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“Lit Up or Dimmed Down”:

Why, When and How Regret Anticipation Affects Consumers’ Use of the Global Brand

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“Lit Up or Dimmed Down?” Why, When and How Regret Anticipation Affects Consumers’ Use of the Global Brand Halo

Abstract

Research has long-established the existence of a global brand halo which benefits global brands by triggering “global equals better” inferences by consumers. Nevertheless, little is known about the conditions under which this halo may or may not be used as well as whether and, if so, how it can situationally fade. Drawing from regret theory, we posit that anticipating regret can conditionally both attenuate and accentuate consumers’ use of the global brand halo and develop a serial conditional process model to explain the mechanism underlying regret’s influence. The results of two experimental studies show that anticipated regret affects global brand halo use – and subsequently relative preference for global or local brands – through increasing consumers’ need to justify their purchase decision. Whether and how consumers will use the global brand halo depends on consumers’ product category schema, while the intensity of the halo’s use depends on consumers’ maximization tendency. The findings offer a decision-theory perspective on the competition between global and local brands and empirically-based advice on managerial interventions that can influence global/local brand market shares.

Keywords: anticipated regret, global brand halo, decision justifiability, maximization tendency, product category schema

Marketplace globalization has brought the competition between global and local brands to the forefront of international marketing research. Although early accounts of this competition put global brands on the winner's side (e.g. Batra et al. 2000; Steenkamp, Batra, and Alden 2003), recent developments evidence a surge in consumers' preference for local brands that has left multinational corporations seeking ways to reconnect with local consumers and stakeholders (Santos and Williamson 2015). However, despite favorable consumer perceptions that have restored local brand preference to competitive levels – due to superior local need tailoring, local community support or cultural iconness (Van Ittersum and Wong, 2010; Xie, Batra, and Peng, 2015) – there appears to be a general consensus in the literature that global brands still benefit from a “global brand halo” effect that triggers upward attribute biasing and works in their favor when competing against their local counterparts (Dimofte, Johansson, and Ronkainen 2008).

An overview of prior literature on global/local brands (see Table 1) attests to the importance of the global brand halo as the key mechanism underlying formation of consumer preference for global brands. Of the 25 studies reviewed in Table 1, 16 report favorable perceptions of some brand attribute (most frequently, brand quality and prestige) as a positive consequence of the brand's perceived worldwide availability, lending strong empirical support to the global brand halo hypothesis (e.g. Özsomer 2012; Dimofte, Johansson, and Ronkainen 2008; Steenkamp, Batra, and Alden 2003). Although these figures suggest the presence of a very robust and relevant phenomenon, the absence of studies investigating conditions under which the halo ceases to work (or even reverses) is both surprising and noteworthy. Furthermore, Table 1 reveals some other collective shortcomings of prior relevant work. First, the theories used to explain global/local brand effects are limited to attitude, identity, signaling, and categorization theories which – despite being insightful – have probably reached their full explanatory potential in this line of research. Second, most of the consumer-related traits considered when studying

global/local brand effects refer to dispositions for/against globalization (e.g. global citizenship, consumer ethnocentrism, global consumption orientation) that favor either global or local brands (for a comprehensive review see Bartsch, Riefler, and Diamantopoulos 2016). However, these constructs have been both overused and criticized regarding their ability to predict actual brand preferences (Diamantopoulos et al. 2019). Finally, most relevant research has focused on cognitive constructs and neglected emotions as antecedents or consequences of global/local brand choices. Despite calls for research in this area (Gürhan-Canli, Sarial-Abi, and Hayran 2018), with the exception of a couple of studies (Davvetas and Diamantopoulos 2018; Khan, Daryanto, and Liu 2019), to the best of our knowledge, there is no research explicitly investigating the effect of emotional primes on global/local brand preference in consideration sets including both brand types.

INSERT TABLE 1 ABOUT HERE

Addressing these voids, the present research investigates the role of anticipated regret (i.e. “the main psychological effects of the various worries that beset a decision maker before any losses actually materialize”; Janis and Mann 1977, p. 222) as a key decision-related emotion that “shakes up” consumers’ reliance on the global brand halo and subsequently impacts their preference for either global or local brands. Although recent research (Davvetas and Diamantopoulos 2018) has found that consumers use brand globalness or localness to regulate their *experienced* regret (i.e. the feeling arising as a result of unfavorable comparisons between chosen and foregone options; Bell 1982; Loomes and Sugden 1982), how *anticipating* such regret prior to the purchase affects brand choice shares has not been investigated yet. This, however, is an important question in light of evidence showing that consumers actively forecast their likely post-purchase emotional states and adjust their pre-purchase behavior to minimize potential negative affect (Mellers and McGraw 2001). In particular, psychological research has repeatedly

highlighted the importance of anticipated regret for decision makers by describing regret as the “prototypical” decision-related emotion (Breugelmans et al. 2014, p.1037). Regret is the most commonly and intensively felt emotion people experience across a wide range of contexts ranging from education and health decisions to career and family choices (Roese and Summerville 2005). Regret is important because its experience or anticipation can be present in *any* decision among alternative courses of action with at least two available alternatives; freedom of choice comes at a cost and regret is the price people pay for being free to choose (Sagi and Friedland 2007). In a marketing context, managing consumer regret is particularly critical. Research reveals that while only 5 percent of product returns is due to product defects, almost 27 percent of returns is driven by buyers’ regret (Accenture 2011). Feelings of regret make consumers punitive toward brands, impact important business outcomes such as consumer satisfaction ratings, negative word of mouth, complaints, enforcement of price refunds, and requests for money-back guarantees (Tsiros and Mittal 2000; Zeelenberg and Pieters 2007).

Against this background, we propose *regret anticipation* as a decision setting intervention that influences consumers’ decision-making strategies and ultimately determines competing choices between global and local brands. Drawing on regret theory, we argue that anticipated regret bolsters consumers’ need to justify their purchase decision which, in turn, influences *whether* they will rely on the global brand halo to justify their choices between global and local brands. Moreover, we expect that the *intensity* of consumers’ use of the global brand halo following regret anticipation will vary with consumers’ maximization tendency (i.e. their willingness to choose the best possible option in every decision; Schwartz et al. 2002) and to be stronger for maximizers than satisficers. Finally, the *direction* of the halo’s use following regret anticipation (i.e. whether it will intensify or weaken) is expected to depend on consumers’ product category schema and whether it is dominated by global or local brands (Davvetas and

Diamantopoulos 2016). We find support for our hypotheses through testing a serial moderated mediation model across two complementary studies that experimentally manipulate anticipated regret through priming the irreversibility of consumers' brand choices.

From a theoretical perspective, our findings enrich international branding literature by (1) introducing a so far overlooked decision theory perspective to explain the competition between global and local brands, (2) identifying a variable that may attenuate, nullify or accentuate the use of the "global equals better" heuristic by consumers, and (3) proposing variables related to consumers' decision making styles as important antecedents of consumer preference for global/local brands. Our findings also contribute to regret theory by (1) evidencing anticipated regret's ability to conditionally both increase and decrease consumers' reliance on decision heuristics, (2) demonstrating how chronic maximization tendency interacts with regret anticipation into shaping decisions, and (3) showing that when decision makers anticipate regret, they employ established mental schemata as tests of conventional rules of thumb. From a managerial perspective, our research reveals (1) managerial interventions that may conditionally favor global or local brands, (2) consumer segments that are more/less prone to global brand halo inferences under conditions of regret anticipation, (3) product categories that offer local brands greater potential to minimize the use of the "global equals better" heuristic, and (4) differential effects of return policies for global and local brands.

CONCEPTUAL BACKGROUND AND RESEARCH HYPOTHESES

The "Global Brand Halo" Effect

The extent to which a brand is *perceived* as globally or locally demanded is diagnostic of consumers' brand assessments and purchase decisions, because consumers often use a brand's

perceived global/local availability as an extrinsic cue that informs their responses to brands (Batra et al. 2000). In this context, the distinction between global and local brands relates to consumers' perception that a brand is present in multiple countries versus being available exclusively within its home market borders. Thus, in this research we define global brands as brands perceived as internationally available, known, and demanded (Steenkamp, Batra, and Alden 2003) while local brands are defined as brands distributed in a concentrated geographical market, country or region (Dimofte, Johansson and Ronkainen 2008).

Conceptualizing the effects of a brand's global nature, Dimofte, Johansson, and Ronkainen (2008) proposed that brand globalness may function through a halo effect. According to psychological theories of interpersonal impression formation, a halo effect describes "the influence of a global evaluation on evaluations of individual attributes of a person" (Nisbet and Wilson, 1977, p. 250). In branding context, a halo effect implies that a brand's global reach favorably biases brand attribute evaluations of quality, prestige, status, reliability and performance; an assertion that has received strong empirical support in international branding literature (see Table 1). Consumers often interpret information about a brand's global presence as a credibility signal which associates the brand with decreased purchase risk, increased purchase conventionality, and lower performance failure likelihood (Özsomer and Altaras 2008). As Dimofte, Johansson, and Ronkainen (2008, p. 115) aptly put it: "the global brand effect involves the biasing of perceived brand attributes, favoring the global brand". As a result of this biasing, consumers engage in inferential reasoning that links the brand's multimarket presence to superior performance (i.e. "If everyone buys it, it must be good") and use the "global equals better" rule as a purchase heuristic and a justification when defending brand choices (Davvetas and Diamantopoulos 2018).

Regret Theory and Anticipated Regret

Regret theory posits that decision making is governed by individuals' aversion to regret, that is, the feeling elicited when realizing or imagining that one would have been better off had they decided differently (Janis and Mann 1977; Zeelenberg 1999). According to regret theory, decisions among alternatives are determined not only by how well chosen alternatives perform but also by the "lost" utility of foregone options (Bell 1982; Loomes and Sugden 1982). Importantly, decision makers do not only experience regret about *past* (forgone) outcomes and realized suboptimal decisions (i.e. experienced regret; Tsiros and Mittal 2000) but also develop expectations about the possibility of experiencing regret in *future* decisions (i.e. anticipated regret; Simonson 1992). In both cases, individuals are motivated to regulate the regretful experience and adjust their behavior in ways that minimize regret's occurrence (Zeelenberg and Pieters 2007). Notably, although regret is a negative emotion and its experience is aversive to consumers, research has found that it also has a learning function that makes consumers better decision makers in the long run (Reb and Connolly 2009). This explains why regret, despite being painful, is highly valued by decision makers (Saffrey, Summerville and Roese 2008).

Apart from the well-established consequences of experienced regret for past purchases (e.g. dissatisfaction, brand switching, product returns –Tsiros and Mittal 2000), anticipating future regret exerts immense influence on decision-making. Prior research has found that when people anticipate regret about upcoming decisions, they follow more vigilant decision-making strategies; collect more information about the offered alternatives; take more time to reach a decision; and are more likely to delay or defer choice (Janis and Mann 1977; Reb 2008). In non-consumption related contexts, regret anticipation has been linked with stronger intentions to follow healthy behaviors (Brewer, DeFrank, and Gilkey 2016; Cox, Strum, and Cox 2014), engagement in preventative actions that minimize the experience of regret in everyday decisions (Bjälkebring et

al. 2016; Sandberg et al. 2016) and with high receptiveness to advice from others before reaching a decision, especially in the absence of an easily justifiable alternative (Tzini and Jain 2018).

In consumption contexts, increasing the salience of regret anticipation has been found to make consumers (1) turn to conventional options (Sheffrin and Statman, 1985), (2) prefer high-priced, well-known brands over cheaper but less-known products (Simonson 1992), (3) opt for status quo alternatives (Lemon, White, and Winer 2002), and (4) make investment decisions that shield them from the possibility of experiencing regret even when these are associated with heightened risk or uncertainty (Zeelenberg and Pieters 2007). Additionally, regret anticipation has been shown to explain consumers' aversion to brands originating from countries toward which consumers hold feelings of economic animosity (Khan, Daryanto, and Liu 2019) as well as their willingness to accept products incorporating major technological innovations (Jiang, Chakravarthi, and Turut 2016). Recent research has also found that although anticipated regret is generally associated with higher levels of choice deferral, when consumers feel situationally empowered, anticipated regret subsides thus making the consumer more likely to commit to a choice than defer it altogether (Mourali et al. 2018). Similarly, Steffel and Williams (2018) report that anticipating regret makes people delegate their purchase decisions to others to avoid responsibility if the decision outcome is unsatisfactory.

To sum up, anticipating regret and regulating one's pre-purchase behavior has been proposed as a strategy to maximize one's obtained decision outcomes over time (Zeelenberg 2015).

Overall, regret anticipation reconfigures consumer decision making strategies in ways that frequently contradict their expected decision behavior under regular (i.e. non-regret) conditions.

The Effect of Regret Anticipation on “Global Brand Halo” Use

The global brand halo operates by directing consumers to employ the “global equals better” heuristic when making purchase decisions among competing brands. Heuristics are commonly accepted decision models or processes that help decision makers find sufficiently easy to reach and implement solutions to a problem (Hillier and Lieberman 2001). People use heuristics under conditions of decision uncertainty in order to estimate a subjective probability of an event. Typical heuristics include representativeness heuristics (subjective probability estimates based on how typical the occurrence of the event is), availability heuristics (subjective probability estimates based on how easily similar events can be retrieved from memory) and anchoring heuristics (subjective probability estimates disproportionately weighted by earlier versus later values) (Tversky and Kahneman 1974). The “global equals better” heuristic is a typical case of a representativeness heuristic, whereby a brand’s belongingness to the global brand category inflates consumers’ subjective probability that the brand will perform well.

Research on regret aversion shows that regret anticipation impacts consumers’ decision-making strategies and determines the extent to which they will rely on cognitive shortcuts, decision biases (e.g. heuristics, rules of thumb), and reason-based choice rules. Specifically, research has established that regret anticipation makes consumers think more vigorously of the strategies they use to reach a decision. For instance, Connolly, Reb, and Kausel (2013) find that “asymmetric dominance effects” (i.e. shift in preference toward one of two non-dominated, equally attractive alternatives following the addition of an asymmetrically dominated “decoy” alternative), which are frequently observed under control conditions, were eliminated for consumers primed to anticipate regret for their decision. Similarly, Connolly and Reb (2012) report that regret salience also eliminates “select/reject effects” (i.e. preference reversal depending on choice framing as selecting the most attractive versus rejecting the least attractive

alternative) and intensifies “most-important attribute effects” (i.e. preference for the alternative scoring high on the most important attribute among equally attractive alternatives).

The common denominator of these effects – and the rationale behind why some of them are eliminated by anticipated regret while others are amplified – lies in the *justifiability* of the choice shortcut prescribed by the decision context and whether it can pass the carefulness test imposed by anticipated regret (Reb 2008). In the case of decoy and select/reject effects, regret-induced decision carefulness discounts the justifiability of choosing a non-dominant alternative or reversing to another option merely because of choice framing; in the case of the most important attribute effect, in the absence of a clearly dominant alternative, going for the option best performing in the most desirable attribute seems to be a justifiable choice strategy even after careful deliberation (Connolly and Reb 2012).

In a similar sense, while the “global equals better” heuristic may be casually observed under regular purchase conditions, its application is expected to be affected when regret becomes more salient, at least under conditions that cannot adequately justify it. In consonance with the evidence provided above, we ground this prediction on decision justification theory which provides an overarching theoretical framework explaining how regret (both experienced and anticipated) impacts decision making (Reb and Connolly 2010). Decision justification theory posits that people experience regret not only for suboptimal outcomes but also for unjustifiable decision processes or strategies that led to bad outcomes; in other words, people experience more regret when their decisions were made in an unjustifiable way (Connolly and Zeelenberg 2002; Inman and Zeelenberg 2002). Increased regret anticipation triggers consumers’ regret regulation processes and strengthens the importance of justifications for supporting one’s choice even *before* this choice is made (Zeelenberg and Pieters 2007). The ability to justify one’s product choices has been described as one of the key motivations underlying consumer choice and

determines post-choice satisfaction even if things go awry (Bettman, Luce, and Payne 1998). As a result, under conditions of anticipated regret, consumers are expected to actively question the justifiability of their decision making strategy and be in more need to identify reasons for their choice that would withstand the scrutiny of careful justifiability (Connolly and Reb 2012).

Regret-induced need for decision justification is expected to impact the extent to which consumers will rely on the “global equals better” heuristic to justify their purchase decision. In essence, need for justification should make consumers assess the extent to which the heuristic is a strong or a weak justification for reaching a decision. If the heuristic is judged as giving a strong justification, need for decision justification should accentuate its use because it (1) safeguards the decision from criticism, self-esteem threats and feelings of carelessness (Simonson 1989; 1992), (2) increases the post-purchase satisfaction with the chosen option by boosting the subjective value of the chosen alternative and minimizing purchase-related negative affect (Heitmann, Lehman, and Herrmann 2007), and (3) boosts consumer’s confidence and comfort with the decision made (Parker, Lehmann, and Xie 2016). However, once the heuristic is assessed as providing a weak justification, then the reverse consequences will emerge if the decision proposed by the heuristic is followed and proven wrong (i.e. self-criticism of consumer’s decision making competence, lower satisfaction with the alternative, post-choice negative affect, and low levels of decision confidence and comfort). Regardless of whether the heuristic is judged positively or negatively, it is expected that the need for justification will impact (one way or another) whether consumers will rely on the global brand halo to ground their brand choice.

It is naturally expected that the more the consumer relies on the “global equals better” heuristic, the higher the likelihood of buying the global (over the local) brand. If the consumer manages to assert the value of using the halo-based heuristic, s/he will rely more on the globalness of the brands in the choice set to reach a decision. Brand globalness has been found to

operate as a peripheral cue with strong diagnosticity across contexts (Batra et al. 2000).

Consumers use the globalness of brands as an informative cue to decide whether they will form relationships with them (Sichtmann, Davvetas, and Diamantopoulos 2019) or as diagnostic pieces of information when making decisions about retailer patronage (Swoboda, Pennemann, and Taube 2012). As a result, if consumers' regret-induced need for decision justification boosts reliance on the global brand halo, the globalness cue will be assessed as highly diagnostic and thus foster global (over local) brand preference. If, on the contrary, need for decision justification judges the global brand halo as inadequate, the importance of the globalness cue will be discarded and then the odds of the local brand being preferred will increase.

The process described above can be summarized in a three stage serial mediation effect as hypothesized below:

H₁: Anticipating regret has an effect on consumer's relative preference for global vs. local brands, serially mediated by (a) need for decision justification, and (b) consumer reliance on the global brand halo, which (c) ultimately determines relative global/local brand preference.

Intensity of Global Brand Halo Reliance: The Role of Consumers' Maximization Tendency

As the use of the "global equals better" heuristic depends on regret anticipation, any decision-making trait that makes consumers more sensitive toward the experience of regret should play an important role in the serial process linking regret anticipation with halo use and brand preference. We propose that one such variable is consumers' maximization tendency (Schwartz et al. 2002).

Decision making varies across consumers who differ in terms of how they pursue their purchase goals. People with strong maximization tendencies (maximizers) tend to follow different decision strategies from people with low maximization tendencies (satisficers).

Maximizers strive to achieve the best possible decision outcome through engaging in extensive comparisons among alternatives, while satisficers settle for “good enough” options without experiencing particular emotional discomfort for foregoing the optimal alternative in a choice set (Schwartz et al. 2002). Individuals exhibiting chronic maximization tendencies tend to spend more time making decisions, invest more effort in comparing alternatives, are less likely to choose “good enough” options, feel more regret and less satisfaction for their choices (despite being better at spotting the optimal ones) and change their choices post-purchase more frequently (Chowdhury, Ratneshwar, and Mohanty 2009; Ma and Roese 2014; Schwartz et al. 2002). Although, at face value, maximizers should be objectively better decision-makers than satisficers, research shows that they are more likely to exhibit problematic decision making behavior including higher need to rely on others to make a decision, increased decision deferral, avoidance and delegation as well as worse coping with regretful decisions (Parker, Bruine de Bruin, and Fischhoff 2007). Maximizers also tend to perform worse in tests of decision making competence (Parker and Fischhoff 2005). Specifically, maximizers tend to underrate their decision outcomes, exhibit lower confidence in their decisions and fail to show consistency in risk perception tests due to their inability to cope well with uncertainty and losses (Bruine de Bruin, Parker, and Fischhoff 2007). This possibly explains why maximizers rely less on purchase experience accumulated through past decisions and engage in deliberate, attribute-by-attribute processing of alternatives instead of relying on overall impressions (Carrillat, Ladik, and Legoux 2011).

As a consequence of the above, maximizers are expected to react more strongly to regret anticipation due to their aversion toward uncertainty and their sensitivity to the possibility of loss materialization following a non-optimal decision. Trying to shield themselves from such possibility, maximizers should exhibit substantially stronger need to justify a decision for which the possibility of regret has been flagged pre-purchase compared to satisficers whose satisfaction

with “good enough” options decreases negative post-purchase affective forecasts. Thus, any effects of regret anticipation on global brand halo use (be they positive or negative) should be stronger for maximizers than for satisficers. We thus hypothesize that:

H2: The positive effect of regret anticipation on consumer’s need to justify their decision is intensified as consumer’s maximization tendency increases.

Direction of Global Brand Halo Effects: The Role of Consumers’ Product Category Schema

Consumer preference for global or local brands is not constant across product categories: some categories favor global brands (e.g. technical products of high involvement and identity signaling value) while others favor local ones (e.g. household products of low consumption visibility) (Özsomer 2012; Davvetas and Diamantopoulos 2016). Global or local preferences across product categories are determined by generalized category-specific perceptions of global or local brand superiority engraved in consumers’ product category schemata (Davvetas and Diamantopoulos 2016). In international business literature, schemata have been conceptualized as culture-laden cognitive structures used to interpret marketplace stimuli (Leung and Morris 2015). Schemata represent information structures including organized accumulated knowledge of relevance for a task (Fiske and Taylor 1991). Consumers use schemata to form brand perceptions (Halkias 2015; Meyers-Levy and Tybout 1989), to make sense of advertising messages and marketing communications (Halkias and Kokkinaki 2014), as well as to understand how product categories are structured in a meaningful way (Boush and Loken 1991). In empirical work, schemata have been used as theoretical vehicles to explain (1) how congruence between consumer culture ad imagery and brand image affects the effectiveness of foreign brand communications (Halkias et al. 2017), (2) how consumers form stereotypes (i.e. collectively shared schemata) about brands

and products based on their globalness/localness (Davvetas and Halkias 2019) or country of origin (Diamantopoulos et al. 2017), and (3) how home country-brand schema congruence enhances brand evaluations (Magnusson, Westjohn, and Sirianni 2018).

One of the most important schemata consumers rely on when making decisions is the product category schema which captures long-standing knowledge and experience about the structure of the product category and the brands dominating it (Boush and Loken 1991; Halkias 2015; Loken and Ward 1990). Through setting purchase norms, imposing default alternatives and ascertaining expected buying behaviors, these schemata determine how justifiable global or local brand purchases in the category are (Davvetas and Diamantopoulos 2016). Under conditions of increased uncertainty elicited by regret anticipation, consumers typically turn to “established norms” (Campbell and Goodstein 2001) and inform their decision making strategy based on preexisting product category schemata that operate as such norms. As a result, under regret anticipation, these product category schemata are employed by consumers being in high need to justify their decisions and in high doubt about whether relying on the “global equals better” heuristic is a sufficiently justifiable decision strategy.

This situation creates a space where what is prescribed by the heuristic (i.e. “buy global”) might be congruent or incongruent with what the category schema prescribes (congruent if the category schema is dominated by global brand superiority (and thus “buy global” is a schema-supported choice) or incongruent if the category schema is dominated by local brand superiority (and thus “buy global” goes against the schema-supported guideline)). Schema theorists have shown that consumers tend to behave in schematically congruent ways and that they value congruence between their product category schemata and marketplace stimuli (Meyers-Levy and Tybout 1989). Thus, in the case of congruence, the reliance on the decision heuristic will not be attenuated (and it might even intensify) by regret because it conforms to the category schema and

passes the justifiability test (i.e. it makes sense for the consumer to use it as a credible justification for supporting his/her choice). In case of incongruity, however, the decision heuristic is challenged and reliance on it when making the regret-inducing decision should weaken. In simple terms, the category schema represents a reality check which either amplifies the use of the “global equals better” heuristic or it blocks it altogether depending on the match between the directive provided by the decision heuristic versus the directive of the product category schema.

H3: Consumers’ reliance on the global brand halo following regret anticipation depends on their product category schema. If the consumer perceives the product category as dominated by global brands, need for decision justifiability increases reliance on the “global equals better” heuristic. If the consumer perceives the product category as dominated by local brands, need for decision justifiability decreases reliance on the heuristic.

A summary of the process linking regret anticipation with global/local brand preference is illustrated in the flowchart depicted in Figure 1, while Figure 2 shows the conceptual model.

INSERT FIGURE 1 AND 2 ABOUT HERE

OVERVIEW OF EMPIRICAL STUDIES

We conduct two studies to test our conceptual model. Study 1 tests the overall effect of regret anticipation on consumers’ relative preference for global versus local brands and investigates several boundary conditions (consumer-related, category-related and decision-related). Study 1 also analyzes the unprompted justifications participants provided for their brand choice and provides a preliminary test of the proposed mechanism using a measure constructed following

thematic analysis of participants' unaided purchase justifications. Complementing the findings of Study 1 in terms of generalizability and external validity, Study 2 employs a different research design and provides an empirical test of a serial moderated mediation model (Figure 2) using quantitative measures of consumers' need for decision justification and reliance on the global brand halo. In doing so, Study 2 attempts to validate the qualitative findings of Study 1, establish the process explaining the effect, and pinpoint the exact conditions that reverse or neutralize it.

STUDY 1

Participants, Design, Procedure and Measures

We conducted an online experiment using 177 members of an online consumer panel in a developed European country in exchange for panel points. The country is a long-standing member of the EU and among the top 10 countries ranked according to the KOF index of globalization (Gygli, Haelg, and Sturm 2018). A wide variety of both global and local brands are available to the country's consumers in most product categories.

Participants were representative of the country's population in terms of age and gender (49.2% female; $M_{\text{age}} = 48.8$, $SD_{\text{age}} = 16.1$). The respondents were randomly allocated (between-subjects) to either a control ($N_{\text{control}} = 86$) or a regret anticipation condition ($N_{\text{regret}} = 91$).

Participants in both groups were exposed to a purchase scenario asking them to make a choice between two camera brands. We selected the product category of cameras because it represents a high-involvement product for which a bad decision would entail significant monetary loss which is a prerequisite for regret anticipation (Zeelenberg 1999). Similar product categories (e.g. DVD players, laptops) have been widely used in prior studies on regret (e.g. Simonson 1992; Tsiros and Mittal 2000). As the main concern of Study 1 was to safeguard internal validity, two

fictitious brands (labelled Brand X and Y) were used as stimuli to avoid confounds of prior brand familiarity and/or brand name strength. In this context, “using actual brands can confound the globality effect with the sheer brand equity effect” (Dimofte, Johansson, and Ronkainen 2008, p. 125) thus potentially compromising internal validity.

In line with prior regret literature, we manipulated regret anticipation through decision irreversibility (Connolly and Reb 2012). Because irreversible decisions cannot be undone after the realization of a suboptimal outcome, when faced with such decisions, consumers engage in more pre-choice counterfactuals, weigh more the negative consequences of a bad choice and thus anticipate more regret for their choice (Zeelenberg 1999). Before receiving information about the two brands, subjects in the regret condition were told that they would have to stick with the camera brand they choose because “*the retailer had a no-return policy and did not offer a money-back guarantee*”. Subjects in the control condition did not receive such information. A pre-test (N = 60) conducted prior to the main study (on a different set of consumers exposed to the same control and irreversibility scenarios) supported the used manipulation by indicating that subjects in the irreversibility condition anticipated significantly higher levels of regret (“My camera choice will not at all / affect a lot how much regret I will feel”; 7-point scale) than those in the control condition ($M_{\text{irreversibility}} = 4.16$, $SD = 1.94$ vs, $M_{\text{control}} = 2.90$, $SD = 1.77$, $t = 2.66$, $p = .01$).

Subsequently, participants were exposed to pictures of the two cameras followed by a short description of their attributes (see Web Appendix). All attributes had the same values for both brands except for brand globalness which was manipulated through claims of worldwide/local availability in line with prior relevant studies (global: “available worldwide”, local: “available only in [local country]”; e.g. see Davvetas, Sichtmann, and Diamantopoulos 2015). A pretest conducted prior to the main study supported the used manipulation by finding significant

differences on Steenkamp et al.'s (2003) perceived brand globalness scale ($\alpha = .76$) between the two brands ($M_{\text{global}} = 6.39$, $M_{\text{local}} = 1.61$, $t = -55.87$, $p < .001$).

Both pictures and attribute descriptions were counterbalanced and pretested to be equal in terms of attractiveness. Specifically, the two brand descriptions were randomly presented under the different product pictures and brand designations to prevent the same picture being always presented under the local or the local brand designation. The same was done for the brand names (Brand X and Y) to ensure that not all respondents see the global or the local brand first to avoid order and contrast effects. Another pretest suggested that the brand descriptions alone were not able to predict consumer's preference between brand X and Y ($\chi^2 = .102$, $p = .749$), implying equal attractiveness of the brand descriptions.

After brand exposure, the subjects rated the relative justifiability of purchasing the global over the local brand (Connolly and Reb 2012), their relative brand preference (Putrevu and Lord, 1994), and completed measures of perceived brand globalness and anticipated regret to be used for the manipulation checks. After rating the two brands in terms of purchase likelihood, respondents were also asked to explain and justify their decision in their own words in an open-ended question. Subsequently, respondents completed measures of several potential moderators (including those for which formal hypotheses were specified a priori). These included three decision maker-related characteristics, namely maximization tendency (Highhouse, Diab, and Gillespie 2008), risk aversion (Mandrik and Bao 2005), and prevention regulatory focus (Haws, Dholakia, and Bearden 2010); two decision context-related variables, namely decision difficulty ("It is a difficult task to decide between the two brands", "It is not easy which of two brands I should go for", "I am not sure which of the two brands I should prefer") and similarity of alternatives ("I find the two brands similar", "I find the two brands equally attractive", "I think the two brands are equally good choices"); and two category-related variables, namely product

category involvement (Mittal and Lee 1988) and perceived global brand superiority in the category to measure consumers' product category schema (Davvetas and Diamantopoulos 2016). All scales were measured in 7-point scales. Scale items for the conceptual model constructs and related psychometric properties are presented in Table 2. We also conducted checks for common method variance and discriminant validity and identified no problems (see Web Appendix).

INSERT TABLE 2 ABOUT HERE

Results and Discussion

Manipulation checks. Subjects in the regret condition anticipated more regret for their choice than subjects in the control group ($M_{\text{regret}} = 3.52$, $M_{\text{control}} = 2.65$, $t = 3.32$, $p < .001$). Mean PBG scores for the two brands were also in the direction intended by the manipulation ($M_{\text{global}} = 4.51$, $M_{\text{local}} = 2.79$, $t = 9.11$, $p < .001$). Excluding a small number of participants who did not respond in the intended direction in the manipulation checks did not change the results of the analyses.

Total effect test. We first conduct a formal comparison of relative purchase justifiability and preference for the global over the local brands between control and regret conditions. Importantly, we do not formally hypothesize a significant difference on these variables, as the *total* effect of anticipated regret is a sum of a *positive* indirect effect (for consumers with a global schema for the category for whom regret anticipation should not attenuate the use of the halo compared to control conditions) and a *negative* indirect effect (for consumers with a local schema for the category for whom anticipated regret would decrease the use of the global brand halo compared to control conditions), leading to a competing mediation (Zhao, Lynch, and Chen 2010) which may result in a null total effect. Comparing the global (vs. local) brand preference across conditions indicates that subjects in the regret group found local brands as more justifiable options than global brands condition ($M_{\text{regret}} = 3.88$, $SD = 1.61$ vs. $M_{\text{control}} = 4.29$, $SD = .93$, $t = -$

2.08, $p < .05$) and displayed stronger preference for the local (over the global) brand than those in the control condition ($M_{\text{regret}} = 3.87$, $M_{\text{control}} = 4.37$, $t = -2.09$, $p < .05$). Importantly, the mean relative preference is significantly higher than the scale midpoint (indicating global brand preference) in the control group ($t = 2.749$, $p < .01$) but not in the regret group where preference for global relative to local brands is balanced ($t = -.666$, $p = .507$). Thus, it seems that (1) in line with H1, anticipated regret indeed impacts consumers relative preference for global versus local brands, and (2) halo attenuation appears stronger in this study than halo accentuation, leading to an overall effect of regret which benefits local brands.

Moderation effect tests. We formally tested the effect of all potential moderators included in our dataset (i.e. also those for which we did not develop formal hypotheses). Our expectations were that (1) consumers' maximization tendency, prevention focus and risk aversion should amplify the effects of anticipated regret because prevention-focused and risk-averse individuals follow more vigilant decision making strategies (Crowe and Higgins 1997; Eibach and Mock 2011), (2) product category involvement should decrease reliance on the "global equals better" heuristic in regret anticipation conditions because highly involved consumers are more knowledgeable about the category (in terms of attribute importance, available options, etc. – Mitchell and Dacin 1996) and should thus rely less on generalizations which they can substitute with category-specialized knowledge, and (3) both alternative similarity and decision difficulty should decrease the effect of regret anticipation as they would increase the importance of the heuristic as the sole decision guidance available to boost decision comfort and confidence (Parker, Lehmann, and Xie 2016).

The results provide partial support to our predictions. Regarding decision maker-related variables, we find significant moderating effects of consumers' maximization tendency ($\beta_{\text{regret} \times \text{max}} \rightarrow \text{justify} = -.308$, $p < .05$; $\beta_{\text{regret} \times \text{max}} \rightarrow \text{prefer} = -.319$, $p < .05$), prevention focus ($\beta_{\text{regret} \times \text{prevent}} \rightarrow \text{justify} = -$

.499, $p < .001$; $\beta_{\text{regret} \times \text{prevent} \rightarrow \text{prefer}} = -.357$, $p < .10$), and partially of risk aversion ($\beta_{\text{regret} \times \text{risk} \rightarrow \text{justify}} = -.381$, $p < .01$; $\beta_{\text{regret} \times \text{risk} \rightarrow \text{prefer}} = -.236$, $p = .194$); higher values in these variables further intensify the negative effect of regret on global (vs. local) brand justifiability and preference. Regarding decision context variables, we find no significant moderating effects either for decision difficulty ($\beta_{\text{regret} \times \text{difficulty} \rightarrow \text{justify}} = -.047$, $p = .658$; $\beta_{\text{regret} \times \text{difficulty} \rightarrow \text{prefer}} = -.093$, $p = .468$) or for alternative similarity ($\beta_{\text{regret} \times \text{similar} \rightarrow \text{justify}} = .015$, $p = .921$; $\beta_{\text{regret} \times \text{similar} \rightarrow \text{prefer}} = .052$, $p = .784$). Regarding category-related variables, we find a significant moderating effect of consumers' global brand superiority schema in the category ($\beta_{\text{regret} \times \text{gschema} \rightarrow \text{justify}} = .267$, $p < .05$; $\beta_{\text{regret} \times \text{gschema} \rightarrow \text{prefer}} = .308$, $p < .05$) but no effect for product category involvement ($\beta_{\text{regret} \times \text{involvement} \rightarrow \text{justify}} = -.048$, $p = .671$; $\beta_{\text{regret} \times \text{involvement} \rightarrow \text{prefer}} = -.035$, $p = .797$).

We also conducted floodlight analysis (Spiller et al. 2013) to identify the Johnson-Neyman points on the moderator scales which determine regions of significance for the effect of regret anticipation on consumers' relative preference for global (over local brands). As shown in Figure 3, and in line with H2, anticipated regret decreases relative preference for global (over local) brands for consumers scoring above 3.94 on the 7-point maximization tendency scale (i.e. maximizers) but not for those scoring below this point (i.e. satisficers). Similarly, and in line with H3, for consumers that hold a global schema for the category (i.e. above 4.12 on the respective 7-point scale), the effect of regret on global brand purchase is not significant (i.e. consumers seem to use the halo at the same intensity compared to control group) but the effect becomes negative and significant for respondents scoring below this point, implying that consumers with a local category schema seem to discount the global brand halo under conditions of regret anticipation.

Although two other variables (prevention focus and risk aversion) also show significant results, they exhibit higher Johnson-Newman points, suggesting that the relevant effects are

significant for relatively narrower scale regions and thus less sizable consumer segments (see Web Appendix).

INSERT FIGURE 3 HERE

Qualitative evidence of the causal mechanism. In an effort to understand the causal mechanism underlying the effect of anticipated regret on global/local brand preference, we performed a thematic analysis of participants' own, unaided responses to the open-ended question that asked them to provide concrete justifications for their brand choice. This analysis led to the identification of four most frequent justification types: (1) *"global equals better" heuristics*: these capture justifications consistent with the global brand halo hypothesis suggesting superior brand attribute evaluation because of worldwide availability (e.g., "it will have better after-sales service because it is global", "global brands offer better warranties", "international availability means longer product lifespan", etc.), (2) *ethnocentric justifications*: these capture reasons regarding respondents' willingness to buy the local brand purely because of local origin (e.g., "because it is produced in [local country]", "I want to support the [local country] economy", etc.), (3) *superior local support*: these refer to responses implying that a locally available product would offer superior technical support because of the brand's geographical proximity to the consumer's location (e.g. "it would be easier to claim the guarantee", "better and faster repair", etc.), and (4) *appearance/taste justifications*: these refer to whether one stimulus picture/description was found more attractive than the other (the two pictures were on average equally attractive and fully counterbalanced across conditions, thus no significant differences among conditions were observed, in line with pre-test results). Finally, there were some isolated instances of other reasons ("gut feelings") and few cases of consumers providing no justification.

To statistically test which of the aforementioned self-identified justification types were more (less) likely to be observed under control versus regret conditions, we cross-tabulated each

justification type (1 = “justification type mentioned”, 0 = “justification type not mentioned”) with the experimental condition (0 = control, 1 = regret) and conducted a formal chi-square test (accompanied with a z-proportions test) to reveal whether the observed differences in mention frequencies were statistically significant. (Table 3). The chi-square test results lead to the following interesting observations. First, although all types of justifications were provided in both regret and control conditions, justifications referring to the “global equals better” heuristic are the most frequent ones. Second, although other justifications were provided, none of them was observed with a statistically different frequency between the control and regret conditions, implying that ethnocentric justifications ($\chi^2 = 1.81, p = .179$), appearance reasons ($\chi^2 = 1.24, p = .265$), or expectations of superior local support ($\chi^2 = 0.07, p = .757$) would not be able to explain (i.e. mediate) the effect on the dependent variable (simply because the experimental treatment has no significant effect on the frequency of their occurrence). Third, the only justification that was found to differ substantially across conditions was the “global equals better” justification ($\chi^2 = 11.52, p = .000$), for which a 56.8% decrease in mentions was observed between the control and the regret condition (i.e. in the control condition 4 in 10 respondents mentioned a global heuristic justification while in the regret condition fewer than 2 in 10 did so).

INSERT TABLE 3 ABOUT HERE

Having established that regret anticipation has a negative effect on the frequency of using the “global equals better” heuristic (and does not affect the other plausible mediators), we further tested whether the “global equals better” justification dummy is able to explain the observed differences on relative option justifiability and relative preference for the global over the local brand. To this end, we conducted a series of hierarchical regressions where we tried to predict both dependent variables scores using only the experimental condition (0 = control, 1 = regret) as

a predictor (Step 1), then adding the “global equals better” justification dummy (Step 2) and, finally, adding the other justification dummies (step 3) as additional predictors (Table 4).

INSERT TABLE 4 ABOUT HERE

The results of Step 1 show that the experimental condition has a significant negative effect on both variables, supporting a total effect in line with H1. Step 2 results suggest that adding the global heuristic justification dummy leads to a significant estimate in the expected direction, while the effect of the experimental condition becomes non-significant (implying mediation of the effect by the attenuated use of the “global equals better” heuristic). At Step 3, we observe that – regardless of which other justification dummies we include in the model – the effect of the “global equals better” justification remains a significant predictor. Importantly, although we naturally observe that respondents who reported ethnocentric justifications in the open question were less likely to justify and prefer global (over local) brands, ethnocentric justifications were not found to differ significantly between regret and control conditions, ruling out consumer ethnocentrism as a mediator of the observed effect.

The results of this analysis suggest that (1) anticipated regret affects consumers’ use of the “global equals better” heuristic (in line with H1), (2) the use of the heuristic is the only justification found to vary substantially between regret and control conditions based on respondents’ unprompted purchase justifications, and (3) consumer ethnocentrism can be safely ruled out as a rival explanation for the effects of anticipated regret on global/local brand choice.

STUDY 2

Study 2 attempts to replicate the effects observed in Study 1 in a different choice experiment and places greater emphasis on external validity and generalizability. To this end, Study 2 extends

Study 1 through five important empirical and conceptual differentiations. First, Study 2 uses real brands instead of fictitious brand stimuli. Although fictitious brands prevent internal validity confounds such as prior brand knowledge, established brand strength and preexisting brand associations (Dimofte, Johansson, and Ronkainen 2008), the use of real brands is important to show that any experimentally obtained effect can be also observed with brands which consumers are familiar with (i.e. conditions that simulate more accurately real-world market settings thus enhancing external validity). Second, Study 2 considers a choice among a set of three brand options instead of a two-alternative consideration set. This differentiation further boosts external validity – as consumers in reality include more than two alternatives in their consideration sets (Mehta, Rajiv, and Srinivasan 2003) – and allows for a more nuanced investigation of share shift likelihoods among brands under regret anticipation. Third, Study 2 explicitly tests the role of brand origin next to that of brand globalness/localness by considering origin-globalness combinations in brand designations (global foreign vs. global domestic vs. local domestic). As brand origin is often confounded with brand globalness/localness (Sichtmann, Davvetas, and Diamantopoulos 2019), this addition helps us rule out another rival explanations for our results and offer insights on the structure of brand competition in markets which include domestic, foreign, global and local players simultaneously. Fourth, Study 2 considers an additional product category (bicycles) and shows the stability and generalizability of our effects hold in other product category contexts. Finally, Study 2 uses an explicit quantitative measure of consumers’ reliance on the global brand halo, allowing direct testing of the conceptual model as a whole and providing a stricter test of the tentative mechanism identified through the qualitative data of Study 1.¹

¹ We thank an anonymous reviewer for this suggestion.

Participants, Design, Procedure and Measures

Data were collected in exchange for panel reward points from 205 members of an online consumer panel provided by a market research agency. Participants (48.8% female; $M_{\text{age}} = 41.8$, $SD_{\text{age}} = 12.5$) were randomly exposed (between-subjects) to either a control ($N_{\text{control}} = 102$) or a regret anticipation ($N_{\text{regret}} = 103$) condition. In both conditions they were told to imagine that they consider buying a new bicycle and were contemplating models offered by three leading bicycle manufacturers of the local country (brand names not disclosed to avoid author identification). Similar to Study 1, we manipulated anticipated regret through purchase irreversibility by informing respondents in the regret condition that: *“If you make a wrong choice and you want to change or return your bicycle, you have to do that within the next two weeks. Note that product changes may take up to two months while product refunds are subject to a product return fee equal to 10% of the product price. For this reason you have to think carefully which bicycle you choose as you might regret making a wrong choice”*. No such information was provided to respondents in the control condition.

Participants were subsequently exposed to the three brand options. The choice set consisted of (1) a global foreign-owned brand (GF), (2) a global domestically-owned brand (GD), and (3) a domestically-owned brand available only in the respondents' home country (LD). The three brands were pretested and found to score similarly on brand familiarity but differently (in the intended direction) on perceived brand globalness and domestic/foreign brand origin. To ensure that study participants perceive the selected brand stimuli as intended, we manipulated brand globalness by mentioning the number of countries the brand is sold in (global: more than 50 countries around the world including USA, China, Australia, etc.; local: only in [local country]) and domestic/foreign brand origin by providing information about the location of the brand headquarters, the name of the founder, and the country where the brand was founded (Davvetas

and Diamantopoulos 2018). The remaining characteristics of the bicycle models were the same across brands. We also provided an indicative picture of each brand's bicycle, for which we have removed any brand identifying information (e.g. logos) and ensured a similar appearance (e.g. same black color, equally sized wheels, etc.). A pretest with a group of bicycle experts showed that they perceived the product descriptions as realistic and equally attractive. We followed similar counterbalancing procedures as in Study 1. Brand presentation order was counterbalanced across conditions and randomized within conditions so that respondents in both regret and control conditions were randomly assigned to one of the six brand presentation orders (e.g. LD vs. GD vs. GF) to avoid order effects (see Web Appendix for indicative stimuli).

Unlike Study 1 where respondents were faced with a binary choice (global vs. local brand), in this study we measured relative preference in three different ways to account for the three-alternative choice setup. Following exposure to the brand stimuli, respondents indicated (1) which brand they would choose, (2) distributed 100 points across the three brands to indicate the strength of their preference, and (3) completed measures of purchase intent and likelihood for all three brands. Subsequently, respondents completed brand-related measures including perceived brand globalness, perceived domestic origin ("I think this brand is produced in [local country]", "This is a [local country] brand", "This brand comes from {local country}"; Davvetas and Diamantopoulos 2018), brand familiarity ("I am familiar with this brand"), and brand strength ("This is a strong brand"). Consumers also provided responses to manipulation check items ("My brand choice will affect how much regret I will feel"; 1 = not at all – 7 = a great deal), a two-item measure of need for decision justification ("I wanted to make a justifiable decision"; "I wanted to make a careful decision" – $r = .501$) and the scales of maximization tendency and global brand superiority in the category used in Study 1. We also included a direct measure of consumer's reliance on the "global equals better" heuristic to capture the extent to which they justify their

decision based on the global brand halo. Finally, respondents completed a 5-item measure of consumer ethnocentrism (e.g. “It is not right to purchase foreign products, because jobs are lost in [local country]”, “A true [Origin] should only buy [local country’s] products”, “Even if I had to pay more I would rather buy a [local country’s] product”; Verlegh 2007), were debriefed and thanked for their participation.

Results and Discussion

Manipulation checks. Respondents in the regret condition anticipated stronger regret than those in the control condition ($M_{\text{regret}} = 3.17$, $M_{\text{control}} = 2.48$, $t = 2.86$, $p < .01$). Moreover, the global foreign and global domestic brands scored significantly higher on perceived brand globalness than the local domestic option ($F(2,512) = 180.57$, $p < .001$), while both the global and the local domestic brands scored significantly higher on brand domesticity than the global foreign brand ($F(2,512) = 626.64$, $p < .001$). Thus our manipulations were successful.

Measurement model assessment. A confirmatory factor analysis including all multi-item scales of the model demonstrates satisfactory fit to the data ($\chi^2 = 110.08$, $df = 59$, $p = .000$, $RMSEA = .065$, $NFI = .936$, $CFI = .969$, $SRMR = .042$). All items load significantly on their corresponding latent constructs, while all indicator reliabilities are within conventional thresholds. All constructs show good psychometric properties (see Table 2). Finally, tests of common method variance and discriminant validity gave no reason for concern (Web Appendix).

Structural equation model assessment. We tested the serial moderated mediation model corresponding to our conceptual framework using covariance-based structural equation modeling. Apart from the constructs comprising the serial chain, we also include the moderators and their corresponding interaction terms to test the model as a whole. Following established procedures and having established unidimensionality for all model constructs (Bandalos 2002), we parcel out

the manifest items per latent variable and use them as composite indicators of the latent variable after setting the respective error variances at levels calculated by the formula $\sigma^2_{\text{error}} = (1 - \alpha) \times \sigma^2_c$ where σ^2_c is the variance of the composite variable and α the reliability coefficient of the construct's manifest items (Anderson and Gebring 1988).

The interaction terms needed to test the moderating effects are developed using the three stage residual-centering procedure described in Lance (1988). At stage one, we construct the products of the corresponding interacting variables composites; at stage two, we orthogonalize each of these products after regressing them on the composite variables originally used to construct them and retain the derived unstandardized residuals; finally, at stage three, we use these residuals as indicators of the latent interactive variables after setting their error variances at levels determined by the original variables' reliabilities using Ping's (1995) formulas. This method provides unbiased estimates of interactive effects between latent variables through eliminating multicollinearity concerns and without compromising first-order effects (Little, Bovaird, and Widaman 2006).

The results of the model estimation reveal good overall fit ($\chi^2 = 78.41$, $df = 32$, $p = .000$, $RMSEA = .08$, $NFI = .92$, $CFI = .95$, $SRMR = .048$). Regarding individual model parameters (standardized), we find that anticipated regret has a positive effect on consumer's need to justify their purchase decision ($\beta = .248$, $p < .01$), supporting H1a. In turn, need for justification has a positive effect on the use of the "global equals better" heuristic ($\beta = .302$, $p < .001$), lending support to H1b. Finally, reliance on the "global equals better" heuristic has a positive effect on the preference for the global (relative to the local) brand ($\beta = .302$, $p < .001$), in support of H1c.

Regarding moderating effects, we find a significant positive effect of the interactive term between anticipated regret and maximization tendency ($\beta = .159$, $p < .05$) implying that as consumer's maximizing tendency increases, the effect of anticipated regret on need to justify

one's decision becomes stronger. Thus H2 is supported. We also obtain a significant positive estimate for the interaction between need for justification and global brand superiority schema in the category ($\beta = .237, p < .01$) which suggests that the more consumers perceive the category as dominated by global brands, the effect of need for justification on the use of the "global equals better" heuristic accentuates, ultimately supporting preference for the global brand. However, if consumers' product category schema suggests local brand dominance, the effect becomes insignificant, implying that the use of the "global equals better" heuristic is blocked and relative preference for the global (over the local) brand restores to control conditions. Thus, the results also support H3. Importantly, these results are obtained after statistically accounting for (1) the direct effect of the moderators to avoid inflation of interactive parameter estimates, (2) a set of brand-related characteristics including brand strength, familiarity and country of origin associations to ensure that the effect is not driven by brand specificities, and (3) the consumer ethnocentrism measure to further rule out its role when testing the process underlying the effect. All parameter estimates are provided in Table 5.

INSERT TABLE 5 ABOUT HERE

To illustrate how the effect of anticipated regret on consumers' use of the global brand halo depends on maximization tendencies, we calculated conditional indirect effects across category types (global schema vs. local schema) and consumer types (maximizers vs. satisficers). As shown in Figure 4, the line of the conditional indirect effect of anticipated regret on global brand halo reliance is below the horizontal zero axis (i.e. negative) for consumers with a local category schema and above the axis for consumers with a global category schema. That is, whether the consumers will use the "global equals better" heuristic depends strongly on their category schema. At the same time, the two lines seem to funnel out substantially along the X-axis,

suggesting that the intensity of consumers' use of the heuristic is a direct function of their maximization tendency, giving full support to our conceptual model.

INSERT FIGURE 4 ABOUT HERE

Robustness checks. We conducted three additional analyses to test the robustness of our model (detailed results available upon request). First, we estimated our model with three different dependent variables (i.e. the differences between the local brand and the two global brands regarding the points allocated to each one of them, the purchase intent measure, and the choice likelihood measure). The results of the corresponding structural models are stable, showing satisfactory fit statistics and estimates consistent with the hypotheses. Second, we tested the same model after substituting the global vs. local brand choice (1=global, 0=local) with a domestic vs. foreign brand choice (1=domestic, 0=foreign) as the model's dependent variable to rule out the rival explanation that anticipated regret predicts choice shares based on brand origin instead of brand availability. The results reveal a non-significant effect of the "global equals better" measure on the new dependent variable, thus breaking the serial causal chain, causing the effect to collapse, and ruling out the respective rival explanation. Finally, we conducted logistic regression analyses trying to predict the likelihood of buying one type of brand (GF, GD, LD) over the other two to observe whether the regret-induced halo accentuation is more beneficial for domestically-owned versus foreign-owned global brands (controlling for other brand-specific effects). The results reveal no significant differences, suggesting that anticipated regret affects both domestic and foreign global brands uniformly.

GENERAL DISCUSSION

Literature on global/local brands has long-established the presence of a global brand halo that assists global brands against local counterparts by making consumers engage in inferential thinking linking worldwide brand availability with superior brand attribute perceptions (Dimofte, Johansson, and Ronkainen 2008). Although the use of such “global equals better” heuristics is well documented, little is known about the conditions that make consumers discard or overuse them. In this research, we investigate whether and under which conditions can the anticipation of purchase regret make consumers rely more or less on the “global equals better” heuristic and ultimately affect global/local brand purchase likelihood. Our results show that when anticipating regret, consumers are less likely to mention reasons related to the brand’s worldwide availability to justify their brand decisions, and as a consequence, they exhibit lower likelihood to buy global over local brands (Study 1). In an additional study, we investigate the process underlying regret’s effects and identify conditions under which anticipated regret may also intensify the use of the global brand halo (i.e. product categories with a global schema) as well as consumer segments for which regret’s influence is neutralized (i.e. consumer satisficers) (Study 2). Collectively, the two studies find evidence that anticipated regret influences consumers’ reliance on the global brand halo, yet this influence can “cut both ways” for both global and local brands.

Theoretical Contributions

Despite evidence that preference for global or local brands is not universal but varies as a function of consumer, brand, and category factors (Davvetas and Diamantopoulos 2016), how the decision context influences brand choice in consideration sets including both global and local alternatives is under-researched. Our study contributes to international branding literature by

identifying regret anticipation as a condition able to influence whether and how consumers use the “global equals better” heuristic as well as the factors that determine the intensity and direction of the heuristic’s use. Our findings demonstrate that when consumers anticipate regret for a purchase decision, they are more likely to put their “global equals better” heuristic to the test, potentially leading to both accentuated and attenuated use of the heuristic in their purchase decision. As a result, our research extends the list of consumer determinants of global versus local brand choices and highlight the importance of the decision-making context as critical in shaping global/local brand preference shares.

In light of the importance of the decision-making context, our research contributes by bringing to the table neglected decision making theories to explain aspects of global versus local brand competition that have been overlooked. By approaching this competition from the perspective of a choice between distinct alternatives and applying the principles of regret theory (Bell 1982; Loomes and Sugden 1982), we find that anticipated regret does not always lead to the purchase of stronger and/or well-established brand options (as global brands are typically perceived to be – Dimofte, Johansson, and Ronkainen 2008) but rather brands whose attribute configuration ensures the highest purchase justification potential. To infer such potential, consumers rely on a brand’s geographic availability as a diagnostic cue that helps them (1) weigh different product options, (2) assign brands with perceptions of conformity to or deviance from their corresponding category norm, (3) build defense arguments for their brand choice, (4) reach a purchase decision, and (5) forecast the potential outcomes of their purchases. In essence, apart from brand demographics that trigger positive or negative brand perceptions (Davvetas and Halkias 2019), brand globalness and localness operate as facilitators of consumers’ decision making strategies under conditions of increased uncertainty brought about by regret anticipation.

We also contribute to global branding literature by showing that consumer preference for global and local brands is not only determined by generalized consumer dispositions toward globalization (Bartsch et al. 2016) but also substantially influenced by consumer decision making styles. Our findings show that consumers that follow more vigilant decision making strategies (such as maximizers, prevention-focused individuals or risk-averse decision-makers) are less likely to reach a purchase decision based merely on a brand's global/local designation, unless they can obtain additional evidence that doing so would be highly justifiable. Essentially, we demonstrate limits to the default benefits associated with global (or local) brands for consumer segments that exhibit high decision carefulness (Reb and Connolly 2010).

Another contribution of our studies is the investigation of the most frequently and intensively felt decision emotion in the context of global/local branding. In response to recent calls for the study of consumers' emotional reactions to global and local brands (Gürhan-Canli, Sarial-Abi, and Hayran 2018) and the lack of studies focused on the emotional antecedents or consequences of consumers' global/local brand choices, our findings contribute by showing that priming the possibility of experiencing regret as a consequence of a purchase decision makes consumers reconsider their decision making strategies and revisit their brand choice, ultimately leading to more polarized brand preferences. Our studies draw an interesting parallel with recent research evidencing that consumers use brand globalness and localness as purchase regret regulators. Specifically, although consumers have been found to use a brand's globalness as a psychological resort to attenuate regret feelings as a result of suboptimal brand purchases (Davvetas and Diamantopoulos 2018), when primed to *anticipate* the possibility of experiencing such regret, they put the "global equals better" heuristic – that would naturally lead an emotionally-shielding global brand purchase – under substantial scrutiny. Thus, beyond soothing the regret *experienced* following a suboptimal brand choice by focusing on its globalness or

localness, consumers actively forecast this possibility and adjust their brand choices by reconsidering the weight they put on such perceptions. The specific nature of such adjustments depends on consumers' product category schema and whether it is congruent with the "global equals better" heuristic (Davvetas and Diamantopoulos 2016). In essence, the category schema operates as a reality check raised after regret anticipation that keeps consumers' decision making strategy on watch and determines whether the "global equals better" heuristic will be assessed as a regret immunizer or catalyst. If the category schema finds the heuristic credible, it allows for its use and regulates anticipated regret through it. In the opposite case, it blocks the heuristic's use and stops using it as a way to regulate any negative affect elicited post-purchase.

Finally, our research contributes to decision-making and regret theories on three fronts. First, it informs the debate on the relative decision making efficacy of maximizers and satisficers (e.g. Iyengar, Wells, and Schwartz 2006; Parker, Bruine de Bruin, and Fischhoff 2007). Supplementing research findings showing that maximizers tend to perform worse than satisficers on tasks of adult decision making competence (Bruine de Bruin, Parker, and Fischhoff 2007) and that they are much more likely to experience regret for their choices (Highhouse, Diab, and Gillespie 2008; Schwartz et al. 2002), our results show that maximizers are also significantly more sensitive to the anticipation of regret. As a result, they actively seek justifications, are more likely to both deflate and inflate their reliance on purchase rules that do not necessarily lead to optimal product choices, and exhibit more polarized preferences. Second, we extend regret research investigating how anticipated regret affects the efficacy of several reason-based choice effects and biases (Connolly and Reb 2012; Connolly, Reb, and Kausel 2013) and show that regret anticipation also influences (both positively and negatively) consumers' reliance on well-established purchase heuristics (e.g. "global equals better") applied frequently in everyday choices. Finally, our findings contribute by showing that consumers turn to their mental schemata when doubting their

own decision making strategies and use the prescriptions of these schemata as the ultimate test of well-established heuristic rules.

Managerial Implications

Our findings offer consumer-inspired strategies to effectively manage the competition between global and local brands. These strategies are highly dependent on two factors: the brand's global or local availability as well as whether it competes in a category with a generalized global or local schema, leading to cases of brand-category (mis)matches (Figure 5).

INSERT FIGURE 5 ABOUT HERE

In cases of brand-category matches, both global and local brands tend to have the upper hand as consumers are expected use the global brand halo under non-regret conditions in ways that promote their preference (no use in local categories, extensive use in global categories). In such cases, it makes sense for brands to build on their advantageous positions and promote themselves as conventional, status quo options. This will allow effective targeting of satisficer segments that do not “overthink” their purchase decisions and are more likely to choose default alternatives. However, in brand-category matches, both global and local brands can also benefit by eliciting anticipated regret or increased need for decision justification, especially when their customer base consists heavily of maximizers. As these consumers are more likely to react to these emotional primes by following more vigilant decision making processes based on category perceptions, they are expected to polarize their preference in line with the category schema (i.e. use the halo in global categories and discard it in local ones). Thus, creating purchase settings that intentionally put consumers into a regret salience mode could lead to brand gains.

Managers can contextually prime such regret salience by communicating attributes that might make consumers engage in counterfactual thinking and rumination when not purchasing

their brands or trigger a “fear of missing out” motivation. This can be achieved by the development of creative messages that (1) present product decisions in the category as regret-inducing, (2) stress the cost, difficulty or hassle that comes with undoing a bad choice, (3) putting the consumer in a counterfactual thinking mode that helps them mentally construct how consuming or owning a rejected alternative would feel, (4) highlighting the haunting or rebounding salience of the foregone alternative (Arens and Hamilton 2017), or (5) make consumers contemplate the psychological consequences of a regretful decision for their decision making efficacy and self-esteem (Simonson 1989). Additionally, since consumers are likely to opt for the category-schematic option when anticipating regret as a consequence of restrictive return policies, managers can afford to be more conservative with costly return policies if they competing in categories where their brand types are perceived as dominant by consumers (e.g. constraining the ease of returns, restrictions in money back guarantees, limited trial periods etc.).

Turning to brand-category mismatches, local brands in global categories have to fight the extensive use of the global brand halo while global brands in local categories have to leverage that halo when it is not perceived as a credible justification. To overcome such problems, brands should position themselves as “good enough” options to attract the preference of satisficers who would otherwise be more likely to purchase the default options in the category. To achieve this, they should minimize anticipated regret, build on objective advantages (e.g. quality) or highlight other sources of value that consumers might feel fear of missing out (e.g. local economy support, local variety – in the case of local brands – or purchase safety and pursuit of cosmopolitan image – in the case of global brands). If regret for missing out these benefits is mentally forecasted, the default benefits of the halo could neutralize to those brands’ favor. An additional way to minimize anticipated regret is through offering particularly liberal return policies (e.g. minimizing return hassles, removing costs, difficulty and barriers of reversing purchases) thus

suppressing additional inferential thinking by consumers which would further undermine a brand's position relative to its competitors (e.g. inability to return equals product inferiority).

Importantly, we also identify one condition where regret can still help global *and* local brands in categories that generally do not favor them, that is, targeting maximizer niches whose schemata deviate from global/local category norms. These are consumers that go counter to the category norm (i.e. prefer local brands in global categories or global brands in local categories). Such consumers are more likely to stick with their deviant choices under regret anticipation, and thus provide the brand with a hardcore consumer “fan base” that protects it from competing rivals. Because these consumers have already developed defensible justifications for their unconventional choices, anticipating regret makes them fight category purchase norms instead of abiding by them, thus keeping the global brand halo either fully lit up (global loyalists) or fully dimmed down (local loyalists).

Limitations and Future Research

Both our studies were limited to experimental investigations of anticipated regret; future research should focus on the implications of the observed effect for the market shares of global and local brands in different product categories. Moreover, although we propose one variable that determines the direction of the heuristic's use, it would be interesting to identify additional conditions that can flip consumers' use of the global brand halo.

Additionally, apart from the “global equals better” heuristic, consumers are known to use other types of heuristics (e.g. price-quality inferences, store-quality inferences, etc.) when making decisions about brands. However, little is known about how these heuristics are used in combination or what happens when one is in conflict with another (e.g. a global brand which, however, is low-priced). Future research could investigate what happens when heuristics collide.

From a methodological perspective, our studies manipulated anticipated regret through decision irreversibility which, although strongly grounded in theory and prior research (e.g. Connolly and Reb 2012), represents only one way of priming regret salience. Effect replication under alternative regret manipulations (e.g. outcome feedback expectation) would further contribute towards establishing the robustness and generalizability of our results. Similarly, we opted for measuring consumers' maximization tendency instead of experimentally manipulating it, because we approach this tendency as a consumer trait instead of state variable. However, given that prior research has shown that maximizing mindsets can be situationally primed (Ma and Roese 2014), we urge future researchers to look into the effects of these variables on related outcomes (e.g. sensitivity to country of origin effects) by also experimentally manipulating them.

Regarding measurement, our measures of consumers' reliance on the global brand halo are able to capture only conscious users of the "global equals better" heuristic that were willing to reveal they used it either in the open-ended question (Study 1) or in the respective psychometric scale (Study 2). Future research should pay more attention to unconscious processes underlying the use of the heuristic and particularly cases of consumers that use it despite not realizing it or consumers that use it yet lie by saying that they do not. Additionally, despite finding evidence of halo attenuation/accentuation as a consequence of anticipated regret in both our studies, the measures used to capture global heuristic use in the two studies were not directly equivalent. Validating the effect in additional studies using both qualitative and quantitative measurement instruments would be useful to establish the measures' convergent validity.

Finally, our studies were limited to the effects of anticipated regret on global/local brand choice; testing the impact of other decision-related emotions (e.g. anger, frustration) would paint a more holistic picture of how emotional priming affects local/global brand choice.

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Table 1: Overview of key empirical studies on global and local brands

Study	Independent variable(s)	Dependent variable(s)	Mediator(s)	Moderator(s)	Guiding theories	Focus (Cognitive, affective, identity, behavioral)	Context (Brand features, consumer trait, country/culture, decision)
Batra et al. (2000)	Perceived brand non-localness	Brand quality Brand attitudes	NA	Admiration of EDC lifestyle Consumer ethnocentrism Susceptibility to normative influence Product category familiarity	Country of origin literature	Cognitive	Brand features Consumer traits
Steenkamp, Batra, and Alden (2003)	Perceived brand globalness Perceived brand local iconness	Brand purchase intention	Brand quality Brand prestige	Consumer ethnocentrism	International marketing literature	Cognitive	Brand features Consumer traits Country/culture
Dimofte, Johansson, and Ronkainen (2008)	Consumer ethnocentrism Antiglobalization attitudes	Attitudes toward global brands Global brand evaluations	NA	NA	International marketing literature	Cognitive Affective	Brand features Consumer traits
Steenkamp and de Jong (2010)	General values Consumer-domain values National-cultural values	Attitude toward local/global products	NA	Socio-demographics National-cultural values	Consumer culture theory Social adaptation theory Value theory	Cognitive	Consumer values Country/culture
Strizhakova, Coulter, and Price (2011)	Global citizenship through global brands	Importance of branded products Purchases of global products	Use of quality signals Use of identity signals	NA	Signaling theory Social identity theory	Cognitive	Consumer traits
Özsomer (2012)	Perceived brand localness Perceived brand local iconness	Brand purchase likelihood	Brand quality Brand prestige	Country (mature vs. emerging) Product category Consumer age	Signaling theory Associative network memory model	Cognitive	Brand features Consumer traits Country/culture
Riefler (2012)	Globalization Attitude Global consumption orientation	Purchase intention for global brand	Global brand evaluation Global brand attitude	Global brand origin	Categorization theory Consumer culture theory	Cognitive	Brand features Consumer traits
Swoboda, Pennemann, and Taube (2012)	Perceived brand globalness Perceived brand localness	Retail patronage	Functional value Psychological value	Retailer origin Global/local consumer identity	Accessibility-diagnostics theory	Cognitive	Brand features Consumer traits
Guo (2013)	Global consumption orientation Global identity Consumer ethnocentrism	Attitude toward global brands	NA	Country (developed vs. emerging)	Identity theory	Cognitive	Consumer traits Country traits
Sichtmann and Diamantopoulos (2013)	Perceived brand globalness Perceived brand origin image Brand origin extension fit	Purchase intention	Parent Brand quality Extension quality Parent brand-extension fit	NA	Signaling theory Categorization theory	Cognitive	Brand features
Xie, Batra, and Peng (2015)	Perceived brand globalness Perceived brand localness	Purchase intention	Brand quality Brand prestige Identity expressiveness Brand trust	NA	Social identity theory	Cognitive	Brand features
Davvetas, Sichtmann, and Diamantopoulos (2015)	Perceived brand globalness	Willingness to pay Purchase intention	Brand quality Brand prestige	Consumer ethnocentrism Consumer cosmopolitanism Global/local identity	International marketing literature	Behavioral	Brand features Consumer traits

Strizhakova and Coulter (2015)	Consumer ethnocentrism Global connectedness	Purchases of global relative to local brands	Brand quality function Brand identity function	Country level of economic development Product category symbolism	Dual drivers theory Global consumer culture theory	Cognitive	Brand features Consumer traits Country/culture
Westjohn, Magnusson and Zhou (2015)	Quality beliefs Global myth Social responsibility	Global domestic brand preference Global foreign brand preference	Global consumption orientation	NA	Attitude theory	Cognitive	Brand features Consumer traits
Bartsch et al. (2016)	Global identity Global connectedness Identification with the global community	Global brand ownership	Attitudes toward globality Global brand identification	NA	Attitude theory Social identity theory	Cognitive Identity	Brand features Consumer traits
Davvetas and Diamantopoulos (2016)	Product category involvement Product category hedonic/utilitarian value Product category visibility Product category signaling value	Global vs. local brand preference	Global brand superiority in the category Decision justifiability Normative expectations	NA	Schema theory	Cognitive	Brand features Consumer traits
Halkias, Davvetas and Diamantopoulos (2016)	Perceived brand globalness Perceived brand localness Country stereotypes	Purchase intention	Brand attitude	Country stereotype	Stereotype theory	Cognitive	Brand features Country/culture
Swoboda and Hirschmann (2016)	Perceived brand globalness	Loyalty	Functional value Psychological value	MNC origin Consumer ethnocentrism	Accessibility-diagnostics theory Self-concept theory	Cognitive	Brand features Consumer traits
Davvetas and Diamantopoulos (2018)	Brand type (global vs. local)	Post-choice satisfaction Brand repurchase intent Brand recommendation intent	Decision justifiability Experienced regret	Global/local identity Global brand superiority in the category	Regret theory	Cognitive Emotional	Brand features Consumer traits
Mohan, Brown, Sichtmann, and Schöfer (2018)	Perceived brand globalness Perceived brand localness	Exposure to loss by ally Information search cost reduction	Attitude toward globalization Buyer ethnocentrism	Globalization attitude Buyer ethnocentrism	Signaling theory	Cognitive	Brand features Buyer traits
Davvetas and Halkias (2019)	Perceived brand globalness Perceived brand localness	Brand approach/avoidance Brand Loyalty Resilience to relational adversity	Brand stereotype (competence/warmth) Positive/negative affect Brand passion/intimacy	NA	Stereotype theory	Cognitive Affective Relational	Brand features
Mandler (2019)	Perceived market reach Perceived standardization Global culture positioning	Brand attitude	Brand evaluation (quality, prestige)	NA	Signaling theory	Cognitive	Brand features
Kolbl, Arslanagic-Kalajdzic, and Diamantopoulos (2019)	Perceived brand globalness Perceived brand localness	Consumer-brand identification Purchase intention Brand ownership	Brand stereotype (competence/warmth)	NA	Stereotype theory	Cognitive Relational	Brand features
Guo, Heinberg, and Zou (2019)	Brand globalness Cultural respect	Attitude towards culturally mixed symbolic products	Product local iconness	Product category: food vs. nonfood	Social categorization theory	Cognitive	Brand features
Sichtmann, Davvetas, and Diamantopoulos (2019)	Perceived brand globalness Perceived brand localness	Purchase Intent	Consumer Brand Identification	Brand Origin Country (developed vs. emerging)	Consumer culture theory Social identity theory	Cognitive Identity Relational	Brand features Country/culture
This Study	Anticipated regret	Brand Choice (global vs. local)	Need for justification	Product category: Global brand superiority in the category Decision making style: Maximization tendency	Regret theory Decision justification theory	Cognition Emotion Decision	Decision context Consumer trait Brand features

NA: Not available

Table 2: Construct measurement

Global (vs. local) purchase justifiability – Adapted from Connolly and Reb (2012)
$\alpha_{Study1} = .94, CR_{Study1} = .95, AVE_{Study1} = .81$
<i>Which of the two brands would you think ...</i> (1 = [the local brand] – 7 = [the global brand]; adjusted after counterbalancing)
...it is more reasonable to buy?
...it is more justifiable to buy?
...it makes more sense to buy?
...it is more rational to buy?
Global (vs. local) purchase intent – Adapted from Putrevu and Lord (1994)
$\alpha_{Study1} = .97, CR_{Study1} = .97, AVE_{Study1} = .92$
<i>Which of the two brands would you be more willing to buy?</i> (1 = [the local brand] – 7 = [the global brand]; adjusted after counterbalancing)
It is likely that I would buy...
There is a high chance that I would buy...
I would be willing to buy...
Need for decision justification
$\alpha_{Study2} = .67, CR_{Study2} = .72, AVE_{Study2} = .58$
<i>To which extent did each of the following factors play a role in your brand choice?</i> (1 = did not play any role – 7 = played a great role)
I wanted to make a justifiable decision.
I wanted to make a careful decision.
Reliance on the “global equals better” heuristic
$\alpha_{Study2} = .91, CR_{Study2} = .91, AVE_{Study2} = .77$
<i>To which extent did each of the following justifications play a role in your brand choice?</i> (1 = did not play any role – 7 = played a great role)
When many people buy a brand, it must be good.
Global brands stand for high quality.
When I know that a brand is globally available, it is easier for me to choose it.
Global brand superiority in the category – Davvetas and Diamantopoulos (2016)
$\alpha_{Study1} = .88, \alpha_{Study2} = .88; CR_{Study1} = .89, CR_{Study2} = .88; AVE_{Study1} = .73, AVE_{Study2} = .72$
<i>Which of the following statements best represents your opinion?</i> (1 = the left hand statement – 7 = the right hand statement)
When it comes to cameras, local brands are better than global brands / When it comes to cameras, global brands are better than local brands.
A local camera is better than a global camera / A global camera is better than a local camera.
In this product category, I usually prefer local brands / In this product category, I usually prefer global brands.
Maximization tendency – Adapted from Highhouse, Diab and Gillespie (2008)
$\alpha_{Study1} = .85, \alpha_{Study2} = .89; CR_{Study1} = .86, CR_{Study2} = .92; AVE_{Study1} = .47, AVE_{Study2} = .70$
<i>To which extent do you agree with each one of the following statements?</i> (1 = Totally disagree – 7 = Totally agree)
No matter what it takes, I always try to choose the best thing.
I am never satisfied with second best.
I always search for the best, no matter how much it costs.
I do not like to settle for “good enough”.
I always try to achieve the best.
I will wait for the best option no matter how long it takes.
I never settle.

Note: For maximization tendency items 6 and 7 were dropped in Study 2 due to poor measurement properties

Table 3: Analysis of self-reported brand choice justifications

Table 3A	“Global equals better” justification mentioned	“Global equals better” justification not mentioned	Total
Control	35 (40.7%)	51 (59.3%)	86
Regret	16 (17.6%)	75 (82.4%)	91
Total	51	126	177

Note: $\chi^2 = 11.518$, $df = 1$, $p < .001$; Cramer’s $V = .255$, $p < .001$, z-proportion test significant

Table 3B	Ethnocentric justification mentioned	Ethnocentric justification not mentioned	Total
Control	13 (15.1%)	73 (84.9%)	86
Regret	21 (23.1%)	70 (76.9%)	91
Total	34	143	177

Note: $\chi^2 = 1.805$, $df = 1$, $p = .179$; Cramer’s $V = .101$, $p = .179$, z-proportion test non-significant

Table 3C	Local support justification mentioned	Local support justification not mentioned	Total
Control	3 (3.5%)	83 (96.5%)	86
Regret	4 (4.4%)	87 (95.6%)	91
Total	7	170	177

Note: $\chi^2 = 0.096$, $df = 1$, $p = .757$; Cramer’s $V = .023$, $p = .757$, z-proportion test not significant

Table 3D	Appearance justification mentioned	Appearance justification not mentioned	Total
Control	6 (7.0%)	80 (93.0%)	86
Regret	3 (3.3%)	88 (96.7%)	91
Total	9	168	177

Note: $\chi^2 = 1.241$, $df = 1$, $p = .265$; Cramer’s $V = .084$, $p = .265$, z-proportion test not significant

Table 4: Predicting relative justifiability and brand preference through self-reported justifications

	Model 1: Only experimental condition		Model 2: Experimental condition + global heuristic justification dummy		Model 3: Experimental condition + global heuristic justification dummy + other justification dummies	
	<i>JUST</i>	<i>PI</i>	<i>JUST</i>	<i>PI</i>	<i>JUST</i>	<i>PI</i>
<i>Experimental condition</i> (1=regret, 0=control)	$\beta = -.409$ $t = -2.055$ $p = .041$	$\beta = -.500$ $t = -2.068$ $p = .040$	$\beta = -.142$ $t = -.744$ $p = .458$	$\beta = -.174$ $t = -.752$ $p = .453$	$\beta = -.102$ $t = -.552$ $p = .582$	$\beta = -.129$ $t = -.591$ $p = .555$
<i>Global heuristic justification</i> (1=present, 0=absent)			$\beta = +1.155$ $t = 5.496$ $p = .000$	$\beta = +1.411$ $t = +5.527$ $p = .000$	$\beta = +.938$ $t = +4.319$ $p = .000$	$\beta = +1.063$ $t = +4.133$ $p = .000$
<i>Ethnocentric justification</i> (1=present, 0=absent)					$\beta = -.900$ $t = -3.781$ $p = .000$	$\beta = -1.417$ $t = -5.025$ $p = .000$
<i>Local support justification</i> (1=present, 0=absent)					$\beta = -.628$ $t = -1.350$ $p = .179$	$\beta = -.558$ $t = -1.013$ $p = .312$
<i>Appearance justification</i> (1=present, 0=absent)					$\beta = +.341$ $t = +.822$ $p = .412$	$\beta = +.193$ $t = +.393$ $p = .695$

Note: JUST= relative justifiability of the global over the local brand; PI = relative purchase intention for the global over the local brand.

Table 5: Parameter estimates of the serial moderated mediation model

	Endogenous variables		
	Need for decision justification	Reliance on the global brand halo	Global vs. Local brand choice (1=global, 0=local)
<i>Independent variable</i>			
H1a: Anticipated regret (1=present, 0=absent)	0.571 (.184) **		
<i>Serial predictors</i>			
H1b: Need for decision justification		0.366 (0.104) ***	
H1c: Reliance on the global brand halo			0.056 (0.023) *
<i>Interaction terms</i>			
H2: Maximization tendency × Anticipated regret	0.252 (0.131) *		
H3: Global brand superiority in the category × Need for decision justification		0.167 (0.062) **	
<i>Moderators</i>			
Maximization tendency	0.269 (0.066) ***		
Global brand superiority in the category		0.387 (0.074) ***	
<i>Brand-level controls</i>			
LD brand familiarity			-0.025 (0.025) ns
GD brand familiarity			0.033 (0.023) ns
GF brand familiarity			0.030 (0.021) ns
LD brand strength			-0.064 (0.029)*
GD brand strength			0.048 (0.028) ns
GF brand strength			-0.031 (0.023) ns
LD brand origin			-0.023 (0.027) ns
GD brand origin			0.057 (0.20) **
GF brand origin			-0.002 (0.020) ns
<i>Consumer-level control</i>			
Consumer ethnocentrism			-0.082 (0.021) ***
R ²	20.7%	31.3%	26.4%
Model Fit	$\chi^2 = 78.41, df = 32, p = .000, RMSEA = .08, NFI = .92, CFI = .95, SRMR = .048$		

Note: Column entries correspond to unstandardized parameters. Standard errors in parentheses.

*** p < .001, ** p < .01, * p < .05: one-tailed tests for hypothesized parameters, two tailed tests otherwise.