

Linking Perceived Brand Localness to Brand Attitude through Brand Evaluation in Emerging Markets

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Abstract

This study examines the conceptual framework linking perceived brand localness, brand evaluation, and brand attitude. The investigation focuses on how brand evaluation mediates the relationship between perceived brand localness and brand attitude. Understanding this mediation is critical for brands in emerging markets, where local perceptions can significantly influence consumer behavior. The study posits that perceived brand localness positively impacts brand evaluation, which in turn affects brand attitude. It further explores the direct influence of perceived brand localness on brand attitude and the mediating role of brand evaluation. By integrating existing literature and theoretical insights, this conceptual framework aims to provide a comprehensive understanding of these relationships. Emphasizing local brand attributes is anticipated to offer strategic advantages for brands, enhancing consumer evaluations and attitudes. This conceptual study seeks to contribute to the broader understanding of brand perception dynamics and offers valuable insights for future empirical research to validate these theoretical propositions in practical contexts.

Keywords: Perceived Brand Localness, Brand Evaluation, Brand Attitude, Emerging Markets, Consumer Behavior.

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Introduction

Brand attitude, defined as the consumer's overall evaluation of a brand (Kudeshia & Kumar, 2017), plays a crucial role in influencing consumer behavior and purchase intentions. Various factors contribute to shaping brand attitudes, including social electronic word-of-mouth (eWOM) (Kudeshia & Kumar, 2017), brand-level features (Wilcox et al., 2009), explicit and implicit attitudes towards brands (Hu et al., 2018), brand experience (Nayeem et al., 2019), and attitudes towards product categories (Posavac et al., 2014). Managing brand attitudes is essential for marketers as they directly impact consumer decision-making processes.

Previous studies have made significant strides in understanding various aspects of brand evaluation, brand attitude, and their interrelationships. For instance, Özsomer (2012) emphasizes the role of perceived brand globalness in enhancing perceived quality, which in turn affects purchase likelihood (Xie et al., 2015). Additionally, Xie et al. (2015) support the importance of brand quality and prestige in influencing consumer preferences between global and local brands. Furthermore, Johnson et al. (2006) discuss how affective attitudes towards a brand evolve over time to mediate the effects of value on consumer intentions, highlighting the dynamic nature of brand relationships. Lafferty et al. (2004) point out that increased familiarity with a brand leads to varied effects on information processing and brand evaluations, emphasizing the significance of consumer familiarity in shaping brand perceptions. Moreover, Hwang & Kandampully (2012) elaborate on the role of emotional aspects in consumer-brand relationships, indicating that strong connections with a brand can foster positive brand evaluations and loyalty.

However, there are limitations in the literature concerning the mediating effect of brand evaluation on the relationship between perceived brand localness and brand attitude. One key limitation is the lack of research specifically addressing how brand evaluation mediates the connection between perceived brand localness and brand attitude. While studies have explored factors like brand trust, brand affect, and brand equity in influencing brand attitude (Wu & Yen, 2007; Kang & Hustvedt, 2014), there is a gap in understanding the specific role of brand evaluation in this relationship.

This gap in the literature can be attributed to the focus of previous studies on different aspects of brand evaluation and brand attitude, such as brand trust, transparency, and familiarity (Wu & Yen, 2007; Kang & Hustvedt, 2014; Verhellen et al., 2015). These studies have provided valuable insights into how various factors impact brand attitude but have not delved deeply into the mediating effect of brand evaluation, particularly in the context of perceived brand localness. Additionally, the existing research has primarily concentrated on factors like brand placement, valence of scenes, and logo redesign in influencing brand attitude (D'Hooge et al., 2017; Walsh et al., 2010), rather than directly examining the mediating role of brand evaluation.

Therefore, the purpose of this study is to specifically explore how brand evaluation mediates the relationship between perceived brand localness and brand attitude. Understanding the mechanisms through which perceived brand localness influences brand attitude ultimately contributes to the broader literature on brand management and consumer behavior.

Literature Review

Perceived brand localness

Perceived brand localness is a vital concept in branding, especially when considering the competition between global and local brands. It refers to how well a brand integrates with local culture, signifying its connection to the local market. Özsomer (2012) highlights that perceived brand localness enhances perceived quality, which in turn influences consumer purchase decisions. Liu et al. (2021) coined the term "brand local icon value" to emphasize how aligning with local culture helps local brands effectively compete with global counterparts. Swoboda et al. (2012) point out that global retailers benefit from perceived brand globalness, while domestic retailers gain an edge through perceived brand localness, positioning them as local icons. Sichtmann et al. (2019) expand the definition of brand localness to include brands that effectively engage with local markets and consumer habits, regardless of their origin or ownership. This comprehensive understanding of perceived brand localness highlights its role in brand competition and consumer preferences, underscoring the importance of aligning with local cultures and values to establish a strong brand presence.

Brand Evaluation

Brand evaluation is a crucial process for assessing the strength and value of a brand. It involves analyzing various factors that influence how consumers perceive a brand and its impact on the market. Research has explored different dimensions of brand evaluation, including the impact of social media activities on brand equity (Lim et al., 2020), the development of a typology of brand benefit differentiation (Hem & Supphellen, 2021), the influence of non-consumption goals and self-confidence on product evaluation (Xiao, 2016), and the nonprice factors affecting consumer preference for brands (Sääksjärvi & Samiee, 2007). These studies underscore the complex nature of brand evaluation, covering aspects such as brand strength, benefit differentiation, attribute importance, and consumer preference. Understanding these diverse elements is essential for companies to effectively manage and enhance their brands in a competitive market. Moreover, viewing brands not just as choices but as entities to be evaluated during consumer decision-making processes adds another layer of complexity to brand evaluation (LeBlanc & Herndon, 2001). By conducting comprehensive evaluations across these dimensions, organizations can gain insights into how their brands are perceived, make informed strategic decisions, and ultimately strengthen their market position.

Brand Attitude

Brand attitude is a critical component of consumer behavior and brand management. It is defined as a lasting, one-dimensional overall evaluation of a brand that is believed to influence consumer behavior (Zarantonello et al., 2016). Brand attitudes are shaped by various factors such as brand beliefs, which encompass brand quality, image, familiarity, and social signaling value (López-Lomelí et al., 2019). Consumers often evaluate brand extensions based on their attitudes towards the core brand, particularly when there is a high level of similarity (Keller, 1993). Moreover, brand attitudes are interconnected with brand awareness, perceived quality, corporate reputation, and purchase intentions (Jung & Seock, 2016). Managing brand attitudes are essential for companies aiming to establish robust brand equity and encourage positive consumer behaviors towards their brands.

Hypotheses Development and Conceptual Framework

Perceived brand localness plays a significant role in brand evaluation, influencing consumer-brand relationships and brand assessment. Research in the field highlights how consumers perceive brands as either global or local entities and how this perception impacts their evaluation of the brand. The study by Sichtmann et al. (2019) delves into how perceived brand globalness and localness affect consumer-brand relationship building, particularly emphasizing the differences in these influences for domestic versus foreign brands. Davvetas & Halkias (2019) further contribute by discussing how perceived brand globalness and localness are not just attributes in brand assessment but are integral to how consumers view brands as entities intertwined with their social environments. This perspective shifts the focus from a purely quantitative assessment to a more qualitative understanding of brands as humanlike entities. Therefore, the perception of a brand as local or global significantly shapes consumer attitudes, preferences, and ultimately, brand evaluation processes. Thus, we present the following hypothesis:

H1: Perceived brand localness has an effect on brand evaluation

Brand evaluation is a critical factor in shaping brand attitude, which subsequently impacts consumer behavior and purchase decisions. Park et al. (2010) emphasize the importance of brand attachment and attitude strength in predicting consumer intentions and actual purchase behaviors. The study highlights that brand attachment is valuable in forecasting consumers' engagement with a brand and their reliance on it to meet their needs. Furthermore, Teng & Laroche (2007) indicate that consumers' brand cognitions not only influence their brand attitudes but also affect their confidence in evaluating the brand. This suggests that consumers' perceptions and evaluations of a brand directly shape their overall attitude towards it. Additionally, Nayeem et al. (2019) found that brand credibility acts as a mediating factor between brand experience and brand attitude, suggesting that a positive brand experience can enhance brand attitude through the credibility of the brand. These findings underscore the relationship between brand evaluation, brand attitude, and consumer behavior, highlighting the significance of managing brand perceptions to foster positive brand attitudes that drive favorable consumer actions. Therefore, this study proposes the following hypothesis:

H2: Brand evaluation has an effect on brand attitude

Perceived brand localness and globalness both play significant roles in shaping brand attitudes. Research indicates that the perceived globalness of a brand can impact the perceived quality of a local brand, subsequently influencing consumer preferences and purchase likelihood (Özsomer, 2012). Moreover, the interplay between perceived brand globalness and localness, along with factors such as brand quality and prestige, can influence favorable behavioral intentions towards a brand (Xie et al., 2015). Country stereotypes and perceptions of brand globalness interact in determining brand attitude, with perceived brand localness also independently affecting consumer preferences (Halkias et al., 2016). Instilling a sense of brand origin association can enhance brand perceptions by reducing uncertainty and emphasizing the effects of perceived brand foreignness (Ling et al., 2009). Additionally, the relational value of perceived brand globalness and localness is crucial in building consumer-brand relationships, with variations observed for brands of domestic versus foreign origin (Sichtmann et al., 2019). Overall, the balance between global and local perceptions of a brand is essential in shaping consumer attitudes and behaviors towards the brand.

Thus, we hypothesize the following:

H3: Perceived brand localness has an effect on brand attitude

Brand evaluation is a critical factor in mediating the relationship between perceived brand localness and brand preference. Research by Sichtmann et al. (2019) explores how consumers perceive brand globalness and localness, emphasizing the significance of these perceptions in shaping consumer-brand relationships, particularly in the context of domestic versus foreign brands. Additionally, Halkias et al. (2016) highlight the interplay between country stereotypes, perceived brand globalness/localness, and brand preference. Their study demonstrates that country stereotypes interact with perceptions of brand globalness to influence brand attitude, while perceived brand localness independently impacts consumer preferences. Furthermore, Heinberg et al. (2019) discuss how nostalgic brand positioning influences brand equity through emotional attachment, brand local iconness, and brand authenticity, indicating the mediating role of brand evaluation in nostalgic brand relationships. These studies collectively underscore the complex dynamics between perceived brand characteristics, consumer preferences, and brand evaluation, shedding light on the intricate interrelationships that influence consumer behavior and brand perception. Therefore, this study proposes the following hypothesis:

H4: Brand evaluation mediates the relationship between perceived brand localness and brand attitude

Research Methodology

The research design for this study is a cross-sectional survey, which involves collecting data at a single point in time to examine the relationships between perceived brand localness, brand evaluation, and brand attitude. The study will focus on consumers from various markets, with an emphasis on emerging markets such as Indonesia. The sample size is anticipated to be approximately 300 respondents.

The research constructs include Perceived Brand Localness (PBL), Brand Evaluation, and Brand Attitude. Perceived Brand Localness assesses the extent to which consumers view a brand as local, with measurement items such as "This brand is very local," "This brand is deeply rooted in its local community," and "This brand is authentic to its local culture." Brand Evaluation measures consumers' overall assessment of a brand, with items like "I have a positive opinion about this brand," "I trust this brand," and "I would recommend this brand to others." Brand Attitude gauges consumers' overall liking or disliking of a brand, with items such as "I like this brand," "I dislike this brand," and "I would choose this brand over others."

Data collection will be carried out by administering a survey to a sample of consumers from emerging markets. The survey will be distributed either online or through paper questionnaires to ensure a representative sample and will include measurement items for each construct as well as demographic questions to capture relevant background information.

The data analysis procedure will utilize Partial Least Squares Structural Equation Modeling (PLS-SEM), a method well-suited for exploratory research that allows for the estimation of structural equation models using a covariance-based approach. The process involves several steps. First, the data must be cleaned and formatted correctly, addressing any missing values and outliers. Next, the measurement model is estimated to evaluate the reliability and validity of the constructs, which involves checking the loadings, cross-loadings, and reliability of the measurement items. After that, the structural model is estimated to assess the relationships

between the constructs, providing estimates of the path coefficients and the R-squared values for the endogenous variables. The mediation analysis module in PLS-SEM software is then used to test the mediating effect of brand evaluation on the relationship between perceived brand localness and brand attitude, offering insights into the indirect and total effects of perceived brand localness on brand attitude through brand evaluation. Finally, the results are compared to the hypothesized relationships to test the significance of the mediating effect, using the hypothesis testing function in PLS-SEM software to perform the necessary tests and validate the proposed model.

Conclusion

The conclusion of this study anticipates several key findings concerning the relationships between perceived brand localness, brand evaluation, and brand attitude. The proposed hypotheses suggest that perceived brand localness is expected to exert a significant positive effect on brand evaluation (H1). This implies that consumers who perceive a brand as local are likely to evaluate the brand more favorably.

Furthermore, it is anticipated that brand evaluation will significantly influence brand attitude (H2). A positive evaluation of a brand is expected to result in a more favorable attitude towards the brand. Additionally, perceived brand localness is hypothesized to have a direct positive effect on brand attitude (H3), indicating that consumers' perception of a brand as local will directly enhance their overall attitude towards the brand.

Moreover, the conceptual model posits that brand evaluation will mediate the relationship between perceived brand localness and brand attitude (H4). This mediation effect suggests that the positive influence of perceived brand localness on brand attitude is partially explained by consumers' evaluation of the brand. In other words, the more positively consumers evaluate a locally perceived brand, the more favorable their attitude towards the brand will be.

These expected findings underscore the importance of perceived brand localness in shaping consumers' evaluations and attitudes. Emphasizing local attributes is anticipated to be a strategic advantage for brands in emerging markets, as it is expected to lead to more positive evaluations and attitudes from consumers.

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