

Does Perceived Brand Globalness and Localness Affect Brand Credibility and Perceived Quality? Investigating the role of Brand Credibility as a Mediator and Consumer Ethnocentrism as a Moderator on This Relationship

Nil ENGİZEK

Istanbul University
Faculty of Business Administration
Avcılar, İstanbul, Turkey
orcid.org/0000-0002-3626-1582
nilkodaz@istanbul.edu.tr

Bahar YAŞIN

Istanbul University
Faculty of Business Administration
Avcılar, İstanbul, Turkey
orcid.org/0000-0003-2654-1967
bkarciga@istanbul.edu.tr

Extensive Summary

In the last decade, especially brands in developed countries made huge investments in order to globalize. First they have chosen developed countries to enter and then went to developing countries (Goldman 2000, 2001; Swoboda, Zentes, and Elsner, 2009). These kinds of brands have an advantage of perceived brand globalness (PBG) which means being recognized as a global player with a global reach. On the other hand, there is also perceived being localness (PBL) concept which being recognized as a local player and a symbol or icon of local culture (Ger 1999; Steenkamp, Batra, and Alden 2003). According to some researchers after being in developing countries for many years, these brands are likely to be recognized as local ones as they adopted their marketing strategies to local culture expectations (Gielens, and Dekimpe 2007; Goldman 2001; Jonsson and Foss 2011). In a similar vein, local players may also use PBL in a positive way (like being a symbol of local culture) and getting advantage from this situation (Ger, 1999; Steenkamp, Batra, ve Alden 2003). Moreover, local brands may be perceived as being global in their own countries due to their internalization efforts and global communication strategies. In some situations, for example countries with high ethnocentric tendency which means the tendency of people to reject the purchase of foreign products as they may consider it to be unpatriotic (Akram, Merunka and Akram, 2011), being recognized as local for both local and global brands, could be more advantageous for them. After being said all these, the question is if global brands emphasize their globalness or local brands emphasize their localness in their communication strategies, can it be a competitive advantage for them. The other question would be whether or not being global or local may have an effect on brand credibility and perceived quality. The current research focuses on first of all the effects of perceived brand globalness and localness on perceived quality and the mediation effect of brand credibility on this relationship. The other focus of the study is how ethnocentrism moderates the relationship between perceived brand globalness /

localness and brand credibility. In order to achieve these aims, the hypothesis written below were tested.

H₁: Perceived brand globalness affect brand credibility in a positive way.

H₂: Perceived brand localness affect brand credibility in a positive way.

H₃: Perceived brand globalness affect perceived quality in a positive way.

H₄: Perceived brand localness affect perceived quality in a positive way.

H₅: Brand credibility affect perceived quality in a positive way.

H₆: Brand credibility affect perceived risk.

H₇: Brand credibility mediates the relationship between perceived brand globalness and perceived quality.

H₈: Brand credibility mediates the relationship between perceived brand localness and perceived quality.

H₉: Consumer ethnocentrism moderates the relationship between perceived brand globalness and brand credibility.

H₁₀: Consumer ethnocentrism moderates the relationship between perceived brand localness and brand credibility.

In order to test the first focus of the study a mediation analysis was done. According to results perceived brand globalness and localness did not have direct effects on perceived quality. Also perceived brand localness did not have an indirect effect on perceived quality. However, it was found that brand credibility fully mediated the relationship between perceived brand globalness and perceived quality. So it can be said that perceived brand globalness affects brand credibility in a positive way and brand credibility affects perceived quality also in a positive way. According to results, marketing managers of global brands specifically may emphasis their brand credibility in their strategies in order to increase their perceived service quality.

Another result found in the study that being perceived as global affect brand credibility more compared to being perceived as local. Based on this result, it is important for local players find new ways to be perceived by consumers as global.

How ethnocentric tendency moderates the relationship between brand globalness/localness and brand credibility was the other focus of the research. According to results, it had a moderation effect on the relationship. In the group with low ethnocentric tendency, both perceived brand globalness and localness affect brand credibility positively. In the other group with high ethnocentric tendency, while perceived brand globalness did not have any effect on brand credibility, perceived brand localness had a strong and positive affect on it. This result can be used as an important market segmentation and positioning criteria by local brands managers. Besides, global brands make highlight localness in their strategies in order to take attention of this high ethnocentric groups.

To sum up, perceived quality of the brands cannot be copied easily by competitors and having high service quality can be a competitive advantage for firms. Having known that high perceived brand globalness affect brand credibility and this affect perceived service quality may force companies alter their strategies.