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Article:

Heinberg, M orcid.org/0000-0003-2850-1862, Ozkaya, HE and Taube, M (2017) The influence of global and local iconic brand positioning on advertising persuasion in an emerging market setting. *Journal of International Business Studies*, 48 (8). pp. 1009-1022. ISSN 0047-2506

<https://doi.org/10.1057/s41267-017-0071-2>

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The influence of global and local iconic brand positioning on advertising persuasion in an emerging market setting

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Keywords: Advertising, Branding and Brand Management, Emerging Markets, Global Brands, Local Iconic Brands.

The influence of global and local iconic brand positioning on advertising persuasion in an emerging market setting

Abstract

This study explores how positioning a brand as global and/or local iconic can moderate the impact of advertising frequency (AF) on brand attitudes in an emerging market context. We argue that brands may be seen as the source of an advertisement and that the positioning of a brand can thus enhance source attractiveness, and/or source credibility, which in turn facilitate the impact of AF on brand attitudes. Our results support that both a global and a local iconic positioning enhance the AF – brand image relationship, but they do not have an effect on the AF – brand quality relationship. Additionally, we examine whether source attractiveness and source credibility mediate these moderation effects and find that only source attractiveness is a significant mediator. Additionally, we investigate whether a hybrid positioning strategy (i.e., positioning as both global and local iconic) is beneficial. Results indicate that a separate positioning (i.e., global or local iconic) is a better strategy to increase the attractiveness of the advertising source and in turn to facilitate the effect of advertising frequency to create brand image.

INTRODUCTION

It is crucial for firms to obtain the greatest benefit from their ad expenditures to remain competitive. This basic principle of marketing is especially vital for firms in emerging markets for two reasons, which is why the present study employs an emerging market perspective: first, competition in emerging markets is even fiercer than in established ones, often resulting in paper thin margins (Sheth, 2011); second, advertising possesses a stronger leverage in creating sales in emerging markets than in developed countries (Bahadir, Bharadwaj, & Srivastava, 2015). Additionally, emerging markets are sometimes referred to as distinct from developed ones (e.g., concerning the interplay between global and local brands, Özomer, 2012). This merits a closer look into ways to enhance advertising success and possible distinctive characteristics of brand positioning. One of the focal instruments of managers for steering their advertising success is advertising frequency (AF) because of its direct relation to companies' advertising costs (i.e., the bottom line), as well as to sales and revenue (i.e., the top line) (Tellis, 2004). In this regard, enhancing AF's ability to induce attitude changes is of key importance. Because of AF's high relevance, some moderators have already been identified to enhance AF's relationships to brand attitudes (Schmidt & Eisend, 2015); these moderators are mainly related to the consumer (such as involvement) or the advertisement itself (such as advertising length or message complexity). However, with the notable exception of Campbell and Keller (2003), the importance of brand related moderators has been neglected. Especially the moderating role of brand positioning on the relationship between AF and brand attitudes has been overlooked in the literature. Brand positioning is a central strategic tool that has important consequences on firm performance and it requires significant amount of investment. Thus it is vital to examine how brand positioning affects the relationship between AF and brand attitudes. Accordingly, examining the moderating effects of brand positioning would guide firms to make sounder brand positioning decisions to enhance the effects of AF.

Brand positioning may be a possible facilitator to the effects of advertising frequency because brand positioning might convey credibility and/or attractiveness (Aaker, 1991) and the brands may be seen as the source of an advertisement (Keller, 2003). One of the key positioning strategies, especially in emerging markets, is the global-local dichotomy (Zarantonello, Jedidi, & Schmitt, 2013). A global

brand reaches across multiple countries and symbolizes consensus values of globalization. A local iconic brand is built around local operations and is able to meet local tastes and needs. Moreover, it symbolizes consensus values of the local community. Notably, brand positioning is a strategic decision. Companies may choose to present a brand to consumers in a certain way so that it becomes more or less global and/or local iconic. Previous literature has connected both global and local iconic positioning strategies to different benefits and drawbacks (e.g., for global brands: better quality, prestige, and an association with global culture; for local iconic brands: a patriotic aura, and a lower price point (Alden, Steenkamp, & Batra, 1999; Batra, Ramaswarny, Alden, Steenkamp, & Ramachander, 2000; Özsomer, 2012)). However, the literature has overlooked whether and how a global/local iconic brand positioning facilitates the effects of advertising frequency.

Prior research has found that AF affects brand attitudes along two important routes, an affective route (e.g., leading to brand image) and a cognitive route (e.g., leading to brand quality) (Schmidt & Eisend, 2015). Moreover, an attractive advertising source usually triggers positive affect towards the product, whereas a credible advertising source may facilitate greater cognitive elaborations (Rucker, Petty, & Priester, 2007). Hence, attractiveness of the source may promote the affective route triggered by advertising frequency and thus facilitate the AF – brand image relationship. Source credibility, on the other hand, may facilitate the cognitive processes triggered by advertising frequency and then moderate the AF – brand quality relationship. However, although there is a general belief in these effects (Rossiter & Percy, 1997: 260), there is only limited and often indirect evidence. The research on brands as the source of an ad is particularly underdeveloped (Keller, 2003). To the best of the authors' knowledge, only Campbell and Keller (2003) have empirically investigated the moderating role of brands as sources of an ad on effects of advertising frequency. However, although Campbell and Keller (2003) rely on the source effect, many crucial building blocks of the underlying persuasion theory have not been tested by their research. For example, it remains unclear if brand positioning facilitates the source effect for the affective and/or cognitive route triggered by advertising frequency, in other words, does brand positioning affect the AF – brand image, and/or the AF – brand quality relationship? More importantly, it is essential for a better theoretical understanding of these relationships to gain insights into why and how brand

positioning facilitates the attitude changes triggered by advertising frequency. Hence, we also investigate the mediating roles of source attractiveness and source credibility to the moderating relationships of a global and/or local iconic brand positioning on the effects of AF on brand image and brand quality. This investigation provides understanding of the nomological network surrounding the moderating effects on advertising frequency.

Moreover, previous literature has suggested that emerging markets might be different from developed countries and that a hybrid positioning may be feasible there (e.g., Özsomer, 2012). However, other researchers have voiced doubts if such a hybrid positioning is viable (e.g., Hollis, 2008; Zhou & Belk, 2004). Our study addresses these opposing views by investigating whether distinct positioning (i.e., positioning as either global or local iconic), or hybrid positioning (i.e., a joint positioning strategy) is more beneficial.

These gaps in the literature were reiterated in recent calls to enhance global branding knowledge in the international branding strategy (Chabowski, Samiee, & Hult, 2013) and to deepen knowledge of the advertising persuasion process in emerging markets (Zarantonello et al., 2013). In a nutshell, the contributions of this study are to investigate: whether (1) global and local iconic positioning enhance the effects of AF on brand image and brand quality, (2) these moderating effects occur via source attractiveness and/or source credibility, and (3) hybrid positioning (global *and* local iconic) or separate positioning (global *or* local iconic) enhances source attractiveness and/or source credibility and in turn facilitates the AF – brand attitude relationships. Taken together, these points enrich our understanding of how brand positioning helps to facilitate advertising effectiveness. The extant literature has discussed some moderating variables to the AF – brand attitude relationship (Schmidt & Eisend, 2015), but has neglected the effects of a global/local iconic brand positioning.

MODEL DEVELOPMENT

Credibility and Attractiveness of Global and Local Iconic Brands

Advertising frequency enhances both brand image and brand quality (Schmidt & Eisend, 2015). The AF – brand image path can be seen as an affective route which embraces emotions and feelings, whereas the AF – brand quality path has been connected to cognitive processes that encompass issue-

relevant thinking (Rucker et al., 2007). These two routes can be enhanced if the source of the ad is attractive or credible, respectively. Building on persuasion theory, an attractive source creates positive affect. The relationship between the receiver and the source becomes more relevant and the receiver may voluntarily give into the influence from the source (Wilson & Sherrel, 1993). Hence, an attractive source is a possible moderator to the AF – brand image relationship. Again following persuasion theory, a credible source may facilitate the cognitive route because an individual may conform to an influence more readily and adapt his/her own cognitive beliefs if s/he sees the influence as originating from a source of valid information. Consequently, a credible source is a possible moderator to the AF – brand quality relationship (Kelman, 1961; Rossiter & Percy, 1997). Since brands may be seen as the source of an ad (Keller, 2003) and can also be attributed with credibility and/or attractiveness (Aaker, 1991), we argue that it is possible to enhance their attractiveness and/or credibility with the help of brand positioning.

AF – Brand Image. According to Kelman (1961), a source of an ad is likely to be attractive for an individual if it occupies a position which the individual desires. Since global and local iconic brands address acute tensions and opportunities of consumers in a globalizing society, they may be desirable and thus attractive sources when viewed as sources of an ad. Global and local iconic positioned brands possess the ability to communicate a consumer's self-identity (Xie, Batra, & Peng, 2015). Globalization poses challenges to the individual (e.g., confusion of cultural identity, alienation between generations), and global and local iconic brands may support individuals coping with these challenges by helping them to locate themselves or gain acceptance in one's peer group.

An attractive source in turn may create positive affect, which simplifies the transfer of attitudes from ads (MacInnis, Moorman, & Jaworski, 1991). Consumers then may voluntarily give into the influence from the source, increasing the effect of advertising along the affective route (Rossiter & Percy, 1997).

For example, global brands might seem attractive for certain consumers because they carry the promise to feel at one with global culture (Alden et al., 1999). Moreover, global brand consumption helps consumers in shaping a cosmopolitan self-identity by signaling belongingness to a

world-wide segment (Holt, Quelch, & Taylor, 2004). Likewise, local brands can become local icons that consumers may use to “address identity desires and anxieties” (page 2, quote by Holt, 2004). Local iconic brands build their attractiveness on local cultural capital and a deeper understanding of the local psyche (Ger, 1999) and help to define the local market’s flavor (Dimofte, Johansson, & Ronkainen 2008). Moreover, consumers may perceive the local iconic attribute of a brand as attractive because it may help them to reinforce originality and local pride (Özsomer, 2012). As a result, global and local iconic brand positioning may enhance the attractiveness of a brand as an advertising source. The increased attractiveness of a well-positioned brand then may result in a higher persuasive impact of the brand’s advertising, which facilitates the AF – brand image relationship. Therefore, we hypothesize:

H1a: Global brand positioning enhances the effect of AF on brand image.

H1b: Local iconic brand positioning enhances the effect of AF on brand image.

H1c: Source attractiveness mediates the moderation effect of global brand positioning on the AF – brand image relationship.

H1d: Source attractiveness mediates the moderation effect of local iconic brand positioning on the AF – brand image relationship.

AF – Brand Quality. Additionally, the positioning of a brand may add credibility to the advertising source and thus increase the impact of AF along the cognitive route. When the brand is perceived as able and willing to deliver what it promises, it is viewed as credible. Messages communicated from a source of high credibility may be perceived as more relevant for the individual and thus have a higher likelihood to induce attitude changes (Kelman, 1961). Prior research has found that a credible ad source may facilitate the cognitive integration of the advertising claim into the consumer’s belief system (Rossiter & Percy, 1997). Hence, source credibility of the brand may ease cognitive processing and have an impact on the AF – brand quality relationship.

Global brands require substantial brand building expenditures, which can be viewed as a bond that is put at risk in the case of a broken brand promise. Therefore, the investments that are necessary to build a global brand may enhance the credibility of a global positioning strategy (Heinberg, Ozkaya, & Taube, 2016; Holt et al., 2004). Accordingly, Özsomer and Altaras (2008) proposed that global brands, “have greater credibility because of greater brand investments and marketing-mix consistency across major markets and time” (page 10, quote by Özomer & Altaras, 2008).

A similar effect could also apply to brands with a local iconic positioning. The quality level of local brands has increased significantly in emerging markets (Zhou & Belk, 2004). Additionally, local brands might better target their products to the unique needs and desires of local consumers (Özsomer, 2012). Hence, local brands may have closer relationships with consumers, which could explain why consumers tend to view local brands as authentic (Ger, 1999). This potential credibility could be attached to local iconic brands when seen as an advertising source and could help to ease the cognitive route triggered by advertising frequency. Hence, global or local iconic brand positioning may increase the credibility of a brand as an advertising source. The enhanced credibility of a well-positioned brand then may ease the internalization of the advertising message, which facilitates the AF – brand quality relationship. Therefore, we hypothesize:

H2a: Global brand positioning enhances the effect of AF on brand quality.

H2b: Local iconic brand positioning enhances the effect of AF on brand quality.

H2c: Source credibility mediates the moderation effect of global brand positioning on the AF – brand quality relationship.

H2d: Source credibility mediates the moderation effect of local iconic brand positioning on the AF – brand quality relationship.

Interaction between Global and Local Iconic Brand Positioning

As previously discussed, both the global and local iconic positioning strategies of brands might offer benefits that may ease the AF – brand attitude relationships. However, the literature has provided

ambiguous evidence as to whether it is possible to simultaneously profit from both positioning effects. While the literature has supported a separate positioning strategy in developed countries (Özsomer, 2012), some scholars have argued for the benefits of a hybrid positioning strategy in emerging markets (e.g., Özsomer, 2012, Xie et al., 2015). Nevertheless, other findings have raised doubts against such a proposition (e.g., Swoboda, Pennemann, & Taube, 2012).

We do not share Özsomer's (2012) view, which encourages a hybrid positioning in emerging markets. Such a hybrid brand positioning is possible in practice; however, we argue that it may not necessarily be prudent. For example, Lenovo, one of the most thriving emerging market brands and one of the biggest success stories of a Chinese company, has recognized that it can only be successful, when avoiding a hybrid brand positioning. Jo Moore, the executive brand director from Lenovo recently affirmed in an interview, "We see ourselves as a global brand and we don't want to be put in any kind of box. [...] We don't make a point of being Chinese" (quote by Rogers, 2016). In other words, in order to be appealing for consumers around the world, the company less stresses its local iconic image. Such a negative relationship has also been noted in research. Investigating brand positioning in advertising in both developed and emerging markets, Alden et al. (1999) find a strong negative correlation between a global and a local cultural positioning ($r = -0.77$).

One key reason why hybrid brand positioning might lead to adverse effects for brands is the bicultural exposure effect, which is present in developed and emerging markets alike (Chiu, Mallorie, Keh, & Law, 2009). An individual's simultaneous exposure to different cultures within one object leads to an emphasis on stereotypic qualities of those cultures. As a result, the perceived incompatibility between the respective cultures is enlarged, leading to feelings of 'cultural contamination' (Torelli, Chiu, Tam, Au, & Keh, 2011). The fusion of one's own and a foreign culture within one object could even give rise to disgust (Cheon, Christopoulos, & Hong, 2016).

This effect extends to products where Torelli and Ahluwalia (2012) have found that brand extensions of culturally symbolic brands to a culturally incongruent product category are evaluated as significantly less appealing compared to those from a neutral or congruent product category. Similarly, products, especially cultural icons, are evaluated better, when they are monocultural instead of bicultural (Torelli & Cheng, 2011; Torelli et al., 2011).

The hybrid global and local iconic positioning exposes consumers to two different cultural influences. This should apply especially in emerging markets, where local culture is potentially more different from Western images, which are often associated with globalization (Alden et al., 1999). Therefore, we argue that there might be a loss of attractiveness, when positioning a brand as global and local iconic at the same time due to the bicultural exposure effect resulting from the distinct cultures that these brand types represent. A diminishing attractiveness of a brand with a hybrid positioning would imply that the brand is affectively less persuasive and we, therefore, expect a decrease in the AF – brand image relationship. Correspondingly, brands with a hybrid positioning may be perceived as less trustworthy, and thus less credible, because consumers might be unclear what these brands stand for, perceive the brands as insincere, or see them as unable to fulfill their promises. Consequently, advertisements from such a brand should be cognitively less persuasive, which is expected to lead to a weaker AF – brand quality relationship. We hypothesize:

H3a: The interaction between global and local iconic brand positioning has a negative effect on source attractiveness.

H3b: The interaction between global and local iconic brand positioning has a negative indirect effect via source attractiveness on the AF – brand image relationship.

H3c: The interaction between global and local iconic brand positioning has a negative effect on source credibility.

H3d: The interaction between global and local iconic brand positioning has a negative indirect effect via source credibility on the AF – brand quality relationship.

METHODOLOGY

To investigate these hypotheses, we conduct separate studies set in China and India; both countries lead among the emerging markets in terms of advertising spending growth and advertising spending, respectively (ZenithOptimedia, 2015). The first study is a preliminary study and is placed in China. It examines the general notion if global and local iconic brand positioning can enhance the AF – brand

image and the AF – brand quality relationships. We use multilevel modeling to best account for our nested data set, which is created by collecting consumer responses on 36 real brands with different positioning strategies. The second study is the main study; it is set in India (Bangalore) and we use this study for hypotheses testing. It investigates the relationships depicted in Figure 1 and thus examines 1) the moderating role of global and local iconic brand positioning on the AF – brand image and the AF – brand quality relationships, 2) the mediation of source attractiveness and source credibility to the above moderation relationships and 3) the influence of the interaction of a global and local iconic positioning on source attractiveness and source credibility and in turn on the AF – brand image and AF – brand quality relationships. To reduce the complexity of these tests, we employ structural equation modeling for the second study.

[Insert Figure 1 about here]

Study 1: Preliminary study

We employed a preliminary study in China to assess if global and local iconic positioned brands are capable to enhance the affective and cognitive effects of AF. For our data collection, we used randomized cluster sampling, and our sampling unit was the residential home. Interviews were face-to-face and conducted by professional and trained interviewers based on a standardized questionnaire, and lasted about 30 minutes. Overall, the sample size in China is 1187. To reach better generalizability, data were collected in Beijing, Shanghai, and Chengdu. Every respondent was only questioned about one randomly selected brand, that was at least “rather familiar” to them. Respondents were 18-45 years of age and were roughly comparable to the Chinese population in terms of age and gender, with a slight oversampling of women. Questionnaires were professionally translated from English into Chinese and back-translated until both versions matched.

To select the set of real brands, we built on desk research and focus groups discussions. We focused on FMCGs, because they are advertising savvy and consumers show high familiarity and prior experience with these brands. Moreover, FMCGs are a typical low-involvement product category and, therefore, consumers are known to spend fewer resources to process their information

and rely heavily on the source effect (Tellis, 2004). The brand level encompasses 36 brands; this number is large enough to ensure accuracy of parameter estimates (Hox, 2010).

We used established scales and conducted a pilot study ($n = 23$) to check their applicability in the Chinese context, relying on perceived measures of key constructs (Yoo, Donthu, & Lee, 2000) (measurement scales are displayed in the web appendix). We tested our scales rigorously for validity, reliability and possible biases. Standardized factor loadings were generally above 0.7, and Cronbach's alpha coefficients were well above acceptable limits. Also, convergent validity was supported, and discriminant and nomological validity was confirmed with the help of the Fornell-Larcker criterion (Hair, Black, Babin, Anderson, & Tatham, 2010). Finally, the measurement model displayed excellent fit values (CFI = 0.96; SRMR = 0.03).

Post hoc, we ran two tests to check for common method variance. First, we conducted Harman's single factor test and reached a common method variance of 0.17. This value is satisfactory (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Second, we used the marker variable approach and gained support that common method testing did not bias our results. Additionally, we checked the variance inflation factor to test for multicollinearity. The highest value reached up to 1.75, which is well below the cutoff point of 10 (Hair et al., 2010).

The model was estimated using a robust maximum likelihood estimator with numerical integration with Mplus. To provide a more rigorous test for the model, we include the following covariates: city differences, product category differences, local identity, satisfaction, and familiarity. With 0.11, we find a medium size intraclass coefficient, which substantiates our HLM approach (Hox, 2010). Moreover, our model receives support with the steady decline in the residual variance when adding the relevant variables.

Altogether, the AF – brand attitude relationships in the preliminary study developed as expected according to previous studies: AF has a direct effect on brand image ($b = 0.11$) and perceived brand quality ($b = 0.44$) (detailed results are displayed in the web appendix). Findings also corroborate that a global and local iconic brand positioning enhances the relationship between AF and brand image. The more global ($b = 0.29$) or local iconic ($b = 0.32$) a brand is, the stronger the effect. The same moderators were also hypothesized for the relationship from AF on brand quality, but the

effects are non-significant (global: $b = 0.23$; local iconic: $b = 0.15$). Therefore, we receive support for the general notion, that brand positioning can enhance the impact of advertising on attitude changes, but only along the affective route. The moderation effect on the cognitive route, however, did not receive support.

Building on the logic of persuasion theory and the source effect developed above, different reasons might explain this result. First, brand positioning could be less effective to create credibility than expected by the mainstream literature (e.g., Xie et al., 2015). A number of studies have discussed possible causes: for global brands, Dimofte et al. (2008) argued that the association of a global brand positioning with quality might originate from the fact that many global brands used in existing analyses are strong brands. For local iconic brands, no study has found evidence that local emerging market brands are connected to higher quality perceptions (e.g., Özsomer, 2012; Steenkamp, Batra, & Alden, 2003). This may indicate that local brands have not reached the operational standards of global brands and that their quality promise lacks credibility. Second, next to the failure of brand positioning to induce source credibility, the persuasive impact of source credibility might also be contested. The effect is widely accepted in the literature (Pornpitakpan, 2004; Wilson & Sherrel, 1993), but some studies challenge the importance of source credibility for the cognitive route. For instance, cognitive persuasion of ads could depend more on the initial opinion of the product (Sternthal, Dholakia, & Leavitt, 1978), or on the direct experience with the brand (Wu & Shaffer, 1987), instead of the credibility of the advertising source. In other words, consumers may be relying on their direct experience with the brand and/or their initial opinion of the product rather than relying on the credibility of the source. To investigate these explanations and, most importantly, to test the hypotheses, we conducted the main study.

Study 2: Main study

To stay close to the methodology from study one, we use the same sampling approach, this time covering 44 FMCG brands (toiletries and beverages). However, in order to reduce model complexity for the mediation analysis of the moderation, we choose structural equation modeling. The study ($n = 437$) is set in India to increase the generalizability of our ideas across countries. Respondents were

roughly comparable to those in study one in terms of age and gender, but Indian consumers were slightly more affluent, which may be due to our choice of Bangalore for data collection (see web appendix). This time, the original English questionnaire was professionally translated into Hindi and back-translated into English until both versions matched.

The measurement model resembles study one, but we include two additional constructs, source attractiveness and source credibility, to analyze the mediation effects (Table 1). Like in the preliminary study, we used perceived measures for advertising frequency, brand image, and brand quality. Specifically, we follow Yoo et al.'s (2000) argument, that “perceived marketing efforts [compared to actual marketing efforts] play a more direct role in the consumer psychology” (page 200, quote by Yoo et al. 2000) because marketing effort can only change consumer behavior when consumers perceive their existence.

An interaction between global and local iconic positioning strategies modeled onto the source attributes can cover the effects of a hybrid/separate positioning. Since the single effects of either a global or local iconic positioning on source attractiveness/credibility are expected to be positive, a negative effect of the interaction onto source attractiveness/credibility would indicate a rise in source attractiveness/credibility the more we move from a hybrid to a separate positioning. Negative effects of a global and local iconic positioning interaction would thus indicate benefits for a separate positioning; whereas positive effects of the interaction would call for a hybrid positioning strategy.

In line with study one, a number of covariates were taken into account to control for exogenous variables. Strong variance between different groups of emerging market consumers in terms of local pride may bias results; we thus controlled for *local identity*. Because we relied on real brands, we used *satisfaction* to control for effects of usage experience. Third, we controlled for *brand familiarity*, which could lead to differences in information processing and brand evaluation. Finally, we use *product category* to take into account the possible differences between toiletries (coded as 0) and beverages (coded as 1).

[Insert Table 1 about here]

The validity and reliability tests provided good support for our whole measurement model. Standardized factor loadings, Cronbach's alpha coefficients, and the average variance extracted were all well above adequate limits, supporting convergent validity. Moreover, discriminant and nomological validity were confirmed (Hair et al., 2010) and results from the confirmatory factor analysis showed an acceptable model fit (CFI = 0.91; SRMR = 0.05). Tests for common method variance (Harman's single factor test & marker variable, Podsakoff et al., 2003) and multicollinearity (Hair et al., 2010) also showed satisfactory results.

To test hypotheses, we follow a stepwise approach and build four interrelated models (Table 2). Model 1, the main treatment model, represents the moderation of a global and local iconic brand positioning on the AF – brand image and AF – brand quality relationships and thus resembles the model from our preliminary study closely. Similarly, results conform to the findings from the preliminary study: Global brand positioning and local iconic brand positioning enhance the AF – brand image relationship ($B = 0.24$ and $B = 0.20$), supporting H1a and H1b. However, also analogous to the preliminary study, they do not have a significant moderating effect on the AF – brand quality link ($B = 0.11$ and $B = 0.07$), leading to a rejection of H2a and H2b. Model 2 is designed to assess the mediation of source attractiveness and source credibility to the above moderation relationships. To test the mediation, we build on the widely accepted steps, initially proposed by Baron and Kenny (1986). We examine 1) the links between brand positioning and source attractiveness/source credibility, 2) the role of source attractiveness/source credibility as a moderator to the AF – brand image and the AF – brand quality relationships, and finally 3) the change of effect sizes of the main moderation effect of brand positioning when including the mediators (i.e., source attractiveness and source credibility) to these moderation effects. Following this procedure, we find significant relationships between global (0.23) and local iconic brand positioning (0.38) and source attractiveness. Moreover, source attractiveness moderates the AF – brand image relationship (0.22). Consequently, the indirect effect of the mediation shows significant influences (0.05 and 0.09 respectively). Finally, the direct moderation effects of global (0.15) and local iconic (0.09) positioning on the AF – brand image relationship decrease in size and fall below the significance threshold after including the mediator. This indicates that the moderation of brand positioning on the AF – brand image

relationship is fully mediated by source attractiveness and we, therefore, find support for the ideas expressed in H1c and H1d.

As outlined above, the moderations of global and local iconic positioning on the AF – brand quality relationship were not significant. A closer look at the mediator of source credibility might provide insights into possible reasons for these results. Our findings indicate that the effects of global (0.33) and local iconic (0.49) positioning on source credibility are significant, but that the moderation of source credibility on the AF – brand quality path does not cross the significance threshold. It means that global and local iconic brands induce credibility; however credibility does not play a moderating role in the AF – brand quality relationship. Therefore, we do not find a mediation of source credibility to the brand positioning moderation on AF – brand quality and H2c and H2d have to be rejected.

The above results are also supported in the full mediation model (Model 3) which omits the non-significant direct moderation effects from brand positioning to reduce model complexity. Finally, Model 4 allows investigating the interaction effect between a global and local iconic positioning on source attractiveness/credibility and the indirect effects between the interaction of brand positioning via the mediators and the AF – brand attitude relationships. In support of H3a, we find that the interaction significantly decreases the full mediator source attractiveness (-0.08). Additionally, source attractiveness continues to moderate the AF – brand image relationship (0.23), leading to a significant negative indirect effect of (-0.02), supporting H3b. H3c cannot be confirmed, as the effect of the interaction of a global and local iconic positioning to source credibility does not cross the significance threshold. Additionally, we find that the moderation of source credibility on the AF – brand quality relationship is still below significance, leading to a non-significant indirect effect; consequently H3d has to be rejected.

Summarizing, these results suggest that a global and local iconic brand positioning can enhance the attractiveness of a brand as an advertising source and thus in turn facilitate the affective route of advertising frequency, i.e., the AF – brand image link. A possible reason why brand positioning does not moderate the AF – brand quality relationship can be found in the failure of source credibility to facilitate the cognitive route of advertising frequency. The results of study one and study two are, therefore, interwoven and substantiate each other. Moreover, by selecting two

different emerging markets, we find a solid indication for the generalizability of our theoretical model beyond a single emerging market. Additionally, results reveal that a hybrid positioning is not an advisable strategy in emerging markets because it reduces the persuasive effects of source attractiveness and thus in turn decreases the AF – brand image relationship.

[Insert Table 2 about here]

DISCUSSION

It is important to unveil the factors that enhance the effects of advertising frequency in this era of high advertising intensity. This study shows that it is possible to enhance the effect of AF on brand image with a global positioning *or* a local iconic positioning. However, these positioning strategies are not a cure for firms trying to enhance the more cognitive effects of AF, since our results reveal that they have no influence on the AF – brand quality relationship. Brand positioning as either global or local iconic may raise the attractiveness of the brand as the source of an ad, which in turn facilitates the affective route from AF on brand image. Also, and in accordance with the extant literature (e.g., Özsomer, 2012; Steenkamp et al., 2003, Xie et al., 2015), brand positioning as either global or local iconic can enhance source credibility. However, this effect does not stretch to facilitate the AF – brand quality relationship. While the majority of studies have suggested that source credibility is a potent moderator to advertising effects (e.g., Wilson & Sherrel, 1993), there are also some findings in the literature that might help explain the non-significant moderation of source credibility. The effect might be less influential if consumers have already built up experience with a brand (Wu & Shaffer, 1987), or if there is little doubt about brand quality, because consumers do not have a negative opinion about a product (Sternthal, et al., 1978). On the other hand, the effect of source attractiveness may not wear off with brand experience as consumers use brands to reaffirm and communicate their self-identity with the brand and the attractiveness it possesses.

These moderating effects of brand positioning on the AF – brand attitude relationship are important contributions. The extant literature has identified some moderators related to consumers or the ad itself (Schmidt & Eisend, 2015), but has neglected the role of brands as moderators (with the

notable exception of Campbell & Keller, 2003). Therefore, the present study provides valuable insights into the applicability of key building blocks of persuasion theory to brands as moderators to the AF – brand attitude relationships. First, the moderation of global and local iconic brand positioning only affects the AF – brand image path (i.e., the affective route), but not the AF – brand quality path (i.e., the cognitive route). Second, by examining the role of source attractiveness and source credibility the study explores the theoretical mechanism behind these effects and thus elaborates the nomological network. The mediator of source attractiveness fully explains the moderation of brand positioning and thus enables a deeper understanding of why the moderating effects of a global and local iconic brand positioning occur.

The global and local iconic positioning is especially important for emerging market consumers (Batra et al., 2000) and several studies have focused on the advantages of global or local iconic products, such as creating certain brand promises to consumers (e.g., Xie et al., 2015). However, previous research has overlooked how global and local iconic positioning strategies increase the success of key marketing mix components, such as advertising.

The third contribution of this research is to reveal the exclusive natures of global and local iconic positioning. Contrary to previous findings (e.g., Özsomer, 2012) which suggested that local iconic brands in emerging markets might profit from a global appeal, our findings depict that these positioning strategies are not well reconcilable and that hybrid positioning has a negative effect on source attractiveness and in turn decreases the AF – brand image relationship. The separate positioning suggestion revealed by our results is, therefore, similar to those for developed countries (Özsomer, 2012). Hence, we expect that the model is also applicable beyond the emerging market context in developed countries. According to our theoretical reasoning, the bicultural exposure effect may explain these results. The simultaneous exposure to different cultures within one object may lead to feelings of ‘cultural contamination’ (Torelli et al., 2011) and thus decrease the attractiveness of a brand as the source of an ad.

Interestingly, the effects of a hybrid positioning on source credibility and in turn on the AF – brand quality relationships are not significant. The bicultural exposure effect provides a possible explanation. As developed above, a joint presentation of different cultures in one object leads

consumers to focus on cultural stereotypes and the potential incompatibility of these cultures, decreasing the appeal of the object. Interestingly, research has indicated that careful cognitive elaborations might attenuate the bicultural exposure effect (Torelli et al., 2011). This might explain why source credibility, which is more connected to cognitive elaborations, is not negatively affected by the hybrid brand positioning. We have to leave it to future studies to further explore these ideas.

Moreover, we encourage future studies to replicate our theoretical model beyond FMCG brands and in developed countries, as product category might have a moderating effect (Özsomer, 2012). Additionally, our sample only represented the urban middle class population, aged 18-45. Hence, we encourage a replication in rural areas and with poorer or older consumers, where media consumption, and thus advertising frequency, might differ. Finally, we relied on consumer perceptions to measure AF. By doing so, we aligned ourselves with other influential studies (e.g., Yoo et al., 2000). However, to increase the confidence in our model, we propose a lab or field experiment to manipulate actual advertising frequency. Such an experiment might also test the interaction of brand positioning with possible quadratic effects of the AF – brand attitude relationships.

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Figure 1:

Conceptual model

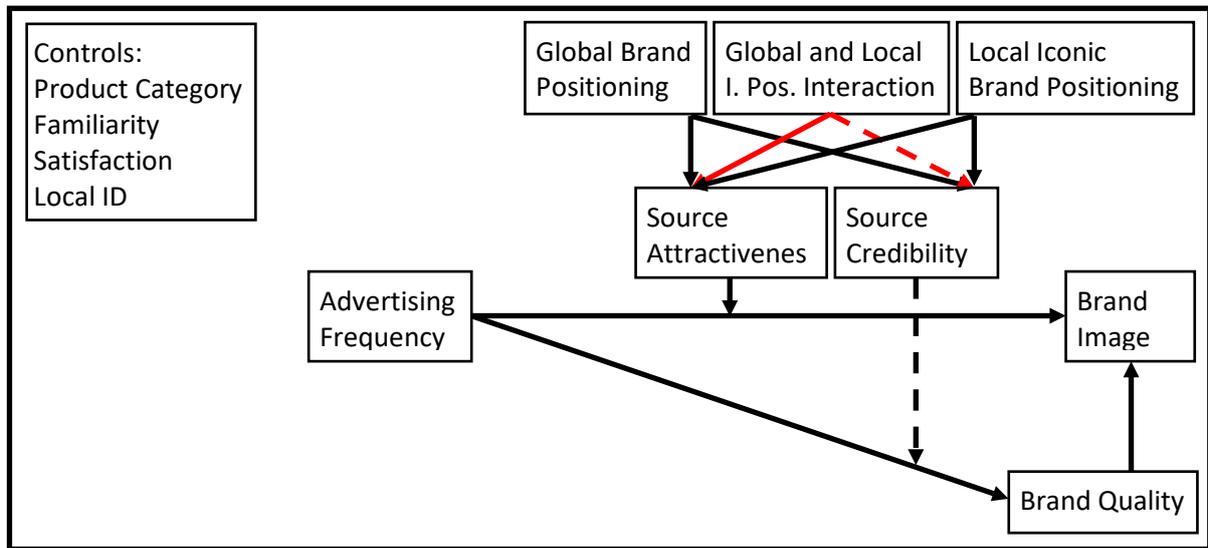


Table 1:**Measurements main study (India)**

| Construct and Item wording | λ | CA | CR |
|---|-----------------------------|-----------|-----------|
| <i>Advertising Frequency (Joo et al., 2014; Yoo et al., 2000)</i> | | | |
| [Brand] frequently advertises on television. | 0.95 | 0.95 | 0.95 |
| I see advertisements from [Brand] frequently in the media. | 0.99 | | |
| I frequently notice [Brand's] advertisements. | 0.87 | | |
| <i>Brand Image (Keller, 1993)</i> | | | |
| [Brand] is a strong brand. | 0.73 | 0.80 | 0.82 |
| [Brand] is favorable to me. | 0.83 | | |
| [Brand] is a unique brand. | 0.76 | | |
| [Brand] has a positive image. | 0.61 | | |
| <i>Brand Quality (Stayman & Batra, 1991)</i> | | | |
| [Brand] is of high quality. | 0.72 | 0.74 | 0.74 |
| [Brand] appears reliable to me. | 0.67 | | |
| [Brand] is useful to me. | 0.73 | | |
| <i>Source Attractiveness (Amos & Spears, 2010)</i> | | | |
| [Brand] is appealing. | 0.78 | 0.80 | 0.80 |
| [Brand] is attractive. | 0.76 | | |
| [Brand] is desirable. | 0.73 | | |
| <i>Source Credibility (Erdem and Swait, 2004)</i> | | | |
| [Brand] has the ability to deliver what it promises. | 0.81 | 0.87 | 0.87 |
| This brand keeps its promises. | 0.89 | | |
| I definitely trust [brand]. | 0.81 | | |
| <i>Global Brand Positioning (Steenkamp et al., 2003)</i> | | | |
| To me, this is a global brand. | 0.96 | 0.97 | 0.98 |
| I do think consumers overseas use this brand. | 0.97 | | |
| This brand is located all over the world. | 0.95 | | |
| <i>Local Iconic Brand Positioning (Steenkamp et al., 2003)</i> | | | |
| I associate this brand with things that are "Indian". | 0.97 | 0.94 | 0.95 |
| To me, this brand represents what "India" is about. | 0.85 | | |
| To me, this brand is a very good symbol of "India". | 0.95 | | |

λ = standardized factor loadings (CFA); CA = Cronbach's Alpha; CR = Composite reliability

Table 2:

Results of main study (India): structural equation modeling

| Paths | | Model 1: Main treatment model | | | Model 2: Mediation model controlling for main treatment | | | Model 3: Full mediation model | | | Model 4: Full mediation model with interaction test | | | Hypotheses |
|--|------------------------------------|-------------------------------|-----------------|--------------------|---|-----------------|--------------------|-------------------------------|-----------------|--------------------|---|-----------------|--------------------|---------------|
| | | Unstand. struct. coeff. | Standard errors | Significance level | Unstand. struct. coeff. | Standard errors | Significance level | Unstand. struct. coeff. | Standard errors | Significance level | Unstand. struct. coeff. | Standard errors | Significance level | |
| Controls | | | | | | | | | | | | | | |
| Local Identity | -> Brand Image | 0.12 | 0.08 | n.s. | 0.12 | 0.08 | n.s. | 0.10 | 0.07 | n.s. | 0.10 | 0.07 | n.s. | |
| Satisfaction | -> Brand Image | 0.26 | 0.04 | *** | 0.26 | 0.04 | *** | 0.29 | 0.04 | *** | 0.29 | 0.04 | *** | |
| Familiarity | -> Brand Image | 0.15 | 0.03 | *** | 0.15 | 0.03 | *** | 0.17 | 0.03 | *** | 0.17 | 0.03 | *** | |
| Product Category | -> Brand Image | -0.00 | 0.07 | n.s. | -0.00 | 0.07 | n.s. | 0.01 | 0.07 | n.s. | 0.01 | 0.07 | n.s. | |
| Basic model | | | | | | | | | | | | | | |
| Advertising Frequency | -> Brand Image | 0.06 | 0.03 | * | 0.06 | 0.03 | * | 0.05 | 0.03 | * | 0.05 | 0.03 | * | |
| Advertising Frequency | -> Brand Quality | 0.05 | 0.03 | * | 0.05 | 0.03 | * | 0.12 | 0.03 | *** | 0.12 | 0.03 | *** | |
| Brand Quality | -> Brand Image | 0.38 | 0.07 | *** | 0.38 | 0.07 | *** | 0.36 | 0.07 | *** | 0.36 | 0.07 | *** | |
| Moderation from brand positioning | | | | | | | | | | | | | | |
| Global Brand Pos. | -> Brand Image | 0.13 | 0.10 | n.s. | -0.01 | 0.08 | n.s. | | | | | | | |
| Local Icon. Brand Pos. | -> Brand Image | 0.16 | 0.10 | n.s. | -0.02 | 0.09 | n.s. | | | | | | | |
| Global Brand Pos. | -> Brand Quality | -0.04 | 0.10 | n.s. | -0.04 | 0.10 | n.s. | | | | | | | |
| Local Icon. Brand Pos. | -> Brand Quality | 0.08 | 0.11 | n.s. | 0.06 | 0.11 | n.s. | | | | | | | |
| Int. Adv. Freq.*GBP | -> Brand Image | 0.24 | 0.08 | ** | 0.15 | 0.08 | n.s. | | | | | | | 1a: supported |
| Int. Adv. Freq.*LIBP | -> Brand Image | 0.20 | 0.09 | * | 0.09 | 0.09 | n.s. | | | | | | | 1b: supported |
| Int. Adv. Freq.*GBP | -> Brand Quality | 0.11 | 0.08 | n.s. | 0.15 | 0.08 | n.s. | | | | | | | 2a: falsified |
| Int. Adv. Freq.*LIBP | -> Brand Quality | 0.07 | 0.08 | n.s. | 0.13 | 0.09 | n.s. | | | | | | | 2b: falsified |
| Moderation from source attributes | | | | | | | | | | | | | | |
| Source Attractiveness | -> Brand Image | | | | 0.89 | 0.08 | *** | 0.87 | 0.08 | *** | 0.88 | 0.08 | *** | |
| Source Credibility | -> Brand Quality | | | | 0.33 | 0.05 | *** | 0.39 | 0.05 | *** | 0.39 | 0.05 | *** | |
| Int. Adv. Freq.*Source Att. | -> Brand Image (B_a) | | | | 0.22 | 0.05 | *** | 0.24 | 0.04 | *** | 0.23 | 0.04 | *** | |
| Int. Adv. Freq.*Source Cred. | -> Brand Quality (B_b) | | | | -0.03 | 0.03 | n.s. | -0.01 | 0.03 | n.s. | -0.01 | 0.03 | n.s. | |
| Brand positioning effects on source attributes | | | | | | | | | | | | | | |
| Global Brand Pos. | -> Source Attractiveness (B_1) | | | | 0.23 | 0.09 | * | 0.22 | 0.09 | * | 0.27 | 0.09 | ** | |
| Local Icon. Brand Pos. | -> Source Attractiveness (B_2) | | | | 0.38 | 0.10 | *** | 0.37 | 0.10 | *** | 0.39 | 0.10 | *** | |
| Int. GBP*LIBP | -> Source Attractiveness (B_3) | | | | | | | | | | -0.08 | 0.03 | ** | 3a: supported |
| Global Brand Pos. | -> Source Credibility (B_4) | | | | 0.33 | 0.15 | * | 0.34 | 0.17 | * | 0.38 | 0.15 | * | |
| Local Icon. Brand Pos. | -> Source Credibility (B_5) | | | | 0.49 | 0.16 | ** | 0.51 | 0.17 | *** | 0.53 | 0.16 | *** | |
| Int. GBP*LIBP | -> Source Credibility (B_6) | | | | | | | | | | -0.07 | 0.04 | n.s. | 3c: falsified |
| Test for mediation of moderation (indirect effects) | | | | | | | | | | | | | | |
| $B_a * B_1$ | | | | | 0.05 | 0.02 | * | 0.05 | 0.03 | * | 0.06 | 0.02 | ** | 1c: supported |
| $B_a * B_2$ | | | | | 0.09 | 0.03 | ** | 0.09 | 0.03 | *** | 0.09 | 0.03 | *** | 1d: supported |
| $B_a * B_3$ | | | | | | | | | | | -0.02 | 0.01 | * | 3b: supported |
| $B_b * B_4$ | | | | | -0.01 | 0.01 | n.s. | -0.00 | 0.01 | n.s. | -0.00 | 0.01 | n.s. | 2c: falsified |
| $B_b * B_5$ | | | | | -0.02 | 0.02 | n.s. | -0.01 | 0.01 | n.s. | -0.00 | 0.01 | n.s. | 2d: falsified |
| $B_b * B_6$ | | | | | | | | | | | 0.00 | 0.00 | n.s. | 3d: falsified |

*p < 0.05, **p < 0.01, ***p < 0.001