DOKUZ EYLÜL UNIVERSITY
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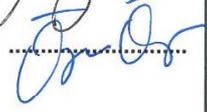# EFFECTS OF GLOBAL AND LOCAL BRANDING ON CONSUMER PERCEPTION: AN APPLICATION

Begüm MARAL

Supervisor
Prof.Dr. Mustafa TANYERİ

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University	: Dokuz Eylül University
Graduate School	: Graduate School of Social Sciences
Name and Surname	: Begüm MARAL
Title of Thesis	: Effects of Global and Local Branding on Consumer Perception: An Application
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Supervisor	: Prof.Dr.Mustafa TANYERİ

EXAMINING COMMITTE MEMBERS

Title, Name and Surname	University	Signature
Prof.Dr.Mustafa TANYERİ	DOKUZ EYLÜL ÜNİVERSİTESİ	
Prof.Dr.Ömür Nezcan TİMURCANDAY ÖZMEN	DOKUZ EYLÜL ÜNİVERSİTESİ	
Assist.Prof.Dr.Özge ÖZGEN	DOKUZ EYLÜL ÜNİVERSİTESİ	

Unanimity (X)

Majority of votes ( )

The thesis titled as "**Effects of Global and Local Branding on Consumer Perception: An Application**" prepared and presented by Begüm MARALis accepted and approved.

Prof.Dr. Utku UTKULU
Director

DECLARATION

I hereby declare that this doctoral thesis titled as "**Effects of Global and Local Branding on Consumer Perception: An Application**" has been written by myself without applying the help that can be contrary to academic rules and ethical conduct. I also declare that all materials benefited in this thesis consist of the mentioned recourses in the reference list. I verify all these with my honour.

Date

…/…/……

Begüm Maral

Signature

ÖZET

Yüksek Lisans Tezi
Küresel ve Yerel Markalaşmanın Tüketici Algısı Üzerindeki Etkisi: Bir Uygulama
Begüm MARAL

Dokuz Eylül Üniversitesi
Sosyal Bilimler Enstitüsü
İngilizce İşletme Anabilim Dalı
İngilizce İşletme Yönetimi Programı

Günümüzün küreselleşen dünyasında, yaşam şekillerinin ve ihtiyaçlarının benzeşmesi, yurtdışı seyahatlerinin artması ve internet sayesinde iletişim çağına girilmesi, küresel markaları, tüketiciler ve firmalar nezdinde önemli hale getirmiştir. Diğer yandan, yerel markalar, ekonomik nedenler ve milliyetçi düşünceler gibi unsurlardan ötürü önemini korumaktadır. Böyle bir ortamda, küresel ve yerel markalara karşı tüketici tutum ve algıları, uluslararası pazarlama yazını ve büyük firmalar açısından oldukça önemlidir. Küresel markalar, kaliteli olsun olmasın, tüketici gözünde bir kalite simgesi yaratır. Algılanan küresel marka imajı, küresel algılanan markanın, yerel markalara göre daha kaliteli olduğu düşüncesini yaratabilir. Bununla ilgili ilk çalışma, 2000 yılında Batra ve diğerleri tarafından ortaya konmuş ve 2003 yılında Steenkamp ve diğerleri tarafından geliştirilen "Algılanan Marka Küreselliği" kavramının, algılanan marka kalitesi ve marka imajı ile pozitif yönlü ilişkisi kanıtlanmasıyla ortaya çıkmıştır. Algılanan marka küreselliği, tüketicinin markayı küresel olarak algılamasıdır. Bu konuda var olan yerli ve yabancı yazının sınırlılığı, bu çalışmanın önemini vurgulamaktadır. Bu çalışma algılanan marka küreselliğinin, algılanan marka kalitesi ve marka imajı ile ilişkisini araştırmaktadır. Ayrıca, katılımcılara tüketici etnosentrizmi ve tüketicinin daha önce marka ile ilgili tecrübesinin olup olmadığına ilişkin sorular sorulmuştur. Örneklem, Dokuz Eylül Üniversitesi ve Ege Üniversitesi İşletme Bölümü lisans, yüksek lisans ve doktora öğrencilerinden ve az sayıda

İşletme bölümü doktora sonrası akademisyenlerinden oluşmaktadır. Sonuç olarak, küresel olarak algılanan markaların, algılanan marka kalitesi ve marka imajı ile ilişkilerinin pozitif yönde olduğu ortaya çıkmış ve aralarında güçlü bir ilişki saptanmıştır.

Anahtar Kelimeler: Küresel Marka, Yerel Marka, Algılanan Marka Küreselliği, Algılanan Marka Kalitesi, Marka İmajı

ABSTRACT

Master's Thesis

Effects of Global and Local Branding on Consumer Perception: An Application

Begüm MARAL

Dokuz Eylül University

Graduate School of Social Sciences

Department of Business Administration

Business Administration Program

In today's globalization era, homogenization of needs and lifestyles, increased travel around the world and communication via internet gives global brands a strategic importance for both companies and consumers. On the other hand, local brands still have important place for nationalistic and/or economic reasons. Therefore, in such an atmosphere, in global marketing literature, it is important to understand perceptions and attitudes of consumers toward global and local brands. In the literature, global brands are the signs of quality and some consumers find global brands having better quality even if there is no difference in terms of quality with some local ones. Therefore, this study is important to understand whether globalism creates higher quality perceptions and higher brand image or not and localism creates lower quality perceptions or not. This study explores the relationship between Perceived Brand Globalness (PBG) and other variables: Perceived Brand Quality (PBQ) and Brand Image (BI). The sample consists of the students of undergraduates, master and PhD students and a small amount of post-doctorate academicians of Business Department of Dokuz Eylül University and Ege University of Izmir. The objective of this study is to investigate the perceptions of consumers towards global brands and to understand whether perception of brand globalness relates positively to quality perception and brand image or not. Furthermore, questions related to Consumer Ethnocentrism and Prior Brand Experience were asked to participants. As a result, it was found that Perceived

Brand Globalness is positively related to Perceived Brand Quality and Brand Image.

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ABBREVIATIONS

CETSCALE: Consumer Ethnocentrism Scale

PBG: Perceived Brand Globalness

PBF: Perceived Brand Foreignness

PBL: Perceived Brand Localness

PBQ: Perceived Brand Quality

BI: Brand Image

CET: Consumer Ethnocentrism

PBE: Prior Brand Experience

MNC: Multinational Company

GDP: Gross Domestic Product

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INTRODUCTION

The world is shrinking rapidly with the advent of communication, transportation and financial flows (Kotler and Armstrong, 2008:542). Advanced technologies such as modern transportation systems and Internet have accelerated the pace of globalization. However, globalization is not a new phenomenon, it has simply accelerated. At the same time, consumer lifestyles become converging. Teenagers everywhere are attracted iPods, Nokia Cell Phones and Levis Jeans. Major brands have gained a worldwide following (Cavusgil, Knight, & Riesenberger, 2008:31-36).

As national barriers have declined and markets have become increasingly integrated due to technological advances in physical transportation and communications such as the Internet, in many industries such as automobiles, telecommunications, and consumer electronics, attention has been paid to developing products for global or regional markets, and to transferring ideas, knowledge, products, and best practices across markets (Douglas and Craig, 2010:432). The converging lifestyles bring converging preferences which leads to consumption or favoritism of global brands. Consistent with this trend, many companies have changed their strategy from a multi-domestic marketing approach to a focus on global brands (Merino and Gonzales, 2008:16). As a result, new brands are seemingly born global and many local brands face transition to a new regional or global brand name (Van Gelder, 2002:2). Therefore, globalization has had a huge impact on the branding strategies of international companies (Bauer et al.2006:1). Consumers in developing markets are increasingly faced with a choice between local brands or foreign brands. How they make this choice is obviously worth researching. There is a little theory to predict how and why consumers in developing markets choose between local and global brands (Batra et al., 2000:83). In today's multinational marketplace, it is increasingly important to understand why some consumers prefer global brands to local brands. Consumers seem to have a greater preference for brands with "global image" over local competitors, even when quality and value are not objectively superior (Steenkamp et al., 2003:53). In this manner,

"Perceived Brand Globalness" (Batra et al., 2000; Steenkamp et al., 2003) is recently introduced to the international marketing literature, which refers to the perceptions of consumers about brand's globalness.

This study investigates whether Perceived Brand Globalness (PBG) associates with Perceived Brand Quality (PBQ) and Brand Image (BI) or not. The study consists of three chapters. In the first chapter, globalization of the markets is discussed and the three strategic decisions in international markets are introduced; standardization which leads to global branding, adaptation which leads to more localized branding and relatively new term glocalization which leads hybrid strategy of standardization and adaptation. Second chapter mentions about branding concept, global brands, and local brands and introduce the concepts of perceived brand globalness, perceived brand quality, brand image, prior experience with brand and consumer ethnocentrism and analyze the relationship between them. Third chapter involves data analysis, sampling method, hypotheses, and application on Turkish consumers' perception of some global and local brands.

Therefore, the purpose of this study is to understand the perceptions of consumers about global and local brands in terms of brand quality and brand image with effects of consumer ethnocentrism and prior experience with brand. The significance of the study comes from its scarcity of application in Turkey. Nilüfer Z. Aydınoğlu from Koç University and Ayşegül Özsomer from Boğaziçi University are the first scholars that used the scale of "perceived brand globalness" and the other one is this thesis.

CHAPTER ONE

GLOBALIZATION OF THE MARKETS AND
STRATEGIC DECISIONS IN INTERNATIONAL MARKETS

1.1 GLOBALIZATION OF THE MARKETS

At the beginning of the twenty first century, it is clear that strategic marketing faces with new challenges and opportunities. These changes are the result of unstable markets, rapid emergence of new technologies, increasing globalization and global competition and customers that have different requirements (Cravens, 2006:63). Rapid advancement of communication and transportation technology and increasing interdependence of markets, the concept of global marketing has received big attention over the last decade (Cavusgil, Zou and Naidu, 1993: 480). In the same way, international business has grown so rapidly in the past decade that many experts argue that we are living in the era of globalization. Globalization has been the motto of the last decennium (Van Gelder, 2002:2). Globalization can be defined as "*the inevitable integration of markets, nation-states and technologies in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before*" (Griffin and Pustay,2005,11). Thus, in such a world, internationalization of the competition is inevitable. "Internationalization" here means that, as Melin (1992:101) defined, the process of increasing involvement in international operations across borders. Thus, the future managers in every industry will be involved or affected by international competition and tomorrow's winners will be those firms with managers who are comfortable in the international arena (Miller, Dess, 1996, 288).

The issues of globalization of business activities and global strategies emerged in the 1980s and have been a popular topic since then (Svensson, 2001:8). The concept of global strategy has taken a big attention both by the academicians and by multinational corporations (MNCs). Numerous of articles in the *Harvard Business Review* and other popular journals have urged multinationals to globalize their

strategies. "Manage globally" became the motto of those years in the world of international business (Ghoshal, 1987:425). For managers, the message seems clear: markets are fast becoming "borderless" and strategies that fail to recognize this are both shortsighted and misguided (Birkinshaw et al.,637). The development of new technology, cross-border tourism, and labor mobility which leads to homogenization of consumer demands also created the "global consumer culture" (Merz et al., 2008:166).

Globalization is a pervasive phenomenon in the business arena (Park and Rabolt, 2009:718) and it is explained by several factors, including the expansion of global media, critical advances in telecommunications (Internet being its best representative), increased feasibility in foreign travel and international investments (Merino and Gonzales, 2008:16). The term "globalization" includes worldwide accessibility to the same products, access to the same resources around the globe, world travel, communication, convergence of lifestyles, development of "world culture," and worldwide fascination environmental issues. Globalization has become a synonym for the quick flow of information and money. Today, it is very common for goods and services produced in one part of the world to also be available in other parts of the world. The process of globalization has affected, and has been affected, by international travel, which is more frequent today than ever before. Technology, information, travel, and transportation are all easily transferable and usable due to increasing levels of international communication. International communication is increasingly common with the Internet becoming an important (Zdravkovic, 2007, 89-90). In an era of internationalization and global exchange of communications and commodities, the traditional boundaries between states diminish in relative importance and other boundaries become more important (Askegaard and Madsen, 1998: 549-550).

Consistent with current trends in globalization, lots of companies are going global these days (Kotler and Armstrong, 2008:540), many international companies have moved from a multi-domestic marketing approach to a global marketing approach. This move to global marketing has had a major impact on company

branding strategies. International companies have concentrated their efforts on the development of international brands. For example, Unilever is in the process of eliminating 1200 brands from its brand portfolio to concentrate on 400 brands. Procter & Gamble (P&G) has kept 300 brands, after selling many of its local brands. L'Oreal has built its success on 16 worldwide brands. Nestlé has given priority to its six strategic worldwide brands, including Nescafe (Schuiling and Kapferer, 2004:97).

Coca-Cola and McDonald's are famous examples of brands that appear to be the same all around the world and that have achieved remarkably wide distribution. Even, they adapt slight changes to local tastes like sweetness of Coke and local additions to the menus of McDonald's. The Japanese car and consumer electronic manufacturers are becoming global as most of them have penetrated most countries in the world. Even, they have to adapt to local laws and languages. So the idea of global brand as one that is same in every respect in every country is not true. According to Randall, a global brand is one that is same product or service everywhere but at the same time, it has minor variations, same brand identity, and values while it uses the same strategic principles and positioning and employs the same marketing mix as far as possible. He also gives definition of international brand as brands that are sold in many countries and adds that there is a gray line between global and international brands and in real life the definitions of them are not so important but what matters is what the firms is trying to do and how well it does it (Randall,1997:120).

There are four types of brands that relates with international marketing. Local brand is a brand with presence only in the home market with a local management. International brand is a brand, which is sold across a few country markets. They are typically in the early stages of internationalization. Positioning, identity, image, distinguishing characteristics including attributes, associations, and identifiers of the brand virtually identical to the home market. Management largely is dictated by home market, often using local agents in international markets. Multi-domestic brand is a brand which is sold across multiple country markets, at the intermediate stages of

internationalization, has decentralized management with local control and positioning, identity, image, distinguishing characteristics including attributes, associations, and identifiers of the brand varies across markets. And finally global brand is sold across multiple country markets and at mature internationalization. The core essence of the brand remains unchanged; positioning, identity, image, distinguishing characteristics including attributes, associations, and identifiers maintain a high degree of consistency across worldwide markets. There is a centralized brand management coordinating local execution (Townsend, 2010:53).

Birkinshaw and his colleagues stated that some scholars like Levitt (1983), Ohmae (1989) Holstein (1990) have suggested that globalization has become so pervasive that businesses that do not think and act globally will be at a competitive disadvantage in the 1980s and 1990s and added that markets are becoming "borderless" quickly and strategies that fail to recognize the integration of markets are both thoughtless and misguided (Birkinshaw et al., 1995:637).

Globalization means larger markets for the products of technology and greater need to coordinate management activities over wider expanses of distance and time (Shocker et al., 1994:151). Globalization causes increased competition, national borders disappear, consumers demand more and more, and the pressure on producers to efficiently and effectively live up to consumer's expectations keeps increasing (Klemann,2007:3). Globalization presents considerable challenges and opportunities for international marketers. The liberalization of trade policies has provided consumers with more foreign product choices than ever before (Ranjbarian et al.2010:372). Local and foreign marketers are exposed to greater market opportunities due to globalization. Consumers around the world are exposed to a broad number of domestic and foreign brand choices that are easily available to them. Thus the understanding of consumer behavior is essential for marketers and researchers (Teo et al. 2011:2805). Consequently, their attitudes toward products originating from foreign countries have been of interest to international business (Ranjbarian et al.2010:372). The globalization has also resulted in increased competition among domestic and multinational firms in both foreign and domestic

markets. Because of the greater availability of foreign brands, consumers in virtually all countries face an ever-expanding choice of purchase options (Netemeyer et al., 1991:320)

Globalization assumes that the world is a single entity and develops marketing strategies with standardized products, promotional campaigns, prices and distribution channels for all markets in the same way everywhere. For example, Nike trainers, Levi's' jeans and Coca-Cola have all crossed global borders; although there are little tailoring (Vignali, 2001:97-98). One aspect of globalization is the convergence of income, media and technology, and it leads to homogeneous consumer needs, tastes and lifestyles (De Mooij, 2003:183).

Furthermore, while globalization has generated many benefits, it is not without costs. Even though globalization is a highly complex concept and impacts the economic, political, and social atmosphere, one of the most popular ways in which to view globalization is through the world's business activity. Global business brings benefits to consumers but at the same time, critics argue that global business brings inequality in social and economic terms, environmental hazards, and imposes a will of a few on the rest of the world. Economically, it describes the removal trade barriers and integrating national economies in the international context. Politically it affects nations and their interests, and at the same time impacts the level of nationalism around the world (Zdravkovic, 2007: 89-90). On the other hand, human rights, labor rights and environmental activists believe that globalization allows firms from developed countries to shirk their responsibilities to their workforces and to their communities by shifting production from developed countries to developing countries, where labor laws and environmental protection are less onerous and weakly enforced. Others argue that the dominant institutions of the era of globalization – the World Trade Organization, the World Bank, and the International Monetary Fund- are fundamentally un democratic and promote the interests of the rich and powerful over those of the poor and dispossessed (Griffin and Pustay,2005:12).

Globalization leads to standardization of the marketing mixes and global approach seeks for similarities while localization strategy do not consider the similarities. For having global approach, international marketers seek for homogeneity in products, image, marketing, and advertising image and deals with the question of whether the product is suitable for the world consumption or not (Czinkota et al, 1994:513). In international marketing, managers focus on the debate between standardization and localization (White and Griffith, 1997:173).

1.1.1 Strategic Decisions in International Markets: Standardization versus Adaptation

Globalization has been a subject of many debates and numerous studies for the past twenty years. Proponents of globalization present globalization as a process that contributes to the development and improvement of life for population around the world. On the other hand, opponents of globalization think that globalization can have a deteriorating effect on human life. Both sides present extraordinary evidence to support their claims leaving us to believe two sides will not be getting closer in their opinions any time soon (Zdravkovic, 2007, 99). Therefore, this debate affects international marketing strategies of firms. Scholars still debate about which strategies are best for companies. The pressures for national differentiation and global integration lead firms to use one of four basic strategies for competing globally : an international strategy for firms that face weak cost pressures and little need to be locally responsive; a multi-domestic strategy for firms needing to have local operations in a number of markets but not subject to intense cost pressure; a global strategy for firms under intense cost pressure but not required to be very responsive to local tastes because their products are standardized; and a transnational strategy for firms subject both to intense cost pressure and the need to be locally responsive (McKendrick,2001:309).

The debate of whether to standardize a multinational corporation's marketing mix or adapt it to local conditions has been continuing for more than five decades (Nasir and Altinbasak, 2009:17). In the international marketing literature, pursuing a

strategy of standardization of marketing mix across national markets versus adaptation to individual national markets has been debated extensively (e.g., Buzzell 1968; Ghoshal 1987; Levitt 1983; Wind 1986; Yip 1989; Szymanski, Bharadwaj and Varadarajan, 1993). Some have suggested that globalization has become so pervasive that businesses that do not think and act globally will be at a competitive disadvantage in the 1990s (Levitt, 1983; Ohmae, 1989) and some suggested that adaptation to local preferences is necessary to be successful (Boddewyn, Soehl and Picard 1986; Quelch and Hoff, 1986). On the other hand, another group of researchers were united around the contingency approach, which focused on the degree of desired and sufficient standardization (Jain 1989; Rau and Preble 1987; Walters 1986).

The globalization of markets leads to global products, global brands and global advertising. Global communication campaigns imply a high level of standardization. On the other hand, for some, globalization of marketing communication is less pervasive than is often assumed. A global communication strategy does not necessarily imply a high level of standardization and using the same campaign all over the world. Even in a global campaign, cultural differences have to be seriously taken into account, which leads to adaptation, and increase the importance of the local products (Van Raaij, 1997:259-269).

1.1.1.1 Standardization of Marketing Mixes – Toward Global Brands

"Going Global" is a trend, which many companies have been pursuing for years already. The brand globalization movement speeds up, while numbers of companies expand their brand portfolios to foreign markets. The consequences of this trend are two folded; companies are altering their brand portfolio into global brands and eliminate local brands, meaning they have moved from a multi-domestic marketing approach to a global marketing approach (Jacop, 2010:32).

Marketing standardization is a degree of similarity in the marketing policies and practices of an international firm between its home country and a host country (Boddewyn and Grosse, 1995:27; Chung, 2009:794). Standardization proponents, since 1960's, have been arguing that consumers were becoming more homogeneous in terms of their wants and needs (Elinder, 1965; Levitt, 1983; Porter, 1986), mostly because of the increase in international television broadcasting and international travel so multinational corporations can market standardized products and services all over the world, by identical strategies, with lower costs and higher margins (Jain, 1989:70). Firms that follow pure global strategy, actually, sell very similar products and services with standardized operations. They have single unified strategy and operate it in all units. They see world as single, homogenous market. They serve different markets from centralized facilities (Miller, Dess, 1996:303-4).

Proponents of standardization believe that world markets are being homogenized because of advances in communication and transportation technology. Customers in different and distant parts of the world tend to show similar preferences and demand the same products. Therefore, a major source of competitive advantage in the global market is the ability to produce high-quality, low-price products. To attain a low-cost position, the optimum global marketing strategy is to sell standardized products using standardized marketing programs. To these proponents, major benefits of standardization include economies of scale in production and marketing (Levitt, 1983), consistency in dealing with customer and the ability to develop good ideas on a global scale and brand-image consistency (Buzell, 1968). Although the standardization approach is popular, several researchers warn against its wrong adoption. These researchers argue that a standardized strategy increase performance only in industries in which competition is global in scope (Zou and Çavuşgil, 2002:41). Of course, this assumption can be true for products that have worldwide accepted like examples of Caterpillar equipments or cameras but this assumption is not true for all products. For example, the frozen food division of Nestle, Findus has bread with fruit toppings pineapple on it, or pizza with cheese and pork. These are hardly accepted tastes in international arena (Miller, Dess, 1996: 307).

Standardization can also mean offering the same product on a regional basis as well as worldwide one. So even here, minor alternations can be possible to meet local regulations or market conditions. For many product categories, standardization is inevitable because consumer needs are very similar in these product categories in different countries. The functions, usage conditions or the benefits sought of a product can be identical. For example, Pepsi-Max, which is a sugar-free cola, is a product that targets the global segment. The product addresses the consumers who avoid traditional diet drinks because of taste (Kotabe, Helsen, 1998:307).

The issue of standardization first was raised by Elinder in 1965. He stressed that emerging similarities among European consumers make uniform advertising desirable (Elinder,1965:9). Other scholar Levitt, as being father of the global strategies, published "The Globalization of Markets" in the *Harvard Business Review*. He is one of the strong proponents of standardization. It can be understood from his famous quote *"Everywhere everything gets more and more like everything else as the world's preference structure is relentlessly homogenized"* (Levitt, 1983:9). He started a big debate in 1983 by indicating that the world was driven by a powerful force by the new technology that the people from the world want all the things they have heard or seen. It increased the communication, transportation and travel. This leads inevitably standardization of products. The corporations sell the same kind of products to their national and export markets in the same way everywhere because everywhere everything has become more alike as a result of the homogenization of world preferences. So the result is the emergence of global markets for standardized consumer products. For him, the national tastes have disappeared. The corporations take the advantage of economies of scale in production, distribution, marketing and management from this situation. In addition, the competition among the corporations is about the appropriate level, the best combination of price, quality, and reliability of the products that are globally identical in terms of design, function and fashion (Levitt, 1983:92-94).

Another key proponent of standardization is Ohmae. Ohmae (1985) stated that the "United States, Western Europe, and Japan" constitutes the Triad, the major markets. Customers in these markets had become homogeneous which made standardization feasible. Ohmae (1989) also argued that successful companies are those that emphasized the commonalities among markets and treat various markets with an equal perspective (Cavusgil, Zou and Naidu, 1993:482-483).

Boddewyn and Grosse specified some factors, which make standardization desirable. Firstly, as Levitt has determined before, people everywhere want goods at best quality with lowest price. This shows the difficulty of effectively differentiating products and brands in the eyes of customers. Again, based on Levitt's argument, with the homogenization of the preferences, the products are becoming interchangeable. Thirdly, international treaties make it more possible that GATT, the Rome and Maastricht treaties, and the North American Free Trade Area pact (among many others) lower trade and investment barriers and faciliate the interpenetration of marketing systems (Boddewyn and Grosse, 1995:24).

Zou and Çavuşgil (2002:41) see "global strategy" as a most influential one. For example, Kellogg's, world leading cereal Food Company made big adjustments to its marketing efforts depending on eating habits of each country. In Brazil, they emphasized that cereals are not snack food to be eaten alone but they are breakfast food that is eaten with milk because Brazilians traditionally have coffee and small breads in their breakfast, which is similar with their products. In France they emphasized that; cereals can be eaten cold and tastes good. Overcoming language differences also require adjustment-marketing efforts. Snap, Crackle and Pop are the cartoon mascots of Kellogg's breakfast cereal Rice Krispies. However, in Japan, it is hard to pronounce them, so Instead of "snap, crackle, pop", which the Japanese find hard to pronounce, the Rice Krispies made it "patchy, pitchy, putchy". In translation, it experienced problems also; Kellogg had to rename its *Bran Buds* in Sweden because the brand name translated as "burned farmer" (Miller, Dess, 1996, 309). Algida is also another example for this case. Globally, it is known as "Heartbrand"

but it is known as Langnese in Germany, Streets in Australia, Kibon in Brazil, and Ola in the Netherlands although they are same products.

1.1.1.1.1 Advantages of Standardization

Buzzell, in 1968, defined standardization as offering identical product through identical distribution channels with identical promotional programs at identical prices in several and different countries. He explained the most important advantages of standardization. Firstly, there are significant cost savings. By offering the same product, the manufacturer will have more production runs and spread research and development costs over a greater volume and thus reduce total unit costs. In addition, in some industries packaging costs constitute a big part of total costs so the standardization here provides cost savings. Secondly, standardization reduces consumer confusion and provides to achieve customer consistency with consistent product style, brand name and image. He also added that a man that visits another country can see his familiar brand and he would buy it and his re-exposure to brand may strengthen his loyalty for the brand. There are people travelling all around the world and there is a flow of communication across boundaries through television broadcasts that reach international audiences. Also from the perspective of the manufacturers, it improves the planning and control that your subsidiaries in another country cannot undercut the price. Other one says, "Good ideas are universal". Good marketing ideas should be used as widely as possible because they tend to have more global properties (Buzzell, 1968:103-107).

1.1.1.1.2 Barriers to Standardization

Beside advantages, there are also disadvantages of standardization of marketing programs. Buzell (1968) stated that "Product use conditions" change from country to country. For example, size and configuration of the houses are not same in everywhere. Secondly, the development stage of the country has an impact on marketing decisions and different income levels may entail price variations. In addition, consumer shopping patterns and purchase quantities may change according

to the economic development. The small retail stores in underdeveloped countries may result in small purchase quantities. Different industry conditions bring different product life cycle stages. An electric toothbrush could be known in United States but could be unknown in other countries. He accepts that the extent of competition, availability of marketing institutions, legal restrictions, and cultural differences are all factors that lead marketing strategies to a success or failure (Buzzell, 1968, 108-113).

Some social pressures encourage them to be responsive to the unique cultural and political environment of that market which forces firms to use localized strategy. It requires adapting their operations to countries. First cultural differences among countries may require it; second government may insist that the actions of MNC's are consistent with the interest of their nations. Thirdly, as industrialization spreads, market segments become smaller, so local firms try to serve to narrow market segments. When a local firm is capable of producing tailored product, customers are no longer forced to accept product that is produced for another country, in other words, for the middle of the road. Therefore, this encourages firms to adjust the ways they do from one country to another and adapt their products or marketing techniques to match the preferences of that country. For example, HP changes its keyboard layouts and reflects different typing requirements countries. Moreover, AVON needed to tailor its service in Japan. We know that Avon has a line of cosmetics chain throughout the world which women sell the products door to door. However, during its five years in Japan, the company had not much success. They carefully study on this problem and discovered that, Japanese women are too reserved to make forceful sales to strangers. The company later adjusted its selling in Japan, emphasized on selling to women who are not strangers, enlisted more than 350.000 saleswomen in Japan and emphasized the soft selling, persuading people in a gentle way and suggestive selling that is not selling forcefully and created an advertising campaign with poetic images and their sales grew more than 25 percent (Miller, Dess, 1996, 305-306).

Some researchers argued that differences in the cultural and legal environment, conditions of product use, company factor, and competition are important barriers to standardization (Buzzell, 1968; Sorenson and Wiechmann, 1975; Walters, 1986). Some critics argue that long-existing cultural, political, and economic differences among nations require that marketing programs be adapted to the local market conditions (Boddewyn, Soehl and Picard 1986; Quelch and Hoff 1986; Sorenson and Wiechmann 1975; Cavusgil, Zou and Naidu 1993). In addition, there may be advertising regulations. The legal framework about comparative advertising also differs from country to country. For example, in Kuwait, the government controlled channels allows only 32 minutes for advertising per day. They ban usage of indecent clothing, dancing, and words, contests, fearful and hatred shots in advertisements. Moreover, advertising cigarettes, alcohol, pharmaceuticals, and chocolates are illegal. In Germany, Belgium and Luxembourg it is illegal to use comparative terminology. Beside these, some countries put special taxes on advertising and it restricts creative freedom in media selection (Cateora, 1993, 506-7). Moreover, there is a concept that Not Invented Here (NIH) Syndrome which was introduced by Katz and Allen in 1982. It has a negative meaning which includes the rejection of external ideas (Lichtenthaler and Ernst, 2006:368).So, there are some conditions or industries that require local responsiveness and this does not create any atmosphere of economies of scale. "One size fits all" understanding does not fit all the situations. Thus, Levitt's assumptions are reasonable but have some criticisms.

1.1.1.2 Adaptation of the Marketing Mixes -Toward More Localized Brands

Cultural factors have broad and deep influence on consumer behavior. The marketers need to understand the role played by the buyer's culture and even subculture. Culture is the set of basic values, perceptions, wants, and behaviors learned by a member of society from family and other important institutions (Kotler and Armstrong, 2007:131). There are vast amount of studies that reflect the differences between nations. That such differences actually exist seems obvious, but understanding them is not simple. Organization and Management, Organizational

Behaviour, some Business Academic Researches and International Marketing Areas paid and still paying attention to these differences. From the side of marketers, it is very important to understand the culture of that country or even region.

Marketing adaptation (also called customization or modification) refers to the marketing mix dissimilarities between countries or regions and to the policy changes made by a firm in response to between-country differences (Boddewyn and Grosse,1995:27) and the supporters of the adaptation school of thought believe that the cultural differences among countries are critically important (Nasir and Altinbasak, 2009:19).

Some scholars think that total standardization is unthinkable (Jain, 1989:71; Boddewyn, Soehl and Picard 1986; Quelch and Hoff, 1986). Localization proponents argue that authors that advocate standardization ignore the importance of culture. As having cultural differences, homogenization argument is a fatal error and cultural differences cannot be ignored and have a significant impact on consumer behavior. Since cultural differences between individuals and societies are the barriers to standardization, marketers need to identify specific target markets and then service them effectively (White, Griffith, 1997:174). Values are strongly rooted in history and appear to be stable over time. For De Mooij, although there is evidence of convergence of economic systems, there is no evidence of convergence of peoples' value systems. On the contrary, there is evidence that with converging incomes, people's habits diverge (De Mooij, 2000:103-105).

Culture has a significant place and a powerful force that shape people's perceptions and behaviors. Not taking account into the cultural differences may bring many business failures (Benedict and Steenkamp, 2001:30). While increasing globalization of competition was being studied, a growing number of researchers have asked questions about the correctness of "*blindly adopting global strategies*" (Birkinshaw et al. 1995:637). Classifying foreign markets according to their cultural dimensions may also be useful. Cultural context is one aspect of culture that relates to consumer behavior (Roth, 1992:27).

Melin (1992:103) thinks that there is a "psychic distance" a difference, between any two countries in terms of language, culture, education level, business practice and legislation. Rugman (2001: 583-585) thinks that globalization is a myth, "homogeneous products for homogeneous customers" concept is totally mistake and there is no uniform single homogenized market except consumer electronics. For that reason, businesses must think local, act regional and they should forget global. In truth, multinationals have to adapt their products for the local market. Taylor and Johnson (2002) totally believe multi-domestic strategy is the best one. They accept that global consumers are converging but at the same time considerable differences between cultures still exist. They stated that classifying markets, based on cultural assumptions, is useful. Cultures can be classified as either high or low context. High context cultures, such as South Korea and Japan, are intuitive and prefer indirect messages. Observations show that the Japanese prefer a soft-sell approach, which is consistent with cultural dimension. On the other hand, low context cultures, such as the United States and some Western European countries, rely heavily on clear communication. The consequence for international advertisers is that they must consider these fundamental differences (Taylor and Johnson, 2002:52-61).

Czinkota and his colleagues favored adaptation by stating that even companies that are known by their standardized program are "adapting". For instance, McDonalds serves the same menu of hamburgers, soft drinks and looks the same around the world but has local adaptations like including beer in Germany and wine in France to their menu. There may be even adaptations in same market of McDonalds such as offering iced tea in South region of U.S. and not include it in Northeast (Czinkota et al, 1994:511).

For a product to be successfully marketed, its meaningful attributes must be advertised. For advertising standardization to be applicable, such attributes should be equally meaningful to consumers from various countries. However, this kind of attribute uniformity seems to be lacking among consumers in various countries. For example, a study showed that, when college students from the United States, France, India and Brazil viewed two common consumer products, they used different

evaluative criteria by emphasizing different product attributes which were important to them. Evidently, a standardized advertisement employing the same attributes internationally would not have been effective (Onkvisit, and Shaw,1987:48). Thus, marketing program adaptation is necessary because of the significant differences among nations in terms of cultures, stages of economic and market development, political and legal systems, and customer values and life styles. According to these researchers, marketing program is largely a local issue and the best strategy for a product should differ from market to market (Cavusgil, Zou and Naidu, 1993:481).

As a summary, there are some factors both favoring standardization and adaptation. For standardization, economies of scale in production, marketing, and R&D is one of the key advantages. The similarity of customer tastes and consumption patterns across different markets that have similar income levels and economic growth facilitates standardization. Adaptation has higher costs and there must be a centralized authority for establishing policies and allocating resources. Moreover, there would be strong linkage of the subsidiary and the headquarters when you standardize and foreign and domestic markets for your product would be in the same stage of development. On the other hand, there are also some factors favoring adaptation. First of all, the company's focus on consumer products, which are more vulnerable to be influenced by individual, tastes favors adaptation. There is a possibility of acquiring higher profits by concentrating on differences in consumer needs and conditions of use and variations in consumer purchasing. There are also different government regulations like products' technical standards, local content laws and tax policies so adapting these regulations make it easier. The existence of cultural differences that are the traditions, language, tastes and consumption habits make adaptation more important (Lages et al., 2008: 587). While sufficient evidence exist for a firm to standardize some elements of its marketing mix, it may be necessary to customize to meet the needs of specific markets. Firms look for saving costs and prefer to standardize some elements of their program but most customize many elements to meet customer satisfaction (Bradley, 2004, 178).

Standardization and adaptation debate also is affected by the type of the product. For example, a bulldozer, a photocopying machine, a tennis racket, or zips serve for same purposes and they are used for same purposes in USA, Turkey or China. Minor changes can be accepted such as changing language for instructions. The same can be argued for services also. The product strategies of international engineering and construction firms worldwide do not differ so much. The construction of a building does need a customized strategy at all. In fact, experience is the greatest selling point for these kinds of firms. Moreover, companies that have strong international brand image are able to succeed without differentiation strategy. For example, Schweppes is internationally known brand and identical worldwide. On the other hand, some products need to be customized and need differentiation when they are sold abroad. Advertising, packaging, foods, cultural products are among these products that need modification (Rugman and Hodgetts 2002, 304-5).

Your product category and usage conditions have also an important place while considering these strategies. For example "adaptation" in food industry can be thought as a logical strategy but if you are producing a razor blade, your product adaptation may be unreasonable because human cheeks are same. A man in Brazil or a boy in United States may not be interested in whether the stick of the razor is blue or black. Furthermore, it returns you as more costs. However, for White and Griffith, marketing strategy implementation is not a question of standardization or localization, but it was rather an issue of knowing when to use each (White and Griffith, 1997:173).

This debate has attracted a great deal of interest from researchers and, since the early 1960s, however, this research is incomplete and immature: first, most studies have been more conceptual than empirical in nature and the analysis mostly centered on operations in developed markets of the world, with limited attention paid to emerging economies. Therefore, there is a need for a more empirical and practical type of research that will facilitate theory-building on the subject (Leonidou, 1996:54). Despite the fact that a significant number of articles have been published on the topic, there is little agreement on the conditions under which either

standardization or adaptation is appropriate in foreign markets (Cavusgil, Zou and Naidu, 1993: 480).

Table 1: Advantages and Disadvantages of Standardized and Customized Marketing Strategies

Standardized International Marketing	
Advantages	**Disadvantages**
• Reduces marketing costs • Facilitates centralized control of marketing • Promotes efficiency in R&D • Results in economies of scale in production • Reflects the trend toward a single global marketplace	• Ignores different conditions of product use • Ignores local legal differences • Ignores differences in buyer behavior patterns • Inhibits local marketing initiatives • Ignores other differences in individual markets
Customized International Marketing (Adaptation)	
Advantages	**Disadvantages**
• Reflects different conditions of use • Acknowledges local legal differences/ differences in buyer behavior • Accounts for other differences in individual markets	• Increases costs/ inefficiencies • Inhibits centralized control of marketing • Reduces economies of scale in production • Ignores the trend toward a single global marketplace

Source: Griffin and Pustay, 2005, p.462

1.1.1.3 New Phenomenon: Glocalization and Glocal Brands

Today, consumer marketers are expected to think of global similarities and adapt to local differences. This perspective helps in determining similarities across national boundaries while assessing domestic differences. The challenge facing today's marketing academics and practitioners, is to identify and respond to consumers' universal needs, wants, and expectations for products and services. Equally challenging is addressing cultural differences and other unique market conditions that require certain adaptations in any marketing program (Hassan and

Katsanis, 1994:47-48). Brands must thrive globally or survive locally, "plan globally, act locally" in which activities such as product designs are conducted at a global level but marketing and other transactional activities are customized locally. Managers must be careful in coping with cultural or language differences (Shocker et al., 1994; 150-151).

Kotabe and Helsen argue that asking whether standardization or adaptation is useless and the case is not the either-or dilemma. The product managers should ask in which part or what part of their marketing strategy should be localized or left unchanged. The important point is the balance between them. There is a risk of over-standardization which is said to be one of the dangers of global markets can face with because too much standardization prevent experimentation and initiative at the local subsidiary level. However, the opposite situation can also be possible, that is over-customization. Too much adaptation may deteriorate the prestige of an imported brand, which may soon become a me-too brand that hardly differentiated from the local brands. A similar mistake was made by the Carlsberg when it entered Thailand. It launched "Chang" as a local beer. Carlsberg tried to be like "Singha", the leading local brand, in terms of alcohol level and price. However, the thing they did not consider was Thai beer drinkers now had no reason to choose Carlsberg. Carlsberg later lowered the prices to overcome this situation but at the same time lower its brand image (Kotabe, Helsen, 1998:311). Czinkota and his colleagues stated that ideally, the international marketer should think globally, but act locally so should not focus on only one extreme: full standardization or full adaptation (Czinkota et al, 1994:511).

The introduction of the terms "glocal strategy" and "glocalization" may be a compromise to improve the present usage of the term global strategy. The glocal strategy approach reflects the aspirations of a global strategy approach, while the necessity for local adaptations and tailoring of business activities is simultaneously acknowledged. The "glocal strategy" concept comprises local, international, multinational, and global strategy approaches. It differs from the global strategy approach, since it explicitly recognizes the importance of local adaptations and

tailoring in the marketplace of business activities. In addition, it comprises typically international and multinational strategy issues. The glocal strategy approach also recognizes that there has to be a balance and harmony between the standardization versus the adaptation, and the homogenization versus the tailoring, of business activities. The harmony is achieved since the concept explicitly comprises the spectrum from local strategy issues to global strategy issues through the "glocalization" of business activities. Glocalization means that the standardization versus the adaptation, and the homogenization versus the tailoring, of companies' business activities are optimized (Svensson, 2001:15).

Marketing managers in multinational or global enterprises must design appropriate marketing programs for each national market. Each country must be treated as a separate marketplace to some extent because each one has its own rules, currencies, legal requirements and own business methods. In coordinating regional or global based operations, multinational gain important advantages. The important issue is the development of marketing program is the extent to which elements of the marketing mix are standardized regionally or globally. The degree of customization also requires consideration since it varies from country to country, from one mix element to another, from product to product. Nevertheless, it can be said that some elements of marketing mix are more likely to be standardized such as brand name and positioning than promotion, distribution, and customer services. Marketing standardization is more feasible when there is a higher technology and non-culture bound products than traditional, culture bound products (Quelch and Bartlett, 1998: 233).

One key to global success is to recognize and take advantage of local consumer behavior, as the popular mantra says "Think Global, Act Local". As brand consultant, Robert Kahn noted global branding does not mean having the same brands everywhere. It means having an overreaching strategy that optimizes brand effectiveness in local, regional, and international markets. Many good examples exist of companies that have successfully blended standardization and customization. For example, Dominos Pizza tries to maintain the same delivery system everywhere but

has to adapt the model to local customs. In Britain, customers think anybody knocking the door is rude, in Kuwait the delivery is just as likely to be made to a limousine as it is to a house and in Japan houses are not numbered sequentially which makes addressees difficult to find. In addition, McDonalds customizes some aspects of its marketing program. Big MAC appears worldwide but it sells wine in France, beer in Germany and tropical mint shakes in Honk Kong (Keller, 2008:600-608).

Glocal brands, such as Dove, Nestle, and Danone are available globally, but they are marketed locally. Even where consumers are aware of this global distribution, a Glocal brand may 'feel close'. One Turkish consumer has stated, "*As Lipton has a long history in Turkey it has become like a local brand in our minds and we see Lipton as a local brand*" (Baker et al., 2003:49). To be glocal brand, first the brand must be a real and big global brand. So glocal and global brands are not different concepts. Since a local brand cannot be glocal brand, glocal concept comes after globalness. Because being a global brand is not enough anymore, giving importance to unique needs of consumer groups around the world is expected from global brands since global companies seek to market "values". For example, Coca Cola is global brand, but its sugar rates can change. McDonalds is known by everyone in the world but it also sells local product offerings.

To be successful in the market, the marketers have to decide when and where to ignore local differences to attain global synergies. Some researchers believe that consumers do not always want to purchase global brands because they are global, but because they ensure to deliver better value than their local competitors do. A global brand's presentation varies according to the local conditions; (e.g.) global brand Coca-Cola's marketing campaigns are increasingly tailored for local markets and the consumers. In Mexico, for example, Coke is sold more as a food (because of its high sugar content). McDonald in France will be less spicy in France as compared to McDonald in Pakistan. Due to diversified ethnic beliefs, McDonald in India is not supposed to sell cow meat in any form; and not to sell pork in Pakistan. The brand is global, but the product totally customized to the customers of each Country (Akram

and Merunka, 2010:3-4). So globality should be used as an important ingredient in building a sustainable competitive advantage without forgetting about local sensitivities (Johansson and Ronkainen, 2005:354).

US brands may face a challenge if they do not endeavor to engage the peoples of the world with cultural sensitivity (Anholt, 2005:299). This challenge is more critical for companies that desire to build a single brand image in the global market. So for Lee clearly, global branding strategies should be customized to match local needs (Lee et al., 2008:164).

1.2 THE IMPACT OF GLOBALIZATION ON BRANDING STRATEGIES

The trend towards increased globalization had a major impact on the branding strategies of international companies. In the past, international firms would develop brands that were adapted to the needs of local markets, under a multi-domestic marketing approach. They now tend to favor the development of global brands that ideally have the same product and the same positioning in all markets, under a global marketing approach. This is well illustrated by the example of Unilever that is at the end of the process of eliminating three quarter of its portfolio of brands to only keep 400 brands that have international presence or international potential (Schuiling and Lambin, 2005:1).

On the other hand, not all companies need to venture into international markets to survive. For example, most local businesses need to market well only in the local marketplace. Operating domestically is easier and safer. Managers do not need to learn another country's language and laws. They do not need to deal with unstable currencies, face political and legal uncertainties, or redesign their products to suit different customer expectations (Kotler and Armstrong, 2008:551). In the same view, some consumer segments – e.g., older, traditionally oriented, and ethnocentric consumers – tend to prefer local brands (Douglas and Craig, 2010:442).

Globalization has had a huge impact on the branding strategies of international companies (Bauer et al., 2006:1). The rise of a global culture does not mean that consumers share the same tastes or values. Rather, people in different nations, often with conflicting viewpoints, participate in a shared conversation, drawing upon shared symbols. One of the key symbols in that conversation is the global brand. Like entertainment stars, sports celebrities, and politicians, global brands have become a common language for consumers all over the world. People may love or hate transnational companies but they cannot ignore them. Many consumers are awed by the political power of companies that have sales greater than the GDPs of small nations and that have a powerful impact on people's lives as well as the welfare of communities, nations, and the planet itself. Not surprisingly, consumers ascribe certain characteristics to global brands and use those attributes as criteria while making purchase decisions (Holt et al.2004:70).

The level and development of global attitude have great implications for marketing managers. Marketing managers are interested in behavioral traits of consumers around the world. These traits are crucial in determining marketing strategy and the overall approach that firms will pursue while getting involved in business across borders (Zdravkovic, 2007, 99-100). So their perceptions are very important for international marketers. In today's multinational marketplace, it is increasingly important to understand why some consumers prefer global brands to local brands (Steenkamp et al. 2003:53). For successful marketing, an understanding of buyer behavior is among the most important issues. For having effective marketing program, the needs and wants of potential buyers, how they arise and how and where they are likely to be satisfied must be known.

Moreover, purely application of the strategic decisions, standardization, and adaptation seems impossible. Standardization debate produces global products, and adaptation debate favorites the more localized ones, and analyzing global and local products through the eyes of consumers and their perceptions become important. It is important how consumers see global or local products and how they perceive them. It is important to ask whether they find global products better in terms of quality and

image, so that a company can pursue the best strategy for itself. Before analyzing global and local brands, first branding will be studied. After that, global and local brands will be explained. The consumer's quality and image view to global and local products with the effects of their ethnocentric tendencies and prior experiences with the global and local brands will be clarified for Turkish consumers.

CHAPTER TWO

GLOBAL AND LOCAL BRANDS AS THE
KEY CONCEPTS IN GLOBAL MARKETING

2.2. BRANDS AND BRANDING

American Marketing Association defines brand as "*a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers*" (AMA, 2011). For Kotler (2007), brands are not just names or symbols. They are a key element in the company's relationship with consumers. They represent consumers' perceptions and feelings about a product and its performance, everything that the product or service means to consumers. They are powerful assets that must be carefully developed and managed (Kotler, 2007, 230). A brand is a cluster of functional and emotional values that promises a unique experience (de Chernatony and Cottam, 2006: 616) and an asset, which does not have physical existence (Seetharaman et al. 2001:243). Brands are at the heart of marketing (Natarajan and Thiripurasundari, 2010:41). For Randall, a brand has an existence separate from a product or service and it has a life of its own (Randall, 1997:4). Brands add value to consumer goods and services by supplying meaning (Horan et al., 2011, 115) and branding is the art and cornerstone of marketing (Kotler 2003, 419). Branding is a fundamental strategic process that involves all parts of the firm in its delivery. Brands must always deliver value, which must be defined as consumer terms. Brands must have continuing relationship with its buyers and users (Randall, 1997:3).

Brands play a critical role for consumers in terms of communication and identification. Brands offer a compass to guide them through a purchasing environment typified by too much information. The brand is seen by most consumers as a sign of quality, assisting them to make their purchasing decisions. A brand can also serve as a social business card, expressing membership in a certain group. Premium brands, for instance, can even engender a sense of distinction and prestige.

Moreover, in the developed industrial and the newly industrializing countries, brands have actually become part of how people build up their identities and gain fulfillment in their personal lives. Consuming certain brands is also a means to communicate certain values. By opting for particular brands, a consumer demonstrates that he or she embraces particular values; the brand becomes a tool for identity formation (Merino and Gonzales, 2008:16).

Brands are of enormous economic importance to companies. The strength of brands such as Starbucks or Nokia enables them to charge a significant price premium. Buyers of a Mercedes-Benz car tend to be especially brand loyal, promising future sales to the company (Fischer and Sattler, 2010: 823). Brands may be constructs created by marketing but they are also ideas and ideals that exist in consumers' imaginations (Baker et. al 2003:47). The "brand" is often regarded as separate from the functional product. The product is seen as providing core functional benefits while the brand is responsible for creating the magnetic human-like aura around the actual product (Meenaghan, 1995: 24). Brand is more than a name given to a product (Lim et al., 2010:38). It has long been recognized that products have meanings for consumers beyond providing mere functional utility. The concept of branding represents one of the central tenets of marketing (Meenaghan, 1995: 25). The brand is one of the most important assets a firm own (Arslan and Altuna, 2010:171). It can be summarized that a brand is a value-added to a product. This value-added is used to differentiate a product from its competitor in such a way that the brand has a name which is easy to remember, it has logo, unique symbol, better packaging with additional services (Harun et. al,2010:255).

Brands play a crucial role as a key success in providing higher profit margins for firms if it is properly managed (Harun et. al,2010:254) and they have a critical role in establishing a firm's visibility and position in international markets (Douglas et. al, 2001:98). From the management perspective, brands are regarded as valuable intangible assets (Macrae and Uncles, 1996:46) because of their economic impact. They influence the choices of customers, employees, investors, and government authorities. Since we live in the world of choices, it makes such influence so

important for commercial success (Lindemann, 2004:1). From a firm's perspective, a successful brand provides a high level of consumer acceptance in the face of considerable competition. For example, Coca–Cola, the world leader in cola drinks, has been able to maintain its strong presence in the soft drinks market because it goes beyond physical attributes and product labeling. Brands allow consumers to shop with confidence in an increasingly complex world (Nandan, 2005:264-265). From the consumers' side, in this increasingly complex world, consumers face more choices with less time to make. Thus, the ability of a strong brand to simplify consumer decision making, reduce risk, and set expectations is invaluable (Keller, 2008, 2).

Branding exists from the very early times to distinguish the goods of one producer from those of another. Today with a considerable change over time, there is an increase in modern and sophisticated branding of both tangibles and intangibles (Natarajan and Thiripurasundari, 2010:41). Research interest in branding continues to be strong in the marketing literature (Low and Lamb, 2000:350).

2.2.1 Global Brand

International companies have traditionally followed two types of strategies to create global brands. One strategy has consisted of expanding successful local brands on international markets. This strategy has been followed over decades by many multinational firms. For example, a brand like "Evian" was first a successful local brand in France before it was expanded on a worldwide basis. Evian has now become the leading global brand in the worldwide mineral water market (Schuiling and Lambin, 2005:2).

Global brands provided a clear definition considering a brand as global if present in the four major regions of the world, with at least 5 per cent of sales coming from outside the home regions and total revenues of at least $1 billion (Merino and Gonzales, 2008:16). Since global brands are the by-products of the globalization process, understanding globalization is a critical step to understand

global brands (Kim, 2004:16).While certain brands are generally considered as good examples of the global brand like Coca Cola and McDonalds, there is no clear definition of global brands (Kim,2004:21). Here it becomes important to distinguish whether the brands are domestic or not. Coca–Cola may be global but it is a domestic brand for Americans (Johansson and Ronkainen, 2005:340).

Like in the standardization debate, same scholars have focused on the development of international and global brands (Boddewyn, Soehl, and Picard 1986; Buzzell 1968; Craig and Douglas 2000; Levitt 1983; Quelch and Hoff 1986; Wind 1986). The world faces with unprecedented globalization (Barron and Hollingshead, 2004:9) and many multinational companies today are altering their brand portfolios in favor of global brands not only that this will yield various economies of scale but also that consumers around the world prefer such global brands to otherwise equivalent local brands. Previous research has in fact shown that consumers do often prefer such global brands, because of inferred higher quality, perceived prestige, and because owning and consuming such brands offers the consumer a chance to become a part of global consumer culture (Aydinoglu and Batra, 2009:2)

The globalization industry is putting pressure on companies to develop global products. A global product meets the wants and needs of the global market. A true global product is offered in all world regions. A global brand has a similar image and positioning throughout the world. A global product is different from a global brand. For example, personal stereos are category of a global product and Sony is a global brand. Some companies are well established as global brands. For example when Nestle says, "Make the very best", the quality promise is understood and accepted globally. The same is true for Gillette ("The best a man can get"), BMW ("The ultimate driving machine"), Visa International ("Life takes Visa"), and many other global companies (Keegan and Green, 2008:331-335).

Steenkamp et al. (2003:37) defined global brands as "*brands that consumers can find under the same name in multiple countries with generally similar and centrally coordinated marketing strategies*". Other definition defined them as brands,

used by global companies and used without transformation in all countries (Kuvykaite and Mascinskiene, 2010:448).

Dimofte defined a global brand as a brand that is widely available and universally recognized. It is a perceptual construct and therefore is likely to differ across individuals. The global brand construct can vary in degree, so a brand can be more or less global (Dimofte, 2010:85).A global brand is the one that expresses the same values in all of its markets and owns a similar position vis-à-vis its competitors around the world. They create several critical advantages, including improved efficiency in costs for new product development and R&D because their outputs create revenues globally and not just locally; economies of scale in marketing communication and improved alignment across the organization, boosting speed to market, work force flexibility, and the sharing of best practices (Barron and Hollingshead, 2004:9).

Global brands are brands that use the same marketing strategy and mix in all target markets. Global brands benefit from the scale and scope of having presence in multiple markets. Global brand is defined as *"a brand that is marketed under the same name in multiple countries with similar and centrally coordinated marketing strategies"*. However, there are some global brands that do not have the same name, but share some marketing program elements (Natarajan and Thiripurasundari, 2010:41). Algida is an example for it.

A global brand, as Robert L. Wehling, Procter & Gamble's former head of marketing, says

> "…*One that has a clear and consistent equity - or identity - with consumers across geographies. It is generally positioned the same from one country to another. It is generally positioned the same from one country to other. It has essentially the same product formulation, delivers the same benefits, and uses a consistent advertising concept. That isn't to say there isn't room for local tailoring. But there must be room to adapt to local needs. But where there is no justification for difference, the brand is the same in every part of the world"* (Keller, 2008:601-602).

Building a global brand should be part of local's company's long term objective. Importantly, to become a global brand producer, firms must realize the fact that branding strategy is an important source for sustainable competitive advantage (Harun et. al, 2010:254-255).

The increasing demand of the global brands is a recognized feature of most nations (Lim et al., 2010:36). Even though domestic brands are likely to be more familiar than global brands, where familiarity is equal, the global brands will have higher esteem (Johansson and Ronkainen, 2005:340). The table below shows the "Top 20 Best Global Brands" published by www.interbrand.com.

Table 2: Top 20 Best Global Brands - 2010 Rankings

Rank	Brand	Country of Origin	Sector	Rank	Brand	Country of Origin	Sector
1	Coca-Cola	United States	Beverages	11	TOYOTA	Japan	Automotive
2	IBM	United States	Business Services	12	Mercedes-Benz	Germany	Automotive
3	Microsoft	United States	Computer Software	13	Gillette	United States	FMCG
4	Google	United States	Internet Services	14	CISCO	United States	Business Services
5	GE	United States	Diversified	15	BMW	Germany	Automotive
6	McDonald's	United States	Restaurants	16	Louis Vuitton	France	Luxury
7	intel	United States	Electronics	17	Apple	United States	Electronics
8	NOKIA	Finland	Electronics	18	Marlboro	United States	Tobacco
9	Disney	United States	Media	19	SAMSUNG	South Korea	Electronics
10	hp	United States	Electronics	20	HONDA	Japan	Automotive

Source: http://www.interbrand.com/en/best-global-brands/best-global-brands-2008/best-global-brands 2010.aspx, accessed at 2011-07-15

Global brands are defined as the multi-market reach of products that are perceived as the same brand worldwide by both consumers and internal constituents (Johansson and Ronkainen, 2005:340). Various scholars have different definitions of global brands. The definition of the global brand is not certain. Holt et al. (2004:69) relate global brands to the standardization of products, packaging, and communications and as having quality signal, a general consumer culture with shared values, a social responsibility concept. Schiefer (2008, 9-10) listed the definitions of global brands in literature and practice (Table 3).

Table 3: Lists of Definitions of Global Brands

Definitions Of Global Brands		
Marketing Literature		
Author	**Year**	**Definition**
Levitt	1983	The global corporation operates as if the entire world (or major regions of it) were a single entity; it sells the same things in the same way everywhere(p.92)
Chevron	1995	A global brand is one that is perceived to reflect the same set of values around the World. The same set of values or brand character forms the key in global brand strategy (p.24)
Aaker and Joachimsthaler	1999	Brands whose positioning, advertising strategy, personality, look, and feel are in most respects the same from one country to another (p.137)
Ghose and Lowengart	2001	Global brands – international brands that have been big marketing successes in many countries(p.46)
Steenkamp, Batra and Alden	2003	Brands that consumers can find under the same name in multiple countries with generally similar and centrally coordinated marketing strategies (p.53)
Keegan and Green	2004	A brand that has the same name and a similar image and positioning throughout the world(p.333)
Schuiling and Kapferer	2004	Global brands are defined as brands that use the same marketing strategy mix in all markets (p.98)

Johansson and Ronkainen	2005	Global brand is defined as the multi-market reach of products that are perceived as the same brand worldwide both by consumers and internal constituents (p.340)
Kapferer	2005	For most managers a brand is global when it is sold everywhere in the world (p.322)
Inkpen and Ramaswamy	2006	Global brands are based on an organization's ability to tailor messages at the local level while keeping the brand image intact on the global level

Source: Schiefer, 2008, p.9-10

In this study, with the help of the references (Steenkamp et al., 2003:53; Johansson and Ronkainen, 2005:340; Schuilingand Kapferer, 2004:98; Keegan and Green, 2004:333; Chevron, 1995:24), the global brand is defined as brands that are sold nearly everywhere in the world, that use the same or similar marketing strategy mix in all markets, that are perceived as the same brand with similar brand image worldwide and to reflect the same set of values around the world.

2.2.1.1 Advantages of Global Brands

The advantages of building global brands are well known. The most important one is the possibility to benefit from large economies of scale (Schuiling and Lambin, 2005:3). A key advantage of globalization and having global brands is firms' opportunity to benefit from strong economies of scale. It is well-known that a standardized brand can generate significant cost reductions in all areas of the business system, including research and development, manufacturing, and logistics (Schuiling and Kapferer, 2004:99).

The second advantage that has often been highlighted is the creation of a unique worldwide image. This brings worldwide coherence in the brand image, enables the company to develop one advertising campaign, and leverages the use of international media. This also leads to substantial reduced costs in the

communication area (Schuiling and Lambin, 2005:4). A global brand also benefits from being driven by a single strategy. For example, Visa's consistent "worldwide acceptance" position is much easier for the company to manage than dozens of country-specific strategies (Aaker and Joachimsthaler, 1999:137).

Worldwide consumers, corporate buyers and governments associate global brands with three characteristics and consumers use these characteristics as a guide when making purchase decisions. First one is the *Quality Signal* which global brands compete fiercely with each other to provide it. With having world-wide quality, a global brand differentiates product offerings and allows marketers to charge premium prices. Second one is the *Global Myth* which refers to sign of cultural ideals and third one is the *Social Responsibility* which customers evaluate companies and brands in terms of it by following how they address social problems and how they conduct business (Keegan and Green, 2008:331-335; Holt et al., 2004:71).

2.2.2 Local Brand

A local brand is one that has achieved success in a single national market (Keegan and Green, 2008:330). Local brands are defined as brands that exist in one country or in a limited geographical area and they provide a link between the national economy and individual well-being (Natarajan and Thiripurasundari, 2010:41). Local marketing involves tailoring brands and promotions to the needs and wants of local customer groups (Kotler and Armstrong, 2008:198).

Local brands benefit from strong brand equity and especially from higher consumer awareness than international brands do and they enjoy a strong brand image. Local brands benefit not only from a good quality image but also from a better value and trust perception than international brands do. Local brands were found to provide satisfaction and good value for money. The respondents, who possessed local brands, trusted the brands and felt safe with it. Quality and trust were the major influences for possessing local brands. Moreover, prestige or status had only a passive role in the respondents' perceptions, who own a local car brand. It was

noted that global car brands appeal more prestigious than local car brands to the respondents (Natarajan and Thiripurasundari, 2010:41-42).

Strong local brands have traditionally benefited from a high level of awareness in their countries. Consumers have developed close relationships with local brands over the years (Schuiling and Kapferer, 2004:97). Local strategy is a key requirement for local firms that do poorly in producing unique products and brands (Harun et. al, 2010:258).

Prices of local brands are usually lower than international brands and it provides consumers a sense of better value for the money. Local brands are also perceived as more realistic and sensible than international brands. Local brands are also perceived as more traditional than international brands, because local brands are linked more to local traditions and local cultures than international brands are. It was also found that trust is an important advantage for local brands, because it provides a unique relationship with consumers that take years to develop. It also indicated that there is no significant difference between the perception of prestige for international brands and that for local brands. Another significant finding was that though consumers are attracted to international brands but in reality, they prefer to purchase local brands. Although global brands may have more success in high-profile, high-involvement categories, consumers may still give local brands preference in purchasing every day products. The advantages cherished by local brands can be dominated by the enormous advantages enjoyed by global brands. Local brands are not more flexible than global brands in terms of their marketing activities when they compete in a foreign product category due to cultural categories being associated with the product category (Natarajan and Thiripurasundari, 2010:42).

Global brands cannot just be imposed on all markets. For example, a brand's image may not be the same throughout the world. Honda means quality and reliability in the United States, but in Japan, where quality is a given for most cars, Honda represents speed, youth, and energy (Aaker and Joachimsthaler, 1999:137).

In Europe, there are more local brands than international brands. Although the car, computer, and high-tech industries, among others, are well-known for their strong international brands, many sectors are still characterized by their local brands. In Germany's oil industry, British Petroleum acquired the local leader Aral and, in view of its strong brand equity, decided to retain the local brand name. In the Czech Republic, Danone did not succeed in imposing its global Lu brand on that market and has had to use the local brand franchise Opavia to develop its business. In Belgium, the leader in the mineral water market is the local leader Spa, and it has shares well above the international leader Evian (Schuiling and Kapferer, 2004:100).

2.2.2.1 Advantages of the Local Brands and Disadvantages of the Global Brands

There are some factors that are in favor of local brands. Some advantages are to build on a winning local brand offering and increase the chances of success. It also allows building a brand on a global basis that is less risky and less expensive for the company. If the expansion is not successful, the financial losses will be limited (Schuiling and Lambin, 2005:2-3). Schuiling and Kapferer listed the advantages of the local brands and at the same time disadvantages of the global brands (Schuiling and Kapferer 2004:101-102):

a) **Better Response to Local Needs:** A local brand can be designed to respond to the local market's specific needs. Local brand products have more flexibility than international brands, so they can be developed to provide answers to local consumers' particular needs. That is, local branding can not only provide a unique product but also select its positioning and generate an advertising campaign that reflects local insights. On the other hand, global brands are same all around the world that only allows minor modifications.

b) **Flexibility of Pricing Strategy:** Pricing strategies for local brands can be more flexible and thus can take advantage of a brand's strength in specific local markets. Such flexibility can lead to increased profits because prices can be fixed at

higher levels. In contrast, global brands have fixed price and comparisons can be easily made across territories. This is especially true in Europe, following the introduction of the Euro.

c) Possibility Of Responding To Local Or International Competition: A local brand can be used to respond to local or international competition or even to compete against retailer brands. A local brand can be repositioned and the marketing mix adapted accordingly. In contrast, the marketing strategy for a global brand must follow a predefined regional or global marketing strategy.

d) Possibility of Balancing a Portfolio of Brands: A global portfolio that mostly comprises international and global brands can be powerful, but it also presents risks. A problem that arises with one global brand in a particular country can have a negative impact on a worldwide basis. Coca-Cola's case in 1998 in Belgium was an example. Some consumers became sick after drinking a particular group of the product. The news spread quickly and globally, and it had a negative impact on Coca-Cola's brand image. The international media, including the Internet, is now able to spread news and information immediately around the world. Another example is the case of Perrier, which had problems with water purity when benzene was detected in the product. The U.S. Perrier business has never fully recovered from this incident. A lesson that can be learned from these examples is that a brand portfolio with both strong local and strong international brands is in a better position to manage risk on a worldwide basis.

e) Possibility of Responding to Needs Not Covered by International Brands: To benefit from economies of scale, global brands must cover similar segments in many markets. Profitable segments of the markets that are unique to certain countries can still represent attractive opportunities for local brands.

f) Possibility of Fast Entry into New Markets: A company that acquires a local brand also acquires a way to enter a market directly without further large investment. This strategy has been used frequently in the past. For example, Inbev

has become the number-one brewer in the world by aggressively acquiring local leaders over the past ten years. Separately, interviews of international marketers revealed that strong local brands benefit from awareness and brand equity. Local brands also develop close relationships with consumers over time, which leads to a high brand trust.

Kapferer (2000:5) continued as:

g) **Structural Factors:** There are several important structural factors favor local brands. First, one finds "non-frequent purchase", where equity is passed from one generation to another through family tradition. In contrast, in fast-moving categories people tend to change brands much more because of the lower cost of trial. Second, in sectors where the importance of advertising is low, it is very difficult to change consumers' loyalty towards older brands. Local brands benefit more from word-of-mouth and transmission of reputation. Third, in industries where the importance of the sales force is high the relationship between manufacturer and retailer tends to favor local brands. Fourth, when there are few economies of scale, the cost advantage of globalization is reduced. Fifth, if there is a need for local product or packaging adaptation, the manufacturer's market knowledge and capability to adapt also favor local brands. Sixth, although concentrated buyers often prefer to be supplied by global and reliable companies, if the buyers are fragmented, they will probably prefer to work with local operators or brands that can take care of their particular needs. Finally, price accessibility will probably favor local brands. Global brands tend to be controlled by their international price positioning, whereas local brands will adapt completely to their local markets.

h) **Brand Equity Factors:** First, if the local brand has dominant consumer awareness, it already has a huge advantage. In addition, local brands with strong emotional ties to the community whose name has a local meaning have a considerable advantage over global brands, which usually do not benefit greatly from these types of equity in foreign markets. Finally, local brands tend also to develop a high trust relationship with consumers who favor them over global brands.

i) Competitive Factors: If a local brand has developed a strong leadership or a high level of profitability, the company should take advantage of that equity. Local brands with low prices can also help the firm defend itself from distributors' own brands.

j) General Strategy: Local brands can also play a role in facilitating, culturally as well as financially, the introduction of new global brands into a market.

k) Organization: Decentralized companies are better at adapting to local cultures and markets.

l) Environment: Nationalistic sentiment, local norms, and local restrictions are frequently used to create barriers to international global brands. Therefore, international companies can use local brands, which are closely tied to local norms and familiar with local restrictions, to penetrate these markets.

As a summary, one should have in mind that many local brands have a great advantage that results from, among other factors, its cultural awareness, penetration, and market share levels. Therefore, managers should consider the following advice: Strong local brands have a role to play in multinationals' brand portfolios. Local brands help finance globalization. Local brands act as a bridgehead, opening doors to the remaining brand portfolio of the multinational. Local brands facilitate market domination. They are often unique and have exceptional goodwill. However, local brands need to be nurtured by R&D and innovation to regain relevance (Kapferer, 2000:6).

2.2.2.2 Disadvantages of the Local Brands

Local branding has also some drawbacks. One of them is cost. The relatively small volumes of products that local brands sell prevent the brands from generating significant economies of scale in the product or marketing areas (Schuiling and Kapferer 2004:102). It can drive up manufacturing and marketing costs by reducing

economies of scale. It can also create logistics problems as companies try to meet the varied requirements of different regional and local markets (Kotler and Armstrong, 2008:198-200).Moreover, the production scale economy is lost, and the image is disintegrated (Kuvykaite and Mascinskiene, 2010:449). At present, there are various challenges faced by local firms that hinder them to compete with leading global brands present in the local market. One of these challenges is the increasing consumer demands, diversity of new distribution channels and drastic technological changes. These challenges could be overcome if local entrepreneurs react positively with the changes in marketing environment by developing a sound branding strategy matched with local environment (Harun et. al, 2010:255).

Table 4: Advantages of Global and Local Brands from the Company Perspective

Advantages of Local Brand	*Advantages of Global Brand*
a) Better response to local needs	a) Economies of scale
b) Close relationship to customer	b) Strategic appeal (around the world similar image)
c) More flexible (in advertising and pricing, not needing to follow a predefined global marketing strategy, better response to local needs)	c) Cost reduction in all areas (e.g. communication, packaging, marketing, etc.)
d) Flexibility of pricing strategy	d) Speeds up brand's time to market
e) Possibility of responding to local or international competition	e) Long-term sustainability
f) Possibility of balancing a portfolio of brands	
g) Possibility of responding to needs not covered by international brands	
h) Possibility of fast entry into new markets	

Source: Schuiling and Kapferer, 2004, p. 101-110

2.3 CONSUMERS VIEW TO GLOBAL AND LOCAL PRODUCTS

Global products and services and their brands pervade our daily world. On our trips, we stay at hotels like Hilton or Sheraton. We eat at fast-food chains like Burger King, Kentucky Fried Chicken, McDonald's, or Pizza Hut. We drink Coca-Cola, Pepsi Cola, or Seven Up. We smoke cigarettes with brand names like Camel or Marlboro. Our cars are branded BMW, Fiat, Renault, or Toyota and these cars consume brands of gasoline like BP or Shell. We buy our clothing at Benetton or Marks & Spencer. Our personal care products are Chanel, Nivea or Ralph Lauren. Our furniture comes from IKEA. Our durables products are branded Philips, Sony, or Whirlpool. Some prefer a Rolex watch, others a Swatch. We read newspapers and magazines such as The Economist, Cosmopolitan, Marie Claire (Van Raaij, 1997: 260). The conclusion seems to be that the globalization of markets (Levitt, 1983) which is accelerating day by day as the phrase Viswanathan and Dickson (2007:46) have recently used, "onward march of globalization".

The emergence of new information and communication technologies, and advances in logistics and transportation, have accelerated the globalization movement and increased competition, in turn creating more demanding and conscious customers (Nasir and Altinbasak, 2009:18). As firms enter international markets, branding plays an important role in its marketing strategy. Many consumers use brands as clues to indicate product performances, instead of engaging themselves in search of information when deciding between competing brands. Consumers use brands as cues to make decisions to purchase or try products. During the recent years, there has been a great shift from local brands to global brands due to the display of similar needs and preferences by the consumers. As the world is shrinking in to a global marketplace, it is increasingly important to understand the consumers' perception of global brands to local brands. Studying consumer preferences towards global versus local brands have substantial implications in marketing and will serve as a citation for future research. There would also be several reasons for consumers' perceptions and attitudes towards the brand. Thus, there is also a need to uncover the reasons for consumers' preference for global brands over local brands (Natarajan and Thiripurasundari, 2010:41).

It was found that the respondents, who possessed global car brands, preferred their car brands due to factors such as global presence, worldwide reputation, and quality of being a foreign made. Prestige or status had a very little or small influence in their preference for global car brands. It was also inferred from the respondents' conversation that they trusted foreign made cars that had worldwide presence (Natarajan and Thiripurasundari, 2010:46). A consumer from Argentina says, "*Global brands make us feel citizens of the world and we fear their leaving because they somehow give us an identity*" (Baker et. al, 2003:48).

Global car brands were used by the respondents in order to gain extra benefits such as quality, worthiness, and attractiveness. The respondents who possess global car brands felt that it was worth buying global brands due to its superior quality, technological advancements, and reputation as being global. Apart from these, global car brands were often associated by the respondents' to "luxury", "comfortness" and as a "foreign make" (Natarajan and Thiripurasundari, 2010:42).

As consumers become more globally aware, there is a greater challenge for local products, such as agricultural food, to be capable of satisfying rather exacting requirements. Perceptions of higher quality, prestige, and social responsibility are key factors to enhanced consumer value for local or global brands. These consumer perceptions are dependent on the category of product assessed (Frech et al., 2009: 39).

Results indicated that local brands did not benefit from a significantly better quality image. Hence, empirical evidence indicated that global brands seem to have a better quality image than local brands. Global brands may have a higher prestige than local brands due to their relative scarcity and higher price. Furthermore, global brands may also stand for cosmopolitanism. Some consumers prefer global brands because they enhance their self-image as being cosmopolitan, sophisticated, and modern (Frech et al.2009:42).

2.4 BASIC FACTORS THAT AFFECT CONSUMER PREFERENCE FOR GLOBAL BRANDS AND SUPPORTING VARIABLES

Consumer brand perceptions have substantial implications in marketing (Natarajan and Thiripurasundari, 2010:41). During the recent years, a number of multinational companies are reducing their brand portfolios to manageable sizes in favor of global brands (Sankar, 2006:11). Global brands are those recognized and admired throughout the world (Shocker et al., 1994; 153). Globalization has resulted in increased competition as businesses extend their coverage to include a range of domestic and international markets. Therefore, customers have an ever-expanding choice of purchase options, including an increasing proportion of foreign products and brands (Nadiri and Tümer, 2010:444).

The global marketplace is rapidly changing due to unprecedented technological advancement, accelerating globalization, escalating competition, and heightened consumer expectations (Kim et al., 2009:247). Consumer preferences for brands with a global image over local competitors, even when quality and value are not objectively superior, has been proposed as a reason for companies to consider global brands (Shocker et al., 1994; Steenkamp et al., 2003:53). Global brands were perceived as higher quality and more prestigious by Korean and Mexican consumers, compared with their domestic brands (Lee et al., 2008, 166-171). Many global brands have been perceived as possessing attractive attributes such as prestige and quality (Kapferer, 2002:163; Holt et al., 2004:71; Keegan and Green, 2008:331-332). Hassan and Katsanis (1994) claimed that there is a "global elite" which global marketers targeted them with prestigious products such as Mercedes Benz and "global teenager" teenager segment that are offered to products such as Swatch watches (Hassan and Katsanis, 1994:56-59).

There is an alteration of brand portfolios in favor of global brands by several multinational corporations. One of them is the telecom giant Vodafone, which replaces local brand, names by the global Vodafone name. One of the major reasons that cause a shift from local to global brand adoption is globalization (Steenkamp et al., 2003:53). As globalization has accelerated, consumers in many countries are

presented with a large number of brands, both foreign and domestic (Lee et al., 2008:163). The USA has developed many global brands, ranging from fast food such as McDonalds and KFC to fashion such Polo, Levi's, and Guess. These brands are well recognized by consumers around the world, have long-established identities, and are perceived as representing high status and quality (Lee et al., 2008:163).

A study by Steenkamp et al. (2003) investigating consumers from the USA and South Korea found that perceived brand globalness is positively related to both perceived brand quality and prestige, and resulting from this relationship, to the likelihood of a brand purchase. In addition, brand prestige was found to be higher for "global" brand positioning relative to "local" brand positioning strategies (Gammoh et al., 2011:53).

Consumers in developing countries are relatively less affluent than those in developed countries, and this can create a sense of inferiority. Consumers in developing countries often try to imitate the apparently glamorous Western consumption practices and lifestyles and purchase the brands they are exposed to through movies and TV channels, Western tourists, their own workers gone overseas, and their own travel abroad. Since the production and control of popular culture resides in core countries of the West (especially the United States), the brands symbolize wealthy Western lifestyles. This seems highly desirable (Batra et al., 2000:85). Burke (1996:181) associated foreign products with elite power and privilege. Another research, which is important, is that consumption of foreign products is highly desirable to Turks (Ger et al. 1993:105).

Many reasons can explain the acceleration of global brand development. Besides economies of scale that a global brand can bring to the company, the advantage of benefiting from a unique worldwide image across markets is considered by managers as an important advantage to manage brands on a global basis (Schuiling and Lambin, 2005:1).

Global brands usually compete with other global brands. In most countries, Toyota battles Ford and Volkswagen. Nokia faces off against Motorola and Samsung. Sony takes on Nintendo and Microsoft. These global companies must strive for superiority on basics like the brand's price, performance, features, and imagery; at the same time, they must learn to manage brands' global characteristics, which often separate winners from losers. Consumer understandings of global brands are framed by the mass media and the discussions that spread over the Internet. Companies must monitor those perceptions constantly (Holt et al., 2004:73-74).

In addition, globally positioned brands are likely to have special credibility and authority (Alden et al. 1999:75). Global brands signal quality and aspiration (Johansson and Ronkainen, 2005:352). There are important advantages derived from the consumption of global brands, because they are perceived to be more value added for the consumer, either through better quality, as a function of worldwide acceptance, or by enhancing the consumer's self-perception as being cosmopolitan, sophisticated and modern (Merino and Gonzales, 2008:16).

As pointed out by Steenkamp et al. (2003:53), more and more companies are moving toward global brand positioning because consumers seem to have a greater preference for brands with "global image" over local competitors, even when quality and value are not objectively superior. Consumers may believe that global brands confer a sense of better quality, status, and prestige, and would convey the image of their being a part of global consumer culture (GCC). Companies may take advantage of such image-enhancing effects by positioning brands as" global" in their marketing communications or advertisements (Zhou et al., 2008:337). As globalization has accelerated, consumers everywhere can choose from a large number of brands, both foreign and domestic. Such a large number of brands across nations evoke issues of whether consumers from different markets perceive brands differently and, consequently, how the brand image perception affects consumers' purchasing behavior across nations (Hsieh, 2002:46). Toward the end of the twentieth century, much of popular culture became global. As nations integrated into the world economy, cross-border tourism and labor mobility rose; TV channels, movies, and music became universally available to consumers; and, more recently, Internet

growth has exploded. Those factors force people to see themselves in relation to other cultures as well as their own. For instance, consumers everywhere have to make sense of the world vis-à-vis Hollywood and Bollywood films, CNN news reports, hip-hop, and Sufi music (Holt et al., 2004:70).

A Spanish consumer agreed: "*I like global brands because they usually offer more quality and better guarantees than other products*." That perception often serves as a rationale for global brands to charge premium prices. Global brands "*are expensive, but the price is reasonable when you think of the quality*", pointed out a Thai participant. Consumers also believe that transnational companies compete by trying to develop new products and breakthrough technologies faster than rivals do. Global brands "*are very dynamic, always upgrading themselves*", said an Indian. An Australian added that global brands "*are more exciting because they come up with new products all the time, whereas you know what you'll get with local ones*". Consumers look to global brands as symbols of cultural ideals. They use brands to create an imagined global identity that they share with like-minded people. Transnational companies therefore compete not only to offer the highest value products but also to deliver cultural myths with global appeal. "*Global brands make us feel like citizens of the world, and they somehow give us an identity*," an Argentinean consumer observed. A New Zealander said, "*Global brands make you feel part of something bigger and give you a sense of belonging*." A Costa Rican expressed his feelings by saying: "*Local brands show what we are; global brands show what we want to be*". Fifty-five percent of respondents, on average, rely on the global success of a company as a signal of quality and innovation (Holt et al., 2004:71-73).

A number of well known global brands have derived much of their sales and profits from nondomestic markets for years such as Coca Cola, Shell, Rolex, and Marlboro. A number of other factors have also contributed to the growing interest in global marketing, including perception of slow growth and increased competition in domestic markets, belief in enhanced overseas growth and profit opportunities, desire to reduce costs from economies of scale, need to diversify risk and recognition of global mobility of customers. There are advantages to have global marketing

programs from the perspective of companies such as having economies of scale in production and distribution, lower marketing costs, power and scope, consistency in brand image, ability to leverage good ideas quickly and efficiently and uniformity of marketing practices. There are also disadvantages such as differences in consumer needs, wants and usage pattern or products, differences in consumer response to marketing mix elements, differences in brand and product development and the competitive environment, differences in the legal environment, marketing institutions and administrative procedures (Keller, 2008:591-596). However, going global is always going to be expensive and difficulty but seems a prize worth aiming for (Randall, 1997, 127).

2.4.1 Perceived Brand Globalness

In the literature perceived brand foreignness (PBF) or perceived brand globalness (PBG) are interchangeably used to describe the consumer's perception of a global product. PBG is different from the brand of- origin construct documented in literature. Brand-of-origin is mostly associated with one specific country, as it is often reflected by the made-in label in the country-of-origin literature (Jacop, 2010:32).

One central construct that has emerged recently is that of "perceived brand non-localness or foreignness" (Batra et al. 2000). According to Batra et al. (2000), perceived brand foreignness (PBF) or globalness (PBG) refers to a consumer's perception that a brand is of foreign or non-local origin. It is different from the traditional country-of-origin construct documented in the literature because the latter is associated with one specific country, as is often reflected by the made-in label. Instead, PBG represents more generalized perceptions of a brand as of foreign images or appeals (Zhou et al., 2010:202). Zhou et al. also stated that the evidence has shown that foreign brands, especially those from Western or other developed countries, benefit from consumer perceptions of non-local brand image associations (e.g., Ger et al. 1993). It has been explained that foreign image appeals are generally associated with a glamour that local brands cannot compete with, especially among consumers in developing countries (Alden et al. 1999; Batra et al. 2000).

Global image associations are not a privilege that only foreign brands have; they may also be attached to local brands. For example, most Chinese consumers may perceive Lenovo (a Chinese brand that acquired the personal computer division of IBM in December 2004) to be high in brand foreignness due to its prominent appearance in the global market. Similarly, Eckhardt (2005) revealed that a local pizza brand in India was strongly associated with "something foreign" due to local consumers' impressions of pizza as a foreign product category. In fact, an increasing number of firms in developing markets have attempted to take advantage of the equity of foreign (mostly Western) country images, and to build and enhance the appeal of their products by using. Today, more and more firms from emerging economies are using foreign image association strategies as important components of their branding and marketing communication strategies (Zhou et al., 2010: 202-203).

Like Levitt's argument of convergence of the consumers around the world as a result of the inexpensive travel and new technologies and Ohmae's argument of marketers' behavior to triad as a single market, there are global consumers that have similar educational backgrounds, income levels, lifestyles, spending leisure times (Czinkota et al., 1994:511). In such an atmosphere, foreign brands are generally in an advantageous position when competing with local brands for the creation of more positive brand perceptions (Zhou et al., 2010: 205-206). The firms believe that foreign appeals bring about a higher quality perception and increase social status for their brands (e.g., Eckhardt 2005; Ger and Belk 1996). On the other hand, some brands seem local even if they are known to be international. Many people in Britain will have thought of Ford as British (Randall, 1997, 126). At al events, marketers and advertisers have put tremendous effort into associating their brands with desirable international images (Zhou et al.2010:204).

The degree of brand globalness lies in the perceptions of consumers and the identification of a brand, as being local or global cannot be made independent of consumers (Aydinoglu and Batra, 2009:3). Previous research has asserted that perceived brand globalness is associated to brand quality and prestige (Steenkamp et

al, 2003; Aydinoglu and Batra, 2009; Batra et al.2000) and higher esteem (Johansson and Ronkainen, 2005:340).

A brand's perceived globality has been found to be positively related to perceived quality, prestige and purchase likelihood. Similar findings on country-of-origin effects favoring foreign brands over local versions are common for many developing and emerging countries (Johansson and Ronkainen, 2005:339-340). Perceived Brand Globalness (PBG) is positively associated with both brand quality and prestige. The researchers found that both in Korea and the U.S.A., PBG exerted its strongest effect on purchase likelihood through perceptions of superior quality. Although global brands were found to communicate higher prestige and status, quality appears to be more heavily weighted by consumers. The study affirms that local brands benefit from strong brand equity and specifically, local brands benefit from higher consumer awareness than international brands do, and they enjoy a strong brand image (Sankar, 2006:9-14).

PBG is not confined to any particular country stereotypes; rather, it represents more generalized perceptions of a brand being "of foreign origin", "made somewhere in Europe", or "not from here". PBG has also a positive impact on brand beliefs and attitudes (Zhou et al., 2010: 204). This image-enhancing effect on consumer perceptions of brand superiority is considered more pervasive in developing or emerging countries (Batra et al. 2000:85).

The competitive advantage of foreign brands lies in not only country image associations, but also other brand-related beliefs (e.g., product performance and attributes) (Zhou et al., 2010:206). With a strong global brand, multinational corporations can penetrate many different countries and build on their superior brand images in the minds of local consumers (Holt et al. 2004:69).

Alden et al. (1999:75) pointed out that foreign culture brand positioning is a viable marketing communication strategy to enhance brand value across different countries of cultures. Steenkamp et al. (2002) showed that perceived brand

globalness is positively associated with both the perceived brand quality and perceived brand prestige leading consumers to purchase the global brands; their study also concludes that consumers with low ethnocentrism have stronger quality association with the global brands (Akram and Merunka,2010:2-3).

The local brands can also take the advantage of the patriotic sense associated with the usage of the local brands to survive in this competitive world (Akram and Merunka, 2010:3). The issue here is whether a brand benefits from consumer perception that it is "global" - a perception that can be formed only if consumers believe the brand is marketed in multiple countries and is generally recognized as global in these countries. Such a perception can be formed in one of two ways. First, consumers may learn that the same brand is found in other countries, through media exposure (for example seeing the brand name in coverage of an overseas sports or concert event), word of mouth (friends or relatives returning from abroad passing on the news), or their own travel overseas. Second, a brand may assert or imply its "globalness" even if it is not available worldwide, through marketing communications that use brand names, endorsers, advertising themes, packaging and other symbols widely associated with a 'modern', urban lifestyle (Sttenkamp et al., 2003: 54).

Chinese consumers prefer to purchase global brand luxuries than domestic made luxuries that possibly may have comparable product quality, design, features, and so forth. Therefore, the problem is that Chinese consumers are willing to pay much higher (or premium) prices for global-branded and or imported luxury fashion goods to enhance and maintain their social status and self-concept due to possible preconception and or overstatement about global brands compared to their domestic counterparts (Jap, 2010: 91). Perceived Brand Globalness thus creates a competitive advantage that a firm seeks (Zdravkovic, 2007, 92).

2.4.2 Perceived Brand Quality

Quality is defined broadly as superiority or excellence (Zeithaml, 1988:3) and when it is said just quality, it means objective or actual quality which refers to the technical, measurable and verifiable superiority of products or services on some predetermined ideal standards, processes and quality controls (Leh and Lee, 2011:38; Clodfelter and Fowler, 2001:2; Zeithaml, 1988:4). It closely relates to technical superiority of a product and it is the extent to which the product or service delivers superior service (Aaker, 1991: 85) but perceived quality is customers' perception of the overall quality of superiority of a product or service compared to alternatives (Keller, 2008:195) so objective quality differs from perceived quality (Tsiotsou, 2005:1) since perceived quality is a perception of customers.

Perceived quality cannot be objectively determined because it is a perception and it involves judgments about what is important for customers. Customers differ sharply in their personalities, needs and preferences (Aaker, 1991: 85). Thus, perceived quality is a subjective notion that exists in consumers' minds (Anselmsson, Johansson, Persson, 2007:403; Charters and Pettigrew, 2006:629) and differs from objective quality by having a higher degree of abstraction (Zeithaml, 1988:3). However, Maynes claims that objective quality does not exist and all quality judgments are subjective (Maynes, 1967:546) because quality is all about perceptions (Aaker and Keller, 1990:29; Anselmsson, 2007:414). In addition, managers' view about quality may differ from consumers' or users' views of quality where managers see workmanship and performance as core components of quality and consumers see durability, appearance and cleanability as core components of quality (Zeithaml,1988:5).

Consumers impossibly can make complete and correct judgements of the quality (Anselmsson, 2007:403; Fayrene and Lee, 2011:38) and consumers do not always have complete information (Clodfelter and Fowler, 2001, 1) even there is a objective product quality. Bredahl (2003) stated that in consumer research, it is not logical to talk about product quality per se because consumers have subjective

quality perceptions about a product, which is also shaped by their previous knowledge. Therefore, from a consumer perspective, quality research concerns perceived quality and not quality in an objective sense (Bredahl, 2003:65).

The most common definition of perceived quality belongs to Zeithaml. She defined perceived quality as "*a global assessment of a customer's judgment about the superiority or excellence of a product*" (Zeithaml, 1988:3). It is, at the same time, one of the key dimensions of brand equity (Aaker, 1996:109). Further researches about the subject defined the concept in the same way (For example: Keller 2008:195; Chattopadhyay et al., 2009: 111; Tsiotsou, 2006:210; Aaker, 1991: 85; Aaker & Keller, 1990: 29). Kirmani and Baumgartner (2000) extended the definition as "*perceived quality is consumer's evaluation of a brand's overall excellence based on intrinsic (e.g., performance, durability, features) and extrinsic (e.g., price, brand name, warranty) cues*" (Kirmani and Baumgartner, 2000: 300). Other definition focuses on customers' subjective judgment of a product's "*perceived ability to deliver an expected bundle of benefits relative to benefits offered by other products*". Some benefits may be perceived as functional, while others may appeal to one's senses or emotions (Compeau, Grewal, and Monroe 1998, 297).

Monroe and Krishnan in 1985 defined perceived quality as "*perceived ability of a product to provide satisfaction 'relative' to the available alternatives*" (Monroe and Krishnan, 1985: 212 as cited in Compeau et al. 1998 :297) but more recently it is stated that perceived quality differs from satisfaction. A customer can be satisfied because he or she had low expectations about the performance level. It also differs from attitude. A positive attitude can be generated because a product of inferior product is inexpensive. Conversely, person may have a negative attitude toward a high-quality product that is overpriced (Aaker, 1991: 86).

For Tsiotsou (2005:1), perceived quality is one of the most important constructs in marketing. Considerable research about perceived quality has mainly focused on services marketing (Cronin & Taylor, 1992; Parasuraman, Zeithaml & Berry 1996; Bloemer, Ruyter, Wetzels 1999; Bigné, Moliner, Sánchez 2003). The

relationship between perceived quality and other marketing variables for goods rather than services have not been studied extensively in marketing (Tsiotsou, 2005:1). Moreover, work that integrates the role of perceived quality within the context of global marketing variables like global and local brands has received less attention. For customers the quality of the brand is an important aspect when forming a perception about the brand (Arslan and Altuna, 2010:172). The customer evaluates the brand according to his/her perceptions of quality which is "*sometimes more difficult than actually delivering high quality*" (Aaker, 1990:48).

Perceived quality has attracted the interest of practitioners and researchers because of a belief in its beneficial effects on marketing performance. There is belief that high perceived quality leads to repeated purchases (Tsiotsou, 2005:1) and a primary factor believed to have an influence over the purchase intention for foreign products is perceived quality (Ergin and Akbay, 2010:511). Consumers may view the same products of equal quality quite differently. That perceived quality, in turn, would affect their purchase behavior (Clodfelter and Fowler, 2001: 1). The purchase process followed by customers involves perceiving the product and considering its availability, quality, price and the marketing activities (Iglesias and Guillén, 2004:373).

In the recent years, as the number of foreign brands increase, competition among brands has become more complicated. As a result, many foreign brands compete with older local brands, and this is more prevalent in developing markets such as Turkey. The consumers in developing markets purchase foreign products with different intentions. Researches which study the underlying psychological reasons that drive consumers' purchase decisions is very important because this help marketers understand why consumers in developing countries choose to purchase foreign products. Further studies that search for consumers' purchasing intentions can help support and enhance the strategic positioning of the foreign products (Ergin and Akbay, 2010:510).

For global brands, the importance of perceived quality is also evident (Atilgan et al. 2009:119) It was found that global brands are the signals of quality in consumer perceptions a company's global stature indicates whether it excels on quality (Holt, Quelch, and Taylor,2004:71)

Since perceived quality is linked to purchase decisions, it can make all elements of the marketing program more effective. If the perceived quality is high, the job of advertising and promotion is more likely to be effective. It also provides the option of charging a premium price and the premium price can increase profits. With the perceived quality a strong brand may have chance to extend further by using the brand name to enter new product categories. Perceived quality is also regarded as important to long-run business success. In a study of 248 different businesses, "reputation for high quality" was selected as the most important factor for sustainable competitive advantage (Aaker, 1991: 87-90).

Perceived quality is something to do with price premium. A price premium can be charged for quality product. Consumers are willing to pay price premium when they perceive higher quality (Seetharaman et al., 2001:245). Achieving high quality is not enough unless actual quality is translated into perceived quality (Aaker, 1991: 90). Customer perceptions of quality can be created through quality signals such as price levels or communicating a quality message by offering meaningful guarantees or informing customers with unbiased confirmation of quality (Aaker, 1991: 101).

Perceived quality directly influences buying decisions (Serrao and Botelho, 2008:22). Perceived quality is related to a consumer's opinion on the extent to which a particular product will be able to meet his expectations. In this regard, perceived quality has nothing to do with the actual performance of the product. However, perceived quality can have a great impact on a brand's equity: the higher the perceived quality of a brand, the greater will be its brand equity. It is important that a customer perceives a brand to be of high quality because it will increase the brand preference (Gill and Dawra, 2010:193).

Brucks et al. proposed six quality dimensions for durable goods. These are ease of use which refers clarity of the instructions; versatility which allows consumer to use the product in more flexible way; durability which involves the length of time the product works properly ; serviceability involves the consumer's ease of obtaining repair service and the responsiveness of the service personnel ; performance which refers to how well the product does what it is supposed to do ; and lastly prestige involves how well the product communicates superiority to the purchaser (Brucks et al., 2000:361). Their research demonstrates that brand name is better than price as an indicator of quality, and that a high price alone does not suggest quality without the validation of a brand name (Seitz, 2010:237). Gill and Dawra also stated that brand name, product design, packaging, advertisements, and other brand identities are the types of information that communicate the unobservable quality. These elements can help build favorable perceived quality in the minds of the consumers (Gill and Dawra, 2010:194).

2.4.3 Brand Image

It is clear that the concept of brand image has been of great significance in consumer behavior research (Dobni and Zinkhan, 1990: 118). Brands let consumers express who they are, what they are, where they are, and how they want to be viewed. Just as people can be described in terms of their personality as perceived by other people, brands can be described in terms of their image as perceived by consumers (Graeff, 1997:49-50). Brand image is sometimes confused with brand equity (Chang and Liu, 2009:1689). Biel (1992:7) suggests that brand equity reflects value; whereas brand image is the associations, the consumer might have with a particular brand.

Brand image is the concept of a brand that is held by the consumer. It is largely a subjective and perceptual phenomenon that is formed through consumer interpretation, whether reasoned or emotional (Dobni and Zinkhan, 1990: 118). Brand image relates to the consumer's perception of the brand (Nandan, 2005:266). Brand image is defined as 'the consumer's perceptions toward a particular brand

name' (Chang and Liu, 2009:1689). Brand image has been an important concept in consumer behavior research since the early 1950s (Dobni and Zinkhan, 1990: 110). It is a body of brand-related information developed over time by consumers (Chang and Liu, 2009:1691).

Brand image is the concept often used to express consumers' interpretations of the actual characteristics of the product. The early definitions of brand image include "sum of the total impressions" (Herzor, 1963) and "everything that the people associate with the brand (Newman, 1957: as cited from Kirmani, and Zeithaml, 1993:146). Brand image has been considered a vital part of a firm's marketing program, not only because it serves as a foundation for tactical marketing-mix issues but also because it plays an integral role in building long-term brand equity (Hsieh,2002:47). Dobni and Zinkhan (1990:118) defined brand image as *the concept of a brand held by the consumer and is largely a subjective and perceptual phenomenon formed through consumer interpretation*". Keller (1993:3) defined as "*the perceptions about a brand as reflected by the brand associations held in consumer memory*". Brand image is as a cluster of attributes and associations that consumers connect with the brand name (Biel, 1992:8). For consumers, brand associations contain the meaning of the brand (Keller, 1993:3). In other words, brand image is what comes to the mind of the consumer when a brand name is mentioned (Arslan and Altuna, 2010:172).

Brand image is the representation of the brand in the mind of the consumer. It is what consumers see of the brand and how they perceive it and mentally integrate all messages. It is the association network in the minds of the consumers. In the global sense, understanding how the brand is perceived requires detailed consumer research. In individualistic cultures such as Western cultures, the image can be like a human being with unique characteristics. In collectivistic cultures, it can be quality and the trust to suppliers, which shows the product, is a part of a trusted family of products For example, the brand Hello Kitty has different image and meaning in different cultures. In Japan, teens and grown up women prefer it while only small kids in United States (de Mooij, 2009:275-278).

Brand image is consumer perception of a brand, including its personality or character and the associated emotions and associations stored in consumer mind. A marketer can give any image to the brand, successful, sportive, charming, and sophisticated or any combination of personality traits. While Calvin Klein's Eternity perfume is romantic, Adidas is sportive. Similarly, firms can create corporate images. For example, General Electric is innovative and forward looking (Lantos, 2010: 327).

A brand image, be it a person or a product, is always defined through the eyes of others. It is how your brand is perceived by those around you. That perception may be different from your brand identity, which is what you would like to stand for, and what you would prefer project to others. The brand image is the total picture of how consumers think of a brand. For example if a brand promises high quality experience and then falls short, the image is deteriorated. Conversely, if a brand gives more than expectations, the image is flourished. Therefore, brand image is something that is always on the move and the intent is to constantly flourish the image (Wilson and Blumenthal, 2008: 58-59).

Brand image is a subjective and perceptual phenomenon and not inherent in the technical, functional or physical aspects of the product (Kirmani, and Zeithaml, 1993:146). It includes all the associations that consumers connect with the brand which make brands distinctive and strong and that are nonfunctional. For example Coca-Cola is "All-American" and Mercedes is "prestigious" (Batra and Homer, 2004: 318). Brand image is said to result from the favorability, strength, uniqueness and types of brand associations held by the consumer (Oakenfull and McCarthy, 2010: 281; Keller, 1993:3). Other associations include perceptions of brand quality and attitudes toward the brand (Low and Lamb, 2000:350)

Some marketing tools that may be used to create brand image are, the product itself, its packaging/labeling, the brand name, the logo, the colors used, the point of purchase promotions, the retailer, the advertisements and all types of other

promotions, pricing, owner of the brand, country of origin, even target market and users of product (Arslan and Altuna, 2010:172).

Organizations seek to convey a certain image for the brand through branding strategies and advertising messages. However, consumers evaluate the company's message through their own subjectivity. People will use their own interpretations and will respond differently to brands. This subjective evaluation results in the formation of brand image in the mind of the consumer. The company encodes and sends a message to the consumer who decodes the message based on his or her frame of reference. A communication gap can exist if there is a discrepancy between the encoding and decoding processes. It is, therefore, important that the brand message is conveyed clearly (Nandan, 2005:265). For example, Lexus may be associated with luxury and status, while Volvo may have safety associations in the mind of the consumer. McDonald's may be associated with a symbol such as the Golden Arches, or children may link the fast-food giant to a place where they can have fun (Nandan, 2005:267).

Consumers form an image of the brand based on the associations that they have remembered with respect to that brand (Nandan, 2005:267). These associations can be "hard": they can be specific perceptions of tangible/functional attributes, such as speed, premium price, user friendliness, length of time in business, or number of flights per day. They can also be "softer" or more emotional attributes, like excitement, trustworthiness, fun, dullness, masculinity, or innovation. A brand like Apple might be associated with youthful Ingenuity, while IBM might be linked to efficiency (Biel, 1992:8).

Creating an attractive image for brand and linking it with a unique brand name will contribute to an absolute differential for a brand. McDonald's has succeeded in creating a unique image among its fans, whereby it is considered as a restaurant that is trustworthy which offers quality foods, good services, cleanliness, value to consumers, and comfort (Harun et. al,2010:255-256).

People buy products or brands for something other than their physical attributes and functions (Dobni and Zinkhan, 1990: 110). Brand image is not inherent in the technical, functional, or physical concerns of the product. Rather, it is affected and molded by marketing activities, by context variables, and by the characteristics of the perceiver. Where brand image is concerned, the perception of reality is more important than the reality itself (Dobni and Zinkhan, 1990: 118).

Brand image perception builds on the consumer's brand associations and attitude (Hsieh, 2002:47) it is what exists in the minds of consumers. It is the total of all the information they have received about the brand, from experience, word of mouth, advertising, packaging, service and so on. The information is modified by selective perception, previous beliefs and social norms (Randall, 1997, 6). With its emphasis on brand meanings, brand image perception provides more valuable managerial implications in marketing strategy development (Hsieh, 2002:47).

A strong and consistent global brand image might be one of the core asset-based ownership advantages of a global company that contributes to the company's successful global market expansion. Assuming the homogeneity of consumers, transnational corporations tend to employ standardized global brand image strategies rather than localized ones. Establishing a consistent brand image globally, while not adapting brand image strategies to cultural values and other characteristics of individual markets is not an easy task. Standardized brand image strategies should be modified and adapted according to cultural and consumption differences across nations (Park and Rabolt, 2009:715-716). For example, Marlboro has succeeded in becoming a global brand, and consumers all over the world are aware of the image and the meaning that it conveys (Nandan, 2005:271).

Despite the growing importance of global brand image in the international marketing arena, studies to understand the differences in global brand image between the home market and foreign markets are still limited. Most of the attention on brand image has focused on identifying the relationship between brand image and consumer behavior at the national level (Park and Rabolt, 2009:718).

2.4.4 Ethnocentrism and Consumer Ethnocentrism

Before addressing consumer ethnocentrism, the broader concept of ethnocentrism must be reviewed. Despite globalization, barriers to success in foreign markets remain (Kwak et al., 2006:368). One such barrier is ethnocentrism. Ethnocentrism is a universal syndrome of discriminatory attitudes and behaviors which include seeing one's own group as virtuous and superior, one's own standards of value as universal, and out-groups as contemptible and inferior (Hammond and Axelrod, 2006: 926). Ethnocentrism was first defined in 1906 as:

> *"the view of things in which one's own group is the centre of everything, and all others are scaled and rated with reference to it"*
> (Sumner,1906:13).

In the management literature, the company's personnel can be described as ethnocentric, polycentric, regiocentric and geocentric. A person who assumes that his or her home country is superior to the rest of the world is said to have an ethnocentric orientation. Ethnocentric companies that conduct business outside the home country can be described as international companies. They think that the products succeed in the home country are superior. This point of view leads to a standardized marketing strategy based on the idea that products can be sold everywhere without adaptation. Second one is the polycentric orientation which is the opposite of ethnocentrism. According to this approach, each country is unique. This point of view leads to adaptation marketing strategy. Third one is the Regiocentric Orientation. In this approach, region becomes the relevant geographic unit and the management goal is to develop an integrated regional strategy. Fourth one is the Geocentric Orientation which sees the whole world as a potential market and tries to develop global strategies (Keegan and Green, 2008:17-22). However, from the consumer perspective, it is expected that ethnocentric consumers have tendency to buy local products rather than global ones.

In the sociological literature, the construct of ethnocentrism describes the tendency of people to reject people who are culturally dissimilar and at the same time to favor those who are more like themselves (Batra et al., 2000:87). Thus, the

ethnocentrism concept is a potential handicap for firms aiming to enter overseas markets (Ranjbarian et al.2010:372). It is considered to be one of the factors that oppose internationalism (Wind et al., 1973:19). Attitudinally, ethnocentric people see the in-group as superior to out groups (Neuliep et al.2005:42). Nationalism and ethnocentrism are similar in the sense that they both usually involve positive attitudes toward an in-group and negative attitude towards some or all out-groups but they are not equal completely. Nationalism, more often than ethnocentrism, involves loyalty to political entity, membership in organized populous group and adherence to formalized ideology (Rosenblatt, 1964:131)

The relevance of ethnocentricity becomes a critical issue when one considers the increasing trend toward free trade and the high pace at which national economies are turning global. For many years, consumers' feelings toward foreign products are a subject of interest both in the field of the consumer behavior and in the international marketing. Thus, marketers need to understand consumers' ethnocentric tendencies in order to develop effective marketing and communication strategies within and outside national boundaries (Nadiri and Tümer, 2010:447).

More specific properties of ethnocentrism include the tendency (1) to distinguish various groups; (2) to perceive events in terms of the group's own interests (economical, political, and social); (3) to see one's own group as the center of the universe and to regard its way of life as superior to all others; (4) to be suspicious of and disdain other groups; (5) to view one's own group as superior, strong, and honest; (6) and to see other groups as inferior, weak, and dishonest troublemakers (Sharm et al.,1995:27).

The feelings of the consumer toward foreign products have been, for many years, a subject of interest both in the field of the consumer behavior and in that of international marketing. Generally, research carried out has revealed that some consumers are prone to being ethnocentric when evaluating products (Luque-Martinez, 2000: 1355). One of the factors, which may affect a consumer's decision to buy domestic or foreign products, is consumer ethnocentrism (Ranjbarian et al.,

2010:372). It indicates a general proclivity of buyers to shun all imported products irrespective of price or quality considerations due to nationalistic reasons (Shankarmahesh, 2006:147). The phenomenon of consumer preference for domestic products, or prejudice against imports, has been termed economic nationalism, cultural bias against imports, or consumer ethnocentrism. All these terms find their origin in the general concept of ethnocentrism (Sharma, Shimp and Shin, 1995:26). People who are highly consumer ethnocentric feel that purchasing foreign products is wrong because it hurts the domestic economy, results in loss of jobs, and is unpatriotic. They also feel a sense of belonging to their consumer ethnocentric in-group, which results in an understanding of what purchase behaviors are acceptable or unacceptable to the in-group. In contrast, the non-ethnocentric individual evaluates products more objectively, regardless of country of origin (Netemeyer et al., 1991:321)

One argument in favor of the universality of consumer ethnocentrism is that consumers in any macroeconomic context will differ in their beliefs and preferences: some consumers will feel that it is immoral and inappropriate to purchase foreign goods while others will not (Klein et al.2006:305). In particular, consumer ethnocentrics reflect significantly lower education, income, and social class levels (Shimp, 1984:286).

Research on consumer ethnocentrism may be an important step toward better understanding of the way in which individual and organizational consumers compare domestic with foreign products, as well as the reasons that lead them to develop patriotic prejudices against imports. Highly ethnocentric consumers tend to make biased judgments, so that they over-evaluate domestic products unreasonably, in comparison with imported products. These consumers tend to emphasize positive aspects of domestic products and to undervalue the virtues of foreign products (Luque-Martinez, 2000: 1353).

Shimp and Sharma (1987) found that ethnocentric consumers object to imported goods because they are harmful to the national economy and cause unemployment, and therefore considered the purchase of imported goods to be an unpatriotic act. They conceptualized consumer ethnocentrism as one of the components of a complex theoretical construct related to the cognitive, affective and normative orientations of the consumer toward products manufactured abroad (Ranjbarian et al.2010:372).

Shimp and Sharma (1987) in their popular research used the term "consumer ethnocentrism" to represent the beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign made products. From the perspective of ethnocentric consumers, purchasing imported products is wrong because, in their minds, it hurts the domestic economy, causes loss of jobs, and is plainly unpatriotic; products from other countries (i.e., out-group) are objects of contempt to highly ethnocentric consumers. To non-ethnocentric consumers, however, foreign products are objects to be evaluated on their own merits without consideration for where they are made (or perhaps to be evaluated more favorably because they are manufactured outside the United States). In functional terms, consumer ethnocentrism gives the individual a sense of identity, feelings of belongingness, and, most important for our purposes, an understanding of what purchase behavior is acceptable or unacceptable to the in-group (Shimp and Sharma, 1987:280). They developed a 17-item scale called CETSCALE (Consumer Ethnocentric Tendencies SCALE) to assess consumers' ethnocentric tendencies. Consumer Ethnocentrism Tendencies Scale (Cetscale) was developed by Shimp and Sharma in 1987 to measure consumer ethnocentric tendencies related to purchasing foreign-versus American made products.

Specifically, consumer ethnocentricity has the following characteristics: first, it results from the love and concern for one's own country and the fear of losing control of one's economic interests as the result of the harmful effects that imports may bring to oneself and countrymen. Second, it contains the intention or willingness not to purchase foreign products. For highly ethnocentric consumers, buying foreign

products is not only an economic issue but also a moral problem. This involvement of morality causes consumers to purchase domestic products even though, in extreme cases, the quality is below that of imports. Not buying foreign imports is good, appropriate, desirable, and patriotic; buying them is bad, inappropriate, undesirable, and irresponsible. Third, it refers to a personal level of prejudice against imports, although it may be assumed that the overall level of consumer ethnocentricity in a social system is the aggregation of individual tendencies (Sharma, Shimp and Shin, 1995:27).

Consumer ethnocentrism is an important concept that is used to understand international marketing phenomena. (Kwak,Jaju and Larsen,2006:367). The consequences of consumer ethnocentricity include overestimation of domestic products or underestimation of imports, a moral obligation to buy domestic products, and preference for domestic products (Sharma, Shimp and Shin, 1995:27). It refers to an exaggerated preference for one's own group and, at the same time, indifference and/or dislike for others. An ethnocentric individual strongly supports traditions, symbols, icons, and products of his or her own culture and, simultaneously, dislikes those of other cultures. Thus, ethnocentrism is learned and is part of an individual's socialization. In addition, ethnocentric tendencies are reinforced by an individual's experiences with outside cultures and the cultures' products (Kwak, Jaju and Larsen,2006:368).

Ethnocentric tendencies comprise a separate issue from evaluations of quality or past experience with a certain product (Herche, 1992:261).It implies that the high ethnocentric tendencies lead to unfavorable attitude toward, lower purchase intention and less support for foreign product (Teo et al. 2011:2806). Consumers who have ethnocentric tendencies are more likely to feel threatened by the domination of other countries' products in their markets. Specifically, consumers who have a high perception that foreign competitors can hurt them personally and/or their domestic economy are more likely to oppose imported products versus those who do not feel this threat (Durvasula and Lysonki, 2006:14).

CET is often confused with "country-of-origin bias" although the two topics are distinct and independent of each other. The concept is independent of the more familiar concept of origin bias. A consumer, for instance, may strongly feel that the value offered by French wine is superior to that of domestic brands and refuse to purchase the foreign wine because of the economic implications (Herche, 1992:261). Thus, CET is more of a "general tendency" to avoid buying foreign products as opposed to a specific "country of origin (COO)" image. Moreover, COO represents the cognitive and affective aspects of consumer decision making, whereas CET symbolizes the affective and normative aspects of buyer behavior (Shankarmahesh, 2006:148).

In literature, there are four broad categories of antecedents, socio-psychological, economic, political and demographic antecedents of CET mentioned and empirically tested in previous research. Socio-psychological antecedents include Cultural openness, which is determined by willingness to interact with people from other cultures and experience some of their artifacts, Patriotism. Patriotism represents love for or devotion to one's country, Conservatism. It is generally understood that conservative persons show a tendency to cherish traditions and social institutions that have survived the test of time, and to introduce changes only occasionally, reluctantly, and gradually, Collectivism-individualism. As collectivists consider the effect of their actions on the larger group or the society, people with collectivistic goals "tend to reveal more intensive ethnocentric tendencies than those with individualistic goals" (Sharma et al., 1995:28). Economic environment According to the framework, during the early stages of transition from a state controlled economy to a market economy, foreign products (Western products in particular) will be preferred because of good quality and novelty, status and curiosity motives. However, as an economy moves to the intermediate stage of transition, nationalistic motives behind purchasing become dominant (Shankarmahesh, 2006:163-164).

Consumers' perceptions of the morality of buying foreign products, or consumer ethnocentric tendencies, are becoming an increasingly important issue for marketers in the global environment. In recent decades international trade has become an increasingly important issue for firms. Marketing managers are now faced with increasing threats from foreign competitors. The growth in international trade has resulted in consumer exposure to products from countries with economic, cultural, and political orientations that differ from those of the domestic market (Herche, 1992:261).

The effectiveness of ethnocentrism in explaining purchase behavior has only recently become a topic of interest in the field of import/export research. Ethnocentric consumers will tend to reject people, symbols and values that are culturally dissimilar, while intra-cultural objects will become recipients of pride and attachment (Herche, 1994: 6).

2.4.5 Prior Experience with Brand

Assessments of quality are similar to attitudinal judgments, and consumers depend on how effectively a specific brand satisfies internal quality standards in their assessment of a brand's overall excellence with regards to their consumption experience (Ergin and Akbay, 2010:511). Consumers can base their brand choice decisions on many sources of information other than advertising such as prior brand usage experiences, package information and point of purchase display information (Baker,1991,12).

Prior brand usage and evaluation are closely associated with consumer post-decision-making processes, such as purchase intention (Jin and Villegas, 2007:247). If the consumer finds the prior experience with a particular brand is favorable, price has a comparatively low level of importance (Liang, 2006:196).

Respondents were asked to indicate how important they considered a range of some attributes included prior brand experience. Respondents indicated reliability, energy saving features and serviceability to be the most important attributes, while prior experience with the brand were the lowest ranked (Seitz,2010:242). Research on "purchase event feedback" has suggested that consumers' prior purchases might influence their current purchase behavior (Bridges et al. 2006:296)

2.5 SELECTION OF PRODUCT CATEGORIES AND BRANDS

The brands consist of viable local (Turkish) and non-local brands. A list of brands was created through –interview with marketing scholars. The categories vary across the nondurable-durable continuum. As a result, a total of 6 brands (3 Global-3 domestic) across 3 product categories (Computer, Ice-Cream, and Blue Jeans) were selected. Among the selected brands, there were internationally recognized names HP, Algida and Levi's, as well as domestic brands including Casper, Panda and Mavi.

The questions of interest here are whether consumer perceptions of brand globalness affect perceived brand quality and brand image. For three product categories, Computer/Electronics (HP, Casper), Ice Cream (Algida, Panda), Textile/Denim (Levi's, Mavi) are used. For each of the category two products are used which one of them is global, one of them is local (country of origin is Turkey). The study interested in whether Turkish students quality perceptions are high for global products and low for local products or not. Thus, the true knowledge about the globalness and localness of products are not important but the perceptions of the sample are. Respondents answered questions covering brand image, brand quality, and the brand's perceived local or nonlocal origin about six brands. Demographic variables such as gender, age, education are used and questions were also asked about prior brand experience.

2.5.1 HEWLETT-PACKARD (HP)

Stanford University classmates Bill Hewlett and Dave Packard founded HP in 1939. HP is a technology company that operates in more than 170 countries around the world. It is one of the world's largest information technology companies (www.hp.com). Hewlett-Packard Company offers various products, technologies, software, solutions, and services to individual consumers and small- and medium-sized businesses as well as to the government, health, and education sectors worldwide (BusinesWeek,2011). As Hp is the global product, Casper, which in the same sector with HP, is used in this thesis as a local brand.

2.5.2 CASPER

It was founded in 1991 by 3 entrepreneurs in Istanbul which produce computers and by-products. It is the first local personal computer (PC) brand of Turkey. It has 65 Casper Store and more than 1200 customer store by 2009. The company has received an award of "The best local computer producer firm" (www.casper.com.tr)

2.5.3 ALGIDA

Algida is the Unilever product. Unilever is the world's biggest ice cream manufacturer. All of its ice cream business is done under the "Heartbrand" brand umbrella. Globally, Algida is known as "Heartbrand" because of its heart-shaped logo. Unilever generally manufactures the same ice-cream with the same names under different brand names. Heartbrand products are sold in more than 40 countries. The Heartbrand operates under different names in different markets (Wall's in the UK and most parts of Asia, Algida in Italy, Turkey, Langnese in Germany, Streets in Australia, Kibon in Brazil, and Ola in the Netherlands) with the same products.. They all have Carte D'Or, Cornetto, Magnum, Viennetta and so on (http://www.unilever.com/brands/foodbrands/heartbrand). Since Algida is the global product, Panda as a local ice-cream brand of Turkey is used.

2.5.4 PANDA

Panda ice-creams are the products of Has Gıda. Panda entered the ice cream industry in 1984 with the foundation of the Has Gıda. It is a local brand and it is Turkey's first industrial ice cream manufacturer where all production is done with world-class standards. Has Gıda's mission is to offer high quality products while maximizing consumer satisfaction. Has Gıda's vision is to offer the most preferred ice cream brands to consumers from all income and age groups. Panda manufactures its products in its modern facilities in Istanbul. Today, PANDA is one the most important players in the Turkish ice cream industry (http://www.panda.com.tr).

2.5.5 LEVI'S JEANS

Levi Strauss & Co. was founded in 1873; the year the company created and patented the world's first blue jeans. The brand is among the most celebrated name in the history of apparel. It is recognized for its quality and originality throughout the world. Around the globe, the name Levi's represents the original, real and unrivaled standard for denim. Levi's jeans has become the most recognizable and imitated clothing in the world. The brand is available in more than 110 countries (http://www.levistrauss.com/).

2.5.6 MAVI JEANS

Founded in Istanbul in 1991, Mavi Jeans designs a full collection of jeans-wear, for young women and men. Turkey's first fashion brand to become global, Mavi has been the leading jeans brand in Turkey since the last 14 years. Mavi is now sold at over, 4000 specialty stores, better department stores and specialty chains in 50 countries including the US, Canada, Turkey, Australia, Germany, Denmark, Netherlands and Russia. Mavi, which means blue in Turkish, is known for high quality, great fitting and fashion-forward premium denim (http://www.shopmavi.us). As it is stated above and also my personal interview with CEO of Mavi Jeans, Cüneyt Yavuz confirms that it is a local brand which aims to become global brand.

He confirms it by stating that they are a local brand but try to be a global brand (23 April 2011, Montana Hotel/Bursa, "Our Amazing Journey from Istanbul to Sydney" Speech & Personal Interview).

CHAPTER THREE

AN APPLICATION ON TURKISH CONSUMERS' PERCEPTION OF SOME GLOBAL AND LOCAL BRANDS

3.1.THE OBJECTIVE OF THE STUDY

Since globalness creates quality perception and higher brand image, this study asks whether it is true for Turkish consumers. It does not include all Turkish consumers but a segment. The objective of the study is to analyze whether Perceived Brand Globalness positively associates with Perceived Brand Quality and Brand Image or not and whether Perceived Brand Quality is positively associates with Brand Image or not. The summaries of tables are found through Crosstabulations and Chi-Square Test shows whether the variables relates positively to another. After these findings, the correlation analysis is done to investigate the strength of the relationship.

3.2. SAMPLE AND DATA COLLECTION

From Dokuz Eylül and Ege University, a sample of 381 business department students and academicians are reached and given a questionnaire by hand and sent web-based questionnaire via e-mail.

A questionnaire consists of three questions about demographic variables includes gender, age and education, one question from Perceived Brand Globalness Scale (Batra et al., 2000 and Steenkamp et al, 2003), two questions from Consumer Ethnocentrism Scale (Shimp and Sharma 1987, Steenkamp et al, 2003), two questions from Brand Image Scale (Batra et al., 2000) and two questions from Prior experience with Scale (Batra et al., 2000) were used. The reason for not using all the questions of the scale is, since they are applied to Turkish people, when they are translated into Turkish language, they give the same or similar meanings. So there would be unnecessary and excess amount of questions could create fatigue. The

questionnaires are collected through web-based survey and by distribution by hand. All respondents are informed about confidentiality of the answers.

Convenience sampling was used for this study and they are collected from the population of 4185 undergraduate, master and PhD Business Department students and a small amount of after doctorate academicians of Dokuz Eylül University and Ege University in Izmir. The sample includes Dokuz Eylül University, Business Department Undergraduate students of Faculty of Business (388 Students), Faculty of Economics and Administrative Sciences (Formal Education: 1366 Students, Evening Education: 1040 Students), Dokuz Eylül University Graduate School of Social Sciences, Department of Business Administration both Thesis and Project Based Master (401) PhD (46) and Postdoctoral (4), Department of Business Administration (English) both Thesis and Project Based Master (93) and PhD (21), Ege University Business department Undergraduate Students (Formal Education: 352, Evening Education: 318, Distance Education: 20), Master (115) ,PhD (25) students and Postdoctoral (5).

From 4185 students, 381 students are reached. The required Samples Size for the population 5000 is shown as 357 with Significance Level 0.05 and Margin of Error = 5% (Yazıcıoğlu and Erdoğan, 2007:72; Sekaran, 2002; 294). So the required sample size is overreached. All questions are answered so there are no missing values. Target brands were presented through their names (i.e., logos were not used).

3.3. QUESTIONNAIRE DESIGN

The online questionnaire form consists of questions regarding the demographic charactrestics of the respondents that are gender, age and education status and one question from Perceived Brand Globalness (Sttenkamp et al, 2003), Perceived brand quality (Sttenkamp et al, 2003), Consumer Ethnocentrism (Sttenkamp et al, 2003) and Brand Image (Batra et al, 2000). One question from existing scales is chosen because when they were translated into Turkish, they were giving so similar, nearly same meaning. Reliability analysis can be done when there

is more than one item in each scale to understand whether the sample gives logical responds or not. Since there is one item for each scale, it was also not needed to evaluate the reliability since the answers do not have chance to be illogical also it is impossible to measure the reliability with one item. In further studies, larger samples can be used with using the whole questions of the scale however; the Chi-square analysis and Correlation Analysis give significant result that is aimed to be found.

The question that was used for this study and in the questionnaire is listed below:

1. **Gender (Female, Male)**
2. **Age (Below 20 / 20-30 / 30-40 / 40 and Above)**
3. **Education (Undergraduate, Master, Doctorate, Post-Doctorate)**
4. **Perceived Brand Globalness (Sttenkamp et al, 2003)**
   a. To me, this is a global brand.
   b. To me, this is a local brand.
5. **Perceived brand quality (Sttenkamp et al, 2003)**
   a. This brand is very low on overall quality.
   b. This brand is very high on overall quality.
6. **Consumer Ethnocentrism (Sttenkamp et al, 2003)**
   a. A real Turkish should always buy Turkish-made products.
   b. It is not right to purchase foreign products.
7. **Brand Image (Batra et al, 2000)**
   a. This brand has a very cheap and poor image
   b. This brand has a very good and high image.
8. **Prior Brand Experience**
   a. Never tried it before.
   b. Used it all the time.

3.4 PRE-TEST

This study begins with a pretest, which asks a small number of respondents, who are relevant to a main study sample. A pres-test was done to 36 people consists of 35 business department students and 1 academician (20 undergraduate, 10 Master, 5 Doctorate students and 1 postdoctoral academician). Three of them misunderstand the question of perceived brand globalness and wrote both local and global for one brand. They have to select either "global" or "local" which is best choice for them since the question is not a true-false question but asks perceptions. Therefore, that question is clarified. Other one is that, since there are six brands and six questions for one of them, there are 36 questions, and some of them had difficulty while completing them. For preventing the fatigue, the questionnaire form is designed again in such a way that fits one page.

3.5   DESCRIPTIVE STATISTICS AND FREQUENCIES

All questions are answered so the values are valid.

3.5.1 Demographic Profile of the Respondents

The respondents are firstly analyzed according to their demographic profile. All respondents answered their demographic information so there are no missing values. Of the 381 respondents, 54% is female and 46 % is male.

Table 5: Gender of the Respondents

GENDER	FREQUENCY	PERCENT
Female	205	**54%**
Male	176	**46%**
TOTAL	381	**100%**

The ages are grouped under four age groups. 26.2% of the respondents belong to the age group Below 20, 61.4% belong to the 20-30, 10% belong to the 30-40, and 2.4% belong to the 40 and above. Age group data of respondents show that more than half (61.4 %) of the respondents are between the age of 20 and 30, demonstrating a relatively young group.

Table 6: Age Groups of the Respondents

AGE	FREQUENCY	PERCENT
Below 20	100	**26.2%**
20-30	234	**61.4%**
30-40	38	**10%**
40 and Above	9	**2.4%**
TOTAL	381	**100%**

Education status of respondents is categorized according to their status as being undergraduate, master or doctorate student, and post-doctorate academician. Of the 381 respondents, 76.1% are undergraduate students, 18.1% are master students, 3.7% are doctorate students, and 2.1% are post-doctorate status academicians. Education status of the respondents show that more than half (76.1%) of the respondents are undergraduate students.

Table 7: Education Status of the Respondents

EDUCATION	FREQUENCY	PERCENT
Undergraduate	290	**76,1%**
Master	69	**18,1%**
Doctorate	14	**3,7%**
Postdoctoral	8	**2,1%**
TOTAL	381	**100%**

3.5.2   Global and Local Perceptions of the Brands (PBG)

Perceived Brand Globalness is measured by asking brands' perceived global or local status by the respondents (Steenkamp et al., 2003). All questions are answered. Of the 381 respondents, 98.2% of the respondents perceive HP as global and 1.8% respondents perceive it as a local brand so nearly all respondents except seven respondents perceive HP as a global brand. 32.5% perceive Casper as global and 67.5% perceive Casper as local brand. More than half of the respondents perceive Casper as a local brand. 83.7% perceive Algida as a global brand while 16.3% perceive it as a local. Again more than half perceive Algida as a global brand. 13.6% perceive Panda as a global brand while 86.4% perceive it as a local brand. More than half perceive it as local brand. 98.4 % perceive Levis as a global brand while 1.6% perceive it as local brand. Like in the HP example, nearly all except 6 respondents perceive it as global. Finally, 48.8% perceive Mavi as a global brand while 51.2% perceive it as local brand. The percentages of global and local perceptions for Mavi are very similar.

Table 8: Perceived Brand Globalness Values of the Respondents

BRAND	GLOBAL PERCEPTION		LOCAL PERCEPTION	
	FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
HP	374	98.2 %	7	1.8 %
CASPER	124	32.5 %	257	67.5 %
ALGIDA	319	83.7 %	62	16.3 %
PANDA	52	13.6 %	329	86.4 %
LEVIS	375	98.4 %	6	1.6 %
MAVI	186	48.8 %	195	51.2 %

3.5.3 Quality Perceptions of the Brands (PBQ)

Perceived Brand Quality is measured by asking whether brands are low or high in overall quality (Steenkamp et al., 2003). Since the focus is not measuring the quality but understanding the quality value tendency towards local and global brands, only low are high choices are used. All questions are answered. Of the 381 respondents, 96.9 % of the respondents perceive HP as a high quality brand while only 3.1 % thinks it is low quality brand so mostly is high quality brand while 68% thinks it is low quality brand. More than half of the respondents think Casper as a low quality brand. 89.8 % think that Algida is a high quality brand while 10.2% perceive it as low quality. 11.5 % perceives Panda as a high quality brand while 88.5% perceive it as a low quality brand. 98.7 % perceive Levis as a high quality brand while only 1.3% perceives it as a low quality one. Like in the HP example, nearly all except five respondents perceive it as high quality brand. Finally, 59.6 % thinks that Mavi is high quality brand while 40.4 % thinks that it is low quality brand.

Table 9: Perceived Brand Quality Values of the Respondents

BRAND	HIGH OVERALL QUALITY		LOW OVERALL QUALITY	
	FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
HP	369	96.9 %	12	3.1 %
CASPER	122	32 %	259	68 %
ALGIDA	342	89.8 %	39	10.2 %
PANDA	44	11.5 %	337	88.5 %
LEVIS	376	98.7 %	5	1.3 %
MAVI	227	59.6 %	154	40.4 %

3.5.4 Brand Image Values of the Respondents (BI)

Brand Image is measured by asking whether the brand has good and high image or cheap and poor image (Batra et al., 2000). All questions are answered. Of the 381 respondents, 98.4 % of the respondents think that HP has good and high brand image while 1.8 % think quite the opposite. For the Casper 36.5 % think, it has good and high brand image while 63.5 % thinks the opposite. For Algida, 89.2 % think it has good and high image while 10.2 % think that it has cheap and poor image. For Panda, 14.7 % think it is god and high image while 85.3 % thinks the opposite. For Levis, a big percentage 99.2 % thinks it has good and high image with only 3 exceptions. For Mavi, 70.9 % think it has good and high image while 29.1 % think the opposite.

Table 10: Brand Image Values of the Respondents

	GOOD AND HIGH IMAGE		CHEAP AND POOR IMAGE	
BRAND	FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
HP	375	98.4 %	6	1.6 %
CASPER	139	36.5 %	242	63.5 %
ALGIDA	340	89.2 %	41	10.8 %
PANDA	56	14.7 %	325	85.3 %
LEVIS	378	99.2 %	3	0.8 %
MAVI	270	70.9 %	111	29.1 %

3.5.5 Consumer Ethnocentrism Vales of the Respondents (CET)

Consumer Ethnocentrism is measured by asking questions of *"A real Turkish should always buy Turkish-made products"* and *"It is not right to purchase foreign-made products"* (Steenkamp et al., 2003). All questions are answered.

Of the 381 respondents, more than half 78 % does not agree with the phrase "A real Turkish should always buy Turkish-made products" and responded as "No" while 22% agrees with the phrase. 92.4 % does not agree with the phrase "It is not right to purchase foreign-made products" and responded "No" while only 7.6% agrees with the phrase.

Table 11: Consumer Ethnocentrism Values of the Respondents

	YES	PERCENTAGE	NO	PERCENTAGE
A real Turkish should always buy Turkish-made products.	84	22%	297	78%
It is not right to purchase foreign-made products.	29	7.6%	352	92.4%

3.5.6   Prior Experience of the Respondents with the Brands

Prior experience with the brand is measured by asking whether they have tried the brand before or not (Batra et al., 2000) because it is important to understand respondents' experiences about brands if they are also asked about quality and image. If they have no experience and find the brands as having high quality, that brand is successful in creating brand image. However, this relation will be given in further part and this table gives only the frequencies of respondents about prior experiences. In this case, 62% have used HP while 38% have never tried. 75% never tried Casper while 25% have used it before. Not surprisingly, for Algida 99% have used it except 4 respondents. For Panda 80% have used it before while 20% have never tried before. For Levis, 79% have used it before while 21% have never used it before. Finally, Mavi is used by 70% while it is not used by 30% before.

Table 12: Values of Prior Experience with the Brands of the Respondents

BRAND	USE IT ALL THE TIME		NEVER TRIED IT BEFORE	
	FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
HP	236	62 %	145	38 %
CASPER	95	25 %	286	75 %
ALGIDA	377	99 %	4	1 %
PANDA	306	80 %	75	20 %
LEVIS	301	79 %	80	21 %
MAVI	265	70 %	116	30 %

3.6 HYPOTHESES

The tables above give the frequencies and the hypotheses below will test whether there is a relationship between PBG, PBQ and BI or not and test the strength of the relationship if there is found significant relationship. Consumer Ethnocentrism and Prior Experience with brand values are used for supporting variables for hypotheses and for giving information. Thus the hypotheses generated are:

H1: Perceived Brand Globalness is positively related to Perceived Brand Quality (PBQ).

H2: Perceived Brand Globalness is positively related to Brand Image (BI).

H3: Perceived Brand Quality is positively related to Brand Image.

3.7 HYPOTHESIS TESTING

For testing the hypotheses, three Local brands (Casper, Panda, Mavi Jeans) and three Global brands which are sequentially doing the same business (HP, Algida, Levis) are used as examples.

3.7.1 Crosstabs And Non-Parametric Correlation Analysis

Cross-Tabulations are used as summary tables by using SPSS 16 to show that the global perceptions of the brands lead to high quality perceptions and good brand images and to show that high quality perceptions lead to good brand images of the brands or vice versa.

Correlation Analysis (Spearman) is done to whether the relationship is strong, moderate or weak and negative or positive. Since the data is non-parametric, Spearman Correlation is used. For all six brands, the correlation coefficients of PBG and PBQ are strong and positively high. Below is the statistical analysis of the hypotheses.

For testing hypotheses 1, 2 and 3, the sub-hypotheses are used for each brand (H1_a,H1_b,…..H2_a,H2_b,….H3_a,H3_b). These are confirmed by the Cross-tabulations with significant p values: 0.00 and then Correlation Analysis is done to test the strength of the relationship. All Correlations are found to be strong or moderate and positive relationships are found.

3.7.1.1 Perceived Brand Globalness and Perceived Brand Quality

It is hypothesized that Perceived Brand Globalness is positively related to Perceived Brand Quality. Tables below show the summary frequencies, which give parallel idea with values and strong correlations are found between PBG and BI of the brands.

H1: Perceived Brand Globalness is positively related to consumer perceptions of brand quality (PBQ).

H1_a: Perceived Brand Quality of HP is high when it is perceived as global (PBG).

Table 13: Crosstabulation of PBG and PBQ of HP

			HP perceived quality		Total
			Very low on overall quality	Very high on overall quality	
PBG of HP Local	Count		7	0	7
	% within PBG of HP		100%	0	100%
	% within HP PBQ		58.3%	0	1.8%
	% of Total		1.8%	0	1.8%
	Global Count		5	369	374
	% within PBG of HP		1.3%	98.7%	100.0%
	% within HP PBQ		41.7%	100.0%	98.2%
	% of Total		1.3%	96.9%	98.2%
Total	Count		12	369	381
	% within PBG of HP		3.1%	96.9%	100%
	% within HP PBQ		100.0%	100.0%	100%
	% of Total		3.1%	96.9%	100%

Table 14: Chi- Square Test of PBG and PBQ of HP

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.193E2[a]	1	.000		
Continuity Correction	188.127	1	.000		
N of Valid Cases[b]	381				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is .22.

b. Computed only for a 2x2 table

Table 15: Nonparametric Correlations between PBG and PBQ of HP

Correlations

			PBG of HP	HP PBQ
Spearman's rho	PBG of HP	Correlation Coefficient	1.000	.759**
		Sig. (2-tailed)	.	.000
		N	381	381
	HP PBQ	Correlation Coefficient	.759**	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

PBG is positively related to consumer perceptions of brand quality of HP with strong correlation coefficient 0.759, p value: 0.00).

H1_b: Perceived Brand Quality of CASPER is high when it is perceived as global (PBG).

Table 16: Crosstabulation of PBG and PBQ of Casper

			Casper PBQ		Total
			very low on overall quality	very high on overall quality.	
PBG of Casper	Local	Count	239	17	256
		% within PBG of Casper	93.4%	6.6%	100.0%
		% within Casper PBQ	92.3%	13.9%	67.2%
		% of Total	62.7%	4.5%	67.2%
	Global	Count	20	105	125
		% within PBG of Casper	16.0%	84.0%	100.0%
		% within Casper PBQ	7.7%	86.1%	32.8%
		% of Total	5.2%	27.6%	32.8%
Total		Count	259	122	381
		% within PBG of Casper	68.0%	32.0%	100.0%
		% within Casper PBQ	100.0%	100.0%	100.0%
		% of Total	68.0%	32.0%	100.0%

Table 17: Chi-Square Table of PBG and PBQ of Casper

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.309E2[a]	1	.000		
Continuity Correction[b]	227.369	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 40.03.

b. Computed only for a 2x2 table

Table 18: Nonparametric Correlations of PBG and PBQ of Casper

Correlations

			PBG of Casper	Casper PBQ
Spearman's rho	Perceived Brand Globalness of Casper	Correlation Coefficient	1.000	.778[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Casper perceived quality	Correlation Coefficient	.778[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

PBG is positively related to consumer perceptions of brand quality of Casper with strong correlation coefficient 0.778, p value: 0.00).

H1_c: Perceived Brand Quality of ALGIDA is high when it is perceived as global (PBG).

Table 19: Crosstabulation of PBG and PBQ of Algida

PBG of Algida * Algida PBQ Crosstabulation

			very low on overall quality	very high on overall quality.	Total
			Algida PBQ		
PBG of Algida	Local	Count	33	29	62
		% within PBG of Algida	53.2%	46.8%	100.0%
		% within Algida PBQ	84.6%	8.5%	16.3%
		% of Total	8.7%	7.6%	16.3%
	Global	Count	6	313	319
		% within PBG of Algida	1.9%	98.1%	100.0%
		% within Algida PBQ	15.4%	91.5%	83.7%
		% of Total	1.6%	82.2%	83.7%
Total		Count	39	342	381
		% within PBG of Algida	10.2%	89.8%	100.0%
		% within Algida PBQ	100.0%	100.0%	100.0%
		% of Total	10.2%	89.8%	100.0%

Table 20: Chi-Square Test of PBG and PBQ of Algida

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.489E2[a]	1	.000		
Continuity Correction[b]	143.405	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.35.

b. Computed only for a 2x2 table

Table 21: Nonparametric Correlation Table of PBG and PBQ of Algida

Correlations

			PBG of Algida	Algida PBQ
Spearman's rho	PBG of Algida	Correlation Coefficient	1.000	.625[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Algida PBQ	Correlation Coefficient	.625[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

PBG is positively related to consumer perceptions of brand quality of Algida with correlation coefficient 0.625, p value: 0.00). The correlation coefficient of Algida with 0.625 is relatively lower than the HP and Casper's correlation coefficient. This is because some consumers find Algida both local and high quality or with high quality image. Algida Ice Creams is almost the one ice cream brand that is available everywhere, known by the all citizens and virtually loved by everyone in Turkey. So this result is expected.

H1_d: Perceived Brand Quality of PANDA is high when it is perceived as global (PBG).

Table 22: Crosstabulation of PBG and PBQ of Panda

PBG of Panda * Panda PBQ Crosstabulation

			Panda PBQ		Total
			very low on overall quality	very high on overall quality.	
PBG of Panda	Local	Count	324	5	329
		% within PBG of Panda	98.5%	1.5%	100.0%
		% within Panda PBQ	96.1%	11.4%	86.4%
		% of Total	85.0%	1.3%	86.4%
	Global	Count	13	39	52
		% within PBG of Panda	25.0%	75.0%	100.0%
		% within Panda PBQ	3.9%	88.6%	13.6%
		% of Total	3.4%	10.2%	13.6%

Total	Count	337	44	381
	% within PBG of Panda	88.5%	11.5%	100.0%
	% within Panda PBQ	100.0%	100.0%	100.0%
	% of Total	88.5%	11.5%	100.0%

Table 23: Chi-Square Test Table of PBG and PBQ of Panda

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.373E2[a]	1	.000		
Continuity Correction[b]	230.208	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.01.

b. Computed only for a 2x2 table

Table 24: Nonparametric Correlations of PBG and PBQ of Panda

Correlations

			PBG of Panda	Panda PBQ
Spearman's rho	PBG of Panda	Correlation Coefficient	1.000	.789[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Panda PBQ	Correlation Coefficient	.789[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

PBG is positively related to consumer perceptions of brand quality of Panda with correlation coefficient 0.789.

H1_e: Perceived Brand Quality of LEVIS is high when it is perceived as global (PBG).

Table 25: Crosstabulation of PBG and PBQ Levis

PBG of Levis * Levis PBQ Crosstabulation

			very low on overall quality	very high on overall quality.	Total
PBG of Levis	Local	Count	4	2	6
		% within PBG of Levis	66.7%	33.3%	100.0%
		% within Levis PBQ	80.0%	.5%	1.6%
		% of Total	1.0%	.5%	1.6%
	Global	Count	1	374	375
		% within PBG of Levis	.3%	99.7%	100.0%
		% within Levis PBQ	20.0%	99.5%	98.4%
		% of Total	.3%	98.2%	98.4%
Total		Count	5	376	381
		% within PBG of Levis	1.3%	98.7%	100.0%
		% within Levis PBQ	100.0%	100.0%	100.0%
		% of Total	1.3%	98.7%	100.0%

The column header "Levis PBQ" spans the two quality columns.

Table 26: Chi- Square Test Table of PBG and PBQ Levis

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.010E2[a]	1	.000		
Continuity Correction[b]	153.041	1	.000		
N of Valid Cases[b]	381				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .08.

Table 27: Nonparametric Correlations of PBG and PBQ of Levis

Correlations

			PBG of Levis	Levis PBQ
Spearman's rho	PBG of Levis	Correlation Coefficient	1.000	.726[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Levis PBQ	Correlation Coefficient	.726[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

PBG is positively related to consumer perceptions of brand quality of Levis with correlation coefficient 0.726.

H1_f: Perceived Brand Quality of MAVI is high when it is perceived as global (PBG).

Table 28: Crosstabulation of PBG and PBQ Mavi

PBG of Mavi * Mavi PBQ Crosstabulation

			Mavi PBQ		Total
			very low on overall quality	very high on overall quality.	
PBG of Mavi	Local	Count	144	51	195
		% within PBG of Mavi	73.8%	26.2%	100.0%
		% within Mavi PBQ	93.5%	22.5%	51.2%
		% of Total	37.8%	13.4%	51.2%
	Global	Count	10	176	186
		% within PBG of Mavi	5.4%	94.6%	100.0%
		% within Mavi PBQ	6.5%	77.5%	48.8%
		% of Total	2.6%	46.2%	48.8%
Total		Count	154	227	381
		% within PBG of Mavi	40.4%	59.6%	100.0%
		% within Mavi PBQ	100.0%	100.0%	100.0%
		% of Total	40.4%	59.6%	100.0%

Table 29: Chi- Square Test Table of PBG and PBQ Mavi

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.853E2[a]	1	.000		
Continuity Correction[b]	182.489	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 75.18.

b. Computed only for a 2x2 table

Table 30: Nonparametric Correlations of PBG and PBQ of Mavi

Correlations

			PBG of Mavi	Mavi PBQ
Spearman's rho	PBG of Mavi	Correlation Coefficient	1.000	.697[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Mavi PBQ	Correlation Coefficient	.697[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

PBG is positively related to consumer perceptions of brand quality of Mavi Jeans with correlation coefficient 0.697, p value: 0.00. This may be because it is Turkey's one of the most popular fashion brand to become global and it is sold at over 50 countries including the US, Canada, Turkey, Australia, Germany, Denmark, Netherlands and Russia (http://www.shopmavi.us/about_mavi.html).Thus even some consumers know that it is local brand, they think it has high quality but anyway most of the consumers confirms the Hypothesis 1 with their replies.

3.7.1.2 Perceived Brand Globalness (PBG) and Brand Image (BI)

It is hypothesized that Perceived Brand Globalness is positively related to Brand Image. Tables below show the summary frequencies, which give parallel idea with values and strong correlations are found between PBG and BI of the brands.

H2: Perceived Brand Globalness is positively related to Brand Image (BI).

H2_a: Brand Image (BI) of HP is perceived as good and high when it is perceived as global (PBG).

Table 31: Crosstabulation of PBG and BI of HP

PBG of HP * HP (BI) Crosstabulation

			HP (BI)		
			has a very cheap and poor image	has a very good and high image	Total
PBG of HP	Local	Count	5	2	7
		% within PBG of HP	71.4%	28.6%	100.0%
		% within HP (BI)	83.3%	.5%	1.8%
		% of Total	1.3%	.5%	1.8%
	Global	Count	1	373	374
		% within PBG of HP	.3%	99.7%	100.0%
		% within HP (BI)	16.7%	99.5%	98.2%
		% of Total	.3%	97.9%	98.2%
Total		Count	6	375	381
		% within PBG of HP	1.6%	98.4%	100.0%
		% within HP (BI)	100.0%	100.0%	100.0%
		% of Total	1.6%	98.4%	100.0%

Table 32: Chi-Square Test of PBG and BI of HP

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.245E2[a]	1	.000		
Continuity Correction[b]	180.928	1	.000		
N of Valid Cases[b]	381				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is .11.

b. Computed only for a 2x2 table

Table 33: Nonparametric Correlations of PBG and BI of HP

Correlations

			PBG of HP	HP (BI)
Spearman's rho	Perceived Brand Globalness of HP	Correlation Coefficient	1.000	.768[**]
		Sig. (2-tailed)		.000
		N	381	381
	HP (BI)	Correlation Coefficient	.768[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a strong correlation between PBG of HP and BI of HP (r = 0.768).

H2_b: Brand Image of CASPER is perceived as good and high when it is perceived as global.

Table 34: Crosstabulations of PBG and BI of Casper

PBG of Casper * Casper (BI) Crosstabulation

			Casper (BI)		
			has a very cheap and poor image	has a very good and high image	Total
PBG of Casper	Local	Count	232	24	256
		% within PBG of Casper	90.6%	9.4%	100.0%
		% within Casper (BI)	95.9%	17.3%	67.2%
		% of Total	60.9%	6.3%	67.2%
	Global	Count	10	115	125
		% within PBG of Casper	8.0%	92.0%	100.0%
		% within Casper (BI)	4.1%	82.7%	32.8%
		% of Total	2.6%	30.2%	32.8%
Total		Count	242	139	381
		% within PBG of Casper	63.5%	36.5%	100.0%
		% within Casper (BI)	100.0%	100.0%	100.0%
		% of Total	63.5%	36.5%	100.0%

Table 35: Chi-Square Test of PBG and BI of Casper

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.474E2[a]	1	.000		
Continuity Correction[b]	243.886	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 45.60.

b. Computed only for a 2x2 table

Table 36: Nonparametric Correlations of PBG and BI of Casper

Correlations

			PBG of Casper	Casper (BI)
Spearman's rho	Perceived Brand Globalness of Casper	Correlation Coefficient	1.000	.812[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Casper (BI)	Correlation Coefficient	.812[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

[**]. Correlation is significant at the 0.01 level (2-tailed).

There is a strong correlation between PBG and BI of (r = 0.812).

H2_c: Brand Image of ALGIDA is perceived as good and high when it is perceived as global.

Table 37: Crosstabulations of PBG and BI of Algida

PBG of Algida * Algida (BI) Crosstabulation

			Algida (BI)		Total
			has a very cheap and poor image	has a very good and high image	
PBG of Algida	Local	Count	38	24	62
		% within PBG of Algida	61.3%	38.7%	100.0%
		% within Algida (BI)	95.0%	7.0%	16.3%
		% of Total	10.0%	6.3%	16.3%
	Global	Count	2	317	319
		% within PBG of Algida	.6%	99.4%	100.0%
		% within Algida (BI)	5.0%	93.0%	83.7%
		% of Total	.5%	83.2%	83.7%
Total		Count	40	341	381
		% within PBG of Algida	10.5%	89.5%	100.0%
		% within Algida (BI)	100.0%	100.0%	100.0%
		% of Total	10.5%	89.5%	100.0%

Table 38: Chi-Square Test of PBG and BI of Algida

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.033E2[a]	1	.000		
Continuity Correction[b]	196.899	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.51.

Table 39: Nonparametric Correlations of PBG and BI of Algida

Correlations

			PBG of Algida	Algida (BI)
Spearman's rho	PBG of Algida	Correlation Coefficient	1.000	.742[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Algida (BI)	Correlation Coefficient	.742[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a strong correlation between PBG and BI of ALGIDA (r = 0.742).

H2_d: Brand Image of PANDA is perceived as good and high when it is perceived as global.

Table 40: Crosstabulation of PBG and BI of Panda

PBG of Panda * Panda (BI) Crosstabulation

			Panda (BI)		Total
			has a very cheap and poor image	has a very good and high image	
PBG of Panda	Local	Count	313	16	329
		% within PBG of Panda	95.1%	4.9%	100.0%
		% within Panda (BI)	96.3%	28.6%	86.4%
		% of Total	82.2%	4.2%	86.4%
	Global	Count	12	40	52
		% within PBG of Panda	23.1%	76.9%	100.0%
		% within Panda (BI)	3.7%	71.4%	13.6%
		% of Total	3.1%	10.5%	13.6%
Total		Count	325	56	381
		% within PBG of Panda	85.3%	14.7%	100.0%
		% within Panda (BI)	100.0%	100.0%	100.0%
		% of Total	85.3%	14.7%	100.0%

Table 41: Chi-Square Test of Panda

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.860E2[a]	1	.000		
Continuity Correction[b]	180.266	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.64.

Table 42: Nonparametric Correlations of PBG and BI of Panda

Correlations

			PBG of Panda	Panda (BI)
Spearman's rho	PBG of Panda	Correlation Coefficient	1.000	.699**
		Sig. (2-tailed)	.	.000
		N	381	381
	Panda (BI)	Correlation Coefficient	.699**	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a strong correlation between them that PBG and BI of PANDA (r = 0.699).

H2_e: Brand Image of LEVIS is perceived as good and high when it is perceived as global.

Table 43: Crosstabulation of PBG and BI of Levis

PBG of Levis * Levis (BI) Crosstabulation

			Levis (BI)		Total
			has a very cheap and poor image	has a very good and high image	
PBG of Levis	Local	Count	3	3	6
		% within PBG of Levis	50.0%	50.0%	100.0%
		% within Levis (BI)	100.0%	.8%	1.6%
		% of Total	.8%	.8%	1.6%
	Global	Count	0	375	375
		% within PBG of Levis	.0%	100.0%	100.0%
		% within Levis (BI)	.0%	99.2%	98.4%
		% of Total	.0%	98.4%	98.4%
Total		Count	3	378	381
		% within PBG of Levis	.8%	99.2%	100.0%
		% within Levis (BI)	100.0%	100.0%	100.0%
		% of Total	.8%	99.2%	100.0%

Table 44: Chi-Square Test of PBG and BI Levis

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.890E2[a]	1	.000		
Continuity Correction[b]	130.403	1	.000		
Likelihood Ratio	26.724	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	188.492	1	.000		
N of Valid Cases[b]	381				

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is .05.

Table 45: Nonparametric Correlations of PBG and BI of Levis

Correlations

			Perceived Brand Globalness of Levis	Levis (BI)
Spearman's rho	Perceived Brand Globalness of Levis	Correlation Coefficient	1.000	.704[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Levis (BI)	Correlation Coefficient	.704[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a strong correlation between them PBG and BI of LEVIS (r = 0.704).

H2_f: Brand Image of MAVI is perceived as good and high when it is perceived as global.

Table 46: Crosstabulation of PBG and BI of Mavi

PBG of Mavi * Mavi (BI) Crosstabulation

			Mavi (BI)		Total
			has a very cheap and poor image	has a very good and high image	
PBG of Mavi	Local	Count	106	89	195
		% within PBG of Mavi	54.4%	45.6%	100.0%
		% within Mavi (BI)	95.5%	33.0%	51.2%
		% of Total	27.8%	23.4%	51.2%
	Global	Count	5	181	186
		% within PBG of Mavi	2.7%	97.3%	100.0%
		% within Mavi (BI)	4.5%	67.0%	48.8%
		% of Total	1.3%	47.5%	48.8%
Total		Count	111	270	381
		% within PBG of Mavi	29.1%	70.9%	100.0%
		% within Mavi (BI)	100.0%	100.0%	100.0%
		% of Total	29.1%	70.9%	100.0%

Table 47: Chi-Square Test of PBG and BI of Mavi

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.231E2[a]	1	.000		
Continuity Correction[b]	120.615	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 54.19.

b. Computed only for a 2x2 table

Table 48: Nonparametric Correlations of PBG and BI of Mavi

			PBG of Mavi	Mavi (BI)
Spearman's rho	PBG of Mavi	Correlation Coefficient	1.000	.568[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Mavi (BI)	Correlation Coefficient	.568[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a moderate correlation between PBG and BI of MAVI (r = 0.568). This relative lowness seems to be due to the some consumers see MAVI both local and having good and high image as in the PBG-PBQ case above.

3.7.1.3 Perceived Brand Quality (PBQ) and Brand Image (BI)

It is hypothesized that Perceived Brand Quality is positively related to Brand Image. Tables below show the summary frequencies, which give parallel idea with values and strong correlations are found between PBQ and BI of the brands.

H3: Perceived Brand Quality is positively related to Brand Image.

H3_a) PBQ of HP is positively related to BI of HP.

Table 49: Crosstabulation of PBQ and BI of HP

HP PBQ * HP (BI) Crosstabulation

			HP (BI)		Total
			has a very cheap and poor image	has a very good and high image	
HP PBQ	very low on overall quality	Count	5	7	12
		% within HP PBQ	41.7%	58.3%	100.0%
		% within HP (BI)	83.3%	1.9%	3.1%
		% of Total	1.3%	1.8%	3.1%
	very high on overall quality.	Count	1	368	369
		% within HP PBQ	.3%	99.7%	100.0%
		% within HP (BI)	16.7%	98.1%	96.9%
		% of Total	.3%	96.6%	96.9%
Total		Count	6	375	381
		% within HP PBQ	1.6%	98.4%	100.0%
		% within HP (BI)	100.0%	100.0%	100.0%
		% of Total	1.6%	98.4%	100.0%

Table 50: Chi-Square Test of PBQ and BI of HP

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.285E2[a]	1	.000		
Continuity Correction[b]	103.168	1	.000		
N of Valid Cases[b]	381				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is .19.

Table 51: Nonparametric Correlations of PBQ and BI of HP

Correlations

			HP PBQ	HP (BI)
Spearman's rho	HP perceived quality	Correlation Coefficient	1.000	.581[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	HP (BI)	Correlation Coefficient	.581[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a moderate correlation between them that PBQ of HP and BI of HP. PBQ of HP is positively related to BI of HP (r = 0.581). This relative lowness compared to other hypotheses seem to be due to the some consumers (4 of the 5 person which makes 80%) thinks that HP creates good and high image even thought they find HP low quality brand after their experience with the brand.

H3_b) PBQ of CASPER is positively related to BI of CASPER.

Table 52: Crosstabulation of PBQ and BI of Casper

Casper PBQ * Casper (BI) Crosstabulation

			Casper (BI)		Total
			has a very cheap and poor image	has a very good and high image	
Casper PBQ	very low on overall quality	Count	225	34	259
		% within Casper PBQ	86.9%	13.1%	100.0%
		% within Casper (BI)	93.0%	24.5%	68.0%
		% of Total	59.1%	8.9%	68.0%
	very high on overall quality.	Count	17	105	122
		% within Casper PBQ	13.9%	86.1%	100.0%
		% within Casper (BI)	7.0%	75.5%	32.0%
		% of Total	4.5%	27.6%	32.0%
Total		Count	242	139	381
		% within Casper PBQ	63.5%	36.5%	100.0%
		% within Casper (BI)	100.0%	100.0%	100.0%
		% of Total	63.5%	36.5%	100.0%

Table 53: Chi-Square Test of PBQ and BI of Casper

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.904E2[a]	1	.000		
Continuity Correction[b]	187.264	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 44.51.

Table 54: Nonparametric Correlations of PBQ and BI of CASPER

Correlations

			Casper PBQ	Casper (BI)
Spearman's rho	Casper PBQ	Correlation Coefficient	1.000	.707**
		Sig. (2-tailed)	.	.000
		N	381	381
	Casper (BI)	Correlation Coefficient	.707**	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a positive and strong correlation between PBQ of CASPER and BI of Casper (r = 0.707).

H3_c) PBQ of ALGIDA is positively related to BI of ALGIDA.

Table 55: Crosstabulation of PBQ and BI of Algida

Algida PBQ * Algida (BI) Crosstabulation

			Algida (BI)		Total
			has a very cheap and poor image	has a very good and high image	
Algida PBQ	very low on overall quality	Count	30	9	39
		% within Algida PBQ	76.9%	23.1%	100.0%
		% within Algida (BI)	73.2%	2.6%	10.2%
		% of Total	7.9%	2.4%	10.2%
	very high on overall quality.	Count	11	331	342
		% within Algida PBQ	3.2%	96.8%	100.0%
		% within Algida (BI)	26.8%	97.4%	89.8%
		% of Total	2.9%	86.9%	89.8%
Total		Count	41	340	381
		% within Algida PBQ	10.8%	89.2%	100.0%
		% within Algida (BI)	100.0%	100.0%	100.0%
		% of Total	10.8%	89.2%	100.0%

Table 56: Chi-Square Test of PBQ and BI of Algida

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.980E2[a]	1	.000		
Continuity Correction[b]	190.445	1	.000		
N of Valid Cases[b]	381				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 4.20.

Table 57: Nonparametric Correlations of PBQ and BI of Algida

			Algida perceived quality	Algida (BI)
Spearman's rho	Algida perceived quality	Correlation Coefficient	1.000	.721[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Algida (BI)	Correlation Coefficient	.721[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a strong and positive correlation between PBQ and BI of ALGIDA (r = 0.721).

H3_d) There is a significant relationship between PBQ and BI of PANDA

Table 58: Crosstabulations of PBQ and BI of Panda

Panda PBQ * Panda (BI) Crosstabulation

			Panda (BI)		Total
			has a very cheap and poor image	has a very good and high image	
Panda PBQ	very low on overall quality	Count	320	17	337
		% within Panda PBQ	95.0%	5.0%	100.0%
		% within Panda (BI)	98.5%	30.4%	88.5%
		% of Total	84.0%	4.5%	88.5%
	very high on overall quality.	Count	5	39	44
		% within Panda PBQ	11.4%	88.6%	100.0%
		% within Panda (BI)	1.5%	69.6%	11.5%
		% of Total	1.3%	10.2%	11.5%

Total	Count	325	56	381
	% within Panda PBQ	85.3%	14.7%	100.0%
	% within Panda (BI)	100.0%	100.0%	100.0%
	% of Total	85.3%	14.7%	100.0%

Table 59: Chi-Square Test of PBQ and BI of Panda

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.169E2[a]	1	.000		
Continuity Correction[b]	210.286	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.47.

b. Computed only for a 2x2 table

Table 60: Nonparametric Correlations of PBQ and BI of Panda

Correlations

			Panda PBQ	Panda (BI)
Spearman's rho	Panda perceived quality	Correlation Coefficient	1.000	.755[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Panda (BI)	Correlation Coefficient	.755[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

There is a strong correlation between PBQ and BI of PANDA (r = 0.755).

H3_e) PBQof LEVIS is positively related to BI of LEVIS.

Table 61: Crosstabulations of PBQ and BI of Levis

Levis PBQ * Levis (BI) Crosstabulation

			Levis (BI)		Total
			has a very cheap and poor image	has a very good and high image	
Levis PBQ	very low on overall quality	Count	3	2	5
		% within Levis PBQ	60.0%	40.0%	100.0%
		% within Levis (BI)	100.0%	.5%	1.3%
		% of Total	.8%	.5%	1.3%
	very high on overall quality.	Count	0	376	376
		% within Levis PBQ	.0%	100.0%	100.0%
		% within Levis (BI)	.0%	99.5%	98.7%
		% of Total	.0%	98.7%	98.7%
Total		Count	3	378	381
		% within Levis PBQ	.8%	99.2%	100.0%
		% within Levis (BI)	100.0%	100.0%	100.0%
		% of Total	.8%	99.2%	100.0%

Table 62: Chi-Square Test of PBQ and BI of Levis

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.274E2[a]	1	.000		
Continuity Correction[b]	157.071	1	.000		
N of Valid Cases[b]	381				

a. 3 cells (75.0%) have expected count less than 5. The minimum expected count is .04.

b. Computed only for a 2x2 table

Table 63: Nonparametric Correlations of PBQ and BI of LEVIS

Correlations

			Levis PBQ	Levis (BI)
Spearman's rho	Levis perceived quality	Correlation Coefficient	1.000	.773**
		Sig. (2-tailed)	.	.000
		N	381	381
	Levis (BI)	Correlation Coefficient	.773**	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

There is a strong correlation between them that PBQ and BI of LEVIS (r = 0.773).

H3_f) PBQ of MAVI is positively related to BI of MAVI.

Table 64: Crosstabulations of PBQ and BI of Mavi

Mavi PBQ * Mavi (BI) Crosstabulation

			Mavi (BI)		Total
			has a very cheap and poor image	has a very good and high image	
Mavi PBQ	very low on overall quality	Count	96	58	154
		% within Mavi PBQ	62.3%	37.7%	100.0%
		% within Mavi (BI)	86.5%	21.5%	40.4%
		% of Total	25.2%	15.2%	40.4%
	very high on overall quality.	Count	15	212	227
		% within Mavi PBQ	6.6%	93.4%	100.0%
		% within Mavi (BI)	13.5%	78.5%	59.6%
		% of Total	3.9%	55.6%	59.6%
Total		Count	111	270	381
		% within Mavi PBQ	29.1%	70.9%	100.0%
		% within Mavi (BI)	100.0%	100.0%	100.0%
		% of Total	29.1%	70.9%	100.0%

Table 65: Chi-Square Test of PBQ and BI of Mavi

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.380E2[a]	1	.000		
Continuity Correction[b]	135.339	1	.000		
N of Valid Cases[b]	381				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 44.87.

Table 66: Nonparametric Correlations of PBQ and BI of Mavi

Correlations

			Mavi PBQ	Mavi (BI)
Spearman's rho	Mavi perceived quality	Correlation Coefficient	1.000	.602[**]
		Sig. (2-tailed)	.	.000
		N	381	381
	Mavi (BI)	Correlation Coefficient	.602[**]	1.000
		Sig. (2-tailed)	.000	.
		N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

PBQ of MAVI is positively related to BI of MAVI (r = 0.602).

3.8 SUPPORTING VARIABLES: PRIOR EXPERIENCE WITH THE BRAND AND CONSUMER ETHNOCENTRISM AND THEIR IMPACT ON PERCEIVED QUALITY

3.8.1 Prior Experience Impact on the Perceived Quality

Since quality is a subjective and perceptional concept, prior brand experience is an important variable to give information because if a person who has not tried the brand before and thinks that its quality is high, it means that the brand has created good image in the eyes of the consumers. Since "Brand Image" has been used as a

variable in the statistical tests, prior brand experience is used for only giving information and supporting the ideas.

3.8.1.1 HP

From 381 people, 236 people have used HP before and only 5 found the brand low on overall quality. From the users before, 98% find HP as a high quality brand. In addition, from 381 people, 145 people have never tried HP before, but 137 (95%) of them perceived the brand as having high quality. This strengthens the idea of high quality association with the global brands although there was no trial before.

3.8.1.2 Casper

From 381 people, 95 people (25%) have used CASPER before and from those, a big percentage 63 (66%) people find the brand low on overall quality. From the 381 people, 286 (75%) have not used it before but 196 (69%) find it low on overall quality.

3.8.1.3 Algida

From 381 people, 377 (99%) have tried Algida and 339 (89%) find it as high quality. From 4, who have never tried it, 3 (75%) find it as high quality.

3.8.1.4 Panda

From 381 people, 306 (80%) have used Panda before but only 37 people find it high on overall quality. Other 269, which makes 88% of the "users before", find the overall quality of Panda low. Also there are 75 people that have not tried the brand before but 68 (90%) of the find it low on overall quality.

3.8.1.5 Levis

From 381 people, 301 people have used the brand before and from them 296 (98%) think has a high quality and more interesting one , 80 person hasn't tried Levis before but no one find it low on quality. Whole people of the sample that hasn't tried Levis before, find Levis high on overall quality.

3.8.1.6 Mavi Jeans

From 381 people, 265 people (70%) have used Mavi Jeans before and 169 find it high quality (64%) and 96 people (36%) find it low on quality. 116 person hasn't tried the brand and half of them find it high quality and half of them low, so even Mavi Jeans is local brand, the values show that it has created good brand image.

From only looking at their percentages, one can interpret that global brands have higher quality associations while local ones have lower quality associations. The results show that even there is no prior experience with the brands, the sample show higher quality associations with the global brands and relatively lower quality associations with the local ones. It is important to note that, these results do not give the causality relationship but it shows only local brand's relatively lower quality associations even though there was no trial. It is not known exactly this lower quality association is the result of their localism or not, but when it is compared with global brands; the results show the exact opposite that global ones show high quality associations. Therefore, it only gives tendencies of the sample, which supports the ideas of this study.

3.8.2 Consumer Ethnocentrism Impact on the Perceived Quality

As it was showed in the Table 10, of the 381 respondents, more than half 78 % does not agree with the phrase "A real Turkish should always buy Turkish-made products" and responded as "No" while 22% agrees with the phrase. A majority of the sample, 92.4 %, does not agree with the phrase: "It is not right to purchase

foreign-made products" and responded "No" while only 7.6% agrees with this phrase. With only looking from their percentages, the sample shows non-ethnocentric tendencies. In the literature, it was found that consumers with low ethnocentrism have stronger quality association with the global brands (Akram and Merunka, 2010:2-3). This study also confirms this statement with low consumer ethnocentric profile, with high quality and image associations with global brands.

CONCLUSION

The current trend towards globalization is real and accelerating. The trend towards increased globalization had a major impact on the branding strategies of international companies. The big companies now favour the development of global brands that ideally have the same product and the same positioning in all markets, under a global marketing approach. Companies alter their brand portfolio into global brands and eliminate local brands. In addition, globalization forces businesses to keep an eye on the changes in environment, and its effects are clearly seen in the marketing area. However, even a global business may analyze the cultural differences among the countries that they serve and consider those while serving them. For instance, Coca Cola, besides the fact of being a global brand, is very successful in tailoring the advertisements in line with the local culture.

At the same time, consumers generally prefer such global brands, because of higher quality, perceived prestige. Moreover, owning and consuming such brands offers the consumer a chance to become a part of global consumer culture. In addition, the converging lifestyles bring converging preferences which leads to consumption or favoritism of global brands. Consumers seem to have a greater preference for brands with "global image" over local competitors, even when quality and value are not objectively superior.

There are key strategic decisions in international marketing that one of is standardizing the marketing mixes and having global brands or adapting the brands to local conditions. This debate is known as standardization and adaptation debate. Global brands are defined as brands which are sold nearly everywhere in the world, use the same or similar marketing strategy mix in all markets, perceived as the same brand with similar brand image worldwide and reflect the same set of values around the world. On the other hand, local brands are defined as brands that exist in one country or in a limited geographical area and they provide a link between the national economy and individual well-being with a local management. Proponents of standardization believe that world markets are being homogenized because of

advances in communication and transportation technology. Customers in different and distant parts of the world tend to show similar preferences and demand the same products. Standardization proponents argue that consumers become homogeneous in terms of their wants and needs mostly because of the increase in international television broadcasting and international travel. Major source of competitive advantage in the global market is the ability to produce high-quality and low-price products that consumers tend to favor more.

For some product categories, standardization is inevitable like razors or zips. However, adaptation in food industry can be thought as a logical strategy. One key to global success is to recognize and take advantage of local consumer behaviour, as the popular mantra says "Think Global, Act Local". As brand consultant, Robert Kahn noted global branding does not mean having the same brands everywhere. It means having an overreaching strategy that optimizes brand effectiveness in local, regional, and international markets. Many good examples exist of companies that have successfully blended standardization and adaptation. Therefore, marketing strategy implementation is not a question of standardization or localization, but it was rather an issue of knowing when to use each. The product managers should ask in which part or what part of their marketing strategy should be localized or left unchanged. The glocal strategy approach reflects the objectives of a global strategy approach, while the necessity for local adaptations and tailoring of business activities is simultaneously recognized.

In the literature, global brands are the signs of the quality and some consumers find global brands having better quality even if there is no difference in terms of quality with some local ones. Some researchers believe that consumers do not want global brands because they are global, but because they ensure to deliver better value than their local competitors do. Some researchers believe that consumers do not always want to purchase global brands because they are global, but because they ensure to deliver better value than their local competitors do. On the other hand, prices of local brands are usually lower than international brands and it provides consumers a sense of better value for the money. Local brands are also perceived as

more realistic and sensible than international brands. The study also indicates that local brands are perceived as more traditional than international brands, because local brands are linked more to local traditions and local cultures than international brands are. It was also found that trust is an important advantage for local brands, because it provides a unique relationship with consumers that take years to develop. Strong local brands have traditionally benefited from a high level of awareness in their countries. Consumers have developed close relationships with local brands over the years. However, empirical evidence indicated that global brands seem to have a better quality image than local brands. Global brands may have a higher prestige than local brands due to their relative scarcity and higher price. Furthermore, global brands may also stand for cosmopolitanism. Some consumers prefer global brands because they enhance their self-image as being cosmopolitan, sophisticated, and modern.

Worldwide consumers, corporate buyers and governments associate global brands with three characteristics and consumers use these characteristics as a guide when making purchase decisions. First one is the Quality Signal. With having world-wide quality, a global brand differentiates product offerings and allows marketers to charge premium prices. Second one is the Global Myth which refers to sign of cultural ideals and third one is the Social Responsibility which customers evaluate companies and brands in terms of it by following how they address social problems and how they conduct business (Holt et al., 2004:71).

There is a little theory to predict how and why consumers in developing markets choose between local and global brands and it is important to explore consumers' perceptions about global and local brands, how they perceive them, and whether they associate high quality and image to them or not is worth of searching. Consumers are increasingly faced with a choice between local brands or global brands. Global brands become a quality signal for the consumers.

Batra et al. (2000) and Steenkamp et al. (2003) introduced the concept of "Perceived Brand Globalness" to the marketing literature, which refers to the perceptions of the consumers about globality of the brand. According to the theory, the real positioning of the brand is not important here since it asks for the perceptions. If the perception associates high quality and high brand prestige for the global brands, then one can say that perceive brand globalness is positive related to perceived brand quality. The degree of brand globalness lies in the perceptions of consumers and the identification of a brand, as being local or global cannot be made independent of consumers (Aydinoglu and Batra, 2009:3). PBG is not confined to any particular country stereotypes; rather, it represents more generalized perceptions of a brand being "of foreign origin", "made somewhere in Europe", or "not from here" (Zhou et al., 2010: 204).

The starting point of this study is the study of Steenkamp et al. (2003) who have investigated consumers from the USA and South Korea and found that perceived brand globalness is positively related to both perceived brand quality and prestige. Therefore, it is important to test the relationship between perceived globalness and quality in different cultures. The application of perceived brand globalness and quality can be hardly found for Turkish consumers. This study is important to understand whether globalism creates higher quality perceptions and higher brand image and localism creates lower quality perceptions or not. This study explores the relationship of perceived brand globalness (PBG) with consumer's perception of brand quality (PBQ) and Brand Image (BI). The objective of this study is to investigate the perceptions of consumers about global brands and to understand whether perception of brand globalness have positive effect on quality perception and brand image or not. For strengthening the hypotheses, Consumer Ethnocentrism and Prior Brand Experience effects were also analyzed as supporting variables. This study is important in giving cues about the perceptions of a sample of Turkish citizens, which consists of students from Dokuz Eylul and Ege University.

The significance of the study comes from its scarcity of usage in Turkey. The scales are new and this study is important for understanding the tendency and perceptions toward global and local brands in terms of quality and image. One of the major limitations of this research is being carried on a limited population. The reason of using Business Department students as a sample was to prevent misunderstanding about the concepts. Other limitation was using some questions of the scale. Some questions of the scale were used since when they were translated into Turkish, they gave similar meanings. For preventing fatigue, most explanatory ones about the research questions were selected. Since one question was selected from each scale, reliability analysis could not be done. In addition, reliability analysis can be done when there is more than one item in each scale to understand whether the sample gives logical responds or not. Since there is one item for each scale, it was also not needed to evaluate the reliability. In further studies, larger samples can be used with using the whole questions of the scale.

The results confirm the hypotheses. As a result, for this sample, it is confirmed that there is a strong positive correlation between Perceived Brand Globalness and Perceived Brand Quality and Perceived Brand Globalness is positively related to consumer perceptions of brand quality. Secondly, a strong correlation is found between Perceived Brand Globalness and Brand Image and Perceived Brand Globalness is positively related to Brand Image. Thirdly, it is found that there is a strong correlation between Perceived Brand Quality and Brand Image and Perceived Brand Quality is positively related to Brand Image. Research results show that the correlations are high. It shows that consumers associate higher quality and higher brand image with the brands that they perceive global and less quality and lower brand image with the brands that they perceive relatively lower.

Prior Experience with the Brand and Consumer Ethnocentrism were used as supporting variables for the hypotheses. From looking at percentages of the sample, it can be said that there is a low consumer ethnocentric profile with high quality and image associations with global brands, which supports the literature. Also from only looking at their percentages, one can interpret that global brands have higher quality

associations while local ones have lower quality associations. The results show that even there is no prior experience with the brands, the sample show higher quality associations with the global brands and relatively lower quality associations with the local ones.

The purpose of this study was to investigate the relationship between the perceived brand globalness, perceived brand quality and brand image with effects of consumer ethnocentrism and prior experience with brand. Their knowledge about the globalness or localness of brands is not important since it only looks at the perceptions. The results show parallelism with the study of Batra et al. (2000) and Steenkamp et al. (2003) although home country of the samples is different. It is surprising, because while a US-made product is global for Turkish citizens, for US citizen, that product is local. It strengthens the idea of global brand's high quality and image judgment.

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APPENDICES

APPENDIX A. QUESTIONNAIRE FORM

1) Cinsiyet : Erkek _____ Kadın: _____

2) Yaş : 20'nin altında _____ 20-30 arası : _____ 30-40 arası: _____ 40 ve üzeri : _____

3) Eğitim Durumu : Üniversite Lisans Devam: _____ Yüksek Lisans: _____ Doktora: _____ Doktora Sonrası: _____

4) Sizce aşağıdaki 6 marka **global/küresel** yoksa **yerel** bir ürün müdür ?

	YEREL	GLOBAL/KÜRESEL		YEREL	GLOBAL/KÜRESEL
HP	___	___	**PANDA**	___	___
CASPER	___	___	**LEVIS**	___	___
ALGIDA	___	___	**MAVİ**	___	___

5) Gerçek bir Türk, Türk yapımı ürünler alır.   EVET _____   HAYIR _____

6) Yabancı menşeli ürünler almak doğru değildir.   EVET _____   HAYIR _____

	HP		CASPER		ALGIDA		PANDA		LEVIS		MAVI	
	EVET	HAYIR	EVET	HAYIR	EVET	HAYIR	EVET	HAYIR	EVET	HAYIR	EVET	HAYIR
7) Bu ürün kalite bakımından düşük kalitededir.												
8) Bu ürün kalite bakımından yüksek kalitededir.												
9) Bu ürün çok ucuz ve kalitesiz bir ürün imajı vermektedir.												
10) Bu ürün çok iyi ve kaliteli ürün imajı vermektedir.												
11) Bu ürünü daha önce hiç kullanmadım.												
12) Bu ürünü daha önce kullandım.												

APPENDIX B. QUESTIONNAIRE FORM (TURKISH)

1) Gender :   Male:_____   Female: _____

2) Age :   Below 20:_____   Between 20-30 :_____   Between 30-40: _____   40 and Above : _____

3) Education : Undergraduate Student: _____   Master Student: _____   Doctorate: _____   Postdoctoral:_____

4) Are those brands below global or local? Please check according to your thought.

	LOCAL	GLOBAL			LOCAL	GLOBAL
HP	_____	_____		**PANDA**	_____	_____
CASPER	_____	_____		**LEVIS**	_____	_____
ALGIDA	_____	_____		**MAVİ**	_____	_____

5) A real Turkish should always buy Turkish-made products. YES _____   NO _____

6) It is not right to purchase foreign-made products.   YES_____   NO _____

	HP		CASPER		ALGIDA		PANDA		LEVIS		MAVI	
	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
7) This brand is very low on overall quality.												
8) This brand is very high on overall quality												
9) This brand has a very cheap and poor image.												
10) This brand has a very good and high image.												
11) Never tried it even once.												
12) Use it all the time.												