

Brand equity's antecedent/consequence relationships in cross-cultural settings

S. Allen Broyles

Department of Marketing, Steven G. Mihaylo College of Business and Economics, California State University, Fullerton, California, USA

Thaweephan Leingpibul

Department of Marketing, Haworth College of Business, Western Michigan University, Kalamazoo, Michigan, USA

Robert H. Ross

Department of Marketing, W. Frank Barton School of Business, Wichita State University, Wichita, Kansas, USA, and

Brent M. Foster

College of Communications, California State University, Fullerton, California, USA

Abstract

Purpose – This paper aims to test whether an antecedent/consequence brand equity model developed with Americans holds up with Chinese, and to examine whether brand equity's functional (utilitarian) and experiential (emotive) facets have (dis)similar significance in a cross-cultural setting.

Design/methodology/approach – The survey was administered to US and Chinese samples, with data analyzed using structural equation modeling to test hypotheses developed from literatures.

Findings – The study found evidence that the model does hold up in a cross-cultural setting, and that some of brand equity's functional and experiential antecedents and components have dissimilar significance with the two sample groups.

Research limitations/implications – Only one brand was employed; the survey was completed with volunteer US and Chinese university students vs a broader range of age groups; and the dissimilar nuances of the English and Chinese languages may lead to divergent understandings of the measures.

Practicable implications – The study provides a foundation for future cross-cultural brand equity research and sheds empirical insight that, contrary to social sciences literatures' suggestions, the similar significance of brand equity and its antecedents are such that firms may benefit from employing standardized marketing strategies in cross-cultural settings.

Originality/value – The study is a benchmark comparative cross-cultural brand equity study with the vastly disparate US and Chinese consumers.

Keywords Cross cultural studies, Brand equity, Marketing strategy

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

Market and competitive pressures in today's domestic marketing environment have challenged practitioners tasked with managing their firms' branded product(s) (Keller, 2003; Contractor, 2007). To help offset these pressures, firms frequently turn to international markets as outlets for their brand(s) (Hsieh and Lindridge, 2005). Although the decision to enter into foreign markets is intuitively logical, firms frequently fail to achieve their performance goals in these markets (Ross *et al.*, 2008).

When discussing a firm's success (or failure) in foreign markets, one should consider that a key facet of their brand's success is its brand equity (Brady *et al.*, 2008). Our understanding of brand equity in these markets is

inadequate because, at least in part, scholars have been reluctant to conduct studies outside of their home market (Ferraro, 2002). Dant *et al.* (2008) suggest this has contributed to domestic scholars' and practitioners' knowledge and theories related to foreign markets being based on discussions in the western culture, which often leads practitioners to implement standardized marketing campaigns in cross-cultural settings. Tseng *et al.* (2007) note this frequently leads to disappointing results. Lin and Lin (2008) capture our need for cross-cultural studies by stating such knowledge is "... vital for a business to be successful in (a) particular culture ... (while) not having a required level of cultural intelligence could ... be a great hindrance to the success of the businesses" (p. 37).

Social science literatures provide insights which suggest brand equity may have disparate formation and influence on consumers' (re)purchase behaviors in cross-cultural settings. If empirical study supports this view, it would indicate that an emic perspective (each culture is best understood in its own context), as opposed to an etic perspective (potentially generalizable across cultures) is more appropriate for international strategies.

To further our understanding of brand equity in the international marketplace, this paper presents an empirical exploratory study that builds upon an antecedent/consequence brand equity model put forth by Broyles *et al.*

The current issue and full text archive of this journal is available at www.emeraldinsight.com/1061-0421.htm



Journal of Product & Brand Management
19/3 (2010) 159–169
© Emerald Group Publishing Limited [ISSN 1061-0421]
[DOI 10.1108/10610421011046148]

(2009). In reflecting on their model and drawing from literatures' discussion of disparities among individuals in cross-cultural settings, this paper asks: "does the Broyles *et al.* (2009) antecedent/consequence brand equity model hold up under empirical examination in cross-cultural settings?"

Further, their model reveals there are experiential (the subjective, symbolic, hedonic and psychological facets) and functional (utilitarian, rational and objective facets) (Holbrook and Hirschman, 1982) brand equity elements and antecedents. Some (e.g. Triandis, 1989; Inglehart and Baker, 2000) appear to suggest the experiential and functional aspects have dissimilar significance in cross-cultural settings. An exemplar of such differences is found in literatures' discussion of western and eastern cultures. Social science literatures indicate these disparities between individuals in these cultures stem from the dissimilar teachings of their ancient philosophers, which continue to be reinforced through their educational, religious and legal systems, and level of economic development. The result is that a typical modern westerner has post-materialistic values which drive one's focus to improve their psychological lives through marketable experiences (experiential) (Triandis, 1989; Inglehart and Baker, 2000), while a typical modern easterner has materialistic values that drive their focus to improve the utilitarian (functional) aspect of their lives. Based on these insights we theorize that the experiential facets of brand equity likely have greater significance with individuals in a western culture, while the functional facets likely have greater significance with individuals in an eastern culture.

To determine whether there is support for this theory, we offer a study that employed an internationally well-known brand and was conducted with US (i.e. Western) and Chinese (i.e. Eastern) samples. While this study revealed that the Broyles *et al.* (2009) antecedent/consequence model is robust and holds up in the noted cross-cultural setting, hypotheses testing indicate that some of the study's findings are contradictory to anticipated results, offering new insight into the ongoing standardization versus localization marketing strategy debate (Ryans *et al.*, 2003). The paper closes by discussing the study's potential implications and limitations, and offering future research directions.

Conceptual development

Brand equity

Owing to it being critical for firms to develop successful brand marketing strategies, brand equity has been a notable research topic for several decades (Keller, 1993, 2003). However, as noted by Kayaman and Arasli (2007), there continues to be no widely accepted definition of brand equity. Chen (2001) notes:

We drop it into conversations and litter our strategy documents with the concept without even a passing thought that the listener or reader might want to understand what exactly we mean by brand equity (p. 439).

We assert there is substantial literature that helps one conceptualize brand equity. For example, literature notes there are two perspectives from which brand equity can be viewed: as it relates to suppliers, and as it relates to consumers. With respect to suppliers, brand equity is viewed as a financial asset and a "... driving force for incremental gains..." (Lassar *et al.*, 1995). This view is based on some (e.g. Aaker, 1992, 1995; Feldwick, 1996; de Chernatony and Riley, 1997; Keller, 2003) discussing the importance of brand equity in helping firms secure greater

consumer loyalty, charge premium prices for a brand, increase the communication effectiveness between a firm and its distribution channel, and to achieve more predictable sales, profitability, and market capitalization (Singh *et al.*, 2005; Roll, 2006). Regarding consumers, brand equity reflects their beliefs, perceptions and attitudes toward a product, as compared to if it were unbranded (Srivastava and Shocker, 1991; Lassar *et al.*, 1995). The result is that individuals perceive the brand as having value for themselves (Srivastava and Shocker, 1991; Chaudhuri and Holbrook, 2002).

Interestingly, regardless of one's perspective, literature appears to be consistent in the opinion that brand equity is generated by consumers, who base their (re)purchase behaviors on the judgment of a brand's value to themselves (Keller, 2000; Barnes, 2003). Drawing from these views, we define brand equity here as an individual's perception of the value of a branded product to her/himself.

The need for international cross-cultural brand equity research

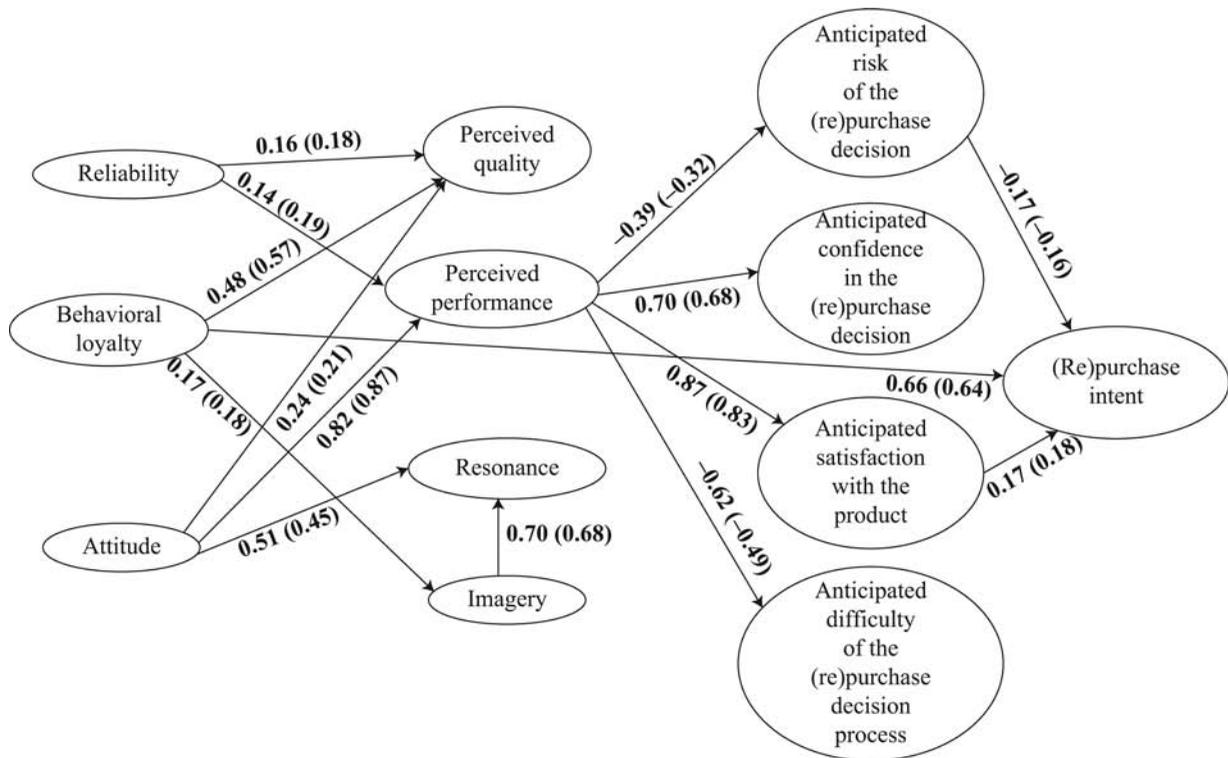
As noted by Heberden (2002) and Iverson (2008), many firms enter their brand(s) into foreign markets to counter domestic market and competitive pressures. Among the market pressures are economic downturns (Gordon, 1994) and consumers increasingly willing to evaluate the relationship between a product's price and quality, which lessens their willingness to pay premium prices for brand(s) (Berthon *et al.*, 1999). The competitive pressures include globally advancing technological skills which enable firms to quickly design, engineer and manufacture new branded products (Contractor, 2007), and closing of the quality gap between national and frequently lower priced retailer brands, which increases consumers' comfort level with retailer brands (Borin and Farris, 2002).

Unfortunately, firms frequently fail to achieve their international goals (Cuervo-Cazurra *et al.*, 2007), which may stem from domestic marketers' failure to implement strategies that reflect the differences between consumers in a firm's home market and the international market chosen (Liu and McClure, 2001; Lin and Lin, 2008). While the low priority given to international educational programs restricts our cross-cultural knowledge (Ferraro, 2002), we need to build and disseminate brand equity knowledge to help practitioners develop and implement strategies that lead to improved foreign market performance (Dunning, 1989).

Brand equity's elements, antecedents and consequences

To examine this study's research question and theory, studies need to build upon current brand equity understanding from a marketing methods approach (Calderon *et al.*, 1997) to increase our understanding of "why" consumers in foreign markets perceive a brand to be of value to them (Yoo *et al.*, 2000; Hoefler and Keller, 2003). To this regard, Figure 1 presents a structural brand equity model revealed in Broyles *et al.* (2009) which depicts there are two aspects of brand equity and its antecedents, namely: functional and experiential (Keller, 2002; Barnes, 2003; de Chernatony and Riley, 1997). The functional aspect includes the components of one's perception of a brand's performance and quality, including perceived performance (one's judgment of a brand's ability to fulfill its intended functions)

Figure 1 Path weights for the structural model



Notes: Path weights are in the sequence of US followed by Chinese in parentheses; Paths weights significant at a 95% confidence level

(Armstrong and Kotler, 2003) and perceived quality (one's judgment of the overall excellence or superiority of a brand) (Keller, 2003). The experiential components include a brand's resonance and imagery (Holbrook and Hirschman, 1982; Keller, 2003). Resonance "refers to the . . . depth of the psychological bond customers have with the brand . . ." (Keller, 2003, p. 19), and imagery reflects "... how people think about a brand abstractly..." (p. 83).

As noted in Figure 1, the functional antecedent is a brand's reliability, referring to "the consistency of performance over time and from purchase to purchase" (Keller, 2003, p. 83). The experiential antecedents include one's attitude toward a brand, meaning their favor/disfavor of a brand (Armstrong and Kotler, 2003); and, one's behavioral loyalty, which refers to their repeat purchases of a brand, or the frequency by which they purchase a brand (Keller, 2003). Regarding brand equity's consequences, Figure 1 depicts they include consumers' anticipated:

- risk of the (re)purchase decision (Guerrero *et al.*, 2000);
- difficulty of the (re)purchase decision process (Farquhar, 1999);
- confidence in the (re)purchase decision (Keller, 2003);
- Satisfaction with the product (Szymanski and Henard, 2001); and
- one's (re)purchase behavior.

It should be noted that this study employed (re)purchase intent as a surrogate for (re)purchase behavior because it is "most likely to be predictive of actual purchase" (Keller, 2003, p. 462).

Selection of cultures for comparative examination and hypotheses development

To examine this study's research question and theory, it was decided to employ US and Chinese samples. Selection of the US is intuitively logical because it is where most extant research has been conducted, and was the basis of the study from which the model depicted in Figure 1 was derived. Mainland China was selected for comparison based on some (e.g. Inglehart, 2001; Nisbett *et al.*, 2001) discussing there is no other culture as dissimilar from the western culture, such as exists in the US, as the traditional Eastern culture, such as exists in mainland China. Further, because China is a target for many Western firms due to its strong economic growth and huge population (Lawrence, 1990; Dolven, 2003), studies need to embolden our understanding of disparities between Americans and Chinese to help firms develop more apposite cross-cultural strategies (Lin and Lin, 2008).

Literature provides insights which are vital for developing hypotheses to address this study's research question and theory. For example, literature suggests that brand equity's functional and experiential aspects have disparate significance in the western and traditional eastern cultures. This view stems from the dissimilar values (Occhionero, 2000; Nisbett *et al.*, 2001) and modes of thought (how one cognitively processes information and experiences) found in these cultures (Cano-Garcia and Hughes, 2000; Monga and John, 2007), leading to disparate perceptions of a brand's value. Further, based on literature discussing that perceived value is a determinant of individuals' (re)purchase behavior (Keller, 1999, 2000; Berthon *et al.*, 2003), it would seem that the

disparate western and eastern values likely lead to dissimilar brand (re)purchase behavior (Lassar *et al.*, 1995).

More specifically, social science literatures indicate that individuals typically found in the USA have post-materialistic values (Firat, 1995) and a desire to express and improve their emotional and psychological lives through marketable experiences and consumptions. This increases their valuation of the experiential facets of brands (Triandis, 1989; Inglehart and Baker, 2000; Inglehart, 2000). To examine whether there is support for this view, the following hypotheses are put forth:

- H1. The directional path weights will be stronger with Americans than with Chinese between the following constructs:
- H1a. Behavioral loyalty → perceived quality.
 - H1b. Behavioral loyalty → (re)purchase intent.
 - H1c. Behavioral loyalty → imagery.
 - H1d. Attitude → perceived quality.
 - H1e. Attitude → perceived performance.
 - H1f. Attitude → resonance.
 - H1g. Imagery → resonance.

In comparison, individuals typically found in mainland China have materialistic values (Firat, 1995), and a desire to repress their feelings, emotions and symbolic phenomena in order to improve their physical lives (Inglehart and Baker, 2000; Inglehart, 2000, 2001). The result is that a typical Chinese has a functional orientation (Triandis, 1989). To examine whether there is evidence that supports this view, the following hypotheses are put forth:

- H2. The directional path weights will be stronger with Chinese than with Americans between the following constructs:
- H2a. Reliability → perceived quality.
 - H2b. Reliability → perceived performance.
 - H2c. Perceived performance → anticipated risk of the (re)purchase decision.
 - H2d. Perceived performance → anticipated confidence in the (re)purchase decision.
 - H2e. Perceived performance → anticipated difficulty of the (re)purchase decision process.
 - H2f. Perceived performance → anticipated satisfaction with the product.

Study and hypotheses test results

Respondent and brand selection

As noted in extant literature, the conduct of cross-cultural studies calls for samples within each group to have relatively comparable attitudes and behaviors to help reduce within-group heterogeneity (Ter Hofstede *et al.*, 2002). This also helps reduce measurement and random errors, strengthens the study's validity, and provides more valid comparisons of the two groups (Steenkamp and Baumgartner, 2000; Ter Hofstede *et al.*, 2002). To this regard, it was decided to employ volunteer university students in China and the US to increase the probability that samples within each group be similar. For example, of the 278 US samples that completed the final survey, 54 percent (150) were males and 46 percent (128) females, with the average age being 19–20 years. Of the 300 Chinese samples, 40 percent (119) were male, 60 percent (181) female, with the average age being 19–20. While this

focused approach to securing similar samples restricts the potential to generalize the findings beyond individuals in the sample group, it addresses our sample selection criteria and increases the pragmatism of conducting a study in these cultures.

With respect to brand selection, KFC was chosen based on literature and US and Chinese samples indicating that consumers in each culture are familiar with, and at least periodically consume KFC because it is relatively affordable and available to members of each culture (Witkowski *et al.*, 2003). Further, because KFC was employed in Broyles *et al.* (2009), selection of the brand increases potential for determining whether there is a certain degree of external validity for their findings.

Development of the survey instrument

The items in Broyles *et al.* (2009) were employed here because they sufficiently reflect the constructs. As shown in Table I, the measures employed here were a strongly disagree – strongly agree, five-point Likert scale throughout. As recommended by Dillman (1978, 2000) and Belson (1981), qualitative interviews were conducted with 22 respondents to confirm that the survey instrument is clear and not vague, is understandable and easy to read by samples in each culture. The interviews also indicated that that equivalency of the survey and items was achieved, which is critical in comparative cross-cultural research because it strengthens the potential that the respondent groups have similar understanding and familiarity with the measures, scaling and scoring format (Mullen, 1995; Singh, 1995).

Conducting this study required that the English and Chinese versions of the survey be equivalent. To the regard, the English version was translated into Chinese by a graduate student fluent in each language, with the Chinese version back-translated into English by a second person fluent in each language, followed by the two versions being examined by a Chinese university professor and two of his student assistants to confirm they have semantic equivalence (Mallinckrodt and Wang, 2004).

Pre-test

Employing the pilot survey instrument, a pre-test was conducted with 218 respondents to confirm that the instrument and measures were readable, while also evaluating the levels of content validity and reliability. Using the pre-test data, descriptive statistics procedures in SPSS 15.0 were utilized for identifying whether any of the measurement items were problematic (e.g. were poorly worded or had high kurtosis). The identified problematic measures were either corrected, or were removed if judged as being uncorrectable, and confirmatory factor analysis (CFA) was employed to ensure construct validity. Structural equation modeling (SEM) was employed for cross-checking the retained items to evaluate their potential behavior in the actual study. The modification indices and normality test in SEM were also satisfied.

The study and methodology

The purified survey was completed by 300 Chinese and 278 US respondents, with surveys completed by 22 Chinese and 15 Americans discarded due to outliers, missing data, incomplete surveys, and indifferent answer patterns. Descriptive statistic results and CFA were employed for

Table I Statistical results for the structural model

Constructs and items	Parameter estimate		Mean		SD		Cronbach Alpha		Variance extracted	
	US	China	US	China	US	China	US	China	US	China
<i>Reliability: every time I eat at KFC, the food ...</i>										
R1	0.67	0.64	3.18	3.25	1.00	0.91	0.81	0.77	0.51	0.47
R2	0.73	0.70	3.79	3.47	0.93	0.90				
R3	0.65	0.62	2.88	3.08	0.98	0.95				
R4	0.80	0.77	3.38	3.37	1.00	0.97				
<i>Behavioral loyalty: compared with other fast food brands (such as McDonald's), KFC is the brand of fast food that I ...</i>										
B1	0.76	0.76	1.93	3.09	0.72	0.98	0.65	0.61	0.42	0.42
B2	0.72	0.71	2.50	3.31	1.11	0.99				
B3	0.41	0.41	2.56	3.87	1.14	0.88				
<i>Attitude: when I eat at KFC, it is because KFC ...</i>										
A1	0.85	0.76	3.52	3.61	0.93	0.84	0.84	0.79	0.67	0.52
A2	0.79	0.69	2.83	3.18	1.05	0.79				
A3	0.81	0.71	3.17	3.78	0.97	0.74				
<i>Perceived quality: compared with other brands of fast food (such as McDonald's), KFC ...</i>										
Q1	0.87	0.82	2.05	2.89	0.89	0.79	0.77	0.74	0.60	0.53
Q2	0.54	0.47	2.67	3.23	1.01	0.77				
Q3	0.87	0.83	2.39	2.98	0.92	0.79				
<i>Perceived performance: compared with other brands of fast food (such as McDonald's), KFC ...</i>										
P1	0.65	0.51	3.66	3.57	0.83	0.84	0.79	0.55	0.44	0.27
P2	0.57	0.43	3.53	3.13	0.94	0.91				
P3	0.75	0.61	3.53	3.38	0.85	0.83				
<i>Resonance: eating KFC food ...</i>										
R1	0.54	0.47	3.22	1.95	1.02	0.81	0.69	0.71	0.42	0.34
R2	0.71	0.64	2.20	1.98	1.14	0.79				
R3	0.62	0.54	2.49	2.98	0.99	0.98				
R4	0.72	0.65	2.26	2.33	1.08	0.95				
<i>Imagery: eating KFC food ...</i>										
I1	0.83	0.83	1.78	2.76	0.74	0.93	0.93	0.82	0.70	0.70
I2	0.92	0.91	1.70	2.59	0.73	0.83				
I3	0.75	0.75	1.65	2.54	0.69	0.90				
<i>Anticipated risk of the (re)purchase decision: whenever I am deciding whether to buy food at KFC, I am concerned that it will ...</i>										
R1	0.70	0.64	2.65	2.68	1.09	0.91	0.86	0.77	0.66	0.59
R2	0.78	0.72	3.38	3.49	1.24	1.04				
R3	0.94	0.92	2.93	2.94	1.15	0.95				
<i>Anticipated difficulty of the (re)purchase decision: deciding whether to purchase fast food at KFC ...</i>										
D1	0.64	0.59	3.52	3.44	0.87	0.85	0.80	0.84	0.660	0.61
D2	0.88	0.85	3.57	3.71	0.78	0.71				
D3	0.90	0.87	3.48	3.61	0.79	0.76				
<i>Anticipated confidence in the (re)purchase decision: whenever I purchase fast food at KFC, I ...</i>										
C1	0.88	0.80	3.09	3.61	0.97	0.68	0.86	0.74	0.68	0.53
C2	0.88	0.80	3.18	3.70	0.94	0.62				
C3	0.69	0.57	2.84	3.62	0.92	0.72				
<i>Anticipated satisfaction with the product: typically, whenever I'm about to eat at KFC, I feel ...</i>										
S1	0.87	0.78	3.48	3.56	0.91	0.65	0.93	0.80	0.77	0.63
S2	0.88	0.80	3.33	3.17	0.94	0.76				
S3	0.88	0.81	3.42	3.31	0.88	0.77				
<i>(Re)purchase intent: in the future ...</i>										
I1	0.62	0.55	1.85	2.42	0.90	1.37	0.80	0.64	0.53	0.45
I2	0.81	0.76	2.41	3.34	1.20	0.95				
I3	0.75	0.69	1.97	3.76	0.87	0.70				

Note: Results shown are at a 95 percent confidence level

item purification because they helped identify items with abnormally high kurtosis (i.e. weak item variance) or skewness (Hair *et al.*, 2006). CFA helped ensure the validity of the retained measures by identifying any abnormality in the factor loading pattern, such as cross- or weak loading (see Podsakoff and Organ, 1986).

AMOS 7 in SEM was used to examine the study data because of its appropriateness for studies that cannot be directly observed, but "... can only be measured through observable measures or indicators that vary in their degree of observational meaningfulness and validity" (Steenkamp and Baumgartner, 2000, p. 196). It also enables comparison of goodness-of-fit statistics with more than one group, while helping ensure equivalence of the constructs, measures and samples (Mullen, 1995); and, is apposite for studying a complex model such as employed in this study, and testing a theory and hypotheses that fundamentally asserts dissimilar path weights will be revealed between the two sample groups (Steenkamp and Baumgartner, 2000).

Exploratory factor analysis (EFA) and multi-group analysis ensured suitable measurement invariance (where both sample groups perceive measurement instruments indifferently) (Deshpandé *et al.*, 2000; Begley and Tan, 2001; He *et al.*, 2008). EFA showed similar loading patterns for the two cultures, indicating existence of the same simple structure for both groups. Further, multi-group analysis in SEM defined the level of measurement invariance by comparing the fit of a baseline model (unconstrained) with four constrained models (equal covariance; equal lambdas; equal covariance and lambdas; and, equal covariance, lambdas, and error variances) (Mullen, 1995; Steenkamp and Baumgartner, 1998; Myers *et al.*, 2000). Since this study's model is relatively new and complex, the following cuts off points were adopted: CMIN/DF < 3; RMSEA < 0.8, and CFI > 0.8 (Hair *et al.*, 2006). While the first three constrained models showed that configural and metric invariance are satisfied, the last model showed some degree of instrument bias with Chinese samples. In sum, the level of measurement invariance is matched for the purpose of this research (Steenkamp and Baumgartner, 1998), with measures judged as sufficient for this study.

As shown in Table I, only strong items were retained for each construct, with each retained measure achieving the goal of having a parameter weight > 0.4, at a confidence level of 95 percent (Hair *et al.*, 2006), indicating the retained measures belong to the construct to which they loaded (Hair *et al.*, 2006). Further, Table I indicates that the Cronbach's Alpha value for most of the constructs met the oft cited value of > 0.70 (Hair *et al.*, 2006).

As shown in Table II, the structural model's fit statistics indicate that except for CFI (value of 0.85 vs target of > 0.90) the targeted values were achieved (Chi-Square: DF < 3; 1; and, RMSEA < 0.07) (Hair *et al.*, 2006). While the CFI goal was not met, it is very close to the target, and similar to the perspective held by Churchill (1979), Anderson *et al.* (2005), and Hair *et al.* (2006), we believe these fit statistics, combined

with substantive assessments of the scale items suggest acceptable internal consistencies for the construct scales. Thus, we assert that with a study such as this, which examines new theory and measures, and was conducted with respondents in two dissimilar cultures, that statistical flexibility is essential.

Next, it was necessary to explore whether the study's model and directional paths between its constructs hold up similarly with the two sample groups. The result was determination that the directional paths shown in Figure 1 held up with the Chinese samples, and that no different or additional paths emerged. Thus, the structural model and findings were accepted as sufficiently strong for this study.

Findings

While the directional path weights between the structural equation model's constructs (shown in Figure 1) are significant at a 95 percent confidence level, the disparate path weights between any two given constructs should not be perceived as being significantly stronger or weaker with either of the groups. Rather, the path weights shown in Figure 1 indicate any given path between the constructs holds up as statistically significant at a 95 percent confidence level with both groups.

Rather than present all of the details for all of the hypotheses here, we ask the reader to refer to Table III for a summary of the hypotheses test results. Further, Figure 1 provides the standardized directional path weights between constructs in the structural model for the two participant groups. These path weights were employed for testing the study's hypotheses.

As indicated in Table III, the study found that six of the 13 hypotheses failed to be rejected, while seven were rejected. This indicates that some of the social science literatures' suggestions regarding the comparatively dissimilar significance of the experiential and functional aspects of the brand equity phenomenon in cross-cultural settings are statistically supported, while some are not supported.

Discussion and concluding thoughts

Recent years have seen notable international scholarly study of marketing topics such as market selection (Brouthers and Nakos, 2005); patterns and pace of multinational corporations' penetration of foreign markets (Buckley and Casson, 2007); and, the relationship between international diversification and performance (Hennart, 2007). However, literature lacks in-depth theoretical conceptualization or examination of brand equity's formation and influence on consumers' (re)purchase behavior in cross-cultural settings. While this study provides new findings about brand equity across cultures, perhaps one of its most notable outcomes is that it demonstrates that cross-cultural studies of topics as vague as brand equity, and with respondents that are significantly dissimilar are viable (Liu and McClure, 2001).

With respect to whether the antecedent/consequence brand equity model shown in Figure 1 holds up in cross-cultural settings, the study suggests it does hold up with both sample groups. For example, Table II and Figure 1 depict that the measures and the model's constructs and their relationship paths hold up with Americans and Chinese. Thus, the brand equity model depicted in Figure 1 is supported for each group

Table II Structural model's fit statistics

	Chi-Square: DF	CFI	RMSEA
Target (Hair <i>et al.</i> , 2006)	< 3:1	> 0.90	< 0.07
Result	2.01:1	0.85	0.05

Table III Hypotheses test results

Hypothesis	Relationship path	Result
H1a	Behavioral loyalty → Perceived quality	Rejected
H1b	Behavioral loyalty → (Re)purchase intent	Fails to be rejected
H1c	Behavioral loyalty → Imagery	Rejected
H1d	Attitude → Perceived quality	Fails to be rejected
H1e	Attitude → Perceived performance	Rejected
H1f	Attitude → Resonance	Fails to be rejected
H1g	Imagery → Resonance	Fails to be rejected
H2a	Reliability → Perceived quality	Fails to be rejected
H2b	Reliability → Perceived performance	Fails to be rejected
H2c	Perceived performance → Anticipated risk of the (re)purchase decision	Rejected
H2d	Perceived performance → Anticipated confidence in the (re)purchase decision	Rejected
H2e	Perceived performance → Anticipated satisfaction with the product	Rejected
H2f	Perceived performance → Anticipated difficulty of the (re)purchase decision	Rejected

Note: Results were determined at a 95 percent confidence level

of respondents. While this suggests that the model may have generalized applicability in cross-cultural settings, it must be noted that this study's findings may not be generalizable beyond the age and socio-economic groups employed here.

Regarding the study's theory that brand equity's functional aspects are more significant with Chinese while its experiential aspects are more significant with Americans, the study found mixed results. From a perspective of statistical significance, Figure 1 depicts that the functional antecedent of reliability has stronger influence on brand equity's functional elements of perceived quality and performance with the Chinese respondents. In contrast, it portrays that the functional brand equity element of performance has greater influence on brand equity's consequences for Americans.

With respect to brand equity's experiential aspects, the study found that behavioral loyalty has stronger significance with respect to (re)purchase behavior for Americans, while it has stronger influence with regards to perceived quality and imagery for Chinese. Similarly, the experiential antecedent of attitude has stronger significance for Chinese with respect to performance, but it has greater significance with regards to quality and resonance for Americans. Thus, this study does not support the theory that brand equity's experiential aspects have greater significance for Americans while the functional aspects have greater import for Chinese.

Strategic implications

While Figure 1 depicts that various directional paths have greater statistical significance with the two groups, from a pragmatic perspective we question whether the comparative path weights are sufficiently different to suggest implementation of dissimilar marketing strategies. For example, while the directional path between behavioral loyalty and (re)purchase intent is statistically stronger for Americans than for Chinese (standardized path weights of 0.66 and 0.64, respectively, at a 95 percent confidence level), we do not believe that such a minor difference ($0.66 - 0.64 = 0.02$) is sufficient to justify developing dissimilar strategies with the two groups. Except for the predictive path between perceived performance and anticipated difficulty; the other paths shown in Figure 1 also have comparative differences that we view as not being sufficiently strong to

justify implementing dissimilar marketing strategies in the US and Chinese markets.

While no single study can resolve the ongoing standardized versus localized marketing strategy debate (Solberg, 2002), we believe this study provides evidence that at least for firms with a profile similar to KFC, that standardized strategies may be suitable. This would seem to suggest that the etic (generalizable across cultures) perspective is suitable with this brand and the two groups employed here. As noted by Zou and Cavusgil (2002), standardized marketing strategies are important and can be a source of competitive advantage because they enable a firm to attain a low-cost position due to the realized "... economies of scale in production and marketing, consistency in dealing with customers, and the ability to exploit good ideas on a global scale" (p. 41). Oumlil and Rao (2005) provide another perspective by discussing that standardized global marketing strategies enable firms "... to close the gap between economically advanced nations and developing ones and create a larger market" (p. 6). While this study's findings argue on the side of standardization, it is still necessary to emphasize that all firms should recognize that when marketing their brand(s) in China or other foreign markets that it is essential they conduct due diligence regarding language and local tastes in the host markets.

Limitations

As with all studies this one was subject to limitations. The study employed samples from only two cultures. While there is certain logic to employ more than two cultures, it was decided to restrict the study to the US and China because this would likely yield a more rigorous study than if conducted with multiple cultures (Javalgi *et al.*, 2003). It also provides a greater opportunity to gain a more sound and in-depth understanding of differences between individuals in these two cultures than would be achieved with multiple cultures. Because the study used only one brand and samples from relatively narrow age and socio-economic ranges, the findings cannot be assumed to be generalizable to other age and socio-economic ranges, or to other brands. Lastly, as noted by Huang (2002), while sound and in-depth steps were taken to ensure the English and Chinese survey versions were conceptually similar; one cannot discount that the

dissimilarities and nuances of each culture's language may lead to some unfound differences between the two versions.

Future research

Future studies should continue building knowledge of comparative cross-cultural differences, and probing of the standardization versus localization. As noted by Ryans *et al.* (2003):

For over 40 years academicians and practitioners have debated the (value) of standardization versus adaptation (localization) of international marketing strategy. Despite the importance of, and tremendous interest in the topic, and the volume of scholarly activity this topic has generated, the debate remains unresolved. One reason may be because the last 40 years of scholarly research has advanced without a strong underlying theoretical framework (p. 588).

Because knowledge into the standardization vs. localization debate will likely be built in incremental steps, future studies need to build upon the study discussed here. In addition, studies need to consider additional brands and sample groups. For example, one might want to include brands that are more expensive and entail greater consumer involvement than KFC, in that they would shed light into our knowledge of brand equity with disparate product groups.

References

- Aaker, D.A. (1992), "The value of brand equity", *The Journal of Business Strategy*, Vol. 3, pp. 27-32.
- Aaker, D.A. (1995), "Building strong brands", *Brandweek*, Vol. 36 No. 37, pp. 28-32.
- Anderson, D., Plotnikoff, R.C., Raine, K. and Barrett, L. (2005), "Development of measures of individual leadership for health promotion", *International Journal of Health Care Quality Assurance*, Vol. 18 Nos 2/3, pp. R1-R12.
- Armstrong, G. and Kotler, P. (2003), *Marketing: An Introduction*, 6th ed., Prentice-Hall, Upper Saddle River, NJ.
- Barnes, J.G. (2003), "Establishing meaningful customer relationships: why some companies and brands mean more to their customers", *Managing Service Quality*, Vol. 13 No. 1, pp. 178-86.
- Begley, T.M. and Tan, W. (2001), "The socio-cultural environment of entrepreneurship: a comparison between East Asian and Anglo-Saxon countries", *Journal of International Business Studies*, Vol. 32 No. 3, pp. 537-53.
- Belson, W.A. (1981), *The Design and Understanding of Survey Questions*, Gower Publishing, Aldershot.
- Berthon, P., Holbrook, M.B. and Hulbert, J.M. (2003), "Understanding and managing the brand space", *Sloan Management Review*, Vol. 44 No. 2, pp. 49-54.
- Berthon, P., Hulbert, J.M. and Pitt, L.F. (1999), "Brand management prognostications", *Sloan Management Review*, Vol. 40 No. 2, pp. 53-65.
- Borin, N. and Farris, P.W. (2002), "Category management models: where do we go from here?", *American Marketing Association, Conference Proceedings*, Vol. 13, pp. 151-60.
- Brady, M.K., Cronin, J.J., Fox, G.L. and Roehm, M.L. (2008), "Strategies to offset performance failures: the role of brand equity", *Journal of Retailing*, Vol. 4 No. 2, pp. 151-64.
- Brouthers, L.E. and Nakos, G. (2005), "The role of systematic international market selection on small firms' export performance", *Journal of Small Business Management*, Vol. 43 No. 4, pp. 363-81.
- Broyles, S.A., Schumann, D.W. and Leingspibul, T. (2009), "Examining brand equity antecedent/consequence relationships", *The Journal of Marketing Theory and Practice*, Vol. 17 No. 2, pp. 145-61.
- Buckley, P.J. and Casson, M. (2007), "Edith Penrose's theory of the growth of the firm and the strategic management of multinational enterprises", *Management International Review*, Vol. 47 No. 2, pp. 151-73.
- Calderon, H., Cervera, A. and Molla, A. (1997), "Brand assessment: a key element of marketing strategy", *Journal of Product & Brand Management*, Vol. 6 No. 5, pp. 293-306.
- Cano-Garcia, F. and Hughes, E.H. (2000), "Learning and thinking styles: an analysis of their interrelationship and influence on academic achievement", *Educational Psychology*, Vol. 20 No. 4, pp. 413-30.
- Chaudhuri, A. and Holbrook, M.B. (2002), "Product-class effects on brand commitment and brand outcomes: the role of brand trust and brand affect", *Journal of Brand Management*, Vol. 10 No. 1, pp. 33-58.
- Chen, A.C. (2001), "Using free association to examine the relationship between the characteristics of brand associations and brand equity", *Journal of Product & Brand Management*, Vol. 10 Nos 6/7, pp. 439-51.
- Churchill, G.A. Jr (1979), "A paradigm for developing better measures of marketing constructs", *Journal of Marketing Research*, Vol. 16 No. 1, pp. 64-73.
- Contractor, F.J. (2007), "Is international business good for companies? The evolutionary of multi-stage theory of internationalization vs the transaction cost perspective", *Management International Review*, Vol. 47 No. 3, pp. 453-75.
- Cuervo-Cazurra, A., Maloney, M.M. and Manrakhan, S. (2007), "Causes of the difficulties in internationalization", *Journal of International Business Studies*, Vol. 38 No. 5, pp. 707-25.
- Dant, R.P., Perrigot, R. and Cliquet, G. (2008), "A cross-cultural comparison of the plural forms in franchise networks: United States, France, and Brazil", *Journal of Small Business Management*, Vol. 46 No. 2, pp. 286-311.
- de Chernatony, L. and Riley, F.D. (1997), "Brand consultants' perspectives on the concept of 'the brand'", *Marketing and Research Today*, Vol. 25, February, pp. 45-53.
- Deshpandé, R., Farley, J.U. and Webster, F.E. Jr (2000), "Triad lessons: generalizing results on high performance firms in five business-to-business markets", *International Journal of Research in Marketing*, Vol. 17 No. 4, pp. 353-62.
- Dillman, D.A. (1978), *Mail and Telephone Surveys*, John Wiley & Sons, New York, NY.
- Dillman, D.A. (2000), "Constructing the questionnaires", *Mail and Internet Surveys: The Total Design Method*, John Wiley & Sons, New York, NY.
- Dolven, B. (2003), "Into China's new frontier", *Wall Street Journal - Eastern Edition*, Vol. 241 No. 35, p. 35.
- Dunning, J.H. (1989), "The study of international business: a plea for a more interdisciplinary approach", *Journal of International Business Studies*, Vol. 29, Fall, pp. 411-36.
- Farquhar, P.H. (1999), "Brand waves: building momentum throughout the ownership cycle", *Marketing Management*, Vol. 9, pp. 14-21.
- Feldwick, P. (1996), "What is brand equity anyway, and how do you measure it?", *Journal of the Market Research Society*, Vol. 38, April, pp. 85-104.
- Ferraro, G.P. (2002), *The Cultural Dimension of International Business*, 4th ed., Prentice-Hall, Upper Saddle River, NJ.

- Firat, A.F. (1995), "Consumer culture or culture consumed?", in Arnold Costa, J. and Bamossy, G.J. (Eds), *Marketing in a Multicultural World*, Sage Publications, Thousand Oaks, CA, pp. 105-25.
- Gordon, W. (1994), "Retailer brands – the value equation for success in the '90s", *Journal of Market Research*, Vol. 36 No. 3, pp. 65-181.
- Guerrero, L., Colomer, Y., Guardia, M.D., Xicola, J. and Clotet, R. (2000), "Consumer attitude towards store brands", *Food Quality and Preference*, Vol. 11, pp. 387-95.
- Hair, J.F. Jr, Black, W.C., Babin, B.J., Anderson, R.E. and Tatham, R.L. (2006), *Multivariate Data Analysis*, 6th ed., Prentice-Hall, Upper Saddle River, NJ.
- He, Y., Merz, M.A. and Alden, D.L. (2008), "Diffusion of measurement invariance assessment in cross-national empirical marketing research: perspectives from the literature and a survey of researchers", *Journal of International Marketing*, Vol. 16 No. 2, pp. 64-83.
- Heberden, T. (2002), "Brand value management", *AFP Exchange*, Vol. 22 No. 4, pp. 58-62.
- Hennart, J. (2007), "The theoretical rationale for a multinationality-performance relationship", *Management International Review*, Vol. 47 No. 3, pp. 423-52.
- Hoeffler, S. and Keller, K.L. (2003), "The marketing advantages of strong brands", *Journal of Brand Management*, Vol. 10 No. 6, pp. 421-45.
- Holbrook, M.B. and Hirschman, E.C. (1982), "The experiential aspects of consumption: consumer fantasies, feelings, and fun", *Journal of Consumer Research*, Vol. 9, September, pp. 132-40.
- Hsieh, M. and Lindridge, A. (2005), "Universal appeals with local specifications", *Journal of Product & Brand Management*, Vol. 14 No. 1, pp. 14-28.
- Huang, C. (2002), "Rich use of words not lost in translation", *Hong Kong Mail*, November 8.
- Inglehart, R. (2000), "Globalization and postmodern values", *Washington Quarterly*, Vol. 23 No. 1, pp. 215-28.
- Inglehart, R. (2001), "Modernization's challenge to traditional values: who's afraid of Ronald McDonald?", *The Futurist*, Vol. 35 No. 2, pp. 16-21.
- Inglehart, R. and Baker, W.E. (2000), "Modernization, cultural change, and the persistence of traditional values", *American Sociological Review*, Vol. 65, pp. 19-51.
- Iverson, M.J. (2008), "Measuring Chandler's impact on European business studies since the 1960s", *Business History Review*, Vol. 82 No. 2, pp. 279-93.
- Javalgi, R.G., Griffith, D.A. and White, D.S. (2003), "An empirical examination of factors influencing the internationalization of service firms", *Journal of Services Marketing*, Vol. 17 Nos 2/3, pp. 185-201.
- Kayaman, R. and Arasli, H. (2007), "Customer-based brand equity: evidence from the hotel industry", *Managing Service Quality*, Vol. 17 No. 1, pp. 92-109.
- Keller, K.L. (1993), "Conceptualizing, measuring, and managing customer-based brand equity", *Journal of Marketing*, Vol. 57, January, pp. 1-22.
- Keller, K.L. (1999), "Managing brands for the long run: brand reinforcement and revitalization strategies", *California Management Review*, Vol. 41 No. 3, pp. 102-23.
- Keller, K.L. (2000), "The brand report card", *Harvard Business Review*, Vol. 78 No. 1, pp. 147-57.
- Keller, K.L. (2002), *Branding and Brand Equity*, Marketing Science Institute, Cambridge, MA.
- Keller, K.L. (2003), *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*, Prentice-Hall, Upper Saddle River, NJ.
- Lassar, W., Mittal, B. and Sharma, A. (1995), "Measuring customer-based brand equity", *Journal of Consumer Marketing*, Vol. 12 No. 4, pp. 11-19.
- Lawrence, S.V. (1990), "Beijing business", *US News and World Report*, Vol. 109, p. 17.
- Lin, C.C. and Lin, J. (2008), "Capitalism in contemporary China: globalization strategies, opportunities, threats, and cultural issues", *Journal of Global Business Issues*, Vol. 2 No. 1, pp. 31-40.
- Liu, R.R. and McClure, P. (2001), "Recognizing cross-cultural differences in consumer complaint behavior and intentions: an empirical examination", *Journal of Consumer Marketing*, Vol. 18 No. 1, pp. 54-75.
- Mallinckrodt, B. and Wang, C.C. (2004), "Quantitative methods for verifying semantic equivalence of translated research instruments: a Chinese version of the experiences in close relationships scale", *Journal of Counseling Psychology*, Vol. 51 No. 3, pp. 368-79.
- Monga, A.B. and John, D.R. (2007), "Cultural differences in brand extension evaluation: the influence of analytic versus holistic thinking", *Journal of Consumer Research*, Vol. 33 No. 4, pp. 529-40.
- Mullen, M.R. (1995), "Diagnosing measurement equivalence in cross-national research", *Journal of International Business Studies*, Vol. 26 No. 3, pp. 573-96.
- Myers, M.B., Calantone, R.J., Page, T.J. Jr and Taylor, C.R. (2000), "An application of multiple-group causal models in assessing cross-cultural measurement equivalence", *Journal of International Marketing*, Vol. 8 No. 4, pp. 108-21.
- Nisbett, R.E., Peng, K., Choi, I. and Norenzayan, A. (2001), "Culture and systems of thought: holistic versus analytic cognition", *Psychological Review*, Vol. 108 No. 2, pp. 291-310.
- Occhionero, M.F. (2000), "Generations and value change across time", *International Review of Sociology*, Vol. 10 No. 2, pp. 223-33.
- Oumlil, B. and Rao, C.P. (2005), "Special issue on globalization and its challenges to marketing", *Journal of Marketing Theory and Practice*, Vol. 13 No. 4, pp. 5-7.
- Podsakoff, P.M. and Organ, D.W. (1986), "Self-reports in organizational research: problems and prospects", *Journal of Management*, Vol. 12 No. 4, pp. 531-44.
- Roll, M. (2006), "New paradigm for the Asian boardroom – brand equity", *Journal of Business Strategy*, Vol. 27 No. 6, pp. 41-5.
- Ross, R.H., Broyles, S.A. and Leingspibul, T. (2008), "Alternative measures of satisfaction in cross-cultural settings", *Journal of Product & Brand Management*, Vol. 17 No. 2, pp. 82-91.
- Ryans, J.K. Jr, Griffith, D. and White, D.S. (2003), "Standardized/adaptation of international marketing strategy: necessary conditions for the advancement of knowledge", *International Marketing Review*, Vol. 20 No. 6, pp. 588-603.
- Singh, J. (1995), "Measurement issues in cross-national research", *Journal of International Business Studies*, Vol. 26 No. 3, pp. 597-619.
- Singh, M., Faircloth, S. and Nejadmalayeri, A. (2005), "Capital market impact of product marketing strategy: evidence from the relationship between advertising

- expenses and cost of capital”, *Journal of the Academy of Marketing Science*, Vol. 33 No. 4, pp. 432–44.
- Solberg, C.A. (2002), “The perennial issue of adaptation or standardization of international marketing communication? Organizational contingencies and performance”, *Journal of International Marketing*, Vol. 10 No. 3, pp. 1–21.
- Srivastava, R.K. and Shocker, A.D. (1991), “Brand equity: a perspective on its meaning and measurement”, working paper, Marketing Science Institute, Boston, MA, pp. 91–124.
- Steenkamp, J.E.M. and Baumgartner, H. (1998), “Assessing measurement invariance in cross-national consumer research”, *Journal of Consumer Research*, Vol. 25 No. 1, pp. 78–90.
- Steenkamp, J.E.M. and Baumgartner, H. (2000), “On the use of structural equation models for marketing modeling”, *International Journal of Research in Marketing*, Vol. 17 Nos 2/3, pp. 195–202.
- Szymanski, D.M. and Henard, D.H. (2001), “Customer satisfaction: a meta-analysis of the empirical evidence”, *Journal of the Academy of Marketing Science*, Vol. 29 No. 1, pp. 16–35.
- Ter Hofstede, F., Wedel, M. and Steenkamp, J.E.M. (2002), “Identifying spatial segments in international markets”, *Marketing Science*, Vol. 21 No. 2, pp. 160–77.
- Triandis, H.C. (1989), “The self and social behavior in differing cultural contexts”, *Psychological Review*, Vol. 96 No. 3, pp. 506–20.
- Tseng, C., Tansuhaj, P., Hallagan, W. and McCullough, J. (2007), “Effects of firm resources on growth in multinationality”, *Journal of International Business Studies*, Vol. 38 No. 6, pp. 961–74.
- Witkowski, T.H., Ma, Y. and Zheng, D. (2003), “Cross-cultural influence on brand identity impressions: KFC in China and the United States”, *Asia Pacific Journal of Marketing and Logistics*, Vol. 15 Nos 1/2, pp. 74–88.
- Yoo, B., Donthu, N. and Lee, S. (2000), “An examination of selected marketing mix elements and brand equity”, *Academy of Marketing Science*, Vol. 28 No. 20, pp. 195–211.
- Zou, S. and Cavusgil, S.T. (2002), “The GMS: a broad conceptualization of global marketing strategy and its effect on firm performance”, *Journal of Marketing*, Vol. 66 No. 4, pp. 40–56.

Corresponding author

S. Allen Broyles can be contacted at: sbroyles@fullerton.edu

Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of the article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.

Economic downturns, greater consumer awareness and global advancement in technological prowess represent just some of the pressures and competition within domestic markets that have persuaded a growing number of companies to look abroad with their brands.

Brand equity and international markets

For many firms, however, performance within foreign markets has fallen short of expectations. According to certain analysts, poor understanding of brand equity in these markets is partly to blame. Despite acknowledgement that brand equity is crucial to the success of any brand, appropriate research in unfamiliar markets remains limited. Consequently, marketing practitioners tend to standardize campaigns across different cultural settings. But it is the opinion of many researchers that organizations must acquire substantial knowledge of particular cultures and then devise market specific strategies.

Although brand equity has been extensively researched over several decades, it remains open to different interpretations. Much of this depends on the perspective from which the concept is addressed. Consumer view of brand equity is especially important as it incorporates how a product is perceived and evaluated. A key premise is that consumers generate brand equity, which then serves to determine subsequent purchase behaviors in terms of such as anticipation of risk, confidence in the purchase decision and product satisfaction.

Some analysts propose that brand equity is comprised of both functional and experiential elements and antecedents. Functional aspects are utilitarian and objective and relate to perceived quality and performance. On the other hand, experiential facets reflect the symbolic, hedonic and psychological value of the brand. A key belief is that the impact of functional and experiential aspects will vary by cultural setting. Specifically, it is argued that Westerners are driven by a desire for experiences, while their counterparts within Eastern cultures hold more utilitarian-oriented values.

Survey and results

Broyles *et al.* aim to extend current knowledge by investigating these issues in a study involving respondents from the US and China. Using a US sample was considered a logical choice as much research has already been carried out there. The recognized cultural divide between a traditional Eastern culture like mainland China and western cultures typified by the US provides a similarly strong rationale for selecting Chinese subjects. Strong economic growth in China and the country's growing appeal among many western companies further justifies the decision. It is anticipated that aspects of brand equity will have differing effects within the two samples because of the proven dissimilarities that exist in value systems and ways of thinking. Thus, American individuals are expected to value the experiential facets of brand equity more highly, while the functional aspects will hold greater appeal within the Chinese sample.

In order to provide homogeneity within each group and therefore enable better comparison between the two samples, university students in the US and China were employed in the study. Of the 278 US respondents, 54 percent were male and 46 percent female. Males accounted for 40 percent of the 300-strong Chinese sample and females 60 percent. The average age in both samples was 19–20 years-old. KFC was selected as the subject brand on the basis of its familiarity to consumers in both cultures and its relative affordability and availability.

Hypotheses were formed and tested in order to explore the significance of functional and experiential aspects of brand equity. Survey findings indicated statistical support for certain brand equity facets in a cross-cultural setting but not for

others. For instance, mixed results were produced in relation to the supposition that experiential aspects of brand equity will be more significant for American consumers and functional aspects for those in the Chinese sample. With regard to experiential facets, the authors found that:

- behavioral loyalty had a greater affect on purchase activity for Americans;
- among the Chinese sample, behavioral loyalty was more influential on imagery and perceived quality;
- for US participants, attitude influenced quality and resonance; and
- the impact of attitude had more impact on performance for Chinese respondents.

Results for the functional aspects were also mixed. For instance, it was indicated that perceptions of quality and performance among Chinese participants is strongly determined by the reliability antecedent. The American sample revealed that the performance element was more influential on the consequences of brand equity.

Marketing suggestions and further research

Although the results indicate that certain directional paths are more significant within the respective western and eastern cultural groups, Broyles *et al.* point out that the statistical significance is not strong enough to warrant the development of separate marketing strategies for the US and Chinese markets. It is therefore suggested by the authors that standardized strategies may be appropriate for products similar in profile to KFC.

Researchers have noted previously that employing uniform marketing strategies can positively impact on costs involved. Such results can become attainable because of the scope to: achieve production and marketing economies of scale, globally implement ideas and homogenize customer dealings. And by narrowing the divide between developed and developing countries, standardization can additionally help to increase market size. Marketers are nevertheless urged to consider nuances in language and local tastes when introducing and marketing brands in China or other international markets.

The decision to consider only two cultures in the present study was taken in order to obtain greater depth to findings. Future research using multiple cultures may therefore be needed before generalizations can be assumed. Broyles *et al.* likewise acknowledge that restricting the survey to a single brand and specific sample groups is likely to produce a similarly limiting effect. A consideration of additional brands and sample populations in future work is recommended. Scholars may also like to extend the current survey through exploration of different product groups and, in particular, more expensive brands where consumer involvement is typically much higher than with KFC.

(A précis of the article "Brand equity's antecedent/consequence relationships in cross-cultural settings". Supplied by Marketing Consultants for Emerald.)