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## **Global and Local Brand Stereotypes: Formation, Content Transfer, and Impact**

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# **Global and Local Brand Stereotypes: Formation, Content Transfer, and Impact**

## **Structured Abstract**

**Purpose:** The dominant paradigm in international branding research treats perceived brand globalness and localness as attributes algebraically participating in brand assessment and disregards the perception of brands as humanlike entities actively embedded in consumers' social environments. Challenging this view and drawing from stereotype theory, this research suggests that perceived brand globalness/localness trigger the categorization of products under the superordinate mental categories of global/local brands which carry distinct stereotypical content. Such content transfers to every individual product for which category membership is established and shapes brand responses.

**Design/methodology/approach:** One experimental study ( $N_{\text{Study1}}=134$ ) tests the process of global/local brand stereotype formation, identification and content transfer. Subsequently, two consumer surveys test the impact of brand stereotypes on brand approach/avoidance tendencies ( $N_{\text{Study2}}=328$ ) and consumer-brand relationships ( $N_{\text{Study3}}=273$ ). Data were analyzed with experimental techniques and structural equation modeling.

**Findings:** The findings suggest that upon categorization under the global or local brand class, individual brands are charged with the stereotypical content of the class. Global brands are predominantly stereotyped as competent while local brands are predominantly stereotyped as warm. Localness-induced warmth has uniformly positive effects, whereas globalness-induced competence acts as a double-edged sword which can both help and harm the brand.

**Originality/value:** This research contributes by (a) proposing a novel conceptualization of global and local brands as groups of intentional marketplace agents stereotyped along their intentions and abilities, (b) empirically establishing the process through which individual brands are assigned stereotypical judgments, and (c) demonstrating how these judgments impact critical brand outcomes and consumer-brand relationships.

**Keywords:** brand stereotyping, global and local brands, consumer-brand relationships

**Type:** Research paper

## **1. Introduction**

Global and local brands constitute key elements of a marketplace that is constantly reshaped by globalization and localization forces. Accordingly, the international presence of brands as well as their ability to form connections with local consumers represent important determinants of product evaluations and buying decisions (Özsomer, 2012; Steenkamp et al., 2003). Prior research has demonstrated that both brand globalness (Steenkamp et al., 2003) and brand localness (Swoboda et al., 2012) carry meaningful associations about the brand's value and strongly influence consumers' preferences (e.g., Batra et al., 2000; Dimofte et al., 2008; Özsomer, 2012; Steenkamp et al., 2003). In this context, the dominant paradigm of international branding research supports the view of brands as algebraic combinations of product attributes to which consumers assign different weights and values. As a result, empirical studies to date have been exclusively treating brand globalness/localness as yet another attribute participating in brand preference formation (Batra et al., 2000; Özsomer, 2012; Steenkamp et al., 2003).

Notwithstanding the contribution of extant research, this paradigm myopically treats brand globalness and localness as extrinsic cues signaling some sort of utility or economic information, neglecting that brands are not merely bundles of attributes but, in essence, represent social entities strongly embedded in people's environment and social interactions (Arnould and Thompson, 2005; Cayla and Arnould, 2008). Indeed, a number of studies highlight the perception of brands as relationship partners (Fournier, 1998), extensions of the self (Belk, 1988), entities with the capacity to think, feel and act (Puzakova et al., 2013), as well as agents carrying specific intentions and abilities (Kervyn et al., 2012). However, with the exception of some exploratory work looking into individual global/local brand image attributes such as trustworthiness, friendliness or kindness (Schuiling and Kapferer, 2004), extant literature has not

considered the humanlike aspects of possessions in the study of global and local brands through an overarching theoretical paradigm which would systematically account for the role of those brands as classes of personified marketplace units. As a consequence, a holistic understanding of how consumers think about, feel for, and connect with brands based on their local or global nature remains unexplored.

Against this background, we propose the notion of brand stereotypes (Kervyn et al., 2012) as being central in explaining how consumers utilize perceptions of globalness and localness and how they respond to global and local brands. Drawing parallels with social stereotyping processes, we argue that similar to how people form judgments by using an individual's properties (e.g., nationality, profession) to categorize them into a social group (e.g., Italians, lawyers) that is charged with stereotypical beliefs (e.g., Italians are friendly, lawyers are cold), consumers form stereotypical beliefs about products through their categorization to superordinate brand categories. That is, consumers utilize specific brand attributes (i.e., worldwide availability/local embeddedness) to assign category membership to individual products (i.e., global/local brands). Upon categorization, stereotypical judgments about the category transfer to individual brands and determine subsequent affective and behavioral responses.

We find empirical support for this proposition in three empirical studies, employing consumer samples, multiple products in different categories, and various types of consumer-brand interactions (i.e., perception of new brands, Study 1; perception of existing brands, Study 2; and relationship with consumers' most used brand, Study 3). More specifically, Study 1 shows that perceptions of worldwide availability (globalness) and local embeddedness (localness) enable the classification of individual products under the superordinate categories of global and local brands, respectively. These mental brand categories are differentially associated with the

stereotypical dimensions of ability and intention which, correspondingly, predict how consumers judge the individual product in terms of competence and warmth. Study 2 and 3 corroborate that perceived worldwide availability (globalness) and local embeddedness (localness) can effectively predict consumers' judgements of brand competence and warmth, respectively. Also, they show that brand competence and warmth impact subsequent positive/negative affect and approach-avoidance tendencies as well as the nature of pre-existing consumer-brand relationships. The findings reveal that brand warmth has uniformly positive emotional, behavioral and relational effects, while brand competence simultaneously induces beneficial and detrimental consequences to the brand.

The present paper offers a novel approach in explaining how brand globalness/localness impacts consumer responses and complements extant knowledge on the mechanisms underlying global/local brand effects (Özsomer and Altaras, 2008). Moreover, it contributes to the emerging literature on brand stereotypes (Aaker et al., 2010; Ivens et al., 2015; Kervyn et al., 2012) by (a) proposing that groups of brands are represented in distinct, superordinate mental categories, (b) empirically demonstrating the process of brand stereotype formation, and (c) documenting the impact of brand stereotype dimensions on brand preference and consumer-brand relationship building. Our findings provide interesting managerial insights about how claiming membership in the global/local brand group can either benefit or harm the brand and how positioning strategies can capitalize on brand stereotype dimensions to protect the brand and/or forge its relational bonds with consumers.

## **2. Conceptual Background**

### **2.1. Global and Local Brands**

The distinction between global and local brands is based on consumer perceptions about a brand's worldwide availability, acceptance, and desirability (Perceived Brand Globalness; Steenkamp et al., 2003) as well as its symbolic association with a given local culture and its role as a key player in the local market (Perceived Brand Localness; Swoboda et al., 2012). Trying to explain how consumers respond to global and local brands, prior research has mostly drawn from (a) information economics and signaling theories, which propose that brand globalness and localness operate as signals for consumers to infer brand credibility and attribute performance (e.g., Batra et al., 2000), (b) consumer culture theory, which identifies global and local brands as carriers of cultural meaning and identity-signaling value (e.g., Strizhakova et al., 2011), and (c) the associative network memory models, which link global brand names with memory nodes activating associations of quality, prestige, and social status (Özsomer and Altaras, 2008).

Taking a different perspective, the premise of the present paper is that consumers hold collective beliefs, in the form of stereotypes, about what global and local brands generally represent, and that these stereotypical beliefs can be activated by perceptions of individual brand globalness/localness, regardless of their relative importance in consumer's overall assessment as compared to other brand attributes (Dimofte et al., 2008). Although globalness and localness do not represent mutually exclusive notions and may well coexist in the perception of a brand (Halkias et al., 2016; Winit et al., 2014), people are typically expected to perceive one as being more dominant than the other and intuitively classify the brand to the corresponding category. In general, the group of global brands carries beliefs of superior quality, aspirational value, modernity, purchase safety, and credibility, while the category of local brands typically enjoy perceptions of local taste adaptability, local needs appreciation, and local community representation (Davvetas and Diamantopoulos, 2018; Ger, 1999; Dimofte et al., 2008).

## 2.2. Stereotype Theory and Brand Stereotypes

Stereotyping is an inevitable consequence of categorization which, in turn, is a normal and inevitable byproduct of how people think (Dovidio et al., 2005). A stereotype is essentially a commonly held set of beliefs or impressions about the characteristics of members belonging to a particular social group or category (Augoustinos et al., 2014). However, stereotypes do not merely function as group descriptors but, instead, operate as devices to maintain simplicity and efficiency in social perception (Dovidio et al., 2005). The stereotypical knowledge people develop over time is formed in line with the accepted norms of a given context and is used to draw inferences and explanations that enable the understanding of social phenomena (McGarty et al., 2002). Social categorization and stereotyping have a long-lasting presence in psychological literature which emphasizes the role of stereotypes as cognitive structures that determine people's thoughts, feelings, and actions (Cuddy et al., 2008; McGarty et al., 2002).

The Stereotype Content Model (SCM; Fiske et al., 2002) is one of the most prominent frameworks to analyze social stereotypes. Drawing from the long tradition of stereotype theory, Fiske and colleagues (1999, 2002) identified two fundamental dimensions, namely warmth and competence, which organize the way people perceive the social world around them. These dimensions are based on evolutionary theory and the notion of self-preservation suggesting that when people encounter 'others' they are primarily interested in two things; (a) whether the 'others' have a positive or a negative intent toward them (warmth) and (b) how effectively can the 'others' pursue their intents (competence) (Fiske et al., 2002; Fiske et al., 2007). Thus, a group with prosocial, cooperative intentions is perceived as warm, whereas another with negative, competitive intentions as cold. Alternatively, a group that has the power and the capabilities to implement its intentions is perceived as competent, while another that is perceived

as unable to do so is regarded as incompetent (Cuddy et al., 2008). Research based on the SCM provides extensive evidence demonstrating that people promptly assess these two cognitive dimensions which, subsequently, predict distinct affective responses and behavioral tendencies toward other people and social groups (Cuddy et al., 2008). Importantly, the SCM, and its two fundamental dimensions, provides a robust model that can be applied across several contexts of social perception and at various degrees of granularity of targets, ranging from whole cultures and entire countries to social groups and individual persons (Chattalas et al., 2008; Cuddy et al., 2008; Diamantopoulos et al. 2017; Halkias et al., 2016; Kervyn et al., 2012).

Recent research has suggested that the faculties governing social perception (i.e., the interactions with other individuals or social groups) can also apply to the perception of non-human entities such as brands (Ivens et al., 2015; Kervyn et al., 2012). Arguably, people's perception of brands goes beyond the appraisal of their features and benefits (Kervyn et al., 2012). Brands have a long-standing and impactful presence in the human society. People grow up with brands that, oftentimes, accompany them throughout their entire lives. People attach to, develop emotions for, and become identified with brands (MacInnis et al., 2009). Consequently, and as Fournier (1998) aptly argues, people relate to brands quite similarly to the way they relate to people around them. Overall, it is argued that brands represent an additional (inanimate) entity of our social reality which – like other social entities – can be subjected to stereotyping.

In line with this reasoning, Kervyn et al. (2012) proposed the Brands as Intentional Agents Framework (BIAF) that essentially represents the application of the SCM to the perception of brands. Under the assumption that people assign agentic properties to brands, the BIAF suggests that consumer-brand interactions and relationships are also driven by the same two fundamental dimensions of the SCM. Kervyn et al. (2012) used the terms intention and ability for the

dimension of warmth and competence, respectively, in order to emphasize the notion of brand intentionality which is elemental to the BIAF; brands are seen as agents that act in a purposeful manner and differ in terms of how well- or ill-intentioned they are perceived to be as well as in how able or unable they are perceived to be. Thus, on the one hand, brands may have either benevolent and cooperative or malevolent and exploitative intentions (warmth dimension) and, on the other hand, may either possess or lack the ability to enact these intentions (competence dimension) (Bennet and Hill, 2012; Ivens et al., 2015; Kervyn et al., 2012).

Arguably, and as Kervyn et al. (2012, p. 171) state, “there are clear links between our brand perception model and Aaker's (1997) brand personality scale.” However, despite the ostensible similarity between some of the dimensions of the two frameworks, there are also fundamental elements that differentiate these two approaches. Specifically, personality scales focus on a target (e.g., person or brand) in order to provide a more detailed description of its attributes. Social perception models, on the other hand, provide a more generic and simplified account of how a target is perceived by a given society, always in reference to the social category in which the target belongs (Fiske et al., 2012; Kervyn et al., 2012). Acknowledging this important distinction, Aaker, Garbinsky, and Vohs (2012, p. 194) have argued that “the downstream consequences associated with being perceived as both warm and competent are significant and worth systematic study.” To this end, Kervyn et al.'s (2012) seminal research and, more recently, Ivens et al.'s (2015) study provide some preliminary findings suggesting that the dimensions of warmth and competence can effectively predict consumer responses to brands. However, the transition from social to brand stereotypes is a challenging endeavor and evidence with regard to the appropriateness of using the SCM individual brands are limited and inconclusive (Florack and Palcu, 2016).

### **3. Stereotyping global and local brands**

Are all brands equally germane to stereotyping processes? The answer to this question requires tracing back the very notion of stereotyping. Stereotyping involves uniformly assigning category associations to all members of the category. Thus, successful categorization is a prerequisite for stereotyping. In essence, upon activation of a stereotypical category, the content of the stereotype is applied to every individual member that belongs to the category (Greenwald and Banaji, 1995). Along these lines, a brand is subject to stereotyping as long as it can be successfully ascribed to a particular class or category of brands. This process typically takes place as consumers go through brand-related features or cues (e.g., price, brand name, store location, or packaging) that may trigger the activation of a distinct category (e.g., luxury brands, private-label brands, etc.). For instance, Aaker et al. (2010) suggest that by using the Internet domain name (i.e., .com vs .org) people can effectively distinguish between for-profit and nonprofit firm brands and further showed that this classification is associated with a different stereotypical content in terms of warmth and competence judgments. We propose that the attributes of brand globalness and localness – as captured by perceived worldwide availability and perceived local embeddedness, respectively – function in a similar way, enabling categorization under distinct product groups. We, therefore, hypothesize that:

H<sub>1</sub>: The attribute of globalness (localness) of an individual product enables its categorization under the superordinate category of global (local) brands.

International marketing literature reveals that consumers' generalized perceptions about what global and local brands stand for, as a whole, are based on different premises (Batra et al.

2000; Steenkamp et al., 2003). Accordingly, we postulate that the categories of global and local brands correspond to distinct stereotype content configurations with global brands being stereotyped as more competent than warm, whereas local brands as more warm than competent. This distinction is rooted in the very definitions of the dimensions of warmth (intention) and competence (ability).

Global brands are associated with worldwide demand and desirability which is translated in consumers' mind as an indication of success and prowess (Steenkamp et al., 2003). As a direct consequence of their size and worldwide presence, global brands are believed to hold significant financial resources, increased competitive capabilities, and advanced capacity to make investments across markets (Özsomer and Altaras, 2008). Global brand credibility increases these brands' perceived ability to deliver what they promise to consumers (Özsomer and Altaras, 2008). Additionally, global brands are perceived as powerful players in the marketplace, holding hegemonic properties that manifest in their ability to enforce their will at the expense of smaller and less resourceful competitors (Paharia et al., 2011). Similarly, global brands have been conceptualized as representatives of dominant corporate agents which hold culture-shaping powers that often trivialize local cultural differences (Ger, 1999), dilute local practices, traditions and norms (Askegaard and Eckhardt, 2012), impose their will to local marketplaces (Thompson and Arsel, 2004), and are thus often perceived as institutional targets of protests and activist movements (Suarez and Belk, 2017). As a result, global brands are expected to be primarily stereotyped as competent brands, able to enact their intentions in the marketplace.

Local brands, on the other hand, are expected to be primarily stereotyped as warm on the basis of economic, cultural and consumption factors. First, local brands are typically regarded as defenders of local economies and as market players giving back to their communities by

supporting local economic structures and decreasing local unemployment (Van Ittersum and Wong, 2010). From a cultural perspective, local brands are perceived as preserving the cultural distinctiveness of their local countries and battling the cultural homogenization brought about by the forces of globalization (Steenkamp and DeJong, 2010). Beyond economic and cultural arguments, consumers view local brands as products that internalize long-standing knowledge on idiosyncratic local tastes and commit resources in respecting, understanding and satisfying these tastes (Halkias et al., 2016). Unlike global brands marked by their privileged access to economic capital which communicates ability, local brands construct their images around cultural or symbolic capital which signals communion (Ger, 1999). Consequently, it is the perception of positive intentions towards consumers of the local society that are expected to be the most salient for local brands. Overall, it is predicted that:

H<sub>2</sub>: The stereotype content of the superordinate category of global brands is characterized more by ability rather than intention, whereas that of local brands is characterized more by intention rather than ability.

As discussed previously, stereotyping involves the attribution of category characteristics to every individual that belongs to the category (Greenwald and Banaji, 1995). Hence, the process of stereotyping essentially describes how generalized category perceptions transfer to the perception of individual members. Importantly, this process is not only limited to how we see other people, but rather it applies to every attitude object in our social environment for which category membership is established (Fiske and Taylor, 1991). In line with this notion, empirical findings indicate that whether people categorize firms into for-profit (ability over intention

stereotype) or nonprofit (intention over ability stereotype) organizations, influences company-specific perceptions of warmth and competence, respectively (Aaker et al., 2010). In a similar vein, once a brand is identified as a member of a distinct superordinate category, stereotypical perceptions about the category will drive how consumers perceive individual product members. It is, thus, expected that:

H<sub>3</sub>: Upon categorization of an individual brand to the superordinate category of global or local brands, *the category's perceived ability and intention* predict judgments of the individual *brand's competence and warmth, respectively*.

#### 4. Study 1

Study 1 was designed to investigate the process through which perceived brand globalness and localness contribute to the formation of an individual brand's stereotype. Following the discussion presented in the previous section, our hypotheses focus on three distinct phases of brand stereotyping, namely categorization (H<sub>1</sub>), stereotype content identification (H<sub>2</sub>), and stereotype content transfer (H<sub>3</sub>). These phases are illustrated in Figure 1 below.

INSERT FIGURE 1 ABOUT HERE

##### 4.1. Method

An experimental study employing 134 consumers (51.5% female;  $M_{\text{age}} = 36.4$ ,  $SD_{\text{age}} = 13.2$ ) in a between-subjects design was conducted to investigate the hypothesized relationships.<sup>1</sup> The

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<sup>1</sup> All studies were conducted in a central European country (not disclosed to avoid author identification) with GDP and demographic composition similar to other countries used in relevant prior research (e.g. Denmark). The country's consumers are exposed to a wide variety of local and global brands while the country scores high on economic, social, and political aspects of globalization, as indicated by its high rank in the KOF index of globalization (ETH, 2016). The local brands used across studies are also not disclosed for the same purpose but are available upon request.

globalness or localness of a hypothetical new brand in the product category of bicycles was manipulated resulting in three experimental conditions (global vs. local vs. control). Bicycles were chosen as a product category because equally strong global and local brands are available in the country of research. The experimental procedure consisted of three parts intended to capture (a) participants' stereotypical beliefs about the stimulus brand, (b) participants' categorization of the stimulus brand, and (c) participants' stereotypes for global and local brands as distinct collective entities.

#### 4.2. Experimental manipulation and material

The experimental manipulation was operationalized by varying a short description of the strategic market vision of a stimulus brand. In particular, we developed three versions that were similar in terms of content, structure, presentation format, and word count but differed with regard to whether they conveyed global availability (global condition), local embeddedness (local condition), or none of the two (control condition). To safeguard internal validity, we kept the description across the three experimental conditions identical and only substituted the words "global" / "world" (global condition) with "local" / "name of country" (local condition) or with some neutral word (control condition). For example, the description in the global (local) condition mentioned that the stimulus brand "seeks to understand and satisfy the needs of consumers around the world (*name of country*)" and that it "aspires to become an integral part of the global (local) lifestyle and daily habits." The corresponding parts in the control condition read, "seeks to understand and satisfy the needs of *today's* consumers" and "aspires to become an integral part of *consumers'* lifestyle and daily habits."

The appropriateness of the intended manipulation was assessed in a pretest ( $n = 69$ ) conducted prior to the main study. Pretest respondents were randomly presented with the global, the local, or the control version of the market vision description and were asked to provide ratings in terms of perceived brand globalness (PBG) and localness (PBL) (seven-point scales). These two constructs were measured with established seven-point scales and had high reliability ( $\alpha_{\text{PBG}} = .85$ ;  $\alpha_{\text{PBL}} = .87$ ). To ensure that the manipulation does not confound with evaluative aspects of the stimulus, respondents also rated the product in terms of perceived brand quality. According to the results, participants exposed to the global version had significantly higher ratings on PBG as opposed to PBL ( $M_{\text{PBG}} = 5.32$ ,  $SD = 1.13$  vs.  $M_{\text{PBL}} = 2.89$ ,  $SD = 1.42$ ;  $t(21) = 5.69$ ,  $p < .001$ ), those exposed to the local version had significantly higher ratings on PBL as opposed to PBG ( $M_{\text{PBG}} = 3.39$ ,  $SD = 1.43$  vs.  $M_{\text{PBL}} = 4.38$ ,  $SD = 1.19$ ;  $t(22) = -2.51$ ,  $p < .05$ ), while no significant difference was found in the neutral version ( $M_{\text{PBG}} = 4.42$ ,  $SD = 1.60$  vs.  $M_{\text{PBL}} = 3.81$ ,  $SD = 1.31$ ;  $t(23) = 1.45$ ,  $p > .10$ ). In addition, ANOVA across the three different versions revealed that PBG scores were higher for the global, as compared to the local and the neutral condition ( $F(2, 66) = 9.69$ ,  $p < .001$ ), while PBL scores were overall higher for the local, as compared to the global and neutral product description ( $F(2, 66) = 6.48$ ,  $p < .01$ ). Finally, perceptions of quality did not vary across the three product description versions ( $F < 1$ ). Overall, the pretest results confirmed the suitability of the global/local manipulation.

#### 4.3. Procedure and measures

Participants were randomly assigned to one of the three experimental conditions and completed a self-administered questionnaire. Initially, they were presented with a brief cover story about the study and were then exposed to the corresponding stimulus descriptions. Subsequently,

participants evaluated the stimulus brand along the dimensions of competence (BCOMP) and warm (BWARM). Drawing from previous relevant studies (Halkias et al., 2016; Ivens et al., 2015), brand competence was captured with four seven-point items indicating the extent to which the stimulus brand is perceived to be competent, intelligent, efficient, and capable ( $\alpha_{BCOMP} = .82$ ), while brand warmth was assessed using the items warm, nice, friendly, and good-natured in the same response format ( $\alpha_{BWARM} = .87$ ). An overview of construct measures across studies is available in Table 1.

#### INSERT TABLE 1 ABOUT HERE

The second part of the experiment focused on the brand categorization process. This involved the presentation of multiple real brands that were visually arranged into two groups. More specifically, 10 real brands from five different product categories were encircled forming two distinct groups; one group with five brands perceived to be global (Snickers, North Face, ebay, Yamaha, IKEA) and one group with the corresponding local alternatives. The brands used were selected on the basis of pretest data assessing each individual brand in terms of perceived brand globalness, localness, attitude, and familiarity. Average ratings for globalness and localness between the global and the local brand group differed significantly in the expected direction (Global group:  $M_{PBG} = 5.77$ ,  $SD = 0.47$ ,  $M_{PBL} = 2.34$ ,  $SD = 0.30$ ; Local group:  $M_{PBG} = 3.78$ ,  $SD = 0.88$ ,  $M_{PBL} = 4.83$ ,  $SD = 1.14$ ). On average brand familiarity was high across the brands used, while consumer brand attitudes between the groups were not statistically different. Also, to avoid category-specific contamination, the categories from which the real brands were selected were different than that of the experimental brand. Alongside the presentation of these two groups, a third circle including the word “none” was placed to avoid forced allocation to one of the two brand groups. During the task, participants were exposed to the allocation options

without being provided with any other visual or verbal cue (i.e., no mention of the words “global” or “local” were made) and were simply instructed to assign the stimulus product to one (or neither) of the groups, according to where they think it belongs best (see Appendix).

At the final stage, we assessed the generalized stereotypical perceptions about the groups of global and local brands. To this end, participants were asked – using a third-person technique – to indicate “*how they think that most people in their country view global (local) brands as a whole.*” In order to avoid consistency bias between the assessment of the individual brand stereotype and the assessment of the collective brand-group stereotype, the latter was measured with two single-items of ability and intention that, as Kervyn et al. (2012) suggest, capture the dimensions of competence and warmth, respectively. The study concluded with the manipulation check items and a short section of demographic questions.

#### 4.4. Results

**Manipulation checks.** Our manipulation of the stimulus brand’s global, local, or neutral nature was successful. The results corroborated the pretest findings with PBG in the global condition being significantly higher compared to all other conditions ( $M_{\text{Global}} = 5.42$ ,  $SD = 1.36$  vs.  $M_{\text{Local}} = 3.03$ ,  $SD = 1.43$  vs.  $M_{\text{Control}} = 4.29$ ,  $SD = 1.48$ ;  $F(2, 131) = 31.75$ ,  $p < .001$ ) and PBL in the local condition being significantly higher compared to all other conditions ( $M_{\text{Global}} = 2.83$ ,  $SD = 1.24$  vs.  $M_{\text{Local}} = 4.26$ ,  $SD = 1.34$  vs.  $M_{\text{Control}} = 3.31$ ,  $SD = 1.40$ ;  $F(2, 131) = 13.50$ ,  $p < .001$ ). Similar to the pretest results, (within condition) paired comparisons between PBL and PBG scores in both the global and the local conditions produced statistically significant differences (at  $p < .05$ ) in the expected direction.

Categorization. The process of categorization was investigated by cross-tabulating participants' allocations to groups across the different conditions. Consistent with H<sub>1</sub>, the analysis revealed that brand allocations differ significantly depending on the experimental condition ( $\chi^2(4, 134) = 38.74, p < .001, Cramer's V = .380$ ). More specifically, respondents exposed to the global market vision assigned the stimulus product more frequently to the group of global brands (70.8%) compared to the local (8.3%) or the "none" group (20.8%). Inversely, respondents exposed to the market vision conveying localness, categorized the stimulus brand significantly more frequently into the local brands group (60.5%) compared to the global (14.0%) or the "none" group (25.6%). Further confirming our expectations, in the control condition (where no mention of globalness/localness cues was made in the product vision description), participants' allocations were statistically not significant and equally distributed across groups, indicating no systematic pattern (global group = 32.6%, local group = 34.9%, none = 32.6%).<sup>2</sup>

Stereotype content identification. Following, we investigated the hypothesized differences in the content between the stereotype of global and local brands as collective entities. The results showed that global brands are rated significantly higher on ability rather than intention ( $M_{Ability} = 5.37, SD = 1.21$  vs.  $M_{Intention} = 4.76, SD = 1.42; t(133) = 4.53, p < .001$ ), supporting H<sub>2</sub> and showing that global brands are generally perceived to be more competent than warm. As predicted, the opposite pattern was found for stereotypical perceptions of local brands that were

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<sup>2</sup> Because for this Study's respondents all brands presented in the global group were of foreign origin and all brands presented in the local group were of domestic origin, we estimated two binary logistic regression models specifying respondents' categorization choices as functions of the manipulation to which they were exposed and a direct measure of the stimulus brand's perceived domestic origin ("The brand is [local country]", "The brand comes from [local country]", "The country of the brand's origin is [local country]") to rule out the potentially confounding role of brand origin. The results suggest that respondents' classification choices can be significantly predicted by the condition to which they are assigned (e.g. global strategic vision predicts global brand classification) but not by the brand origin measure, suggesting that inferences about the stimulus brand origin do not confound with and/or invalidate the proposed effect. We thank the anonymous reviewer for pointing towards this additional analysis.

characterized more strongly by positive intentions than by perceptions of brand ability ( $M_{\text{Ability}} = 5.40$ ,  $SD = 1.31$  vs.  $M_{\text{Intention}} = 5.72$ ,  $SD = 1.22$ ;  $t(133) = -3.13$ ,  $p < .01$ ). Additional between-stereotype comparisons using these scores indicate that global and local brands are stereotyped as equally able to achieve their intentions ( $t(133) = -0.185$ ,  $p = .853$ ), but local brands are generally judged as more well-intentioned than global brands ( $t(133) = 6.650$ ,  $p < .001$ ).

Stereotype content transfer. To test for content transfer from the collective stereotype of global/local brands to the perceptions of individual brands, data were re-coded on the basis of the categorization results described previously. Stereotype content transfer is contingent upon successful categorization of the individual brand to a group of brands. In other words, an individual brand needs to be ascribed with category membership for perceptions of the category to transfer to the individual brand. Therefore, only those participants who assigned the stimulus brand to its corresponding stereotypical group (i.e., product allocation to the global/local brands group for the respondents exposed to the globalness/localness condition respectively) were selected for the analysis (see, “*Categorization*” above for the relevant percentages). For each of the two new groups formed, we performed separate regressions using stereotypical perceptions (i.e., ability and intention) about the global/local brand categories as predictors and stereotypical judgments (i.e., competence and warmth) about the stimulus brand as dependent variables. Consistent with  $H_3$ , for participants who categorized the stimulus brand to the global group, category perceptions of global brands’ ability significantly predicted the stimulus brand’s competence ( $\beta = .447$ ,  $p < .001$ ) with the former accounting for about one third of the variance of the latter ( $R^2 = .322$ ). Likewise, stereotypical category judgments about the intention of global brands transferred to participants’ perception of individual brand warmth ( $\beta = .454$ ,  $p < .001$ ,  $R^2 = .323$ ). For participants exposed to the local market vision and also assigned the stimulus brand

to the cluster of local brands, a similar pattern was obtained. Category perceptions about local brands' ability significantly influenced individual brand competence ( $\beta = .380$ ,  $p < .05$ ,  $R^2 = .225$ ), while category perceptions about local brand intentions significantly predicted individual brand warmth ( $\beta = .359$ ,  $p < .05$ ,  $R^2 = .222$ ).

#### 4.5. Discussion

The findings of Study 1 show that perceptions of brand globalness/localness trigger the categorization of individual brands into the superordinate categories of global/local brands. Each of these groups essentially represents a collective entity that is stereotyped on distinct dimensions. Our findings indicate that, in general, global brands are characterized more by their ability to enact on their intentions and less by the positivity of their intentions. In contrast, local brands are predominantly stereotyped on the basis of their cooperative and benevolent intentions as opposed to their effectiveness in pursuing them. Study 1 also provides evidence regarding the formation of individual brand stereotypes by empirically illustrating that the stereotypical perceptions consumers hold about the generic categories of global/local brands predict how they judge individual brands perceived as belonging to these categories.

Overall, Study 1 shows that brand globalness (localness) – as captured by perceptions of global availability (local embeddedness) – induce judgments of brand competence (warmth) through the activation of the global (local) brands stereotype which is primarily associated with the dimension of ability (intention). Having established the process through which globalness and localness contribute to brand stereotyping in the context of a hypothetical new brand entry, in what follows, we consider the purchase-relevant consequences of such process in a more ecologically valid setting using real brands and different kinds of consumer-brand interaction.

## 5. The impact of global and local brand stereotypes

Consumers' brand stereotypes, as informed by brand globalness and localness and captured by judgments of competence and warmth, are expected to impact behavioral responses toward brands in different contexts of consumer-brand interaction; that is, both in consumers' casual encounters with random brands and for brands chosen as their relationship partners. In general, due to the dominance of ability (over intention) judgments in the content of the global brand stereotype and the dominance of positive intentions (over ability) judgments in the content of the local brand stereotype (see H<sub>2</sub>), we expect that the extent to which an individual brand is perceived to be globally available will foster judgments of brand competence while the degree to which an individual brand is perceived to be embedded in the local culture will foster judgments of brand warmth. Thus, we hypothesize that:

*H<sub>4a</sub>: A brand's perceived globalness has a positive effect on its perceived competence.*

*H<sub>4b</sub>: A brand's perceived localness has a positive effect on its perceived warmth.*

Consistent with the literature on stereotyping (Cuddy et al., 2007), stereotypical judgments of competence and warmth are cognitive assessments that influence behavior by eliciting affective responses of different valence and intensity. In particular, we argue that globalness-induced competence and localness-induced warmth determine consumers' tendencies to approach or avoid brands (as captured respectively by their intention to purchase the brand or to switch to competing brands following unsatisfactory performance) by eliciting positive and negative affect. In line with the cognition-affect-behavior sequence, stereotype theory has demonstrated that social groups stereotyped as highly warm and competent generate positive

emotions of admiration and pride which subsequently trigger approach responses of active facilitation (e.g., assisting, helping or protecting members of the group) and passive facilitation (e.g., cooperating, uniting or associating with members of the group). Alternatively, social groups stereotyped as cold and incompetent generate feelings of disgust and contempt which, in turn, generate avoidance tendencies such as passive harm (e.g., excluding, demeaning or derogating members of the group) and active harm (e.g., attacking or sabotaging members of the group) (Cuddy et al., 2007; Fiske et al., 2002). At the brand level, brands perceived as well-intentioned have been found to generate higher levels of admiration and lower levels of contempt than brands perceived as ill-intentioned, while similar effects have been observed when comparing brands of high (versus low) perceived ability (Kervyn et al., 2012).

Drawing analogies from these findings, we predict that globalness-induced competence and localness-induced warmth will determine positive and negative affective responses which will boost consumer tendencies to approach the brand (i.e., their willingness to purchase the brand) and will mitigate their tendency to avoid the brand (i.e., their willingness to switch to competitors in case of dissatisfying brand performance). Thus, we hypothesize:

H<sub>5</sub>: Globalness-induced competence has (a) a positive effect on intention to purchase the brand and (b) a negative effect on intention to switch the brand, through influencing positive and negative brand affect.

H<sub>6</sub>: Localness-induced warmth has (a) a positive effect on intention to purchase the brand and (b) a negative effect on intention to switch from the brand, through influencing positive and negative brand affect.

Beyond determining generic approach-avoidance tendencies toward brands, we expect that globalness- and localness-induced brand stereotypes also impact consumers' responses to brands operating as their long-standing partners or key actors of their everyday consumption experiences. We predict that globalness-induced competence and localness-induced warmth impact two key affective dimensions of the consumer-brand relationship, namely, brand passion and brand intimacy.

Despite originally introduced as a dimension of love in interpersonal relationships (e.g., Sternberg, 1986), in consumption contexts, brand passion refers to an intense positive feeling of idealization, excitation, infatuation, and obsession about a brand which is manifested in an increased willingness to be close to the brand as well as strong psychological arousal from owning or consuming it (Albert et al., 2013). Apart from brand passion, another affective dimension of the consumer-brand bond is brand intimacy. Unlike brand passion, which mostly captures emotional attraction directed from the consumer toward the brand, brand intimacy reflects the feeling that the brand listens, comprehends and cares for the consumer; thus, it captures what the brand brings in the consumer-brand relationship and complements passion in describing the perceived emotional reciprocity of the relationship (Fritz et al., 2014; Thorbjørnsen et al., 2002).

We predict that both brand competence and warmth influence relational brand affect, the former mostly through driving brand passion and the latter through generating brand intimacy. Brands stereotyped as competent, capable, and high status are mostly expected to invite consumer's active pursuit of closeness with them; indeed, passion has been described as an "all-encompassing motivational state" (Sternberg, 1986) which pushes the individual towards the passion-eliciting entity. On the contrary, brands stereotyped as well-intentioned, friendly and

kind are mainly expected to feed consumers' need for reception of care, understanding, and comfort from the brand, that is, relationship qualities which are more passive in nature. Both intimacy and passion are expected to positively impact consumers' intention to remain loyal in their relationship with the brand, but also to instigate resistance to consumer-brand relationship threats (e.g., the presence of a cheaper competitor, increased financial costs or convenience constraints to acquire the brand, etc.). Indeed, prior research has shown that brand passion increases consumers' commitment to the brand and their willingness to pay price premiums (Albert et al., 2013), while intimacy has been proposed as an important aspect of trust and commitment in loyal buyer-seller interactions and a key element of high quality consumer-brand relationships (Morgan and Hunt, 1994). Similarly, both relationship dimensions are suggested to drive consumers' accommodation of brand transgressions, favorable brand attributions, and relationship stability in the presence of competitive attacks (Fournier 1998).

H<sub>7</sub>: Globalness-induced competence has (a) a positive effect on brand loyalty and (b) a positive effect on willingness to withstand relational brand adversity, through boosting brand passion.

H<sub>8</sub>: Localness-induced warmth has (a) a positive effect on brand loyalty and (b) a positive effect on willingness to withstand relational brand adversity, through boosting brand intimacy.

The above discussion on the predicted effects of global and local brand stereotypes leads to the conceptual framework presented in Figure 2. We include three key types of control variables in our conceptual model, namely, brand familiarity, product category dummies, and domestic brand origin. All three aspects are expected to influence the stereotype formation (e.g.,

consumers are expected to perceive domestic brands as more well-intentioned than foreign brands), the affective responses to the stereotype (e.g., consumers are likely more intimate with brands with which they are highly familiar), and their behavioral/relational responses (e.g., brand loyalty and switching tendencies are expected to vary across product categories). Thus, to eliminate any confounds due to brand- or category-specificities (Davvetas and Diamantopoulos, 2016) and to explicitly account for the role of domestic vs. foreign brand origin in a more ecologically valid setting than that of Study 1, we statistically control for all these variables.

INSERT FIGURE 2 ABOUT HERE

## **6. Study 2**

Study 2 tests the left-hand side of the conceptual model presented in Figure 2 and focuses on the effects of global/local brand stereotypes on brand affect and subsequently on brand approach/avoidance tendencies as captured by purchase and switching intentions.

### **6.1. Method**

Data were collected by trained research assistants from 328 consumers who were asked to fill a survey about a specific brand. Participants were selected through a quota sampling rule roughly representative of the country population (50% female;  $M_{\text{age}} = 36.2$ ,  $SD_{\text{age}} = 12.7$ ). Respondents were randomly allocated to one out of eight brands (e.g. Sony, Milka, Red-Bull). The stimuli included (a) both domestic/foreign and globally/locally available brands to ensure sufficient variation in global/local brand stereotypes, (b) highly familiar brands (as established by pre-tests conducted prior to the main study), and (c) brands spanning across a wide product category

spectrum (from consumer electronics to food/drinks) to ensure generalizability of findings across product types.

After brand exposure, respondents had to fill measures of intentions to purchase the brand or willingness to switch in case of unsatisfactory performance, the brand stereotype dimensions of competence and warmth, a set of items about brand perceptions and affective responses, and items regarding the brand's perceived globalness and localness. An overview of measurement items (all drawn from established scales used in prior research) is presented in Table 1. Beyond the focal study constructs, respondents filled measures of domestic brand origin (e.g. "I think this brand comes from [local country]") as well as an item of brand familiarity ("I am familiar with this brand") to be used as covariates in model estimations. All items were measured in 7-point agreement scales.

## 6.2. Results and Discussion

A confirmatory factor analysis including the multi-item measures of all constructs was estimated and generated a good overall fit ( $\chi^2 = 737.32$ ,  $df = 399$ ,  $p = .00$ ,  $RMSEA = .051$ ,  $CFI = .970$ ). All factor loadings (ranging from .54 to .99), indicator reliabilities (ranging from .30 to .99), Cronbach's alphas (ranging from .75 to .97), composite reliabilities (ranging from .75 to .97), and average variances extracted (ranging from .62 to .95) exceed the acceptable threshold values. For all construct pairs, discriminant validity was established since squared inter-construct correlations were smaller than the respective AVEs. Similarly, no concerns of common method bias or social desirable responding were identified as demonstrated by the lack of changes in the significance or magnitude of inter-construct correlations before and after partialling out (one at a

time) the effects of a marker variable and a social desirability scale. Construct psychometric properties are presented in Table 1 while inter-construct correlations across studies in Table 2.

#### INSERT TABLE 2 ABOUT HERE

A structural equation model was estimated with LISREL 8.80 to test the part of the conceptual model referring to the effects of global/local brand stereotypes on brand affect and approach/avoidance tendencies. The model estimation suggests that the model fits the data well ( $\chi^2 = 945.96$ ,  $df = 416$ ,  $p = .00$ ,  $RMSEA = .062$ ,  $CFI = .953$ ). Turning to the hypothesized paths, perceived brand globalness has a positive effect on brand competence ( $\beta = .312$ ,  $p < .001$ ) and perceived brand localness has a positive effect on brand warmth ( $\beta = .530$ ,  $p < .001$ ).<sup>3</sup> Thus, H<sub>4</sub> is supported. In line with H<sub>6</sub>, brand warmth has a positive influence on positive affect ( $\beta = .400$ ,  $p < .001$ ) and a negative influence on negative affect ( $\beta = -.144$ ,  $p < .01$ ), indicating its role in generating positive affective responses and restricting negative affective responses. Unlike warmth, brand competence, on the one hand, exerts a positive influence on positive affect ( $\beta = .203$ ,  $p < .001$ ) while, on the other hand, it also boosts negative affect ( $\beta = .131$ ,  $p < .01$ ), suggesting that it can simultaneously generate both positive and negative emotional arousal. These positive emotions subsequently increase consumer's intention to purchase the brand ( $\beta_{\text{POS} \rightarrow \text{PINT}} = .349$ ,  $p < .001$ ) but have no influence on consumer's willingness to switch in case of unsatisfactory brand performance ( $\beta_{\text{POS} \rightarrow \text{SWITCH}} = -.102$ , ns). Negative affect is found to operate in the opposite way, that is, it increases consumers' willingness to switch following a disappointing brand incident ( $\beta_{\text{NEG} \rightarrow \text{SWITCH}} = .147$ ,  $p < .05$ ), but has no significant effect on consumers' willingness to purchase the brand ( $\beta_{\text{NEG} \rightarrow \text{PINT}} = -.071$ , ns). Notably, this pattern of positive and negative emotionality in consumers' approach/avoidance tendencies (i.e., positive

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<sup>3</sup> In text, we report standardized structural parameter estimates. For an overview of unstandardized parameter estimates (and corresponding standard errors and significance levels), see Table 3 (Study 2) and Table 4 (Study 3).

affect builds approach tendencies while negative affect drives avoidance tendencies) is in line with psychological research on approach-avoidance motivations (Elliot and Thrash, 2002). Overall, perceived brand globalness is found to have a significant indirect effect on purchase intention serially mediated by brand stereotype dimensions and affective responses ( $\beta_{\text{serial}} = .019$ ,  $p < .05$ ) but a non-significant serial effect on willingness to switch ( $\beta_{\text{serial}} = .000$ , ns). On the contrary, the respective serial effect of perceived brand localness on purchase intent is positive ( $\beta_{\text{serial}} = .079$ ,  $p < .001$ ) and its effect on willingness to switch is negative ( $\beta_{\text{serial}} = -.033$ ,  $p < .05$ ). Thus, H<sub>5</sub> is partially supported whereas H<sub>6</sub> is fully supported.

Importantly, these effects are found significant in the presence of brand familiarity, product category dummies, and perceived brand domestic origin, which are modeled as covariates on all constructs occupying endogenous positions in the model, in line with prior relevant research (Steenkamp et al., 2003). This ensures that the documented effects hold above and beyond brand origin effects and are free of brand- and category-specificity. Notably, the overall model accounts for 35.8% of respondents' intentions to purchase the brands they were exposed to and 10.1% of their willingness to switch in case of dissatisfying brand performance. An overview of model estimation results of Study 2 is presented in Table 3.

INSERT TABLE 3 ABOUT HERE

Finally, to test for the presence of direct effects of perceived brand globalness and localness beyond their impact through brand stereotypes, we estimated a set of models whereby direct effects from the exogenous variables to all endogenous variables are estimated freely (one at a time). Comparing the fit of these models with that of the baseline model through formal  $\chi^2$  difference tests shows that direct effects of brand globalness are not improving model fit and come up non-significant ( $ps > .10$ ). On the contrary, the direct effects of brand localness on

positive affect ( $\beta = .440, p < .001$ ), purchase intent ( $\beta = .374, p < .001$ ) and willingness to switch ( $\beta = -.304, p < .01$ ) are found significant. This pattern of results suggests that brand localness has an impact on affective and behavioural responses toward the brand above and beyond its ability to develop favorable stereotypical brand judgments while brand globalness effects are fully accounted by the brand stereotype. Notably, the inclusion of direct paths in the model does not affect the significance of the hypothesized serial indirect paths.

## 7. Study 3

Unlike Study 2 which allocated respondents to brands randomly, in Study 3 respondents were asked to self-select the brand they most frequently use in a particular product category and give respective ratings for this brand; thus this study focuses on brands with which consumers have prior experience or some sort of existing relationship. Consequently, this study presupposes some degree of an extant approach tendency toward the brand from the consumer side and allows for the investigation of the effects of global/local brand stereotypes on relational outcomes (which were not relevant in the previous study due to random allocation to brands), namely, the affective dimensions of the consumer-brand bond and relational responses to the brand (i.e., the right-hand side of the model in Figure 2).

### 7.1. Method

Data were collected through interviews with 273 consumers (49.2% female;  $M_{\text{age}} = 35.3, SD_{\text{age}} = 12.5$ ) conducted by trained research assistants in the same country as Study 1 and with the same quota sampling rule. Participants were originally asked to mention the brand they currently use (in the case of durable goods) or the brand they most often purchase (in the case of non-

durables). Eight product categories including both durables (cars, personal computers, cell-phones, watches, clothing) and non-durables (sweets, soft-drinks, cosmetics) were considered to allow cross-category testing and generalization of findings. Respondents were randomly allocated to one of the eight product categories and were unaware of the existence of other survey versions to eliminate respondents' self-allocation to product categories.

Following brand selection, similar to Study 2, respondents were asked to fill items about the constructs of interest, namely, perceived brand globalness/localness, brand stereotype competence and warmth, as well as scales of brand passion, intimacy, loyalty and willingness to withstand relational adversity. All scales were drawn from prior literature (Table 1). Similar to the previous study, control variables (brand familiarity, perceived brand domestic origin) as well as consumer demographics were asked. All items were measured on 7-point scales.

## 7.2. Results and Discussion

A confirmatory factor analysis using multi-item measures for the latent constructs generated a good model fit ( $\chi^2 = 1229.17$ ,  $df = 651$ ,  $p = .00$ ,  $RMSEA = .057$ ,  $CFI = .968$ ). Inter-construct correlations, item loadings, reliability/validity metrics (indicator reliabilities, Cronbach's alphas, composite reliabilities, and average variances extracted) all exceeded the acceptable threshold values indicating sound psychometric properties for all construct measures (Table 1). Similar to Study 2, discriminant validity, common method bias, and socially desirable responding were assessed; no concerns were identified.

A structural model reflecting the right hand side of the conceptual model in Figure 2 was estimated. The overall model fit was good ( $\chi^2 = 1489.67$ ,  $df = 668$ ,  $p = .00$ ,  $RMSEA = .067$ ,  $CFI = .954$ ). In further support of H<sub>4</sub>, perceived brand globalness has a positive influence on brand

competence ( $\beta = .357, p < .001$ ), while perceived brand localness has a positive influence on brand warmth ( $\beta = .203, p < .001$ ). In turn, brand competence has a positive effect on brand relationship passion ( $\beta = .136, p < .01$ ) but no effect on brand relationship intimacy ( $\beta = .042, ns$ ). In contrast, brand warmth has positive effects on both brand passion ( $\beta = .386, p < .001$ ) and intimacy toward the brand ( $\beta = .440, p < .001$ ). Finally, brand passion exerts positive influences on both brand loyalty ( $\beta = .406, p < .001$ ) and resistance to relational adversity ( $\beta = .612, p < .001$ ), while brand intimacy builds up brand loyalty ( $\beta_{\text{INTIMATE} \rightarrow \text{LOYAL}} = .120, p < .05$ ) but not resilience to relational adversity ( $\beta_{\text{INTIMATE} \rightarrow \text{ADVERS}} = .091, ns$ ). These effects are manifested after controlling for the effects of brand familiarity, brand domesticity, and product category dummies on all endogenous variables. The model explains 58.2% of the variability in brand loyalty responses and 61.1% of variability in resilience to relational adversity responses. Overall, perceived brand globalness has a significant indirect effect on brand loyalty ( $\beta_{\text{serial}} = .022, p < .05$ ) and resistance to brand adversity ( $\beta_{\text{serial}} = .031, p < .05$ ), both serially mediated by brand competence and relationship passion. Similarly, perceived brand localness has a positive indirect effect on loyalty ( $\beta_{\text{serial}} = .043, p < .05$ ) and resistance to brand adversity ( $\beta_{\text{serial}} = .056, p < .05$ ) serially mediated via brand warmth, relationship passion and intimacy. Thus H<sub>7</sub> and H<sub>8</sub> are supported. An overview of model estimation results of Study 3 is presented in Table 4.

INSERT TABLE 4 ABOUT HERE

Similar to Study 2, we tested for direct effects from brand globalness and localness to all serial outcomes. The results of formal  $\chi^2$  difference tests suggest that the only direct effects coming up significant are the positive direct effect of brand globalness on resistance to brand adversity ( $\beta = .126, p < .05$ ) and the positive direct effect of brand localness on brand intimacy ( $\beta$

= .272,  $p < .01$ ). Like the previous study, the inclusion of of direct paths in the model does not affect the significance of the hypothesized serial indirect paths.

## **8. General Discussion**

### **8.1. Theoretical Implications**

Marketing scholars have recently called for an enriched sociocultural lens to international branding phenomena which transcends the view of brand globalness and localness as mere pieces of information that take part in the overall brand assessment (Cayla and Arnould, 2008). In parallel, consumer research increasingly places emphasis on the view of brands as marketplace agents which are evaluated on their humanlike properties rather than just their capacity to deliver functional and symbolic benefits (Kervyn et al., 2012). To this end, the present paper draws from theories of stereotyping and social perception and proposes a new way in conceptualizing global and local brands that is empirically tested across three studies.

The present research is based on the premise that global and local brands constitute distinct groups of marketplace entities associated with stereotypical properties which determine how consumers respond and relate to individual brands. These effects materialize through the process of brand categorization and the transfer of stereotypical perceptions from the superordinate brand category to the individual brand level. More specifically, our findings show that salient perceptions of globalness and localness enable an individual product's categorization into the generic class of global and local brands, respectively. Consistent with the notion of stereotyping, the findings suggest that stereotypical perceptions about such categories can spill over to how consumers see individual brands that belong to these categories. By establishing this process, our research challenges the function of brand globalness/localness as ordinary brand attributes and

instead propounds their view as categorization attributes which operate as tickets of brand class membership, brand category descriptors, and vehicles of stereotypical meaning shared by the members of a brand collective. In other words, brand globalness and localness seem to represent some sort of brand demographics strong enough to classify individual products into superordinate categories of brands characterized by distinct intentional properties.

This process of brand stereotyping has direct consequences for how consumers respond to the brands of their environment. Our findings suggest that global brands are generally perceived as brands able to enforce their intentions while local brands are primarily perceived as brands with cooperative properties. As a result of these stereotypical beliefs, brands scoring high on globalness are attributed with high levels of brand competence while brands scoring high on local adaptation enjoy strong perceptions of brand warmth. These judgments explain significant variance in how consumers feel and respond to brands. Interestingly, brand competence can trigger both admiration and contempt towards the brand with the former increasing purchase intention and the latter reinforcing brand switching. This implies that the dimension of brand competence alone may act as a double-edged sword since highly competent global brands may also be seen as antagonistic and devious thus generating negating affect. This finding provides an explanatory account for literature findings reporting negative consumer attitudes toward global brands despite generalized beliefs of increased global brand quality (Dimofte et al., 2008; Steenkamp and DeJong, 2010) and appears in line with recent research on stereotyping indicating that a hydraulic relationship between the two fundamental dimensions of warmth and competence may exist (Kervyn et al., 2012). Kervyn et al. (2012) proposed an innuendo effect according to which explicit focus on the positive dimension of a target is likely to make people draw negative inferences about the other dimension. For instance, solely describing Germans as

capable, industrious, and efficient tends to implicitly drive people in generating inferences that they are cold. This process, however, does not seem to hold at the brand level since localness-induced brand warmth was found to have a favorable impact both by increasing positive and by decreasing negative brand affect. Against previous studies downplaying the role of warmth in the marketing context (Aaker et al., 2010; Chen et al., 2014), our findings also show that both warmth and competence impact consumer responses by differentially influencing brand affect (Diamantopoulos et al., 2017).

Moreover, our research contributes by providing an effort to link brand globalness/localness with relational brand responses and investigate their relevance for consumer-brand relationship building. In particular, our findings suggest that brand competence fuels passionate feelings toward brands, whereas brand warmth elicits both passion as well as a sense of intimacy for the brand. Interestingly, brand intimacy positively impacts consumers' loyalty while the high intensity feeling of passion not only builds brand loyalty but also acts in a protective way by increasing resilience to financial or convenience hurdles which threaten the consumer-brand relationship. This finding further elevates the dimension of warmth in the context of brand stereotyping whose role appears to be particularly important to the development and maintenance of consumer-brand relationships.

From an international branding perspective, these findings imply that consumer relationships with brands strongly tied to the local culture are developed and maintained through a wider range of relational dimensions (i.e., intimacy and passion) driven by judgments of brand warmth. Alternatively, consumer relationships with brands perceived as worldwide available are based on passionate feelings generated by brand competence. Thus, even if both global and local brands are able to forge strong relationships with consumers, the affective content of these relationships

appears to differ for global and local brands; global brands seem to build more passionate but distant relationships while local brands more intimate and close relationships with consumers. Taken together, the findings across studies demonstrate that, although both dimensions of the brand stereotype are important, brands perceived as highly global are in a greater need to be complemented with warmth-related information in order to build long-term relationships with consumers and prevent negative inferences generated by excessive competence.

Finally, our findings also contribute to the emerging literature on brand stereotyping, in general, by providing evidence about the validity of the BIAF (Kervyn et al., 2012) to explain consumer-brand interactions both at the level of brand impression formation and at the level of on-going consumer-brand relationship. Although our study is focused only on global and local brands as relevant stereotypical brand categories, it provides a theoretical mechanism explaining how brand features or attributes trigger brand stereotyping processes which could well apply to other types of brand classes (e.g. private label brands) activated by other brand features or combination of attributes (e.g. low price, package color).

## 8.2. Managerial Implications

This research has direct implications for global and local brand management, especially with regard to brand positioning, communication strategies and consumer-relationship management. Our theorizing and empirical findings suggest that brands are assigned stereotypical beliefs of warmth and competence on the basis of their categorization under the global or the local brand class and such beliefs are found to be highly predictive of their consumer responses. As a result, brand managers should carefully consider whether they should strategically pursue their brand's categorization under the global or the local brand category. Brand categorization under the local

brand class appears a useful strategy for (a) brands particularly interested in building a loyal consumer base and long-lasting relationships, (b) brands prone to performance crises, and (c) brands in need of “affective capital” to soften negative consumer responses and mitigate brand aversion. Brand categorization under the global brand class is also a viable strategy since it can also generate attraction and passion toward the brand. However, simply being perceived as competent can backfire for some global brands because it can have negative connotations (e.g., perceptions of antagonistic, hegemonic, or unfair marketplace practices) which arouse feelings of disgust, anger, and contempt, and consequently repel consumers. Reconsidering the brand’s existing image in light of these insights could help managers optimize their positioning strategies and their reliance on global or local associations.

Having decided on class membership, managers should subsequently focus on implementing a global or local brand positioning strategy to facilitate the transfer of the desirable stereotypical judgments to their brands. To do so, managers should consider embedding elements of local or global consumer culture in their brand communications (Halkias et al., 2017). Local consumer culture positioning can be achieved by attaching the brand to local cultural practices and norms, by stressing the contribution of the brand to the local country, and by portraying the brand as a typical consumption choice of local consumers (Alden, Steenkamp, & Batra, 1999). Global consumer culture positioning, on the other hand, can be achieved by linking the brand to universal concepts and ideas, by relating the brand to values and norms that transcend local geographical boundaries and by appealing to the cosmopolitan allure of globalization (De Meulenauer et al., 2015).

Importantly, to further facilitate the stereotype formulation, communication messages of local brands should highlight their positive intentions toward the local consumers. This can be

accomplished, among others, through (a) participating in “buy local” campaigns, (b) highlighting the favorable impact of local sourcing or production on local job creation, (c) collaborating with other brands which are perceived as local champions of their respective communities, and (d) supporting locally-relevant causes. Global brand messages, on the other hand, should focus on fostering perceptions of “reserved adeptness” which are expected to elicit admiration without simultaneously triggering the unfavorable connotations of excessive reach, size and power.

Finally, managers should be careful about how they implement these strategies in customer-relationship management programs. Although this research mostly focuses on the consequences of global/local brand categorization, brand categorization under any brand class perceived as warm (e.g., childhood brands) can be helpful to shape enduring relationships with consumers especially in markets characterized by intense competitive pressures, price wars, or loyalty threats. Although this could also be true for some brand classes perceived as competent (e.g., luxury brands), it may not hold for others (e.g., multinational corporations). Overall, consumers appear to have flings with competent brands, but it is rather warm brands that they develop long-term relationships with. Thus, although brand competence seems to be a sufficient condition for an initial purchase it is brand warmth that is the necessary condition for brand commitment.

### 8.3. Limitations and Future Research

This research reveals a number of additional issues that future research should address. First, brand globalness and localness appear to be multifaceted constructs that likely carry more than one dimensions (Özsomer, 2012). Our studies did not aim at disentangling which particular aspects of perceived brand globalness or localness are more effective in categorizing brands under global or local brand classes. Along these lines, future studies should investigate how

different brand globalness cues (e.g., worldwide reach, standardization, global culture association) or localness cues (e.g., regional availability, domestic production) impact the stereotype activation process and, thus, provide insights on which dimensions are more effective to foster brand liking and brand relationship building. Similarly, investigating how consumers stereotype domestic brands vs. brands of different foreign countries of origin would inform literature on how in-group and out-group biases influence consumers' stereotyping processes.

Second, interpretation of the findings should take into consideration that our studies are confined to a single-country setting in an economically-developed European market. Although the process of brand categorization under global and local brand classes is expected to be culturally invariant, the content of the collective global and the local brand stereotypes might vary as a function of a country's economic development and/or cultural characteristics. Indeed, consumers of emerging markets tend to exhibit stronger preference for global brands than consumers of mature markets (Batra et al., 2000) where local brand offerings are highly competitive (and could thus also be perceived as highly competent). In a similar vein, consumer values that vary across cultures have been found to influence consumer attitudes toward global and local products (Steenkamp and De Jong, 2010). Thus, even if product categorization under the global and local brand category is likely uniform across countries, the stereotype content (i.e., warmth and competence) might be assessed differently. Researchers are strongly encouraged to extend this research to multiple countries to allow cross-cultural comparisons and identify such differences in stereotype content.

Third, the model specified and tested in Studies 2 and 3 suggests that brand globalness generates perceptions of competence (but not necessarily perceptions of warmth) whereas brand localness generates perceptions of warmth (but not necessarily perceptions of competence). This

proposition was formulated on the basis of theoretical implications and is also empirically corroborated by the lack of significant correlation between brand globalness and warmth ( $r_{\text{Study2}} = .047$ ,  $r_{\text{Study3}} = -.006$ ) as well as the existence of correlation between brand localness and competence ( $r_{\text{Study2}} = .165$ ,  $r_{\text{Study3}} = .138$ ) which is much smaller than that between brand localness and warmth. Nevertheless, in reality, it is not unlikely to encounter individual local brands perceived as highly competent (e.g., local food manufacturer brands) or individual global brands perceived as very warm (e.g., Nivea, Coca-Cola, etc.). Similarly, it can be argued that global brands can be stereotyped as warm through incorporating local cultural elements (He and Wang, 2017) or as cold if their hybridization efforts as perceived as erosive and dominating of local practices (Askegaard and Eckhardt, 2012). Future research should investigate these aspects using the lens of stereotype theory.

Finally, an interesting area of future research relates to the identification of variables that moderate the effects documented in this research. In this context, it would be particularly interesting to investigate the effects of consumer traits promoting schema-based information processing. Given that global/local brand stereotypes in essence represent cognitive schemata about the generic categories of global and local brands, the extent to which an individual is predisposed to rely on their brand schemata in order to make purchase decisions (Puligadda et al., 2012) is expected to critically influence the magnitude of stereotype-driven product preferences. Similarly, the strength of these schemata or the confidence consumers place in them (Halkias and Kokkinaki, 2017) would also likely impact the importance of brand stereotyping in purchase decisions. Research in these directions would provide a detailed picture on brand stereotyping in general and its relevance for global and local brands in particular.

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**Table 1.** Construct measurement

<b>Perceived Brand Globalness (PBG) – Steenkamp et al. (2003)</b>	<b>CR: .974 / .845, AVE: .948 / .733, <math>\alpha</math>: .971 / .848</b>
I think that consumers around the world buy [BRAND].	.999 / .847
I think [BRAND] is sold all over the world.	.948 / .865
<b>Perceived Brand Localness (PBL) – Swoboda et al. (2012)</b>	<b>CR: .875 / .907, AVE: .703 / .769, <math>\alpha</math>: .868 / .894</b>
[BRAND] is part of the [LOCAL COUNTRY] culture.	.721 / .718
To me, [BRAND] represents what [LOCAL COUNTRY] is all about.	.893 / .908
To me, [BRAND] is a very good symbol of [LOCAL COUNTRY].	.889 / .983
<b>Brand Competence (BCOMP) – Halkias et al. (2016)</b>	<b>CR: .896 / .928, AVE: .684 / .763, <math>\alpha</math>: .892 / .921</b>
I think most people in [LOCAL COUNTRY] consider [BRAND] a competent brand.	.872 / .901
I think most people in [LOCAL COUNTRY] consider [BRAND] a capable brand.	.903 / .916
I think most people in [LOCAL COUNTRY] consider [BRAND] an intelligent brand.	.784 / .833
I think most people in [LOCAL COUNTRY] consider [BRAND] an efficient brand.	.738 / .842
<b>Brand Warmth (BWARM) – Halkias et al. (2016)</b>	<b>CR: .766 / .963, AVE: .929 / .866, <math>\alpha</math>: .924 / .963</b>
I think most people in [LOCAL COUNTRY] consider [BRAND] a warm brand.	.799 / .891
I think most people in [LOCAL COUNTRY] consider [BRAND] a friendly brand.	.941 / .973
I think most people in [LOCAL COUNTRY] consider [BRAND] a kind brand.	.935 / .962
I think most people in [LOCAL COUNTRY] consider [BRAND] a good-natured brand.	.817 / .893
<b>Positive Brand Affect (POS) – Cuddy et al. (2007)</b>	<b>CR: .778, AVE: .644, <math>\alpha</math>: .751</b>
To what extent do you think people in [LOCAL COUNTRY] feel admiration toward [BRAND]?	.652
To what extent do you think people in [LOCAL COUNTRY] feel pride toward [BRAND]?	.929
<b>Negative Brand Affect (POS) – Cuddy et al. (2007)</b>	<b>CR: .751, AVE: .620, <math>\alpha</math>: .690</b>
To what extent do you think people in [LOCAL COUNTRY] feel disgust toward [BRAND]?	.973
To what extent do you think people in [LOCAL COUNTRY] feel contempt toward [BRAND]?	.542
<b>Intention to Purchase (PINT) – Putrevu and Lord (1994)</b>	<b>CR: .945, AVE: .851, <math>\alpha</math>: .944</b>
I will likely buy products of [BRAND].	.917
The probability that I would consider buying products of [BRAND] is high.	.943
I am willing to buy products of [BRAND].	.907
<b>Intention to Switch (SWITCH) – Ping (1995)</b>	<b>CR: .917, AVE: .788, <math>\alpha</math>: .911</b>
If I bought [BRAND] and I was dissatisfied by its performance, I would stop buying [BRAND] in the future.	.788
If I bought [BRAND] and I was dissatisfied by its performance, I would probably switch to another brand.	.971
If I bought [BRAND] and I was dissatisfied by its performance, I would consider other brands in the future.	.894
<b>Brand Passion (PASSION) – Fritz et al. (2014)</b>	<b>CR: .928, AVE: .621, <math>\alpha</math>: .933</b>
I think about this brand often during the day.	.706
No other brand makes me as happy.	.826
There is something magical about my relationship with this brand.	.854
This brand is very attractive to me.	.700
I idealize this brand.	.802
I would feel distressed if this brand did not exist anymore.	.663
I feel like this brand and I were made for each other.	.874
I have feelings for this brand that I do not have for many other brands.	.850
<b>Brand Intimacy (INTIMATE) – Fritz et al. (2014)</b>	<b>CR: .880, AVE: .655, <math>\alpha</math>: .859</b>
I feel like this brand is really interested in me.	.771
This brand really listens to what I have to say.	.896
I feel like this brand really understands me.	.936
I can count on this brand when I need it.	.585
<b>Brand Loyalty (LOYAL) – Chaudhuri and Holbrook (2001)</b>	<b>CR: .818, AVE: .603, <math>\alpha</math>: .817</b>
I am a loyal customer of this brand.	.861
I am certain that I will keep on buying products from this brand.	.822
It is unlikely that I will switch to one of this brand's competitors in the future.	.632
<b>Resilience to Relational Adversity (ADVERS) – Chaudhuri and Holbrook (2001)</b>	<b>CR: .720, AVE: .564, <math>\alpha</math>: .720</b>
I would be prepared to pay a higher price for this brand's products than for comparable products by a competitor.	.690
If this brand were not available in a store, I would postpone my purchase.	.807

Note. Column entries represent standardized loadings (Study 2 / Study 3); all loadings are significant at  $p < .001$

AVE: Average Variance Extracted, CR: Composite reliability,  $\alpha$ : Cronbach's alpha

All items measured on 7-point scales

**Table 2.** Descriptive statistics and correlation matrices (Studies 2 and 3)

<b>Study 2</b>	Mean (SD)	PBG	PBL	BCOMP	BWARM	POS	NEG	PINT	SWITCH
PBG	4.58 (2.30)	1							
PBL	2.85 (1.76)	-.438	1						
BCOMP	5.19 (1.21)	.208	.165	1					
BWARM	4.72 (1.38)	.047	.316	.637	1				
POS	3.87 (1.53)	.032	.593	.458	.389	1			
NEG	2.10 (1.30)	.264	-.180	-.020	-.121	-.117	1		
PINT	4.52 (1.78)	.037	.205	.322	.449	.259	-.139	1	
SWITCH	4.53 (1.79)	-.087	-.129	.037	-.037	-.108	.008	-.260	1

Note. For this study's sample (N = 328),  $r_s \geq .129$  (or  $r_s \leq -.129$ ) are statistically significant at  $p < .05$ .

<b>Study 3</b>	Mean (SD)	PBG	PBL	BCOMP	BWARM	PASSION	INTIMATE	LOYAL	ADVERS
PBG	5.69 (1.65)	1							
PBL	1.77 (1.39)	-.304	1						
BCOMP	5.07 (1.33)	.285	.138	1					
BWARM	4.31 (1.66)	-.006	.289	.609	1				
PASSION	2.43 (1.41)	.087	.289	.370	.486	1			
INTIMATE	2.79 (1.45)	.095	.248	.299	.434	.777	1		
LOYAL	4.66 (1.52)	.037	.256	.409	.463	.549	.429	1	
ADVERS	3.56 (1.83)	.265	.098	.344	.263	.703	.610	.620	1

Note. For this study's sample (N = 273),  $r_s \geq .138$  (or  $r_s \leq -.138$ ) are statistically significant at  $p < .05$ .

**Table 3.** Model estimation results (Study 2)

Hypothesized paths	Endogenous variables					
	BCOMP	BWARM	POS	NEG	PINT	SWITCH
H <sub>4a</sub> : PBG	.157 (.041) <sup>***</sup>					
H <sub>4b</sub> : PBL		.490 (.081) <sup>***</sup>				
BCOMP			.193 (.060) <sup>***</sup>	.159 (.070) <sup>*</sup>		
BWARM			.337 (.056) <sup>***</sup>	-.155 (.059) <sup>**</sup>		
POS					.532 (.110) <sup>***</sup>	-.148 (.111)
NEG					-.084 (.076)	.166 (.085) <sup>*</sup>
<b>Control paths</b>						
Brand Familiarity	.230 (.041) <sup>***</sup>	.129 (.045) <sup>**</sup>	.035 (.043)	-.045 (.051)	.300 (.058) <sup>***</sup>	-.115 (.062)
Domestic Brand Origin	.113 (.041) <sup>**</sup>	-.155 (.049) <sup>**</sup>	.130 (.041) <sup>**</sup>	-.081 (.047)	-.111 (.057)	.103 (.062)
<b>Category Dummies (Reference: Fast-food)</b>						
Consumer electronics	1.051 (.241) <sup>***</sup>	.292 (.261) <sup>***</sup>	.782 (.247) <sup>**</sup>	-2.530 (.289) <sup>***</sup>	.512 (.390)	1.162 (.424) <sup>**</sup>
Personal care	.819 (.244) <sup>***</sup>	.722 (.264) <sup>**</sup>	.027 (.041) <sup>***</sup>	-2.090 (.287) <sup>***</sup>	.986 (.368) <sup>**</sup>	.921 (.399) <sup>*</sup>
Chocolate	.979 (.257) <sup>***</sup>	.970 (.284) <sup>***</sup>	.133 (.257)	1.992 (.307) <sup>***</sup>	1.004 (.384) <sup>**</sup>	.611 (.415)
Soft-drinks	.821 (.304) <sup>**</sup>	.627 (.332)	.838 (.307) <sup>**</sup>	-.698 (.359)	-.070 (.437)	-.091 (.468)
Furniture	1.045 (.348) <sup>**</sup>	.718 (.331) <sup>**</sup>	-.442 (.300)	-2.014 (.355) <sup>***</sup>	.587 (.442)	.722 (.478)
Motorcycles	.535 (.312)	-.398 (.336)	.714 (.295) <sup>*</sup>	-2.174 (.347) <sup>***</sup>	-.182 (.447)	.920 (.483)
Dairy products	.665 (.340) <sup>*</sup>	.307 (.348)	.197 (.302)	-1.747 (.359) <sup>***</sup>	1.080 (.445) <sup>*</sup>	-.005 (.479)
<b>R<sup>2</sup></b>	.265	.314	.466	.364	.358	.101
<b>Total indirect effects</b>						
H <sub>5</sub> : PBG			.030 (.012) <sup>**</sup>	.025 (.013) <sup>*</sup>	.014 (.007) <sup>*</sup>	.000 (.005)
H <sub>6</sub> : PBL			.165 (.037) <sup>***</sup>	-.076 (.031) <sup>**</sup>	.094 (.026) <sup>***</sup>	-.037 (.021) <sup>*</sup>
<b>Model Fit</b>	$\chi^2 = 945.96, df = 416, p = .00, RMSEA = .062, CFI = .953$					

Note. Column entries are unstandardized path estimates (standard errors in parentheses)

\*\*\* p < .001, \*\* p < .01, \* p < .05 (one tailed tests for hypothesized paths)

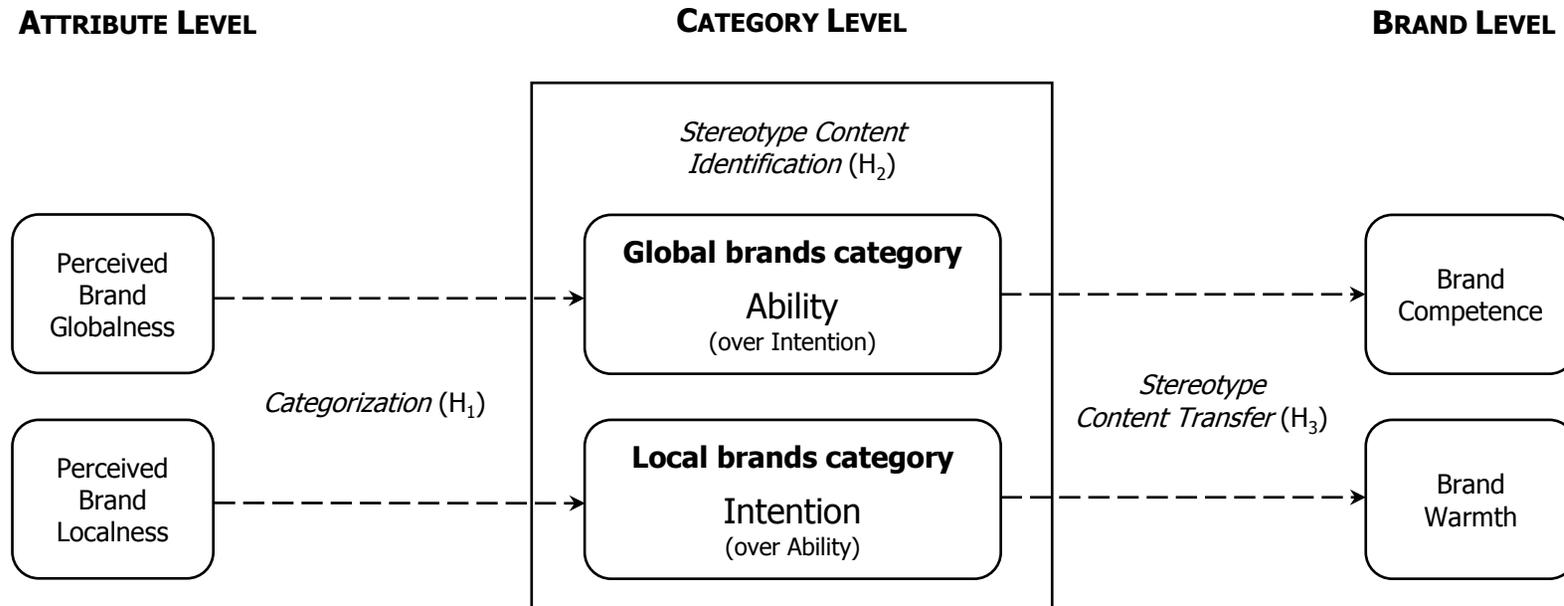
**Table 4.** Model estimation results (Study 3)

Hypothesized paths	Endogenous variables					
	BCOMP	BWARM	PASSION	INTIMATE	LOYAL	ADVERS
H <sub>4a</sub> : PBG	.335 (.070)***					
H <sub>4b</sub> : PBL		.270 (.131)*				
BCOMP			.109 (.046)**	.051 (.068)		
BWARM			.263 (.044)***	.452 (.062)***		
PASSION					.584 (.090)***	.745 (.105)***
INTIMATE					.114 (.053)*	.073 (.051)
<b>Control paths</b>						
Brand Familiarity	.162 (.063)*	.204 (.070)**	.161 (.048)***	.194 (.070)**	.460 (.064)***	.220 (.062)***
Domestic Brand Origin	.140 (.059)**	-.033 (.094)	.137 (.040)***	.201 (.059)***	-.034 (.053)	-.044 (.052)
<b>Category Dummies (Reference: Personal care)</b>						
Cars	-.395 (.316)	-.346 (.349)	.576 (.230)*	1.051 (.340)**	-1.728 (.302)***	-.376 (.289)
Computers	.220 (.331)	-.783 (.368)*	.192 (.241)	.406 (.361)***	-.897 (.308)**	.014 (.297)
Cell-phones	-.263 (.319)	-.680 (.351)	.461 (.230)*	.719 (.343)*	-1.082 (.297)***	-.452 (.287)
Sweets	.252 (.329)	.728 (.370)*	-.019 (.240)	-.921 (.360)*	-.317 (.309)	-.927 (.306)**
Soft drinks	-.028 (.324)	-.507 (.362)	-.192 (.233)	-.654 (.350)	-.537 (.305)	-1.204 (.306)***
Clothing	-.325 (.325)	-.499 (.363)	.193 (.235)	.014 (.352)	-.440 (.302)	-.699 (.297)*
Watches	-.295 (.326)	-.545 (.362)	.635 (.238)**	.778 (.353)*	-1.672 (.309)***	-.538 (.298)
<b>R<sup>2</sup></b>	.164	.192	.322	.329	.582	.611
<b>Total indirect effects</b>						
H <sub>7</sub> : PBG			.036 (.017)*	.017 (.023)	.023 (.011)*	.028 (.013)*
H <sub>8</sub> : PBL			.071 (.037)*	.122 (.062)**	.056 (.029)*	.062 (.032)*
<b>Model Fit</b>	$\chi^2 = 1489.67, df = 668, p = .00, RMSEA = .067, CFI = .954$					

Note. Column entries are unstandardized path estimates (standard errors in parentheses)

\*\*\* p < .001, \*\* p < .01, \* p < .05 (one tailed tests for hypothesized paths)

**Figure 1.** The process of brand stereotyping: categorization, stereotype content identification, and stereotype content transfer



**Figure 2.** Intentional and relational impact of global and local brand stereotypes

