Predisposition to Global Brands: The Impact of Acculturation, Ethnocentrism, and Materialism

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ABSTRACT

A key issue in brand management is to understand the trends and drivers of consumers' global brand attitudes. Unfortunately, empirical studies in this area are limited, and the results have been rather inconsistent (e.g., Alden et al. 2006; Dimofte et al. 2008). Nonetheless, the spread of globalization in recent years has provided multinational firms greater opportunities to market their products across the world than ever before, making it imperative for such firms to assess consumers’ global brand attitudes in markets they serve. Concomitantly, the globalization phenomenon has unleashed country-independent global consumer culture, where acculturated consumers, irrespective of their country, are likely to share similar life styles, brand attitudes, and purchase habits. The problem, however, is that we do not know what aspects of the global consumer culture drive global brand attitudes and what aspects do not. To fill this research void in the branding literature, we examine the impact of important psychological variables such as acculturation to global consumer culture, ethnocentrism, and materialism on global brand attitudes. Data collected from a sample of 200 young adults in New Zealand revealed that global brand attitudes are shaped by global mass media exposure, openness to embrace global consumer culture, and materialism, but not by cosmopolitanism, exposure to the marketing activities of multinational firms, or consumer ethnocentrism. The results are fairly consistent for males and females. Implications of the results are provided in the paper.

INTRODUCTION

Globalization of trade can be viewed as a change agent in many ways, not the least of which deals with the spread of global brands. Indeed, globalization has placed global brands in the spotlight. Global brands seem to create an identity, a feeling of achievement and identification for consumers---all of which help to gratify a consumer’s aspired values of global consumer culture. Whether the brands deal with consumer apparel or footwear such as Nike, consumer electronics such as Apple, fast food such as a McDonalds, or consumer packaged goods such as Proctor & Gamble, the forces of globalization permit corporations to establish themselves in all corners of the world, making such brands pervasive. For example, Agbonifoh and Elimimian (1999) quote Russell Belk in the impact of transnational firms on less developed countries in shaping consumption preferences: “In addition to other marketing factors, transnational corporations enjoy the advantage of having GDPs far above technologically less advanced countries. As a result, these corporations have overwhelming economic, political, and social power to influence the consumption patterns of the technologically less advanced countries. The outcome of these influences is an extension of global consumerism” (p. 112); consumers across the world now exhibit an inexorable desire for consumer goods and brands that are produced by foreign countries.
Despite the omnipresence of global brands, scholars report the dearth of research in this domain although they do see increasing interest in the field (Johansson and Ronkainen 2005; Whitelock and Fastoso 2007). Dimofte, Johansson and Ronkainen (2008) argue that research so far has not been successful in isolating the variables that create the global brand effect. Oszomer and Altaras (2008) indicate the deficiencies in what we know by stating that “the current literature offers limited insights into what global brands mean, how globalness of the brand can be measured, what drives attitudes toward global brands, and why and when consumers are more likely to purchase global brands” (p. 2). Research has sought to understand the adoption of these global brands and the attachment that consumers develop to such brands (Johansson and Ronkainen 2005). Other research has striven to understand how consumers become acculturated to being a global consumer and to identify specific dimensions or forces that are associated with this acculturation process (Cleveland and Laroche 2006). Oszomer and Altaras (2008) encourage future researchers to use other theoretical perspectives to investigate global brand purchase likelihood while Whitelock and Fastoso (2007) urge researchers to go beyond Europe and North America in their global brand research. As such, the goal of the present research is to combine our understanding of global brands with research that has been done on the acculturation process that shapes consumers into becoming global consumers. We survey respondents from New Zealand, a country that represents the Australasia region. In essence, we ask: what are some of the driving forces in this acculturation process that are associated with attitudes towards global brands?

The paper first examines the impact of market transformation in setting the stage for preferences for global brands. The paper then moves to a discussion of consumer acculturation. Subsequently, we pose questions concerning the connection between the drivers of acculturation and how these are connected to attitudes towards global brands. The methodology provides the instruments we used, the sample we collected, and the analytical approach we applied. We then provide the results and discuss the implications.

**TRANSFORMATION OF MARKETS AND PREFERENCE FOR GLOBAL BRANDS**

As early as 1980s, Levitt asserted that a convergence of tastes and preferences among consumers was transforming the world’s marketplace. This radical transformation was envisioned as having an enormous impact on how business, particularly marketing, would operate. Homogenized tastes, arising from this convergence, meant that firms could focus on activities geared more to transnational marketing vs. international marketing. Transnational marketing permits a firm to appeal to global market segments sharing common tastes. Since that rather bold statement was made by Levitt, the extent to which consumers across the world are becoming more homogenized continues to be debated. Nigel (2008), for example, contends that the world is not becoming increasingly homogeneous. Instead, despite the spread of globalization, foreign markets are very localized and local brands account for the majority of consumers’ purchases. Nonetheless, few can dispute the fact the some brands (e.g., Coca Cola, Nike, Apple, Starbucks, McDonalds, MTV, Colgate, IBM, BMW, Sony) have become iconic representations of global brands. Kapferer (2005) coined the expression “the post-global brand” to suggest that global brands must also integrate local qualities. While these arguments have some credence, there are some brands that seem to transcend local preferences such that consumers identify the brand as reflecting a modern lifestyle they wish to emulate. Hence, it is important to try to find elements of consumer behavior that seem to be associated with the preference or positive image of such brands. We use the literature concerning consumer acculturation as a lens into what consumer characteristics are likely to be associated with positive attitudes towards global brands.
The topic we address seeks to add more insight into the global brand debate—one that continues to be unresolved according to Steenkamp, Batra and Alden (2003). Many multinational corporations today view global branding as an essential part of their strategy as they adopt one brand name for the world (Johansson and Ronkainen 2005). Since the late 1990s, many multinationals have opted for global brands by pruning their brand portfolios (Schuiling and Kapferer 2004). Through these global brands, firms can develop a brand that has status and esteem in addition to achieving scale economics of production and one-brand communication spillovers allowing for worldwide media purchases at lower costs (Johansson and Ronkainen 2005). Unilever, for example, has reduced the number of brands in its portfolio from 1600 to 400 leading brands while Procter & Gamble has also pruned its portfolio in favor of global brands (Ozsomer and Altaras 2008). It seems as if these firms represent those that are staking their future on global brands. With such faith in the efficacy of global brands, it is important to ask about attitudes that consumers have developed for such brands and what forces shape those attitudes. While we know which brands are global in nature as established by sources such as Business Week, Young & Rubicam’s Brand Asset Valuator, and AC Nielsen which use objective measure to identify them, research has not delved into how global brand attitudes are formed.

EMERGENCE OF GLOBAL CONSUMER CULTURE AND IMPACT ON GLOBAL BRAND ATTITUDES

Globalization represents an unstoppable movement that introduces common lifestyles to consumers across the planet. The global consumer culture that has emerged is linked by the flow of goods, money, information, people and services. Exposure to global media and to global brands has arguably changed the mindsets of consumers resulting in raised consciousness about popular brands, modern lifestyles, and consumption preferences. Indeed, some maintain that such globalization has created a cultural interdependence and interconnectedness that goes beyond just economics. Kelly (1999), for example, contends that “there are no absolute political, social or cultural boundaries unbreached by global flows” (page 240). The outcome of these forces and changes has been the crystallization of a new type of culture called global consumer culture. Goodman (2003) credits globalization for the creation of cultural homogeneity in common codes and practices – a likely outcome of which is shared brand preferences that span national boundaries. Understanding different levels of acculturation provides a window into segmenting the marketplace; those who are more acculturated are more likely to be attuned to product and brand choices (Alvareza, Dicksona, and Hunterb, 2014). Global consumer acculturation is also likely to shape a consumer’s social identity; this social identity may be more cosmopolitan, open to change, and likely to affect brand choice (Chattarman et al. 2010). Cleveland et al. (2009) argue that global consumer acculturation may also reflect a consumer’s level of cultural adaptation in using the marketplace of goods and brands as a venue for buying products that reflect one’s identity; global brands may be a part of this identity. Held et al. (1999) captured the new order – one that is shaped by globalization and global consumer acculturation - this way: “Few expressions of globalization are so visible, widespread and pervasive as the worldwide proliferation of internationally traded consumer brands, the global ascendancy of popular cultural icons and artifacts, and the simultaneous communication of events by satellite broadcasts of hundreds of millions of people at a time on all continents. The most public symbols of globalization consist of Coca-Cola, Madonna and CNN news (p. 327).”

While this debate continues, metrics to determine if these common tastes are indeed emerging have not been well developed. Instead, studies have looked at the presence of global segments such as teens,
the elite and middle class. Missing was a way of measuring the extent to which consumers in various countries were being transformed into a global consumer culture, thereby complicating the researchers’ efforts to study the impact of this potentially important driver of global brand attitudes. Recently, however, Cleveland and Laroche (2006) developed a scale to measure acculturation to the global consumer culture. Their approach represents one of the first to gauge the mindset of the “transformed” global consumer. Their scale (called the Acculturation to Global Consumer Culture or AGCC) consisted of 57 items describing seven dimensions to measure different aspects of such acculturation: cosmopolitanism, exposure to marketing activities of multinationals, English language usage, social interactions, exposure to global mass media, openness to global consumer culture, and self-identification with global consumer culture. We employ this scale, along with established measures of consumer ethnocentrism and materialism to formulate and test hypotheses about the psychological drivers of global brand attitudes.

Hypothesis about Acculturation to Global Consumer Culture Dimensions and Global Brand Attitudes

We first hypothesize that the extent to which a consumer is acculturated to global consumer culture will impact their preference for global brands. In essence, we predict that a consumer who scores high on the dimensions of acculturation will be more predisposed to global brands. This investigation is useful since it may illustrate that consumers must first become acculturated before they develop preferences for global brands. Hence, firms can determine the most fertile markets for their global brands by judging the extent to which consumers have gone through this acculturation process. While this hypothesis has not been tested before, extant research provides evidence supporting the link between the different dimensions of acculturation to global consumer culture and global brand attitudes. Steenkamp et al. (2003) and Alden et al. (2006), for example, suggest that global brand attitudes and the desire to possess global brands are shaped by global consumer culture. Cleveland et al. (2009) found that the cosmopolitanism aspect of consumer acculturation – a trait which is acquired when consumers travel and engage with people from different cultures and which reflects consumers’ desire to be a part of the global community – is a significant predictor of luxury goods and electronics, where the markets are dominated by global brands. Alden et al.’s (2006) research also establishes connectivity between cosmopolitanism and global brand attitudes in South Korea.

There is also evidence that suggests that global brand attitudes are affected by other dimensions of the acculturation concept, namely global mass media and social interactions. Exposure to mass media provides perspectives that shape perception. For example, Martin (2012) found that Japanese TV ads featuring foreign women were instrumental in changing Japanese consumers’ cultural adaptation. Such adaptation, in turn, will likely have an impact on global brand attitudes. To the extent that consumers are exposed via global media to consumption symbols and lifestyles of people in different countries, they are likely to develop favorable attitudes toward global brands that are widely available and consumed in those countries. Walker (1996) contended that worldwide access to satellite TV and exposure to lifestyles and consumption choices in other countries is propelling a global consumption culture, which he labeled as a “global mall.” As per Walker, the direct influence of such global media is evidenced by the tendency for MTV-watching teens to display global teen culture signs, such as Apple iPhones, Levi jeans, Nike running shoes, or indulging in fast-food at McDonalds.

As for social interactions vis a vis global brand attitudes, every year, many people, from a cross-section of professions, travel abroad for personal or business reasons, engage in social (or “cross-cultural”, cf. Appadurai 1996) interactions with people from other cultures, while also being exposed to products
from those countries. These acculturated people exposed to global consumer culture show preference for
global brands – brands that are available wherever they travel (Craig and Douglas 2000; Ural and
Kucukaslan, 2011). In sum, findings from previous studies lead us to propose the following hypotheses
(and their rationales) regarding each dimension of global consumer acculturation

**H1.1:** Cosmopolitanism (COS) will have a significant positive impact on global brand attitudes.

_ Rationale:_ Consumers, who are not parochial and have a wider acceptance and appreciation of
various social systems, ways of life, and foreign cultures/practices, will be more inclined to enjoy the
diversity and variety of global brands. These brands may be associated with modern lifestyles found in
other countries.

**H1.2:** Exposure to Marketing Activities of Multinational Corporations (EXM) will have a significant
positive impact on global brand attitudes.

_ Rationale:_ Exposure to advertisements, promotions, and marketing used to communicate the
superiority and popularity of foreign brands will induce desire for these brands. These marketing
messages may create behavioral learning in some consumers resulting in a preference for global brands or
at least a positive view of such brands.

**H1.3:** Exposure to/ use to the English Language (ELU) will have a significant positive impact on global
brand attitudes.

_ Rationale:_ Those who are exposed to the English language are those who are more likely to be
educated and in touch with global media such as foreign movies, TV, magazines or Internet sites. Hence,
these consumers are exposed to global brands that are featured in these channels either in watching others
consume them or in product placements in these media. Aspirational desires for these brands may be
fostered by such exposure to communications in English.

**H1.4:** Social Interactions, including travel, migration and contacts with foreigners (SIN) will have a
significant positive impact on global brand attitudes.

_ Rationale:_ Interactions with foreigners are likely to raise consciousness about foreign brands,
especially global ones (Sam and Berry, 2010). For example, these foreigners may own Apple phones or
drink Starbucks coffee. Social comparisons may induce local consumers to view global brands as more
desirable, more modern, or trendier. In effect, social interactions serve as referent group systems that
courage emulation of what foreigners enjoy and practice. Travel to foreign countries gives tremendous
exposure to different lifestyles and what others consume such as global brands.

**H1.5:** Global/foreign mass media exposure (GMM) will have a significant positive impact on global
brand attitudes.

_ Rationale:_ Exposure to foreign media is likely to implant different ideas and understanding of the
world. Seeing and reading about global brands may infuse desire or preference for these brands. At a
minimum, positive attitudes about these brands are likely to be the outcome of such exposure. Foreign
movies and movie stars may serve as role models in how to live the good life. Global brands may be seen
as part of this good life.

**H1.6:** Openness to and desire to emulate global consumer culture (GCC) will have a significant positive
impact on global brand attitudes.

_ Rationale:_ Global consumer culture is about being modern and copying those who are part of this
culture. Nike footwear, for example, has become an aspirational brand (much like what Levi jeans were).
Those who wish to be members of global consumer culture will find global brands appealing given their
symbolic value of modernity and Western culture.
**H1.7:** Self Identification with global consumer culture (IDT) will have a significant positive impact on global brand attitudes.

**Rationale:** Similar to H1.6, openness to global consumer culture is likely to be the pathway to self-identification with such culture. Immersion into global consumer culture is likely to foster strongly favorable attitudes about global brands and the desire to buy and own such brands. Unlike just openness to global consumer culture, self-identification implies a tendency to conform to the dictates of such culture. Desiring to possess global consumer and be part of this global segment represents this self-identification principle.

**Hypotheses About the Impact of Consumer Ethnocentrism and Materialism on Global Brand Attitudes**

The impact of consumer ethnocentrism and materialism on brand attitudes has been extensively studied. But, what is not known is how these two psychological variables work in tandem with acculturation to global consumer culture in shaping consumer acceptance of global brands, since these variables represent forces that are likely to either foster or mitigate against preferences for global brands. Consumer ethnocentrism represents consumer beliefs about the appropriateness, indeed morality of purchasing foreign-made products (Shimp and Sharma 1987). As per these scholars, ethnocentric people tend to reject brands that are foreign while embracing brands that originate in their own culture. As such, Steenkamp, Batra and Alden (2003) speculate that consumer ethnocentrism is likely to operate negatively in the acceptance of global brands. Global brands may represent brands whose foreign origin may trigger nationalistic or patriotic resistance to their acceptance since they displace domestic brands and the domestic jobs that produce them. Hence, ethnocentrism serves to fuel opposition to global brands and to transnational firms that wish to dominate foreign markets. Based on this rationale, this hypothesis is proposed:

**H2:** Consumer ethnocentrism will have a significantly negative impact on global brand attitudes.

Materialism, on the other hand, represents the importance that consumer places on worldly possessions and the belief that such possessions will lead to pleasure and happiness (Alden et al., 2006; Richins and Dawson, 1992). It seems intuitive that materialism will have a positive impact on preference for global brands because consumers (high on the materialism trait) can gratify their material urges with prestigious foreign brands. There is ample evidence that consumers in developing countries, for example, choose global brands for conspicuous consumption or aspirational reasons which are likely to be associated with materialistic ones (Dimofte, Johansson, and Ronkainen 2008). Materialism is likely to amplify the desire to possess global brands since these may be objects of envy or aspirational ones associated with success, popularity and esteem. In essence, global brands serve as a pathway for materialistic pursuits. This understanding is captured by this hypothesis:

**H3:** Materialism will have a significantly positive impact on global brand attitudes

**METHODOLOGY**

Data was collected from 200 young adults with a mean age of 20.5 years and university education in New Zealand. New Zealand was chosen due to its location in Australasia and its physical distance from the Western markets. The sample is fairly evenly split between males and females, with females comprising 52% of the sample (n=104). We specifically chose to use a younger demographic since this age group is most likely to be integrated into the global consumer culture and possess a mindset accordingly. To determine global brand attitude (GBA), we asked the sample to rate several well-known
brands (e.g., Nike, McDonalds, Starbucks, Levis, BMW) using 7-point rating scales. We used the acculturation scale (AGCC) as developed by Cleveland and Laroche (2006) to measure acculturation to the global consumer culture. As noted above, their approach represents one of the first to gauge the mindset of the “transformed” global consumer. Their scale consisted of several dimensions, with each dimension being measured by a number of scale items as outlined below:

1) **Cosmopolitanism (COS)** (11 items): (e.g., “I am interested in learning more about people who live in other countries,” “I like to learn about other ways of life”)

2) **Exposure to Marketing Activities of Multinational Corporations (EXM)** (8 items): (e.g., “When I am watching TV, I often see advertising for products that are from outside of my country,” “Ads for foreign or global products are everywhere”)

3) **Exposure to/use to the English Language (ELU)** (10 items): (e.g., “I feel very comfortable speaking in English,” “I speak English regularly”)

4) **Social Interactions, including travel, migration and contacts with foreigners (SIN)**: (6 items) (e.g., “Visiting foreign countries is one of my favorite things,” “I often think about going to different countries and doing some traveling”)

5) **Global/foreign mass media exposure (GMM)** (9 items): (e.g., “I like to read magazines that contain information about popular Western celebrities,” “I enjoy watching Hollywood movies”)

6) **Openness to and desire to emulate global consumer culture (GCC)** (3 items): (e.g., “I think people my age are basically the same around the world. For example, a 20-something in New Zealand is basically the same as a 20-something in the U.S., Sweden, or anywhere else,” and “I think that my lifestyle is almost the same as that of people of my age-group in other countries”)

7) **Self Identification with global consumer culture (IDT)** (8 items): (e.g., “I try to pattern my lifestyle, way of dressing, etc. to be a global consumer,” and “I like reading magazines about the fashion, décor, and trends in other countries”)

The survey also included Richins and Dawson’s (1992) materialism scale (MAT) and the consumer ethnocentrism scale (CET) that developed by Shimp and Sharma (1987). To minimize common method variance the survey was administered anonymously, with clear instructions for respondents to answer honestly as there were no right or wrong answers. Also, measures unrelated to the present study were interspersed throughout the survey. To assess the presence of stylistic responses (e.g., acquiescence style or yeah saying – choice of all 1 or 7, extreme response style – consistent choice of 1 or 7, and middle response style – consistent choice of 4) we examined the data both manually and by writing computer code in SPSS. Across all the measures respondents’ answers ranged from 1 to 7 and no individual consistently checked the same response for all scale items and measures.

**RESULTS**

First, we examined the reliability of the seven acculturation to global consumer culture dimensions, consumer ethnocentrism, materialism, and global brand attitudes. As shown in Figure 1a and Figure 1b, all measures exhibited acceptable reliabilities (coefficient alpha values > .7) for males, females, and for the pooled sample.
Next, we examined the mean responses to acculturation dimensions, consumer ethnocentrism, materialism, and global brand attitudes. Results are presented in Table 2. With the exception of two scale dimensions (openness to embrace global consumer culture or GCC and self-identification with global consumer culture or IDT), all other scale dimensions of consumer acculturation as well as global brand attitudes exhibited mean responses above the scale mid-point of 4 on 7-point rating scales where 7 represents a high score on the concept. This finding implies on the average, consumers considered themselves to be cosmopolitan, significant users of English language, exposed to marketing activities of multinationals, engage in social interactions, and exposed to global mass media. These consumers also possessed favorable attitudes toward global brands. They were, however, not as open to emulate global consumer culture and did not strongly identify with global consumer culture. The results also revealed that consumers were relatively less ethnocentric (mean less than 4), but more materialistic. It can be inferred from Table 2 that gender had no impact on any of the psychological variables.
Next, we performed confirmatory factor analysis to assess the dimensionality and discriminant validity of the various measures. Results confirm that there is no overlap among the various measures; they all possess discriminant validity. Based on the above results, we then proceeded to form composite scores of various measures by summing responses to individual scale items. Since gender had no significant impact on global brand attitudes and other measures, we proceeded to perform the next set of analyses on the pooled sample instead.

Path analysis was subsequently applied, with the seven dimensions of acculturation to global consumer culture, materialism, and consumer ethnocentrism serving as the predictor variables and global brand attitude serving as the dependent variable. Results are presented in Table 3. The path model overall is statistically significant with r-square of 0.25. As shown in Table 3, acculturation to global consumer acculturation does provide some explanation for the preference for global brands. In particular, the acculturation dimensions of exposure to global mass media (GMM) and openness to embrace global consumer culture (GCC) have a significant and positive impact on global brand attitudes. While materialism, too, has a significant impact on global brand attitudes, consumer ethnocentrism does not. This result is perhaps not surprising, since the young adult sample in New Zealand is relatively less ethnocentric. In sum, results provide partial support for acculturation related hypothesis H1, as only H1.4 (related to GMM) and H1.5 (related to GCC) are confirmed. For the young adult sample, H3 (related to materialism) is also confirmed, while H2 (related to consumer ethnocentrism) is not confirmed.
DISCUSSION AND IMPLICATIONS

This research extends our understanding of how the global consumer mindset as measured by the AGCC dimensions permits some understanding of the pathways that describe the preference or likability of global brands. As such, it seems as if there may be some socialization process through acculturation that preconditions consumers’ predispositions towards global brands. Acculturation is a complex process that involves a host of influences and forces as identified by the seven dimensions of acculturation to global consume culture. Knowledge of the dimensions in this process can permit a firm to understand the extent to which their brand may succeed in a foreign market. Those who are stronger in these dimensions are much more likely to be advocates for global brands. Nonetheless, our results demonstrate that not all these dimensions have the same power in shaping attitudes. More research is needed to examine why some of these dimensions were not associated with global brand attitudes. Materialism, however was found to be a strong driver; as consumers become more materialistic, their preference for global brands is likely to be higher. Knowing the level of materialism in foreign markets may also be predictive of the success of some global brands. The results also demonstrate the power of mass media in shaping consumer culture and creating favorable attitudes towards global brands that are marketed by MNCs and transnational firms that strive to develop one message for global segments across the world. Ethnocentrism was found not to be an operative in shaping attitudes towards global brands. It is possible that New Zealand has a low level of ethnocentrism since it has a small population with a low manufacturing base. As such, it is dependent on the world’s output for many of its manufactured products. Research could examine if countries with a larger manufacturing sector may have more consumers who feel threatened by foreign brands in their power to displacing jobs and indigenous culture. We also recommend more research investigating the acculturation process in developing countries such as India, Indonesia, Brazil, or Vietnam. Furthermore, it would be interesting to see if religious or ethnic variables also interplay in the consumer acculturation process. For example, are Muslim cultures as eager to adopt global brands when they are perceived as “Western” and perhaps offensive to religious ideals? This research is a start in that direction.

REFERENCES


