived brand quality is stronger in less developed markets. Signaling theory states that consumers utilize cues as information surrogates to make judgments (Connelly et al. 2011; Wernerfelt 1988). Signals are extrinsic attributes that consumers use to evaluate products and brands

(Dawar and Parker 1994). PBG is an important quality signal from the consumer perspective (Özsomer 2012; Özsomer and Altaras 2008). PBG has been theorized to infer quality because brands that are accepted worldwide are perceived as favorable; otherwise, they would not be successful (Özsomer 2012). Steenkamp et al.'s (2003) research provides empirical support for this stance. This current research, however, proposes that in the current global marketplace, PBG may positively affect perceptions of brand quality in the world's least developed markets; yet this relationship may not exist in developed countries.

Consumers in the least developed countries exist in institutional environments where normative values have been affected by higher poverty levels, and thus, the consumer value system is affected by AEDC. From this perspective, it can be stated that within less developed markets, global brands and products are desired and perceived to have higher quality than local brands and products. Consistent with this logic, Batra et al. (2000) find that consumers in developing countries prefer global rather than local brands. Furthermore, Strizhakova et al. (2008) propose that global brands provide a passage to global citizenship, a belongingness desired by those who participate in upward social comparison in less developed countries. From these perspectives, it can be hypothesized that in the least developed country markets, PBG positively influences perceptions of brand quality because of the effect of AEDC, and global brands' appeal as a reflection of global citizenship.

Hypothesis 1 PBG positively influences perceptions of brand quality in least developed country markets.

Similar to the consumers in the least developed markets, this research proposes that PBG positively influences quality perceptions in emerging markets. Emerging economies are low-income countries that are experiencing rapid economic growth (Hoskisson et al. 2000). Thus, although consumers in emerging economies may experience rapid economic growth, they still exist in lower-income markets. The institutional realities facing these consumers may influence their participation in upward social comparison. Specifically, emerging markets belong to countries still considered as developing or less developed, and therefore, consumers from these countries may still experience the detrimental effects of poverty, such as upward social comparison. Thus, this current paper hypothesizes that emerging market consumers value global brands due to a global brand's signal of better quality.

Hypothesis 2 PBG positively influences perceptions of brand quality in emerging markets.

Unlike consumers in the least developed countries and emerging markets, consumers in developed countries do not participate in upward social comparison because the

normative institutional environment is not affected by poverty. Consumers in developed countries thus may not perceive better quality for global brands. Supporting this logic, Dimofte et al. (2008) find that within the USA, a brand's globalness is not a quality signal; but rather, US consumers perceive quality from brand equity. Thus, it can be stated that consumers in countries such as the USA do not utilize a brand's globalness as a signal for quality.

The theoretical stance stated here is that consumers in developed countries do not participate in upward social comparison because they exist within countries that have the most desired lifestyles. Furthermore, most of the brands in the world that are found to be global brands come from developed countries (Forbes 2016). Therefore, consumers in developed countries may not equate globalness with higher quality.

Hypothesis 3 PBG does not significantly influence perceptions of brand quality in developed markets.

Similar to brand quality, this paper also proposes that PBG influences perceptions of prestige differently across markets, as discussed below.

PBG and perceived brand prestige

Steenkamp et al. (2003) find that PBG positively influences perception of prestige. This finding was supported by the premise that global brands have higher prestige because of "their relative scarcity and higher price compared with local brands" (Steenkamp et al. 2003, p. 55). Thus, higher priced scarcer brands have higher prestige. Therefore, it can be stated that global brands may not be very prestigious in developed countries because global brands "have widespread regional/global awareness, availability, acceptance, and demand" (Özsomer and Altaras 2008, p. 1). The concept of brand prestige centers on the brand's sense of social status, wealth, or power because prestigious brands are not purchased often (Alden et al. 1999; Baek et al. 2010). Globalness may not signal prestige in developed countries because global brands have widespread availability and demand in these markets; while prestigious brands are not purchased often. Within Forbes' evaluation of the world's most valuable global brands in 2016, a large majority of the brands were from developed countries (Forbes 2016). Thus, consumers in developed markets may not utilize globalness as a signal for prestige.

Consumers who buy prestigious brands do so to enhance a social self-image (Baek et al. 2010). Prestige has an element of exclusivity, which is why it is strongly linked with luxury brands (Baek et al. 2010). From a signaling theory perspective, this paper posits that globalness actually signals to developed market consumers that the brand is consumed across the world and is highly available; and



thus, globalness may not influence the perception of a brand's exclusivity and prestige. This paper thus hypothesizes that PBG does not influence brand prestige in developed markets.

Hypothesis 4 In developed markets, PBG has no significant influence on perceptions of brand prestige.

Unlike developed markets, this paper posits that in developing or less developed markets, a brand's globalness positively influences perceptions of brand prestige. As previously discussed, consumers in developing or less developed countries face realities within their normative institutional environment that generate AEDC. Consumers in developing countries participate in upward social comparison and may regard a global brand as a pathway to global citizenship (Strizhakova et al. 2008). Furthermore, global brands, which are primarily from developed countries, may not be as readily available in the developing countries as they are in developed countries. Since exclusivity is a main element in the perception of prestige, it can be stated that in developing markets, PBG positively influences perceived prestige. This is proposed for both emerging markets and least developed country markets.

Although emerging markets are those developing markets which experience rapid growth due to market liberalization and privatization (Kumaraswamy et al. 2012), consumers in these markets still face realities associated with poverty, and therefore higher levels of AEDC. For example, although India is considered to be an emerging market by scholars (e.g., Luo and Tung 2007); a large population of Indians still live below the poverty line (Katyal 2015). Therefore, this current paper posits that consumers in emerging markets may not be able to afford many global brands, and also yield higher levels of AEDC. Since prestige is based a brand's exclusivity and higher price, this paper hypothesizes that in emerging markets, globalness positively influences perceptions of prestige.

Hypothesis 5 In emerging markets, PBG positively influences perceptions of brand prestige.

Similar to emerging markets, this paper posits that global brands are perceived to be prestigious in the least developed countries. As previously discussed, consumers in developing countries participate in upward social comparison and may regard a global brand as a pathway to global citizenship (Strizhakova et al. 2008). Furthermore, global brands, which are primarily from developed countries, may not be as readily available in the least developed countries as they are in developed countries. According to the World Bank, foreign direct investment net inflows to countries considered to be low income totaled \$13 billion, while upper-income countries were \$471 billion in 2015 (World Bank 2016). These statistics show that investment in the lower-

income countries are a fraction of the investment in upper-income countries. From this view, it can be stated that global brands may not be as readily available in the least developed countries, thus equating globalness with exclusivity and prestige. Finally, due to lower economic development and lower purchasing power, many consumers in the least developed country markets might not be able to afford products represented by global brands. Since brands perceived as more prestigious are those which are less readily available and higher priced (Steenkamp et al. 2003), it can be hypothesized that global brands are perceived as more prestigious in the least developed countries. The theoretical stance proposed here is that global brands are perceived by consumers in the least developed countries to be prestigious because they are higher priced and more scarce than local brands in the least developed markets; therefore inducing an element of exclusivity.

Hypothesis 6 In the least developed countries markets, PBG positively influences perceptions of brand prestige.

Thus far, this paper hypothesizes on the influence of PBG on perceived brand prestige and quality across three different market types. However, research also suggests that perceptions of prestige and perceptions of quality are related. This paper investigates this relationship across the three market types.

Perceived brand prestige and perceived brand quality

Previous studies suggest that the perception of prestige positively influences quality perceptions (e.g., Baek et al. 2010; Stafford and Enis 1969; Vigneron and Johnson 1999). Specifically, since prestigious brands are those that are perceived to have higher price and are more exclusive, it may be an important quality signal to consumers across all markets. Research has corroborated the perspective that price and exclusivity may be related to perceptions of quality (e.g., Brucks et al. 2000). From this perspective, it can be proposed that perceptions of brand prestige influence perceptions of quality.

Although the relationship between prestige and quality has previously been tested (e.g., Baek et al. 2010), it has not been discussed across market types. This current research proposes that across all three market types, perceived brand prestige positively influences perceived brand quality because differing normative institutional environments may not influence the quality signal of prestige. In other words, where the value of globalness may differ depending on the normative environment, the value of prestige is hypothesized to remain constant across these environments. From this view, it can be stated that although a brand's globalness may signal different values



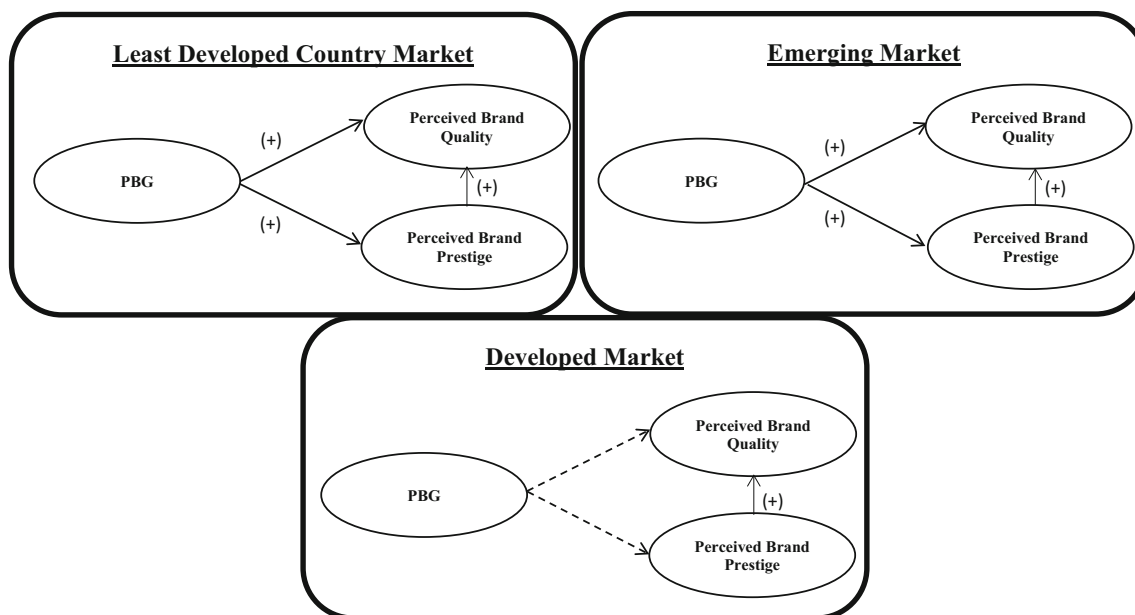


Fig. 2 Conceptual models of hypothesized relationships across three market types

across the three market types, once a brand is perceived to be prestigious, consumers will perceive it to be of higher quality no matter which market they are from. This paper thus hypothesizes that perceptions of brand prestige positively influences quality perceptions across all markets. Figure 2 displays the hypothesized relationships.

Hypothesis 7 Perception of brand prestige positively influences perception of brand quality in (a) developed, (b) emerging, and (c) least developed country markets.

Method

To test the hypotheses, two steps were taken. First, a pretest was conducted which measured the respective constructs in a country which represented each market type. The purpose of this pretest was to ensure the stability of the measurements across the different markets, test for common method biases, and test for measurement invariance. Second, once the properties of the measurements were ensured, data were again collected from each of the three countries for a main study to test the hypothesized relationships.

Pretest

The pretest measured each construct in the context of a global brand across the three markets. Coca Cola was chosen as the focal brand for this pretest since it is one of the world's most valuable and recognizable brands, and consumers across all three markets would be familiar with this

brand (Forbes 2016). Three samples were collected from the USA, India, and Madagascar, one for each market type. Samples in the USA and India were collected with Amazon's Mechanical Turk (MTurk), as was done by previous research (e.g., Ferguson and Scholder Ellen 2013; Spears et al. 2016). Since caution should be taken when utilizing MTurk, certain measures were taken to ensure the highest quality of data possible. Specifically, the questionnaire, which was constructed in Qualtrics, was kept short (4–6 min Qualtrics estimation) since attention is a concern in MTurk samples (Paolacci et al. 2010). Also, parameters in MTurk were set to only respondents with a 99% approval rating and who have performed over 1000 "HITS" were allowed to respond to the survey. In their research, Goodman et al. (2013) compare the quality of MTurk respondents with community and student samples and found that MTurk respondents do not respond well to questions that require factual answers, and also, MTurk respondents should not be utilized in studies that measure extraversion and self-esteem. Goodman et al. (2013), however, state that MTurk respondents are appropriate as long as the responses do not require factual answers or measure extraversion and self-esteem. This study does not require factual answers from respondents nor does it examine extraversion or self-esteem; thus, MTurk is appropriate for this study.

The US sample initially yielded 210 responses and 191 usable responses after data cleaning, while the Indian sample yielded 210 responses and 197 usable responses after data cleaning. India was selected to represent an emerging market because India and the USA have a common language of business and government, therefore



reducing the risk of measurement invariance (Joseph 2011).

Data for the Malagasy sample were collected via paper surveys. It was administered to students at two major universities in Madagascar; one in Antananarivo and one in Fianarantsoa. To administer the survey, it had to be translated to French, the colonial administrative language of Madagascar. It was translated to French by a Malagasy national in the USA; proofread and purified by a French citizen in France; and then back-translated to English by a scholar in the USA. This method yielded 50 respondents from Fianarantsoa and 50 from Antananarivo, and 44 usable observations from Fianarantsoa and 48 from Antananarivo after data cleaning, totaling 92 usable observations.

Measures

In all three samples, measures for the constructs were taken from Steenkamp et al. (2003). PBG was measured with Steenkamp et al.'s (2003) scale; perceived quality was measured with the scale utilized by Steenkamp et al. (2003), which was originally derived from Keller and Aaker (1992); and perceived prestige was measured with the scale utilized by Steenkamp et al. (2003), which was originally used by Han and Terpstra (1988).

Common methods bias and measurement invariance

To address common methods, precautions were taken at the design level of the survey and then post hoc tests were conducted for each sample. At the design level, the items in all surveys were placed in reverse causal order (Lindell and Whitney 2001; MacKenzie and Podsakoff 2012; Podsakoff et al. 2003). To demonstrate that common methods variance was not an issue, several post hoc tests were conducted. First, for each sample, a factor analysis was conducted in SPSS 19 where a one-factor solution was forced (Magnusson et al. 2013). The results showed that the one factor explained only 36% of the variance in the Malagasy sample, 34% in the US sample, and 37% for the Indian sample. Subsequently, the common latent factor method was conducted on each sample in AMOS 18 and showed that common methods were not an issue (Podsakoff et al. 2003). Further, multi-group analyses were conducted in AMOS 18 to provide evidence for

measurement invariance (Steenkamp and Baumgartner 1998). The multi-group CFA provided evidence for configural invariance, as shown in Table 2.

Measurement model

The measurements were assessed with factor loadings, average variance extracted (AVE), and discriminant validity. CFAs with principal axis factoring and oblique rotation were conducted in SPSS 19 for each sample. Measures for PBG and perceived brand quality were included in this analysis. Perceived brand prestige was not included because it is a one-item measure, as used by Steenkamp et al. (2003). In all samples, a two-factor model was estimated, and items with factor loadings lower than 0.70 were deleted. The results of the measurement model in the three different markets provide confidence that these measures are appropriate for a main study.

Main study

For this main study, in the USA and India, the samples were again collected via MTurk with the same precautions utilized in the pretest. The same measures for each construct were utilized, however, in each country, and two samples were collected where the respondent was either asked to name a brand that he or she believed to be global or a brand that he or she believed to be local. PBG therefore was not measured in the USA and India since respondents were asked to name either a global or local brand. In other words, each respondent was given either a survey that asked them to name a global brand or one that asked them to name a local brand and the rest of the survey was automated to measure the constructs in the context of the given brand. This was done so the levels of quality and prestige could be measured between local and global brands. The control variables of ethnocentrism, global identity, and amount of international travel were also measured since these may influence the results. Ethnocentrism was measured with a scale used by Steenkamp et al. (2003), and global identity was measured with a scale from Der-Karabetian and Ruiz (1997).

This procedure initially yielded 50 respondents with global brands in the USA, 40 respondents with local brands in the USA, 50 respondents with global brands in India,

Table 2 Fit statistics for measurement invariance between the three pretest samples

| Samples compared in analysis | Fit statistics |
|------------------------------|--|
| USA and India | $X^2(8) = 13.3, p = 0.10$; GFI = 0.99; CFI = 0.99; NFI = 0.97; RMSEA = 0.04 |
| USA and Madagascar | $X^2(16) = 39.5, p = 0.000$; GFI = 0.96; CFI = 0.94; NFI = 0.90; RMSEA = 0.07 |
| India and Madagascar | $X^2(16) = 22.5, p = 0.10$; GFI = 0.97; CFI = 0.98; NFI = 0.94; RMSEA = 0.04 |



and 50 respondents with local brands in India. After eliminating cases with missing data and respondents who were not US or Indian citizens, the usable samples left 46 respondents the US global brand sample, 30 respondents for the US local brand sample, 42 respondents for the India global sample and 45 respondents for the India local sample. The demographics are in “Appendix”.

In Madagascar, paper surveys were administered to respondents in the Ampandranety fokontany (neighborhood) of the city of Vatondranarivo. In Madagascar, cities are divided into neighborhoods called fokontany, and each neighborhood has an elected government representative called the president of the fokontany. The president of the fokontany of Ampandranety was contacted and asked if he could administer the survey to respondents within his community. He agreed and was given direction to specifically only take respondents who voluntarily wanted to contribute to a marketing study. The president complied and was given a small gift for his time and efforts.

Unlike the survey administered for the US and Indian samples which were conducted online, the paper survey conducted in Madagascar could not ask the respondent for a global and local brand and automate the rest of the questions into the context of the given brand. Therefore, Nestle was chosen for the global brand context and Telma, a local telephone service in Madagascar, was chosen for the local brand. Furthermore, since literate respondents were scarce in Ampandranety, the same respondent was asked about the global and local brand. In other words, a respondent was first asked to respond to the questions pertaining to Nestle and then asked the questions pertaining to Telma. This procedure yielded 40 usable responses from Ampandranety.

Analyses and results

Before the hypotheses could be tested, the measurement model for each sample was assessed. CFAs in SPSS 19 with principal axis factoring and oblique rotation were conducted on each sample to assess the factor loadings of each construct. Constructs with one-item measured were not included in the CFA. Also, the AVE for each construct was examined in SmartPLS 2.0. All loadings were above the 0.70 threshold, and the AVEs were all above the 0.50. Table 3 displays the items, AVE, and the factor loadings. Table 4 displays the construct correlations, means, and SDs for each sample.

Before testing the hypotheses, a paired-samples *t* test was conducted in SPSS 19 to compare PBG between the global (Nestle) and local (Telma) brand in the Malagasy sample. This was done to confirm that Nestle was actually perceived to be a more global brand than Telma. The results showed that there was a significant difference in the

scores of Nestle ($M = 4.93$, $SD = 1.09$) and Telma ($M = 3.46$, $SD = 1.78$) in terms of PBG; $t(39) = 5.08$, $p < 0.001$. This provides evidence that Nestle was actually perceived to be more global than Telma; therefore, hypotheses testing could be conducted.

To test Hypotheses 1 and 6 in the Malagasy sample, two paired-samples *t* tests were conducted in SPSS 19 to compare perceptions of brand quality and prestige in global and local brands. The results showed a significant difference in the scores of the global ($M = 5.84$, $SD = 0.92$) and the local ($M = 4.76$, $SD = 1.44$) brand in terms of perceived quality; $t(39) = 4.07$, $p < 0.001$. Similarly, the results showed that there was a significant difference in the scores of the global ($M = 5.79$, $SD = 1.04$) and the local ($M = 5.24$, $SD = 1.26$) brand in terms of perceived prestige; $t(37) = 2.22$, $p < 0.05$. These results support Hypotheses 1 and 6.

To test Hypothesis 7c, two hierarchical multiple regression analyses were conducted in SPSS 19 to test the influence of perceived brand prestige on perceived brand quality. The first regression was conducted for the context of Nestle, and the second regression was conducted for the context of Telma. In both hierarchical regressions, the control variables of age and gender were included in model 1 and perceived brand prestige was included in model 2. Results showed that perceived brand prestige significantly predicts perceived brand quality in both the first ($\beta = 0.66$, $p < 0.001$) and second ($\beta = 0.44$, $p < 0.01$) regressions. These results support Hypothesis 7. Table 6 displays all regression results.

To test Hypotheses 2 and 5 in the Indian samples, two one way between subjects analyses of variance (ANOVA) in SPSS 19 were conducted to compare the effect of globalness on perceived quality and prestige. The two groups, global brand ($n = 42$) and local brand ($n = 45$), served as the factor in both ANOVAs. The first ANOVA showed a marginally significant effect of globalness on perceived quality at the $p < 0.10$ level [$F(1, 85) = 3.43$, $p = 0.067$]. The second ANOVA showed a significant effect of globalness on perceived prestige at the $p < 0.05$ level [$F(1, 85) = 6.15$, $p = 0.015$]. These results marginally support Hypothesis 2 and fully support Hypothesis 5. Table 5 displays the ANOVA results.

To test Hypothesis 7b in India, the local and global brand samples were combined, which totaled 87 observations. A hierarchical multiple regression analysis was conducted in SPSS 19 to test the influence of perceived brand prestige on perceived brand quality. In model 1, the control variables of age, gender, level of international travel, ethnocentrism, and global identity were included and none were found to be significant. In model 2, perceived brand prestige ($\beta = 0.81$, $p < 0.001$) was included and was found to significantly predict perceived quality. These results support Hypothesis 7b, as shown in Table 6.



Table 3 Measurement scales, AVE, and factor loadings for Madagascar, India, and US samples (factor loadings are from the pattern matrix from CFA in SPSS 19)

| Construct/items in English and French | Madagascar (within subjects) | | India global Factor loadings | India local Factor loadings | US global Factor loadings | US local Factor loadings |
|--|-----------------------------------|----------------------------------|---------------------------------|--------------------------------|------------------------------|-----------------------------|
| | Factor loadings (global brand) | Factor loadings (local brand) | | | | |
| Main variables | | | | | | |
| Perceived brand globalness | AVE: 0.65 | AVE: 0.95 | - | - | - | - |
| To me, Coca Cola is a global brand | | | | | | |
| <i>Pour moi, Coca Cola est une marque mondiale</i> | 0.84 | 0.90 | - | - | - | - |
| The Coca Cola brand is sold all over the world | | | | | | |
| <i>Les produits Coca Cola sont vendus partout dans le monde</i> | 0.74 | 0.97 | - | - | - | - |
| Perceived brand quality | AVE: 0.81 | AVE: 0.86 | AVE: 0.92 | AVE: 0.87 | AVE: 0.94 | AVE: 0.85 |
| Coca Cola is very high on overall quality | 0.89 | 0.99 | 0.96 | 0.96 | 0.98 | 0.95 |
| <i>Coca Cola est très élevé sur la qualité globale</i> | | | | | | |
| Coca Cola is a brand of superior quality | 0.89 | 0.82 | 0.96 | 0.91 | 0.97 | 0.87 |
| <i>Coca Cola est une marque de qualité supérieure</i> | | | | | | |
| Perceived brand prestige | | | | | | |
| Coca Cola is a very prestigious brand | - | - | - | - | - | - |
| <i>Coca Cola est une marque très prestigieuse</i> | | | | | | |
| Control variables | | | | | | |
| Ethnocentrism | | | AVE: 0.63 | AVE: 0.75 | AVE: 0.90 | AVE: 0.62 |
| Purchasing foreign-made products is un-American | - | - | 0.83 | 0.86 | 0.98 | 0.90 |
| Americans should not buy foreign products because this hurts American business and causes unemployment | - | - | 0.91 | 0.80 | 0.92 | 0.88 |
| A real American should always buy American-made products | - | - | 0.91 | 0.90 | 0.92 | 0.79 |
| It is not right to purchase foreign products | - | - | 0.91 | 0.89 | 0.96 | 0.90 |
| Global identity | | | AVE: 0.71 | AVE: 0.77 | AVE: 0.74 | AVE: 0.68 |
| I feel what I do could touch someone all around the world | - | - | 0.86 | 0.89 | 0.90 | 0.86 |
| I feel like I am 'next door neighbors' with people living in other parts of the world | - | - | 0.87 | 0.89 | 0.92 | 0.89 |
| I feel that I am related to everyone in the world as if they were my family | - | - | 0.88 | 0.90 | 0.88 | 0.81 |
| I feel that people around the world are more similar than dissimilar | - | - | 0.85 | 0.84 | 0.69 | 0.72 |
| International travel | | | | | | |
| On average, how often do you travel to other countries per year? (answer options: 0, 1-2, 3-4, 5-6, 7 or more) | - | - | - | - | - | - |
| Age | | | | | | |
| In what year were you born? | - | - | - | - | - | - |
| Age | - | - | - | - | - | - |
| Gender | - | - | - | - | - | - |
| Please provide your gender (answer options: male, female) | - | - | - | - | - | - |
| Sexe | - | - | - | - | - | - |

Table 4 Construct correlations, means, and SDs for each sample

| Madagascar global | 1 | 2 | 3 | 4 | 5 | | |
|-------------------------------|-------------------|---------|-------------------|--------|-------------------|------|------|
| 1. Perceived brand globalness | – | | | | | | |
| 2. Perceived brand quality | 0.15 | – | | | | | |
| 3. Perceived brand prestige | 0.28 [†] | 0.66*** | – | | | | |
| Control variables | | | | | | | |
| 4. Age | –0.03 | –0.004 | 0.11 | – | | | |
| 5. Gender | –0.004 | 0.13 | 0.15 | –0.13 | – | | |
| Mean | 4.92 | 5.84 | 5.78 | 41.90 | – | | |
| SDs | 1.09 | 0.92 | 1.03 | 15.29 | – | | |
| Madagascar local | 1 | 2 | 3 | 4 | 5 | | |
| 1. Perceived brand globalness | – | | | | | | |
| 2. Perceived brand quality | 0.54*** | – | | | | | |
| 3. Perceived brand prestige | 0.35* | 0.42** | – | | | | |
| Control variables | | | | | | | |
| 4. Age | 0.09 | 0.01 | –0.16 | – | | | |
| 5. Gender | 0.06 | –0.05 | –0.004 | –0.13 | – | | |
| Mean | 3.46 | 4.76 | 5.24 | 41.90 | – | | |
| SDs | 1.78 | 1.44 | 1.26 | 15.29 | – | | |
| India global | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. Perceived brand quality | – | | | | | | |
| 2. Perceived brand prestige | 0.78*** | – | | | | | |
| Control variables | | | | | | | |
| 3. Ethnocentrism | 0.06 | –0.01 | – | | | | |
| 4. Global identity | 0.08 | –0.04 | –0.15 | – | | | |
| 5. Age | 0.10 | 0.14 | 0.07 | –0.02 | – | | |
| 6. Gender | –0.05 | –0.13 | –0.13 | 0.06 | 0.02 | – | |
| 7. International travel | –0.06 | –0.07 | 0.09 | 0.25 | 0.28 [†] | 0.09 | – |
| Mean | 6.11 | 6.17 | 3.89 | 5.32 | 30.50 | – | 1.83 |
| SDs | 1.18 | 1.15 | 1.57 | 1.18 | 6.95 | – | 0.87 |
| India local | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. Perceived brand quality | – | | | | | | |
| 2. Perceived brand prestige | 0.83*** | – | | | | | |
| Control variables | | | | | | | |
| 3. Ethnocentrism | 0.29* | 0.33* | – | | | | |
| 4. Global identity | 0.09 | 0.13 | –0.01 | – | | | |
| 5. Age | –0.08 | –0.01 | 0.16 | –0.04 | – | | |
| 6. Gender | –0.15 | –0.05 | 0.22 | 0.21 | 0.16 | – | |
| 7. International travel | 0.26 [†] | 0.36* | 0.26 [†] | 0.42** | 0.12 | 0.05 | – |
| Mean | 5.66 | 5.51 | 4.33 | 5.35 | 29.64 | – | 1.91 |
| SDs | 1.09 | 1.31 | 1.62 | 1.27 | 6.55 | – | 0.93 |
| US global | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. Perceived brand quality | – | | | | | | |
| 2. Perceived brand prestige | 0.84*** | – | | | | | |
| Control variables | | | | | | | |
| 3. Ethnocentrism | 0.16 | 0.31* | – | | | | |



Table 4 continued

| US global | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-----------------------------|---------|-------|-------|-------|--------------------|-------|------|
| 4. Global identity | 0.009 | 0.15 | -0.12 | - | | | |
| 5. Age | -0.14 | 0.06 | 0.18 | 0.05 | - | | |
| 6. Gender | 0.30* | 0.23 | -0.08 | -0.04 | -0.03 | - | |
| 7. International travel | 0.02 | 0.15 | 0.14 | 0.34* | 0.13 | 0.18 | - |
| Mean | 5.51 | 5.41 | 3.44 | 4.42 | 32.83 | - | 1.41 |
| SDs | 1.37 | 1.39 | 1.68 | 1.43 | 12.81 | - | 0.54 |
| US local | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. Perceived brand quality | - | | | | | | |
| 2. Perceived brand prestige | 0.62*** | - | | | | | |
| Control variables | | | | | | | |
| 3. Ethnocentrism | 0.10 | 0.42* | - | | | | |
| 4. Global identity | 0.25 | 0.03 | -0.11 | - | | | |
| 5. Age | -0.23 | -0.05 | -0.05 | -0.29 | - | | |
| 6. Gender | 0.01 | 0.04 | -0.03 | -0.01 | -0.35 [†] | - | |
| 7. International travel | -0.10 | 0.05 | -0.24 | 0.06 | 0.06 | -0.05 | - |
| Mean | 5.68 | 5.00 | 3.78 | 4.18 | 34.03 | - | 1.33 |
| SDs | 0.95 | 1.53 | 1.30 | 1.17 | 12.82 | - | 0.48 |

[†] $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

Table 5 ANOVA results for the effect of PBG on perceived prestige and quality for US and Indian samples

| US samples | | | | | | | | |
|------------------------------|-----------------------------|----------|------|-----------|--------|------|----------|----------|
| | DV: perceived brand quality | | | | | | | |
| | <i>n</i> | <i>M</i> | SD | <i>df</i> | SS | MS | <i>F</i> | <i>p</i> |
| Global brand group | 46 | 5.51 | 1.37 | | | | | |
| Local brand group | 30 | 5.68 | 0.95 | | | | | |
| Between groups | | | | 1 | 0.54 | 0.54 | 0.36 | 0.55 |
| Within groups | | | | 74 | 110.99 | 1.50 | | |
| Total | | | | 75 | 111.53 | | | |
| DV: perceived brand prestige | | | | | | | | |
| | <i>n</i> | <i>M</i> | SD | <i>df</i> | SS | MS | <i>F</i> | <i>p</i> |
| Global brand group | 46 | 5.41 | 1.39 | | | | | |
| Local brand group | 30 | 5.00 | 1.53 | | | | | |
| Between groups | | | | 1 | 3.10 | 3.10 | 1.48 | 0.23 |
| Within groups | | | | 74 | 155.15 | 2.10 | | |
| Total | | | | 75 | 158.25 | | | |
| Indian samples | | | | | | | | |
| DV: perceived brand quality | | | | | | | | |
| | <i>n</i> | <i>M</i> | SD | <i>df</i> | SS | MS | <i>F</i> | <i>p</i> |
| Global brand group | 42 | 6.11 | 1.18 | | | | | |
| Local brand group | 45 | 5.66 | 1.09 | | | | | |
| Between groups | | | | 1 | 4.43 | 4.43 | 3.43 | 0.07 |



Table 5 continued

| Indian samples | | | | | | | | |
|--------------------|------------------------------|----------|------|-----------|--------|------|----------|----------|
| | DV: perceived brand quality | | | | | | | |
| | <i>n</i> | <i>M</i> | SD | <i>df</i> | SS | MS | <i>F</i> | <i>p</i> |
| Within groups | | | | 85 | 109.68 | 1.29 | | |
| Total | | | | 86 | 114.11 | | | |
| | DV: perceived brand prestige | | | | | | | |
| | <i>n</i> | <i>M</i> | SD | <i>df</i> | SS | MS | <i>F</i> | <i>p</i> |
| Global brand group | 42 | 6.17 | 1.15 | | | | | |
| Local brand group | 45 | 5.51 | 1.31 | | | | | |
| Between groups | | | | 1 | 9.34 | 9.34 | 6.15 | 0.02 |
| Within groups | | | | 85 | 129.08 | 1.52 | | |
| Total | | | | 86 | 138.41 | | | |

Table 6 Results of hierarchical multiple regressions for the effect of perceived prestige on quality in Madagascar, Indian, and US samples

| Country market | Madagascar (in the context of a global brand) | | | |
|---------------------------|---|------|---------|------|
| | Model 1 | | Model 2 | |
| | β | SE | β | SE |
| Control variables | | | | |
| Age | 0.01 | 0.01 | -0.07 | 0.01 |
| Gender | 0.13 | 0.32 | 0.01 | 0.25 |
| Predictor variable | | | | |
| Perceived brand prestige | - | - | 0.66*** | 0.11 |
| Adjusted <i>R</i> -square | -0.04 | | 0.39 | |
| <i>R</i> -square | 0.02 | | 0.44 | |
| <i>R</i> -square change | 0.02 | | 0.42*** | |
| Country market | Madagascar (in the context of a local brand) | | | |
| | Model 1 | | Model 2 | |
| | β | SE | β | SE |
| Control variables | | | | |
| Age | 0.05 | 0.02 | 0.12 | 0.02 |
| Gender | -0.001 | 0.50 | 0.01 | 0.46 |
| Predictor variable | | | | |
| Perceived brand prestige | - | - | 0.44** | 0.18 |
| Adjusted <i>R</i> -square | -0.05 | | 0.12 | |
| <i>R</i> -square | 0.003 | | 0.19 | |
| <i>R</i> -square change | 0.003 | | 0.19** | |
| Country market | USA | | | |
| | Model 1 | | Model 2 | |
| | β | SE | β | SE |
| Control variables | | | | |
| Ethnocentrism | 0.19 | 0.09 | -0.07 | 0.07 |
| Global identity | 0.11 | 0.11 | -0.01 | 0.08 |



Table 6 continued

| Country market | USA | | | |
|---------------------------|-------------------|------|--------------------|------|
| | Model 1 | | Model 2 | |
| | β | SE | β | SE |
| International travel | -0.05 | 0.28 | -0.10 | 0.19 |
| Age | -0.14 | 0.01 | -0.15 [†] | 0.01 |
| Gender | 0.21 [†] | 0.28 | 0.09 | 0.20 |
| Predictor variable | | | | |
| Perceived brand prestige | - | - | 0.76*** | 0.07 |
| Adjusted <i>R</i> -square | 0.04 | | 0.55 | |
| <i>R</i> -square | 0.11 | | 0.59 | |
| <i>R</i> -square change | 0.11 | | 0.48*** | |
| Country market | India | | | |
| | Model 1 | | Model 2 | |
| | β | SE | β | SE |
| Control variables | | | | |
| Ethnocentrism | 0.15 | 0.08 | 0.05 | 0.05 |
| Global identity | 0.08 | 0.11 | 0.07 | 0.07 |
| International travel | 0.05 | 0.16 | -0.05 | 0.09 |
| Age | -0.02 | 0.02 | -0.03 | 0.01 |
| Gender | -0.10 | 0.31 | -0.03 | 0.19 |
| Predictor variable | | | | |
| Perceived brand prestige | - | - | 0.81*** | 0.06 |
| Adjusted <i>R</i> -square | -0.02 | | 0.64 | |
| <i>R</i> -square | 0.04 | | 0.66 | |
| <i>R</i> -square change | 0.04 | | 0.62*** | |

[†] $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

To test Hypotheses 3 and 4 in the US samples, two one way between subjects ANOVAs in SPSS 19 were conducted to compare the effect of globalness on perceived quality and prestige. Results from both analyses show no significant effect of PBG perceptions of quality and prestige, supporting Hypotheses 3 and 4. Table 5 displays all ANOVA results.

To test Hypothesis 7a in the USA, the local and global brand samples were combined, totaling 76 observations. A hierarchical multiple regression analysis was conducted in SPSS 19 to test the influence of perceived prestige on perceived quality. In model 1, the control variables of age, gender, level of international travel, ethnocentrism, and global identity were included. In model 2, perceived brand prestige ($\beta = 0.76$, $p < 0.001$) was included and was found to significantly predict perceived brand quality, supporting Hypothesis 7a. Table 6 displays all regression results. Table 7 provides a summary for all results.

Discussion

This study yielded two main findings. First, it can be stated that as economies develop, the strength of the relationship between PBG and perceived brand quality, as well as PBG and perceived brand prestige, diminishes. Second, the relationship between perceived brand prestige and perceived brand quality is not affected by economic development. These findings provide theoretical contributions and managerial implications.

Theoretical contributions

Theoretically, the findings of this study provide support for the premise that (1) economic development influences a market's normative institutional environment, and (2) the normative institutional environment influences consumer value systems, which affects how consumers value global brands. This was evidenced in the findings as the influence



Table 7 Summary of Results

| Market | Relationship tested | Result | Hypothesis |
|-------------------------|--|------------------------|--------------------------|
| Least developed country | PBG → perceived brand quality | Significant | H1: supported |
| | PBG → perceived brand prestige | Significant | H6: supported |
| | Perceived brand prestige → perceived brand quality | Significant | H7c: supported |
| Emerging | PBG → perceived brand quality | Marginally significant | H2: marginally supported |
| | PBG → perceived brand prestige | Significant | H3: supported |
| | Perceived brand prestige → perceived brand quality | Significant | H4: supported |
| Developed | PBG → perceived brand quality | Not significant | H3: supported |
| | PBG → perceived brand prestige | Not significant | H4: supported |
| | Perceived brand prestige → perceived brand quality | Significant | H7a: supported |

of PBG on perceived quality and prestige was stronger in developing markets than it was in a developed market. This indicates the moderating role of economic development on the relationships between PBG and global brand value.

It is important to note that although the effect of PBG on both prestige and quality diminishes with economic development, the results indicate that the relationship between PBG and perceived quality may diminish at a faster rate than the relationship between PBG and perceived prestige as economies develop. This was evidenced in the results for the Indian samples where the relationship between PBG and quality was only marginally significant, while the effect of PBG on perceived prestige was significant at the $p < 0.05$ level. A theoretical explanation for this is that consumers in emerging markets may be exposed to global brands and other factors besides globalness may contribute to quality judgements, even though they may not be able to afford the brand. In other words, consumers in emerging markets may be able to make quality judgments for a brand based on constructs other than its globalness due to their exposure to a brand; however, their inability to consume the brand may still contribute to their perception of the brand's prestige. Consistent with this perspective, Hamzaoui Essoussi and Merunka (2007) find that in emerging markets, consumers rely on country of design and country of manufacturing effects when making product judgments. The view here is that other factors besides globalness may influence product quality judgements in emerging markets. This theoretical position, however, requires more research in the future.

Finally, the finding that economic development does not influence the relationship between perceptions of prestige and quality corroborates the theoretical stance that prestige is a quality signal that is not influenced by effects of economic development on a market's normative institutional environment. It can thus be stated that the effects of economic development on global brand value are crucial to signaling prestige and quality; however,

once a brand is valued as prestigious, it will also be valued at a higher quality perception. These findings help advance the theoretical understandings of global brand value and also induce several managerial implications discussed below.

Managerial implications

In recent decades, the globalization phenomenon has sparked companies to expand into markets that were previously unexplored. However, these expansions have not always yielded successful endeavors. For example, IKEA's expansion into Russia, Walmart's expansion into China, and Tesco's expansion into the USA have all yielded unsuccessful results (Salomon 2016). These failures were all due to a lack of understanding with regard to institutional differences (Salomon 2016). Thus, the question of how to maneuver across different environments remains a key strategic topic. This current research provides evidence of one aspect of the differences between institutional environments with regard to global brand values. Thus, the findings reported here induce several managerial implications.

First, the finding that the relationship between PBG and global brand value (prestige/quality) diminishes as economies develop indicates that when firms enter new markets, they should consider economic development as an indicator of consumer value systems.

One key strategic decision for firms operating in foreign territories is the decision between implementing global consumer culture positioning (GCCP) strategies or local consumer culture positioning (LCCP) strategies for their brands and products (Alden et al. 1999). The findings of this research indicate that in developing markets, firms should consider employing GCCP strategies over LCCP strategies when the firm wants to signal quality or prestige. Conversely, in developed markets, GCCP strategies may not be an effective signal for quality or prestige.



Second, the findings indicate that perception of brand prestige can be utilized as a quality signal across all three market types. Thus, firms seeking to signal quality may do so by emphasizing their brand's prestige. This is an important finding for firms seeking to signal brand quality in developed markets since globalness was found not to be a predictor of quality in developed markets.

Limitations and future research

This paper furthers insight into global brand value; however, it is not void of limitations which may provide avenues for future research. First, although every precaution was taken to ensure quality responses for the US and Indian samples, MTurk is only one method of gaining a representative sample, and future research may address this limitation by utilizing other methods of data collection. Second, due to the nature of the data collection method in Madagascar (paper surveys), this study was only able to contextually ask the survey questions with a single global brand and a single local brand. Future research can address this limitation by conducting a similar study with several local and global brands. Also within the Malagasy sample, the respondents were not asked certain control variables (global identity, international travel, and ethnocentrism) due to the threat of fatigue in filling out the survey. Future research may address this issue by asked more control variables in different data collection methods. Finally, the Malagasy sample was examined as a within subjects design by asking the same respondents about local and global brands. Future research should address this limitation with between subject designs in a least developed country market.

Conclusion

This paper provides a perspective of global brand value creation across different market types and departs from the view that globalness automatically signals quality and prestige. This perspective emphasizes the importance of considering differences in normative institutional environments with respect to value creation. Thus, global brand value creation differs as normative institutional environments differ. Through an examination of global brand value across markets, this paper provides insight into the values of consumers from three market types, including a least developed country market; a perspective largely ignored by international marketing research. Future researchers are encouraged to further investigate how value systems, particularly of consumers in the least developed markets, influence brand values.

Acknowledgements The author would like to acknowledge and extend gratitude to Dr. Armand Randrianasolo, Dr. Clairemont Randrianarivelo, Dr. Aro Vonjy Ramarosandratana, and Mr. Desiré Randrianasolomampionona, the president of the Ampandranety fokontany, for their assistance in data collection for this research. Also, the author would like to thank Dr. Alexey Semenov for his advice and constructive comments which contributed to this research.

Compliance with ethical standards

Conflict of interest On behalf of all authors, the corresponding author states that there is no conflict of interest.

Appendix

See Table 8.

Table 8 Demographics for all samples

| Country Sample size | Madagascar <i>n</i> = 40 | India (global) <i>n</i> = 42 | India (local) <i>n</i> = 45 | USA (global) <i>n</i> = 46 | USA (local) <i>n</i> = 30 |
|-------------------------------------|-----------------------------|---------------------------------|--------------------------------|-------------------------------|------------------------------|
| Gender | | | | | |
| Female | 33% | 24% | 18% | 59% | 53% |
| Male | 67% | 76% | 82% | 41% | 47% |
| Age | | | | | |
| Mean | 41.90 | 30.50 | 29.64 | 32.83 | 34.03 |
| SD | 15.29 | 6.95 | 6.55 | 12.81 | 12.82 |
| Education (highest level completed) | | | | | |
| High school | – | 0% | 0% | 16% | 17% |
| Some college | – | 0% | 0% | 39% | 47% |
| Bachelor's degree | – | 55% | 42% | 34% | 26% |
| Graduate degree | – | 45% | 58% | 11% | 10% |
| Race | | | | | |
| White (non-Hispanic) | – | 0% | 0% | 78% | 70% |
| African-American | – | 0% | 0% | 7% | 17% |



Table 8 continued

| Country Sample size | Madagascar <i>n</i> = 40 | India (global) <i>n</i> = 42 | India (local) <i>n</i> = 45 | USA (global) <i>n</i> = 46 | USA (local) <i>n</i> = 30 |
|---------------------------------|-----------------------------|---------------------------------|--------------------------------|-------------------------------|------------------------------|
| Asian or Pacific Islander | – | 95% | 96% | 6% | 0% |
| Latino/Latina | – | 0% | 0% | 9% | 7% |
| Native American | – | 0% | 0% | 0% | 3% |
| Other | – | 5% | 4% | 0% | 3% |
| International travel (annually) | | | | | |
| 0 | – | 36% | 36% | 61% | 67% |
| 1–2 | – | 50% | 47% | 37% | 33% |
| 3–4 | – | 10% | 11% | 2% | 0% |
| 5–6 | – | 2% | 4% | 0% | 0% |
| 7 or more | – | 2% | 2% | 0% | 0% |

References

- Akaka, M.A., and D.L. Alden. 2010. Global brand positioning and perceptions: International advertising and global consumer culture. *International Journal of Advertising* 29 (1): 37–56.
- Alden, D.L., J.B.E. Steenkamp, and R. Batra. 1999. Brand positioning through advertising in Asia, North America, and Europe: The role of global consumer culture. *Journal of Marketing* 63 (1): 75–87.
- Baek, T.H., J. Kim, and J.H. Yu. 2010. The differential roles of brand credibility and brand prestige in consumer brand choice. *Psychology and Marketing* 27 (7): 662–678.
- Bandura, A. 2002. Social cognitive theory in cultural context. *Applied Psychology* 51 (2): 269–290.
- Batra, R., V. Ramaswamy, D.L. Alden, J.B.E. Steenkamp, and S. Ramachander. 2000. Effects of brand local and non-local origin on consumer attitudes in developing countries. *Journal of Consumer Psychology* 9 (2): 83–95.
- Brucks, M., V.A. Zeithaml, and G. Naylor. 2000. Price and brand name as indicators of quality dimensions for consumer durables. *Journal of the Academy of Marketing Science* 28 (3): 359–374.
- Chakravarti, D. 2006. Voices unheard: The psychology of consumption in poverty and development. *Journal of Consumer Psychology* 16 (4): 363–376.
- Cleveland, M., and M. Laroche. 2007. Acculturation to the global consumer culture: Scale development and research paradigm. *Journal of Business Research* 60 (3): 249–259.
- Connelly, B.L., S.T. Certo, R.D. Ireland, and C.R. Reutzel. 2011. Signaling theory: A review and assessment. *Journal of Management* 37 (1): 39–67.
- Contractor, F.J., S. Lahiri, B. Elango, and S.K. Kundu. 2014. Institutional, cultural and industry related determinants of ownership choices in emerging market FDI acquisitions. *International Business Review* 23 (5): 931–941.
- Cuervo-Cazurra, A., and M. Genc. 2008. Transforming disadvantages into advantages: Developing-country MNEs in the least developed countries. *Journal of International Business Studies* 39 (6): 957–979.
- Dawar, N., and P. Parker. 1994. Marketing universals: Consumers' use of brand name, price, physical appearance, and retailer reputation as signals of product quality. *Journal of Marketing* 58 (2): 81–95.
- Der-Karabetian, A., and Y. Ruiz. 1997. Affective bicultural and global-human identity scales for Mexican-American adolescents. *Psychological Reports* 80 (3): 1027–1039.
- Diener, E., M. Diener, and C. Diener. 1995. Factors predicting the subjective well-being of nations. *Journal of Personality and Social Psychology* 69 (5): 851–864.
- Dimofte, C.V., J.K. Johansson, and I.A. Ronkainen. 2008. Cognitive and affective reactions of US consumers to global brands. *Journal of International Marketing* 16 (4): 113–135.
- Dunning, J.H., C. Kim, and D. Park. 2008. Old wine in new bottles: A comparison of emerging-market TNCs today and developed-country TNCs thirty years ago. In *The rise of transnational corporations from emerging markets: Threat or opportunity*, ed. K.P. Sauvant, 158–180. Cheltenham: Edward Elgar Publishing.
- Ferguson, J.L., and P. Scholder Ellen. 2013. Transparency in pricing and its effect on perceived price fairness. *Journal of Product and Brand Management* 22 (5/6): 404–412.
- Forbes. 2016. The world's most valuable brands. Forbes. <http://www.forbes.com/powerful-brands/list/>. Accessed 26 Sept 2016.
- Frieswijk, N., B.P. Buunk, N. Steverink, and J.P. Slaets. 2004. The effect of social comparison information on the life satisfaction of frail older persons. *Psychology and Aging* 19 (1): 183–190.
- Goodman, J.K., C.E. Cryder, and A. Cheema. 2013. Data collection in a flat world: The strengths and weaknesses of Mechanical Turk samples. *Journal of Behavioral Decision Making* 26 (3): 213–224.
- Hamzaoui Essoussi, L., and D. Merunka. 2007. Consumers' product evaluations in emerging markets: Does country of design, country of manufacture, or brand image matter? *International Marketing Review* 24 (4): 409–426.
- Han, C.M., and V. Terpstra. 1988. Country-of-origin effects for uni-national and bi-national products. *Journal of International Business Studies* 19 (2): 235–255.
- Hill, R.P. 2005. Do the poor deserve less than surfers? An essay for the special issue on vulnerable consumers. *Journal of Macromarketing* 25 (2): 215–218.
- Hill, R.P., K.D. Martin, and L.N. Chaplin. 2012. A tale of two marketplaces: Consumption restriction, social comparison, and life satisfaction. *Marketing Letters* 23 (3): 731–744.
- Hitt, M.A., M.T. Dacin, E. Levitas, J.L. Arregle, and A. Borza. 2000. Partner selection in emerging and developed market contexts: Resource-based and organizational learning perspectives. *Academy of Management Journal* 43 (3): 449–467.
- Hoskisson, R.E., L. Eden, C.M. Lau, and M. Wright. 2000. Strategy in emerging economies. *Academy of Management Journal* 43 (3): 249–267.
- Huq, S., H. Reid, M. Konate, A. Rahman, Y. Sokona, and F. Crick. 2004. Mainstreaming adaptation to climate change in least developed countries (LDCs). *Climate Policy* 4 (1): 25–43.



- Joseph, M. 2011. India faces a linguistic truth: English spoken here. *The New York Times*. http://www.nytimes.com/2011/02/17/world/asia/17iht-letter17.html?_r=0. Accessed 15 May 2016.
- Kasser, T. 2002. Sketches for a self-determination theory of values. In *Handbook of self-determination research*, ed. E.L. Deci, and R.M. Ryan, 123–140. Rochester: University of Rochester Press.
- Katyal, R. 2015. India census exposes extent of poverty. CNN. <http://www.cnn.com/2015/08/02/asia/india-poor-census-secc/>. Accessed 25 Jan 2016.
- Keller, K.L., and D.A. Aaker. 1992. The effects of sequential introduction of brand extensions. *Journal of Marketing Research* 29 (1): 35–50.
- Kotler, P., and D. Gertner. 2002. Country as brand, product, and beyond: A place marketing and brand management perspective. *Journal of Brand Management* 9 (4): 249–261.
- Kumaraswamy, A., R. Mudambi, H. Saranga, and A. Tripathy. 2012. Catch-up strategies in the Indian auto components industry: Domestic firms' responses to market liberalization. *Journal of International Business Studies* 43 (4): 368–395.
- Lindell, M.K., and D.J. Whitney. 2001. Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology* 86 (1): 114.
- Ludlow, C. 1997. The global identity crisis in the airline industry. *Journal of Brand Management* 5 (2): 85–91.
- Luo, Y., and R.L. Tung. 2007. International expansion of emerging market enterprises: A springboard perspective. *Journal of International Business Studies* 38 (4): 481–498.
- MacKenzie, S.B., and P.M. Podsakoff. 2012. Common method bias in marketing: Causes, mechanisms, and procedural remedies. *Journal of Retailing* 88 (4): 542–555.
- Magnusson, P., S.A. Westjohn, A.V. Semenov, A.A. Randrianasolo, and S. Zdravkovic. 2013. The role of cultural intelligence in marketing adaptation and export performance. *Journal of Marketing Research* 21 (4): 44–61.
- Martin, K.D., and R.P. Hill. 2012. Life satisfaction, self-determination, and consumption adequacy at the bottom of the pyramid. *Journal of Consumer Research* 38 (6): 1155–1168.
- Matthiesen, I., and I. Phau. 2005. The 'HUGO BOSS' connection: Achieving global brand consistency across countries. *Journal of Brand Management* 12 (5): 325–338.
- Miller, V.V., and K. Loess. 2002. An institutional analysis of the US foreign sales corporation. *International Business Review* 11 (6): 753–763.
- Özsomer, A., and S. Altaras. 2008. Global brand purchase likelihood: A critical synthesis and an integrated conceptual framework. *Journal of International Marketing* 16 (4): 1–28.
- Özsomer, A. 2012. The interplay between global and local brands: A closer look at perceived brand globalness and local iconness. *Journal of International Marketing* 20 (2): 72–95.
- Paolacci, G., J. Chandler, and P.G. Ipeirotis. 2010. Running experiments on Amazon Mechanical Turk. *Judgment and Decision Making* 5 (5): 411–419.
- Peng, M.W., D.Y. Wang, and Y. Jiang. 2008. An institution-based view of international business strategy: A focus on emerging economies. *Journal of International Business Studies* 39 (5): 920–936.
- Podsakoff, P.M., S.B. MacKenzie, J.Y. Lee, and N.P. Podsakoff. 2003. Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology* 88 (5): 879.
- Salomon, R. 2016. Globalization: A cautionary tale. In *Rotman management magazine*, 1 May: pp. 57–61.
- Samiee, S. 1994. Customer evaluation of products in a global market. *Journal of International Business Studies* 25 (3): 579–604.
- Schuiling, I., and G. Moss. 2004. How different are branding strategies in the pharmaceutical industry and the fast-moving consumer goods sector? *Journal of Brand Management* 11 (5): 366–380.
- Scott, R. 1987. The adolescence of institutional theory. *Administrative Science Quarterly* 32 (4): 493–511.
- Spears, N., S. Ketron, and K. Cowan. 2016. The sweet taste of consistency in brand name sound & product/label shapes: Investigating appetitive responses in a dessert context and obstacles that suppress. *Journal of Brand Management* 23 (4): 439–456.
- Stafford, J.E., and B.M. Enis. 1969. The price-quality relationship: An extension. *Journal of Marketing Research* 6 (November): 456–458.
- Steenkamp, J.B.E., and H. Baumgartner. 1998. Assessing measurement invariance in cross-national consumer research. *Journal of Consumer Research* 25 (1): 78–107.
- Steenkamp, J.B.E., R. Batra, and D.L. Alden. 2003. How perceived brand globalness creates brand value. *Journal of International Business Studies* 34 (1): 53–65.
- Steenkamp, J.B.E., and M.G. de Jong. 2010. A global investigation into the constellation of consumer attitudes toward global and local products. *Journal of Marketing* 74 (6): 18–40.
- Strizhakova, Y., R.A. Coulter, and L.L. Price. 2008. Branded products as a passport to global citizenship: Perspectives from developed and developing countries. *Journal of International Marketing* 16 (4): 57–85.
- Suls, J., R. Martin, and L. Wheeler. 2002. Social comparison: Why, with whom, and with what effect? *Current Directions in Psychological Science* 11 (5): 159–163.
- Trevino, L.J., D.E. Thomas, and J. Cullen. 2008. The three pillars of institutional theory and FDI in Latin America: An institutionalization process. *International Business Review* 17 (1): 118–133.
- Van Gelder, S. 2004. Global brand strategy. *Journal of Brand Management* 12 (1): 39–48.
- Vigneron, F., and L.W. Johnson. 1999. A review and a conceptual framework of prestige-seeking consumer behavior. *Academy of Marketing Science Review* 1: 1–15.
- UNCTAD. 2016. Statistical tables on the least developed countries. United Nations. http://unctad.org/en/PublicationsLibrary/ldc2016_Stats_en.pdf. Accessed 25 Jan 2017.
- Wernerfelt, B. 1988. Umbrella branding as a signal of new product quality: An example of signaling by posting a bond. *The Rand Journal of Economics* 19 (3): 458–466.
- World Bank. 2014. Foreign direct investment flows into Sub-Saharan Africa. Science, technology, and skills for Africa's development. World Bank Group. <http://documents.worldbank.org/curated/en/505071468203651135/Foreign-direct-investment-flows-into-Sub-Saharan-Africa>. Accessed 25 Jan 2017.
- World Bank. 2016. Foreign direct investment, net inflows (BoP, current US\$). World Bank. <http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?locations=XM>. Accessed 25 Jan 2017.
- World Factbook. 2017. Central intelligence agency: The World Factbook. <https://www.cia.gov/library/publications/the-world-factbook/appendix/appendix-b.html#D>. Accessed 25 Jan 2017.
- Zhang, J., C. Zhou, and H. Ebberts. 2011. Completion of Chinese overseas acquisitions: institutional perspectives and evidence. *International Business Review* 20 (2): 226–238.

Dr. Arilova A. Randrianasolo is an Assistant Professor of Marketing at John Carroll University's Boler School of Business. He achieved his doctorate in marketing and international business from St. Louis University's Cook School of Business. His research focuses on international business and international marketing topics such as global branding, organizational legitimacy, cultural intelligence, bottom of the pyramid (BOP) marketing, and national identities.

